

# BUSINESS PLAN

Mwanchi Mabati Limited

TIN: 158719061

## *Table of Content*

|   |           |
|---|-----------|
| <b>1. Analysis of Investment Environment in Tanzania .....</b>          | <b>3</b>  |
| 1.1 Population .....  | 3         |
| 1.2 Politics .....  | 5         |
| 1.3 Economic .....  | 6         |
| 1.4 Industry .....  | 8         |
| 1.5 Finance and Taxation .....  | 12        |
| 1.6 International Trading .....   | 20        |
| <b>2. Project Introduction .....</b>                                    | <b>24</b> |
| 2.1 Technical scheme of fully Automatic CNC Leveling Machine Line ..... | 24        |
| 2.2 HX-3200 Flattening Machine .....                                    | 30        |
| 2.3 Equipment Configuration of PE16-110 Pipe line .....                 | 33        |
| 2.4 Equipment and raw material procurement .....                        | 39        |

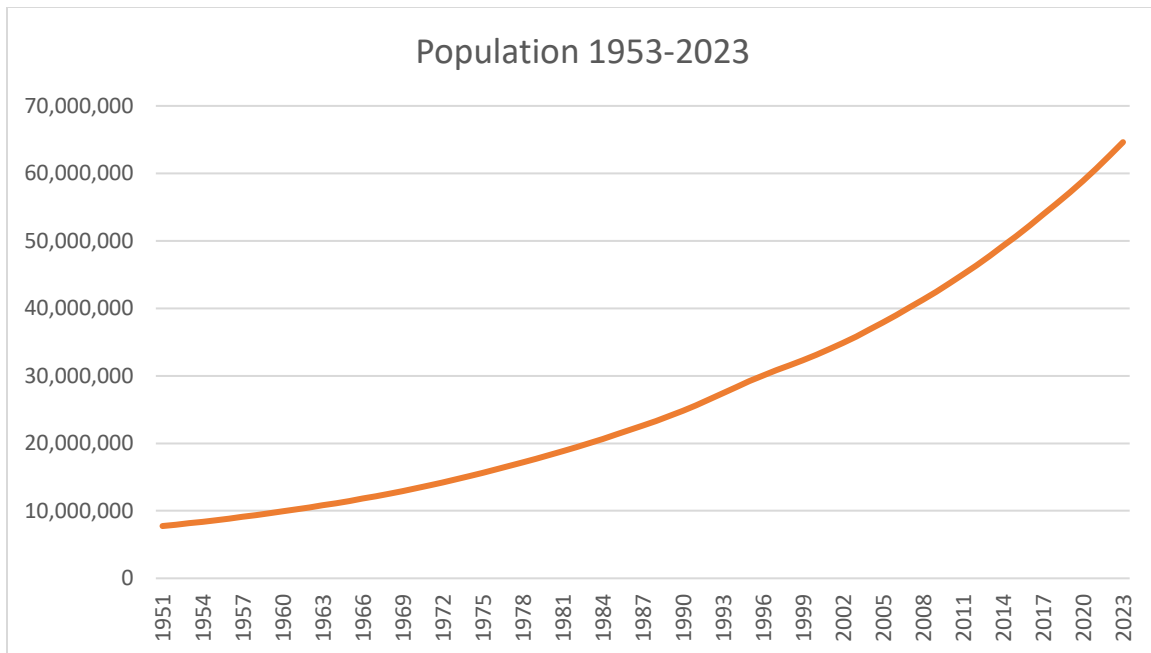
|  |       |    |
|--|-------|----|
| <b>3. SWOT Analysis</b>  | ..... | 40 |
| 3.1 Strengths  | ..... | 40 |
| 3.2 Weaknesses   | ..... | 41 |
| 3.3 Opportunities  | ..... | 42 |
| 3.4 Threats  | ..... | 42 |
| 3.5 Our Mission  | ..... | 43 |
| <b>4. Human Resource</b>   | ..... | 44 |
| 4.1 Human Resource Plan  | ..... | 45 |
| 4.2 Organization Chart   | ..... | 45 |
| <b>5. Investment plan - equipment and raw materials, material procurement list</b> | ..... | 46 |
| 5.1 Investment Plan  | ..... | 46 |
| 5.2 Lists of Imported Machinery  | ..... | 47 |
| 5.3 Sources of Fund  | ..... | 48 |
| <b>6. Financial Analysis</b>   | ..... | 49 |
| 6.1 Depreciation Analysis  | ..... | 49 |
| 6.2 Purchase Cost Parameters   | ..... | 50 |
| 6.3 Five-year cost-income-cash flow analysis                                       | ..... | 52 |
| <b>7. Analysis of Risks</b>  | ..... | 54 |
| <b>8. Conclusion</b>   | ..... | 55 |

# 1. Analysis of Investment Environment in Tanzania

## 1.1 Population

During 2023 Tanzania population is projected to increase by 2,039,615 people and reach 66,666,192 in the beginning of 2024. The natural increase is expected to be positive, as the number of births will exceed the number of deaths by 2,091,962. If external migration will remain on the previous year level, the population will be declined by 52,348 due to the migration reasons. It means that the number of people who leave Tanzania to settle permanently in another country (emigrants) will prevail over the number of people who move into the country (to which they are not native) in order to settle there as permanent residents (immigrants).

As of 1 January 2023, the population of Tanzania was estimated to be 64,626,577 people. This is an increase of 3.16 % (1,977,214 people) compared to population of 62,649,363 the year before. In 2022 the natural increase was positive, as the number of births exceeded the number of deaths by 2,027,960. Due to external migration, the population declined by 50,746. The sex ratio of the total population was 0.999 (999 males per 1,000 females) which is lower than global sex ratio. The global sex ratio in the world was 106 male births per 100 female births.



Tanzania population density is 68.2 people per square kilometer (176.7/mi<sup>2</sup>) as of January 2023. The total area of Tanzania is 947,300 km<sup>2</sup> (365,755 mi<sup>2</sup>) according to the United Nations Statistics Division.

As of the beginning of 2023 according to our estimates Tanzania had the following population age distribution: 42% of population under 15, 55.1% of population between 15 and 64 years old, only 2.9% of population over 65 years old.

As we can see the Tanzania population pyramid has an expanding type. This type of pyramid is common for developing countries with high birth and death rates. Relatively short life expectancy, as well as low level of education and poor health care are also describe such kind of population age distribution model.

**Source: The estimation data for section "Tanzania age structure" is based on the latest demographic and social statistics by United Nations Statistics Division**

Dependency ratio of population is a ratio of people who are generally not in the labor force (the dependents) to workforce of a country (the productive part of population). The dependent part includes the population under 15 years old and people aged 65 and over. The

productive part of population accordingly consists of population between 15 and 64 years. This ratio shows the pressure on productive population produced by the dependent part of population. The total dependency ratio of population in Tanzania is 81.5 %.

As we can see the dependent part of population is comparable to the working part. It means that each working person in Tanzania must provide goods for himself and cover expenditure on one child or aged person additionally. The value of 81.5 % shows that the pressure on productive population in Tanzania is very high.

Child dependency ratio is a ratio of people below working age (under 15) to workforce of a country. Child dependency ratio in Tanzania is 76.2 %.

Aged dependency ratio is a ratio of people above working age (65+) to workforce of a country. Aged dependency ratio in Tanzania is 5.3 %.

**Source: The estimation data for section "Tanzania age dependency ratio" is based on the latest demographic and social statistics by United Nations Statistics Division**

According to our estimates 30,087,713 persons or 80.27% of adult population (aged 15 years and above) in Tanzania are able to read and write. Accordingly about 7,397,640 adults are illiterate. Literacy rate for adult male population is 84.82% (15,609,299 persons). 2,793,119 are illiterate. Literacy rate for adult female population is 75.87% (14,478,414 persons). 4,604,521 are illiterate. Youth literacy rates are 87.45% and 87.17% for males and females accordingly. The overall youth literacy rate is 87.31%. Youth literacy rate definition covers the population between the ages of 15 to 24 years.

**Source: The estimation data for section "Tanzania population literacy" is based on the latest data published by UNESCO Institute for Statistics (retrieved March 13, 2016)**

## **1.2 Politics**

The politics of Tanzania takes place in a framework of a unitary presidential democratic republic, whereby the President of Tanzania is both head of state and head of government, and of a multi-party system.

Executive power is exercised by the government. Legislative power is vested in both the government and parliament. The party system is dominated by the Chama Cha Mapinduzi (Revolutionary State Party). The Judiciary is independent of the executive and the legislature.

The Economist Intelligence Unit rated Tanzania a "hybrid regime" in 2019.

Tanzania's president is elected by direct popular vote for a 5-year term. The president appoints a prime minister who serves as the government's leader in the National Assembly. The president selects his cabinet from among National Assembly members. The Constitution also empowers him to nominate 10 non-elected members of Parliament, who also are eligible to become cabinet members.

For administrative purposes, Tanzania is divided into 30 regions—25 in the mainland and 5 on Zanzibar. Ninety-nine districts have been created to further increase local authority. These districts are also now referred to as local government authorities. Currently there are 114 councils operating in 99 districts, 22 are urban and 92 are rural. The 22 urban units are classified further as city (Dar es Salaam and Mwanza), municipal (Arusha, Bukoba, Dodoma, Iringa, Kigoma-Ujiji, Lindi, Moshi, Mbeya, Morogoro, Musoma, Mtwara-Mikindani, Singida, Shinyanga, Tabora, and Tanga), and town councils.

Source: Wikipedia/Google.com

## **1.3 Economy**

Over the past decade, despite rapid population growth, Tanzania has achieved relatively strong economic growth and declining poverty rates. The country remains a lower middle-income country despite the global pandemic-induced contraction of GDP per capita in 2020. Much of the country's development success over the decade was predicated on its strategic maritime location, rich and diverse natural resources, and socio-political stability, as well as its rapidly growing tourism. With an

area of 947,000 square kilometers, Tanzania has a population of about 61.5 million, of which about a third live in urban areas. Tanzania's 2021 GDP was \$67.8 billion, while its per capita income in 2021 was about \$1,136.

President Samia Suluhu Hassan was sworn in on March 19, 2021, as the United Republic of Tanzania's sixth, and first woman, president. Her policies and programs reflect an evolving social and economic context, but the broad policy objectives remain guided by the Tanzania Development Vision 2025 and its supporting five-year development plans.

The government has revived proactive engagement with multilateral and bilateral development partners in the region and worldwide and has implemented a strategy to contain the COVID-19 pandemic, including a COVID-19 National Vaccine Deployment Plan. The government has taken steps to re-open the civic and media space, and embarked on important investments in public services delivery, particularly in health and education, while enhancing accountability and transparency within the public service. It has also reaffirmed the private sector as an engine of economic growth by addressing major constraints on private investment.

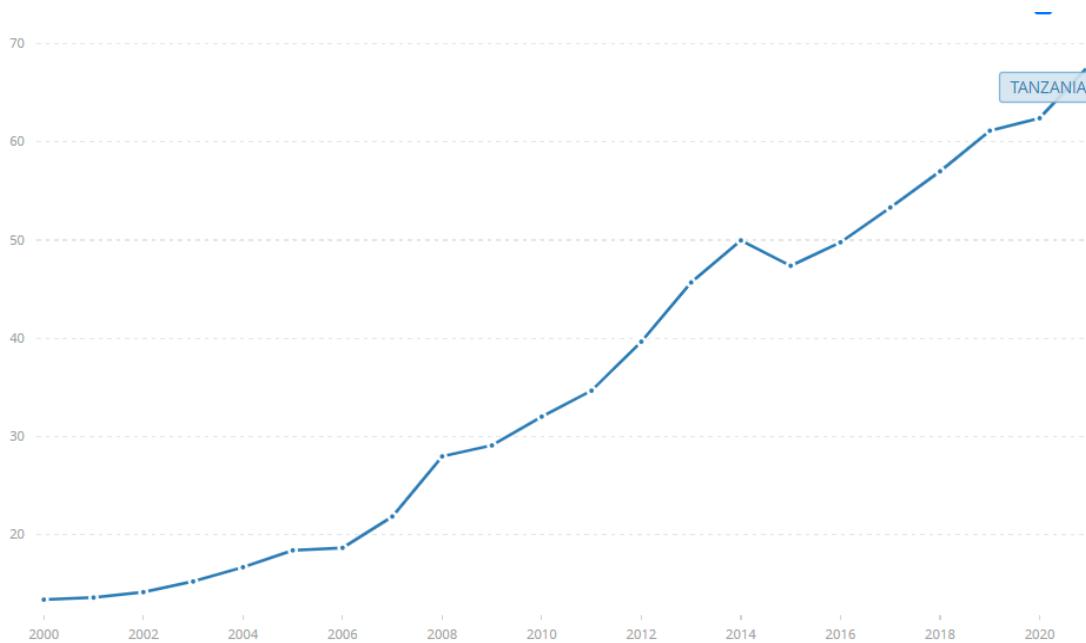
Economic activity in Tanzania is recovering, with the 2022 real GDP growth rate projected to reach 4-5% (2021 at 4.3%, up from 2% in 2020). The accommodation and restaurants, mining, ICT, transport, and electricity sectors are driving the recovery. High-frequency indicators suggest that while economic activities were expanding, they have not yet reached pre-pandemic levels. Leading indicators such as cement production, electricity generation, private-sector credit, goods and services exports, nonfuel goods imports, telecommunications, and tourist arrivals have continued to increase (June 2022), though activity in most sectors remains below pre-pandemic levels. Driven by higher energy and food prices, inflation has increased but remains manageable at 4.5% (July 2022).

As in mainland Tanzania, official data for Zanzibar shows that economic activity is recovering. Real GDP grew by 5.1% in 2021, following significant slowdown to 1.3% in 2020 due to the impact of the COVID-

19 pandemic on the tourism-dominated services sector which accounts for nearly 50% of Zanzibar’s GDP.

Source: The World Bank in Tanzania/Google.com

### Tanzania GDP 2000-2021



### 1.4 Industry

The manufacturing sector in Tanzania is still relatively small but has a significant contribution to the country’s overall GDP. Over the past decade the sector has averaged 8% of GDP and 4% annual growth rate. Most of the manufacturing activities is centered on simple consumer products such as foods, beverages, tobacco, textiles, chemicals, plastic, wood and steel allied products.

The recent development agenda in the country has brought industrial development back as one of the country’s policy priorities. Policy

makers have made it a point to lead the process of transforming the country's economy from low productivity and low growth to high productivity and dynamic economy, associated with structural change and sustained income growth.

Currently the domestic value addition is limited by the dependence of imported intermediate goods, signifying limited inter-industry linkages that are important for promoting domestic manufacturing base and employment. Various technological, financial, policy, and administrative constraints remain unresolved and therefore, limiting faster industrial growth and transformation. This could also serve as an opportunity for foreign companies to supply services and technologies to fill this gap.

Tanzania in recent years has witnessed growth in the construction industry. This includes both private projects such as residential and commercial real estate as well public projects such as construction of roads, railways, bridges, water systems, telecommunications, and air transport networks to name a few.

There has been a consistent, yearly increase in government spending on infrastructure this past decade which has acted as a stimulant for continued inflows of investments in the construction industry. The infrastructure sector has been the key beneficiary of 2021-22 budget as Tanzania commences the third phase of country's Five-Year Development Plan.

Projects to be financed by the government under the plan include the construction of the Standard Gauge Railway (included in the TZS 1.19 trillion allocated for railways), construction of Julius Nyerere Hydropower Project (2,115 MW) (included in TZS 2.34 trillion allocated to power projects), strengthening Air Tanzania Company Ltd, and construction of Crude Oil Pipeline Project from Hoima (Uganda) to Chongoleani, Tanga (Tanzania), and the Busisi bridge in Mwanza.

As of 2020, construction contributed 14.4 percent to the country's GDP.

Real Estate

Tanzania's real estate sector contributed 3.1 % to the country's real GDP with USD 1.5 billion in 2019, compared to USD 1.2 billion in 2015, an increase of 25%. The large residential housing market is dominated by individual homebuilders who account for over 70% of the total supply.

Housing demand is increasing by about 200,000 units annually, with the current housing deficit estimated at about 3 million units, according to Tanzania Ministry of Lands, Housing and Human Settlements Development.

Commercial real estate is also on the rise as the country emerges as a middle-income economy. Dar es Salaam is the main area of office and retail activity with a retail stock of 153,000 sqm. The main premium malls are Mlimani City Mall in Mwenge, Aura Mall in Upanga, and Mkuki Mall in Kisutu.

The formal retail sector in Dar es Salaam remains undersupplied presenting investors with an opportunity for growth.

## Transport

Tanzania transport consists of surface transport (road and railways), inland waterways (lakes and rivers), air transport and sea transport. It is estimate that the sector contributed 8.1% percent to the country's GDP in 2018 with USD 3.8 billion.

Improving the transportation infrastructure is a key priority for the Government of Tanzania. Improving the nation's roads, ports, railways and airport infrastructure is critical for the country to improve its internal and external trade and commercial activities as Tanzania strives to become a middle-income country.

Institutions such as World Bank and African Development Bank continue to support Tanzania in achieving its infrastructure development goals through provision of grants and credits.

## Roads

According to Tanzania's 2025 Development Vision, the government has prioritized development of road networks which is the most widely used form of Transport carrying over 90% of passengers and 75% of cargo in the country.

The road network in Tanzania currently comprises 86,472 kilometers of roads, of which 12,786 kilometers are trunk roads, 21,105 kilometers are regional roads and the remaining 52,581 kilometers are district, urban and feeder roads.

Tanzania National Roads Agency (TANROADS) is managing the national road network of about 33,891 kilometers, comprising 12,786 kilometers of trunk and 21,105 kilometers of regional roads.

## Rail

This is another important mode of transport linking regions within and outside Tanzania. Tanzania railway is operated by two railway systems, Tanzania Railway Corporation and Tanzania Zambia Railways (TAZARA).

The new standard gauge railway is under construction to replace the old inefficient meter gauge railway system. The railway system will link Tanzania with neighboring countries of Rwanda and Uganda and through these two, to Burundi and the Democratic Republic of the Congo, as part of East African Railway Master Plan.

Up until February 2020, the government of Tanzania was using locally generated funds and short-term temporary loans to fund the construction of the first two phases of this standard gauge railway project.

In February 2020, the government received a syndicated loan worth US\$1.46 billion, towards the completion of the first two phases of the national SGR. The financing package has Standard Chartered as lead arranger and the Export Credit Agencies of Denmark and Sweden, as major funding sources. The combined contract value for the first two phases is US\$2.35 billion with US\$950 million worth of funding to be

organized by the Tanzania Ministry of Finance and the remaining US\$1.45 billion by Yapı Merkezi.

**Air:** The government has also made effort to develop the air transport in the country through constructing of new airports and terminals. In 2019, the AfDB approved a USD 272.12 million loan to Tanzania for the construction of a new international airport in the capital Dodoma. The new airport will be built in the district of Msalato, 12 kilometers from the capital Dodoma. The new facility is expected to handle at least 50,000 aircrafts and one million passengers per year.

**Ports:** Tanzania Ports Authority (TPA) is implementing several major projects as outlined in the National Ports Master Plan (PMP). The study laid out long term strategy for Tanzanian Ports to create capacity for the expected demand. One of such projects is the Dar es Salaam Maritime Gateway Project (DMGP).

DMGP plans to improve port effectiveness and efficiency by converting the port into a world class port with optimized efficiency to accommodate the calling and reception of larger vessels.

Port modernization projects include but are not limited to strengthening and deepening of berths 1-7 and RORO terminal, dredging of entrance channel, turning circle and harbor basin, strengthening and deepening berths 8-11, and constructing a new terminal jetty.

## **1.5 Finance and Taxation**

Foreign exchange reserves are assets held on reserve by a central bank in foreign currencies with the aim of meeting international financial obligations, including sovereign and commercial debts, and financing of imports.

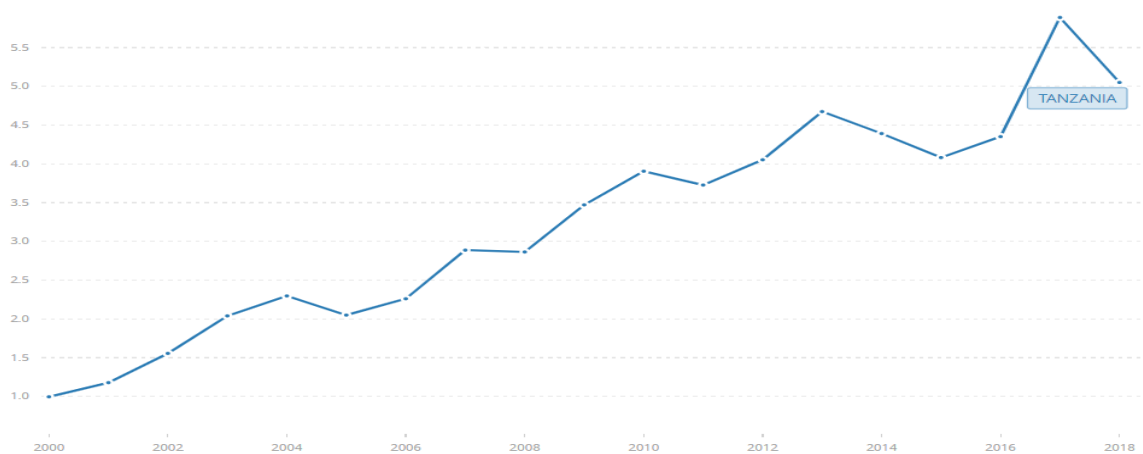
The last time foreign exchange reserves fell to 4.2 months was at the end of February 2017 when gross official reserves were around \$4.35 billion.

At \$6.7 billion in October 2021, Tanzania had foreign exchange reserves that could cover imports for seven months, the highest figure in almost 17 years.

However, there was a tide of change at the beginning of 2022 after Russia's invasion of Ukraine in February 2022 triggered rising energy costs, surges in commodities prices, and significant damage to the global value chains.

As a result, Tanzania's foreign reserves dropped by 15.31 percent from \$5.85 billion at the end of February 2022 to \$4.96 billion at the end of September 2022.

## Total reserves (includes gold, current US\$) - Tanzania



## Tanzania Exchange Rate Trend

**USD to TZS Chart** +1.12% (1Y)

● 1 USD = 2,330.58 TZS Jan 12, 2023, 16:44 UTC

US Dollar to Tanzanian Shilling



## Taxation System in Tanzania

The tax regime in Tanzania consists of a number of direct and indirect taxes including income tax, Value Added Tax, import duty, excise duty, and stamp duty. There are also taxes levied at the local government level. All central government taxes are administered by the Tanzania Revenue Authority (TRA).

The authority has three tax departments (Domestic Revenue, Customs and Excise, and Large Taxpayers (in respect of all taxes)). TRA is headed by a Commissioner General in charge of tax collection and day to day administration. The Ministry of Finance oversees the tax policy.

Generally, Tanzania uses the self-assessment approach with a requirement to file a tax return at the end of the year. Tax payment is on a quarterly basis. Withholding tax arrangement applies to individuals deriving income solely from employment (PAYE) and also to non-resident taxpayers with Tanzania source income. VAT is accounted for monthly. Here are some of the taxes administered under the taxation system in Tanzania

## DIRECT TAXES

## Corporate taxes

The income tax base in Tanzania is still narrow. Taxes on consumption (customs and VAT) continue to make up the bulk of tax revenue. Employment income is heavily taxed and the tax contribution of businesses is compromised by tax exemptions and evasion. Consequently, the TRA is increasingly adopting sector-specific tax collection strategies to drive revenue collection.

### *Corporate tax rates*

The corporation tax rate is 30 percent (25 percent for companies listed on the Dar es Salaam stock exchange).

Businesses are required to estimate taxable income for the year and pay tax on that income in four quarterly installments.

Generally, income tax is imposed on a company's taxable profits after allowance for deduction on revenue expenses and wear and tear allowance on capital expenditure. There are special rules on deductions relating to deduction of interest (interest deduction is restricted to a prescribed debt/equity ratio of 70/30), losses, trading stock losses, expenditure on agricultural improvement, expenditure on research development and expenditure on environmental protection.

| <b>CLASS</b> | <b>DEPRECIABLE ASSETS</b>  | <b>RATE</b> |
|--------------|--|-------------|
| 1            | Computers and data handling equipment together with peripheral devices; automobiles, buses and minibuses with a seating capacity of less than 30 passengers, goods vehicles with a load capacity of less than 7 tonnes; construction and earth-moving equipment. | 37.5%       |
| 2            | Buses with a seating capacity of 30 or more passengers, heavy general purpose or specialised trucks, trailers and trailer-mounted containers; railroad cars, locomotives, and  | 25%         |

| CLASS | DEPRECIABLE ASSETS   | RATE        |
|-------|--|-------------|
|       | equipment; vessels, barges, tugs, and similar water transportation equipment; aircraft; other self-propelling vehicles; plant and machinery used in manufacturing or mining operations; specialised public utility plant equipment, and machinery or other irrigation installations and equipment. |             |
| 3     | Office furniture, fixtures and equipment; any asset not included in another Class.   | 13%         |
| 4     | Natural resource exploration and production rights and assets referred to in subparagraph (3) in respect of natural resource prospecting, exploration and development expenditure.   | 20%         |
| 5     | Buildings, structures and similar works of a permanent nature used in agriculture, livestock farming or fishing farming.   | 20%         |
| 6     | Buildings, structures and similar works of permanent nature other than those mentioned in Class 5.   | 5%          |
| 7     | Intangible assets other than those in Class 4.   | Useful Life |
| 8     | Plant and Machinery (including windmills, electric generators and distribution equipment) used in agriculture.   | 100%        |
| 9     | Mining exploration and development*  | 100%        |

*\*The applicable law is the old Income Tax Act, 1973*

Withholding taxes

The table below shows withholding tax rates which are currently in force for both residents and non residents.

| <b>DESCRIPTION</b>                         | <b>RESIDENTS</b> | <b>NON-RESIDENTS</b> |
|--|------------------|----------------------|
| <b>Dividends</b>                           |                  |                      |
| To company controlling 25 percent or more  | 5%               | 10%                  |
| From DSE listed company                    | 5%               | 5%                   |
| Otherwise                                  | 10%              | 10%                  |
| <b>Rent</b>                                |                  |                      |
| Land & buildings                           | 10%              | 15%                  |
| Aircraft Lease                             | 0%               | 0%                   |
| Other assets                               | 0%               | 15%                  |
| <b>Interest</b>                            | 10%              | 10%                  |
| <b>Royalty</b>                             | 15%              | 15%                  |
| <b>Natural resource payment</b>            | 15%              | 15%                  |
| <b>Service fee</b>                         | 0%               | 15%                  |
| <b>Technical service to mining company</b> | 5%               | 15%                  |
| <b>Insurance premium</b>                   | 0%               | 5%                   |

| DESCRIPTION                              | RESIDENTS | NON-RESIDENTS |
|--|-----------|---------------|
| Payments to resident persons without TIN | 2%        | N/A           |

*Tanzania has double tax treaties with nine countries which may provide for a lower rate of withholding tax on dividends.*

## Indirect taxes

### VAT

VAT is charged at a standard rate of 18 percent. Export of goods and services (provided they meet the “export criteria”) are zero-rated. The threshold for registration is above TZS 40m (approximately USD 25,000). There are two VAT regimes in Tanzania – one for Mainland Tanzania and one for Tanzania Zanzibar. Taxable persons are required to file their VAT returns at the last working day of the following month. The VAT on importation is paid on importation together with customs duty.

### Excise Duty

Another indirect tax is excise duty which is imposed on particular goods and services whether imported or locally produced. Services which are excisable include airtime from mobile phone operators and pay per view television. Goods subject to excise duty include fuel, beer, bottled water, cigarettes, spirits and wines and motor vehicles exceeding 1000cc.

### Customs (import) duty

There is a common law relating to customs duty within the EAC member countries – The East African Community Customs Management Act, 2004.

With effect from January 1, 2010, people of the EAC member countries are not be subjected to import duty on goods moving within the region (provided they conform to the rules of origin adopted under the

customs union treaty signed by the partner states). In line with the customs union is the customs common market, which is effective from July 1, 2010. This is intended to promote free movement of goods and labor within the region.

Import duty rate for goods imported from countries outside the EAC are 0% for raw material, capital goods, agricultural inputs and pure bred animals; 5% to 10% for intermediate goods; and 25% for finished goods. In addition to that, equipment and supplies imported by mining operator are taxed at 0% up to production and 5% after one year into production. Equipment and supplies imported by gas and oil explorer are taxed at 0%.

## **Personal taxes**

| <b>INCOME PER ANNUM (TZS)</b> | <b>TAX RATE</b>   |
|-------------------------------|---|
| 0 – 2,040,000                 | NIL   |
| 2,040,0001 – 4,320,000        | 14% of the amount in excess of TZS 2,040,000                          |
| 4,320,001 – 6,480,000         | TZS 319,200/annum plus 20% of the amount in excess of TZS 4,320,000   |
| 6,480,001 – 8,640,000         | TZS 751,200/annum plus 25% of the amount in excess of TZS 6,480,000   |
| Above 8,640,000               | TZS 1,291,200/annum plus 30% of the amount in excess of TZS 8,640,000 |

## **Miscellaneous taxes**

Taxes on payroll

Tax on payroll in Tanzania constitutes what is called Skills Development Levy (SDL) which is at 6 percent of the gross salary and contributions to social security funds (up to 10% of employee's basic salary). This is at the expense of the employer. SDL is used to promote skills development through vocational training.

## Taxes on property

Tax on property is usually through land rates and is administered by local government authorities.

## Other taxes

Other taxes include levies charged by local government authorities on revenue generated from conducting business in the respective municipalities. This includes the City Service Levy which is 0.3 percent on revenue payable quarterly.

The Taxation system in Tanzania can be quite daunting and difficult to navigate. This is why we advise that you seek the services of one of the best law firms in Tanzania to assist you in devising tax efficient structures for your business.

## **1.6 International Trading**

The United Republic Tanzania is an attractive market for U.S. exporters due to its relatively large population estimated to be 62 million people. This makes Tanzania the 24th largest country by population, larger than South Africa and slightly smaller than Italy (source CIA World Fact Book). In addition to its large population, Tanzania reached an important milestone in July 2020, when it formally graduated from low-income country to lower-middle-income country status. Tanzania's achievement reflects sustained macroeconomic stability that have supported growth as well as the country's rich natural endowments and strategic geographic position.

Tanzania has benefited from a relatively stable political environment and reasonable macroeconomic policies that has allowed it to maintain sustained 6 to 7% growth rates since 2000. The COVID-19 novel coronavirus crisis of 2020/21 did not spare Tanzania, but economically it fared better than many of its neighbors. The growth rate fell from 5.8 percent in 2019 to an estimated 2.0 percent in 2020, and per capita growth turned negative for the first time in over 25 years, according to the World Bank. Although, Tanzania has witnessed strong nominal economic growth, its fast-growing population (2.8% per year, world's 12th fastest) has kept average income levels relatively low. The annual GDP growth rate is projected to rise to 4.5% in 2021, but this forecast hinges on a strong and consistent recovery in global economic activity.

The COVID-19 pandemic has hit global travel and tourism especially hard, which is particularly problematic for Tanzania with the sector contributing at least 17 percent of GDP in 2019 and attracted about 25 percent of FDI inflows in 2017 (US\$247 million). The economic damage from tourism was partially offset by growth in the price of gold, a key export commodity for Tanzania.

Tanzania has an ambitious industrialization plan to transform into a middle-income economy by 2030. Energy and transportation infrastructure sectors must become more reliable and efficient if Tanzania is to reach this goal. The Government of Tanzania (GoT) is focusing on developing local industries and investing in large infrastructure, energy, and agricultural sector development, which present opportunities for U.S. exports. The private sector is also investing heavily in the mining industry after years of underinvestment.

Growth has been driven primarily by transportation, infrastructure projects, communications, agriculture, manufacturing, electricity (especially renewable sources), wholesale and retail trade, travel and tourism, real estate, and business services. U.S. exporters will find many opportunities in these sectors and products and services that will help Tanzanian industry move up the value chain in agriculture (processing and packaging equipment), mining (refining and smelting), and other key sectors.

Public and private sector participants are concerned about GoT policies that have raised questions about long-term prospects for foreign direct investment (FDI) and has fostered a more challenging business environment. Aggressive revenue collection (taxation and audit) practices and difficulties in obtaining work permits for expat workers to manage their investments have been particularly challenging.

Tanzania's main trading partner is China (\$4,960 million total trade), India (\$2,313 million), the European Union (EU) (\$1,542 million) followed by Kenya, South Africa and the U.S. in 6th position with \$367 million. Neighboring countries of the Southern African Development Community (SADC) and East African Community (EAC) countries make up a smaller, but still significant part of Tanzania trading relationship.

The United States had a \$124 million positive trade balance with Tanzania with a total trading relationship (exports plus imports) of \$367 million. U.S. key exports to Tanzania are Liquid Propane Gas (\$100 million), Aircraft parts (\$33 million), Automotive and Agricultural Machinery and Parts (\$25 million) and Chemicals and Fertilizers (\$13 million).

Tanzania exported \$121 million of products to the U.S. Tanzanian exports can be broken down into three main areas: Precious/Semi-Precious Stones; Apparel; and Raw agricultural products.

## **Basic Economic Statistics: (2022)**

**Real GDP growth:** 5.0% (2022 - Tanzania Economic Outlook)

5% (2022- World Bank)

**GDP (official exchange rate):** \$67.75 billion (World Data Atlas)

**Gross National Income per capita:** \$990 (2022 - World Bank)

**Consumer price inflation:** 4.4% (2022– Bank of Tanzania)

**Total Exports:** \$9,982 million (2022– Bank of Tanzania)

**Goods Exports:** \$6,756 million (2022)

**Service Exports:** \$3,226 million (2022)

**Total Imports:** \$4,016 million(2022 - Bank of Tanzania)

**Goods Imports:** \$2,265 million (2022)

**Services Imports:** \$2,204 million (2022)

## **Ease of Doing Business Index:**

Tanzania is expected to rank 138 among 190 economies in the ease of doing business by the end of year 2021. This will be an improvement from the 141-position held since 2019. The improvement comes after the new administration under President Samia Suluhu Hassan promised a favorable business environment for investor and the business community.

**Currency - Tanzanian Shilling (TZS):** \$1 = 2,333 TZS

The Tanzanian Shilling has remained stable in value verses the U.S. Dollar since a large devaluation in an eighteen-month period from Dec 2014 to June 2015 where the Shilling lost approximately 30% of its value. During the entire second half of 2020, the shilling registered an average depreciation of only 0.4 percent against the dollar.

**Avg short-term (up to 1 year) lending rate:** 14.25% (June 2022 – Bank of Tanzania)

**Population Projection:** 61 million by (2022)

This makes Tanzania the 24th largest country by population, larger than South Africa and slightly smaller than Italy (source CIA World Fact Book).

## **1.7 Conclusion**

Tanzania has rapid economic growth, steady population growth, and political and social stability; it has a complete legal system; the exchange rate is relatively stable; manufacturing, construction, and processing industries are developing rapidly. Due to the incomplete industrial system and low administrative efficiency, investment activities with a simple structure can be considered.

## 2 Project Introduction

Our company plans to invest in the production of Iron Sheet, plastic pipes to meet the growing needs of the construction industry.

### 2.1 Technical scheme of fully Automatic CNC Leveling Machine Line

#### 2.1.1 Technical standards:

China National Standard Sheet

#### 2.1.2 Equipment technical requirements

##### 2.1.2.1 Equipment technical conditions:

- a. The equipment occupies a ground area of  $20 \times 3.5 \times 1.4$ , unit: m (length  $\times$  width  $\times$  height above the ground).
- b. Equipment feeding direction: Party A shall provide the installation plan, and both parties shall affix their seals, referred to as Appendix 2.
- c. Voltage parameter 380, 50Hz, 3 phases.
- d. Hydraulic oil: 46# hydraulic oil.
- e. Gear oil: lubricating grease.

##### 2.1.2.2 Main technical parameters of equipment

- a. Available strip width: 60~1250 mm
- b. Available strip thickness: 0.15--1.5mm

c. Available strip steel material: ordinary cold-rolled sheet or hot-dip galvanized sheet, etc.

d. Production speed of the whole set of automatic line: about 1~60m/min

e. Total installed capacity of equipment: about 19KW-21KW

### 2.1.3 Product Range

Generate product specification size Length 2000-3000mm (can be set according to needs: 100-3000)

### 2.1.4 Supply and service scope

#### 2.1.4.1 Main equipment

| Serial No | Equipment Name  | Model and Specification | Quantity | Motor Power (KW) | Note        |
|-----------|---|-------------------------|----------|------------------|-------------|
| 1         | Passive unloading machine   |                         | 1 set    |                  | 2.2         |
| 2         | Multi-roller leveling mechanism   |                         | 1set     | 4.0              | 5.5         |
| 3         | support sector mechanism  |                         | 1 pair   |                  |             |
| 4         | High-precision servo feeding mechanism  |                         | 1 set    | 2                |             |
| 5         | Rapid knife adjustment and shearing machine with air pump                               | 含气泵                     | 1        | 3                |             |
| 6         | 4m conveying platform including fan   | 含风机                     | 1        | 3                |             |
| 7         | Mobile hydraulic lifting table and stacking rack, stacking rack and discharging trolley | 叠料架和出料小车                | 1        | 2.2+1.5+1.5kw    | 2.2+1.5+3kw |
| 8         | Electrical control system   |                         | 1 set    | 0.3              |             |

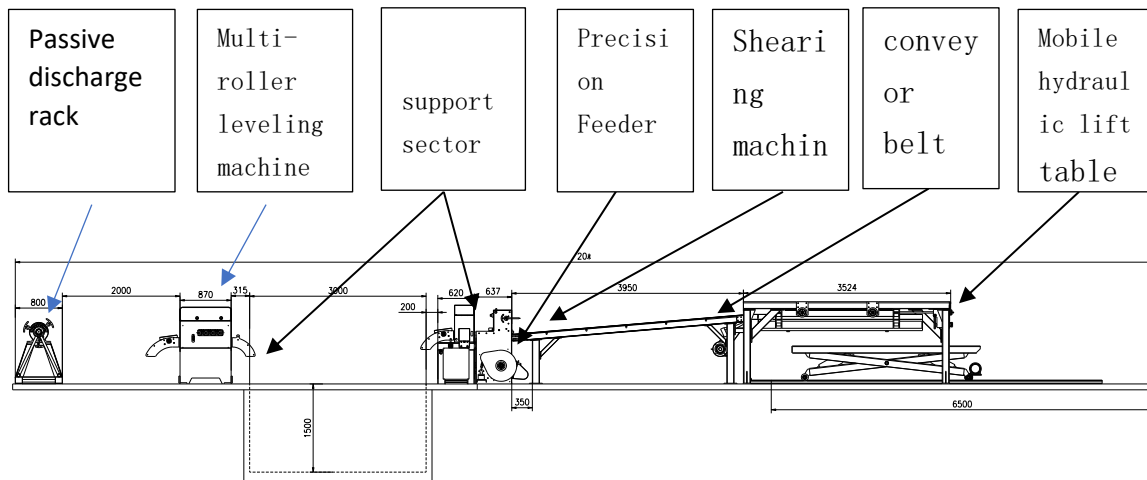
2.1.4.2 Accessories supplied with molding equipment

| No. | Spare parts (special tools) name | Quantity | Remarks |
|-----|----------------------------------|----------|---------|
| 1   | common wrench 常用扳手               | 1 set    |         |
| 2   | special tool 专用工具                | 1 piece  |         |
| 3   | Allen wrench 内六角扳手               | 1 set    |         |

2.1.5 Overview of equipment structure and performance

2.1.5.1 The composition and production process of fully Automatic CNC Leveling Machine Line

a. Composition of fully automatic CNC Leveling Machine (see schematic diagram)



b. Production Process of Fully Automatic Molding Equipment

Passive feeding → leveling → precise feeding → cutting → conveyor belt → output (including automatic palletizing)

### 5.1.5.2 Overview of main equipment structure and performance

#### a. Passive discharge rack

Dimensions: 3500 X 1100X 1430 (length x width x height) unit: mm (3500\*800\*1200)

#### *Unwinding machine technical parameters:*

Available sheet width: 100--1250mm;

Available material thickness: 0.15--1.5mm;

Available coil inner diameter:  $\phi$ 500-630mm;

Inner diameter expansion and contraction range:  $\phi$ 470-530 mm;

Maximum outer diameter of material roll:  $\phi$ 1500mm;

Bearing weight:  $\leq$  8 T

Power transmission method: hydraulic pressure

Oil pump motor: 2.2KW

#### b. Multi-roller leveling mechanism

Dimensions: 1700 X 900X 1700 (length x width x height) Unit: mm (1600\*800\*1228) 1700 X 870 X 1380

Function: Leveling

Structure: multi-roller wheel (10 rollers for leveling + 2 rollers for feeding) (formerly: 9 rollers for leveling + 2 rollers for feeding)

Available steel strip thickness: 0.15-1.5mm

Available steel strip width: 1250mm

Main drive motor: 4.5 KW (5.5KW)

Roller shaft diameter:  $\phi$ 85 mm

Roll mold material: 45 steel

c. Support sector mechanism

Function: support material

Structure: composed of multiple non-powered rollers

Maximum feeding width: 1250mm

Maximum material thickness: 0.15--1.5mm

d. Precision Feeding Mechanism

Dimensions: 1900 X 650 X 1360 (length x width x height) Unit: mm  
(1900\*620\*1200) 1900 X 620 X 1200

Function: Precise fixed-length feeding

Structure: double roller

Maximum feeding width: 1250mm

Maximum material thickness: 0.15--1.5mm

Main drive motor: 2KW Japanese Mitsubishi servo motor

e. Shearing machine

Dimensions: 2000 X650 X 1380 (length x width x height) Unit: mm  
(2000\*1200\*1250) 2000 X1250 X 1250

Function: cut steel strip

Structure: Rack

Maximum feeding width: 1250mm

Maximum material thickness: 0.3—2.0mm (0.15-1.5mm)

Main drive motor: NAM3-450 external five-star hydraulic motor  
(formerly: asynchronous motor, friction disc drive)

f. Conveyor belt

Function: conveyor belt

Structure: Rack

Maximum feeding width: 1250mm

Main drive motor: 3KW

## g. Movable hydraulic platform and stacker

Dimensions: 3500 X2000 X 1400 (length x width x depth) unit: mm 3400 X1800X 1300 (length x width x depth) unit: mm total length with track 6400mm

Function: receiving and palletizing and sending finished products in the whole pile

Structure: frame

Feeding width: 600--1250mm

Maximum material stacking thickness: 1--350mm

Transmission mode: hydraulic pressure

The carrying weight is greater than 6 tons.

## h. Oil pump motor: 2.2KW Platform moving motor: 1.5KW Hair dryer power: 1.5kw (3KW)

The hydraulic platform is installed at the back and lower part of the conveying platform to adjust the front and rear position of the hydraulic platform according to the length of the formed sheet. There is a positioning device with adjustable width at the back of the conveying platform to locate the left and right positions where the formed sheet falls. One side is fixed and the other is fixed. The side and rear side cylinders push the boards, and the function is to arrange the formed boards neatly. Due to the thinness of the board, the fan and air outlet are placed under the conveying platform to ensure smooth palletizing.

### 2.1.5.3 Electrical control system

The whole line adopts Japanese Mitsubishi PLC control, liquid crystal display touch screen, man-machine interface. Realize the interaction between people and Japan's Mitsubishi PLC. The operator automatically

runs through the set program (programmable control) and monitors the control process, so that the operator can control the production line and modify the control parameters, and can monitor the equipment operating status, operating parameters and fault indications in real time. The length of the workpiece is digitally set and adjustable. Real-time monitoring of equipment operating status and fault indications.

There are two modes of operation: manual and automatic. It has manual and automatic switching functions: in the manual state, it can operate as a single machine, which is convenient for maintenance; in the automatic state, it can run the whole production line and start sequentially; the whole line is equipped with an emergency stop button, which is easy to handle emergency accidents and guarantees equipment and operators Safety.

There is a manual operation panel next to the machine to facilitate workers to operate.

Full-line monitoring function: monitor the running status of the production line in real time, and realize the monitoring of the production status of each station.

## **2.2 HX-3200 Flattening Machine**

The main technical parameters of the Flattening Machine are as follows:

### **2.2.1 Specifications of raw materials**

- (1) Full hard galvanized sheet, galvalume sheet
- (2) Raw material width: 750mm--1000mm
- (3) Raw material thickness: 0.13 ~ 0.2mm
- (4) Raw material length: ≤3200mm.
- (5) Tile width: 665mm--900mm

(6) Tile wave height: 18mm (adjustable)

(7) Tile pitch: 76mm (adjustable)

(8) Equipment weight: 8.5 tons

(9) Motor power: 11KW (frequency conversion speed regulation)

(10) Feeding speed: 0-17 times/minute

(11) Equipment size: 5000mm\*2200mm\*1500mm

(12) Conventional tile specifications: raw material width 1000mm, after molding 900mm, 12 waves;

Raw material width 900mm, 800mm after forming, 11 waves; Raw material width 750mm, 665mm after forming, 9 waves;

### **2.2.2 Technical performance:**

(1) Structure description:

The equipment consists of forming rollers, correction rollers and frame. The four rollers share one motor, which is driven by a reducer.

Forming rollers: two in number, arranged up and down during assembly, connected with the reduction box through the transmission shaft, and driven by the forming rollers to complete the power of the tile during the rolling process.

Correction rollers: two in number, arranged up and down during assembly, connected with the reduction box through the transmission shaft, and driven by the transmission correction rollers to correct the wave height and width of the roll-formed tiles.

(2) Forming roller and correction roller adjustment:

Both the forming roller and the correction roller are adjustable up and down.

The forming roller lifting adjustment control handle is used to adjust the wave number of tiles per unit width, to adjust the equal width of the

first and last tile sides of the tile board and the distance between the peaks of the tiles.

The correction roller lifting adjustment control handle is used to adjust the width of the forming tile and the height of the tile wave peak.

### (3) Feeding platform device:

The feeding platform is a frame structure, which is composed of a lower fixed frame and an upper movable frame. The movable platform is a reciprocating motion driven by a connecting rod crank arm, and the reciprocating support is a high-precision linear motion bearing. Position adjustable stopper, the stopper position can be precisely adjusted through the scale indication.

### (4) Power unit:

The power of the whole equipment is driven by the motor to drive the reduction box, and then output to the transmission shaft and drive the forming roller. The equipment selects the best running speed by adjusting the potentiometer of the frequency converter.

### (5) Electrical control system

One electric control box, through the frequency converter to adjust the power of the motor, realize the variable speed operation of the motor, and can realize the purpose of saving electricity. Control the starting current of the motor, reduce the starting impact of the motor, and greatly improve the life of the motor. Effectively read the operating parameters of the motor, and it will stop immediately if there is a fault, the entire equipment and system will be safer, and the service life of the tile machine will also be multiplied.

## 2.2.3 Main configuration

(1) The whole equipment is composed of forming roller, correction roller, machine frame, frame, motor, reducer and so on.

(2) The tooth shape design of the forming roller is aimed at forming corrugated tiles conforming to the JIS G3316 (1987) standard. The

quantity is 2 pieces, the length of the roller surface is 3200mm, and the material is 45# steel welded for overall processing. The number of correction rollers is 2, and the material is 45# steel.

(3) The reducer is a hard tooth surface reducer made by our company with deceleration + split shaft transmission.

(4) The drive motor is a Siemens motor with a power of 11KW.

(5) Motor drive mode: 11KW AC frequency conversion speed regulator control.

(6) The frame is integrally processed after cutting thick steel plates, with high precision, high strength and good stability.

(7) The base is welded with 250×250H steel.

(8) Adopt heavy-duty cardan shaft transmission.

## 2.3 Equipment configuration of PE16-110 pipe production line

### 2.3 Composition of production line

| Serial number | Name                             | Model       | Quantity | Remark  |
|---------------|----------------------------------|-------------|----------|---|
| 1.1           | Single screw extruder            | SJ65×33     | 1 set    |   |
| 1.2           | Single screw extruder            | SJ30×25     | 1 set    | Marking line extrusion  |
| 1.3           | Electrical control system        |             | 1 set    | Frequency converter, electric appliance, French Schneider, temperature control meter RKC or Omron |
| 1.4           | Mould, sizing sleeve             | SJMFΦ16-110 | 1 set    | 16、20、25、32、40、50、63、75、90、110mm  |
| 1.5           | Vacuum sizing cooling water tank | SZDX-6000   | 1 set    |   |
| 1.6           | Spray cooling water tank         | SPX-6000    | 1 set    |   |

|      |                          |            |       |  |
|------|--------------------------|------------|-------|--|
| 1.7  | Crawler tractor          | SLQ-200    | 1 set | The frequency converter is used for speed regulation |
| 1.8  | Inkjet printer           |            | 1 set | (Provided by the user)                               |
| 1.9  | Chipless cutting machine | SJG-110    | 1 set |  |
| 1.10 | Reversal table           | SFZ-6000mm | 1 set |  |

### 2.3.2 Technical parameters

| Serial number | Explain                       | Parameter  |
|---------------|-------------------------------|--|
| 2.1           | Use raw materials             | PP-R, color masterbatch  |
| 2.2           | Pipe diameter specification   | Φ16、20、25、32、40、50、63、75、90、110mm  |
| 2.3           | Line speed                    | 1-8m   |
| 2.4           | Maximum yield                 | 120-160kg/h  |
| 2.5           | Overall dimensions            | 26m×2m×2.2m  |
| 2.6           | Weight                        | 7.5T   |
| 2.7           | Total installed power         | 65kw   |
| 2.8           | Actual power consumption      | 45kw   |
| 2.9           | Air consumption               | 0.4m <sup>3</sup> /min   |
| 2.10          | Air pressure                  | 0.2-0.75Mpa  |
| 2.11          | Water circulation volume      | 0.4m <sup>3</sup> /min   |
| 2.12          | Power                         | AC,415V,50Hz   |
| 2.13          | Water source                  | Industrial water, free of impurities, filtered, water pressure: 3 bar, water temperature: 14 ~ 25 °C |
| 2.14          | Operating ambient temperature | 0-40°C   |

### 2.3.3 Process flow

Color line auxiliary machine



Raw material preparation → host extrusion → machine head → vacuum sizing → spray sizing → traction → inkjet printer → cut-to-length → reversal table → inspection → packaging

### 2.3.4 Technical parameters of production line

#### 2.3.4.1 Single screw extruder SJ65 × 33

The optimized design of the screw makes the extruder have the following characteristics: high plasticizing rate, uniform melt, continuous and stable production. High-performance gearbox reducer (Changzhou Jiangyin Gearbox Factory) torque, long life, low noise.

Material of barrel screw: 38 CrMoAlA nitriding treatment

Screw hardness: HV > 740

Barrel hardness: HV > 940

Depth of barrel nitriding layer: 0.4-0.7 mm

|                                     |                 |
|-------------------------------------|-----------------|
| Single screw extruder               | SJ-65/33        |
| Screw diameter: mm                  | 65              |
| Screw length-diameter ratio:<br>L/D | 33: 1           |
| Extrusion volume                    | 120-160kg/h     |
| Motor power:                        | 45kw            |
| Barrel heating zone:                | Zone 5 26 kw    |
| Type of barrel cooling:             | 5zone×180w(fan) |
| Drying hopper (vacuum feeding)      | 1               |

Gearbox

Basic structure: horizontal installation

Box material: HT200

Gear type: helical gear

Gear material: 20CrMnTi

Gear treatment process: carburizing, quenching and gear grinding.

Cooling method: internal circulating water cooling

**2.3.4.2 Single screw extruder (for marking line)**

Model: SJ-30 × 25

Material of barrel and screw: 38 CrMoAlA nitriding treatment

Barrel hardness: HV > 940

Screw hardness: HV > 740

Nitrided layer depth 0.4-0.7 mm

Screw diameter: 30 mm

Screw length-diameter ratio: 25:1

BM screw barrel with water cooled forced feed

Motor power: 1.5kw

Barrel heating zone: zone 2 4kw

Head heating zone: zone 1, 1 kw

Extrusion capacity: 12 kg/H

**2.3.4.3 Electrical control part**

Temperature control instrument RKC or Omron

Contactors: Schneider, France

Inverter: Zhejiang Lingshida

**2.3.4.4 Extrusion head and die**

Extrusion head  $\Phi$  16, 20, 25, 32, 40, 50, 63, 75, 90, 110mm

Spiral feeding system to ensure melt pressure, uniform flow without fluctuation, smooth products, high density, no flow marks.

The material is 45 steel, which is treated by forging, quenching and tempering, surface quenching and other processes, with wear resistance, corrosion resistance, high strength, high precision stability and long service life.

Pipe size range:  $\Phi$  16, 20, 25, 32, 40, 50, 63, 75, 90, 110mm

Mold treatment process Mold and core rod internal chrome plating treatment

The feeding form of the machine head is a spiral feeding system with uniform flow and no fluctuation.

Heating ring material Stainless steel heating ring

Extrusion color line head 1 color line, co-extrusion head

**2.3.4.5 SZD-6000 sizing device water tank**

The main function of the vacuum sizing box is to carry out vacuum sizing and cooling on pipes. A large-size leakage net and a bypass circulation channel are installed on the water circulation channel. At the same time, it has a unique automatic monitoring of water level and water temperature.

On the vacuum sizing box. Waterfall sizing sleeve is adopted, featuring advanced technology, high sizing precision, fast cooling speed and high efficiency. The material is TcnSn10pb1 tin bronze with high hardness, good wear resistance, good precision and long service life.

Vacuum box length: 6000mm

Vacuum pump: 2 sets of 4kw

Maximum vacuum degree: 0.06 Mpa

Water pump: 4kw, 2 sets

Length of electric moving device 600mm

Model of cycloidal pinwheel reducer: XWD0.75-2-23, 1 set

Automatic wat temperature control device

#### **2.3.4.6 SJL-6000 Submerged Cooling Water Tank**

6000 mm immersed in water tank

Box material: 1Cr18 Ni9Ti stainless steel

Effective length 6000mm

#### **2.3.4.7 SLQ-200 crawler tractor**

The traction device is designed to pull the pipe in a continuous and stable state. Its compact structure, maintenance-free structure and absolute stability in operation are its outstanding characteristics. Track traction, V-shaped rubber block

Power: 3 kw

Variable frequency speed regulation: Shanghai Lipu variable frequency speed regulator

Clamping method: pneumatic clamping

Effective clamping length: 1200mm

Rubber block width: 200mm

Meter-counting device with alarm device

#### **2.3.4.8 Inkjet printer (provided by the user)**

#### **2.3.4.9 SJG-110 Chipless Cutting Saw**

Chipless cutting machine is used to cut the pipe under the action of transverse rotation of the rotating blade on the surface of the pipe. The product is mainly used in PPR, PE and other plastic pipe production lines to achieve chipless cutting, smooth, flat and beautiful incision, without

manual trimming, which greatly reduces the production cost and improves the product grade.

Stroke: 600mm

Cutting range: 16-110mm

Blade diameter: 60mm

Blade material: 9CrSi

Motor power: 1.5kw

### 2.3.4.10 SFZ-6000 Pipe Unloading Platform

The turnover table is pneumatically controlled, with automatic length setting and automatic turnover of accumulated materials.

Pipe unloading length: 6000mm

Table top material: stainless steel

## 2.4 Equipment production and raw material procurement

### 2.4.1 Time Schedule

| Work content                     | Original Plan |             | Adjustment Plan | Remarks   |
|----------------------------------|---------------|-------------|-----------------|---|
|                                  | Start Date    | Ending Date | Ending Date     |   |
| set up a company                 | 2022.11.3     | 2022.12.31  | 2023.2.28       | Certificate of incorporation has not been obtained  |
| Iron Sheet Equipment Procurement | 2022.11.20    | 2022.12.20  | 2023.2.28       | The contract has been signed, the factory has started, and the shipment will start after the company is established |
| Steel coil material procurement  | 2022.11.30    | 2022.12.31  | 2023.2.28       | The contract has been signed, waiting for the establishment of the company to start processing and then shipping    |
| PVC/PE equipment procurement     | 2022.12.10    | 2023.3.31   | 2023.12.10      | Since the company has not completed the registration, it will start after Iron Sheet is put into production         |
| Purchase of raw materials        | 2023.1.30     | 2023.3.10   | 2023.12.10      | Since the company has not completed the registration, it will start after Iron Sheet is put into production         |

#### **2.4.2 Equipment procurement:**

Order from Chinese factory

#### **2.4.3 Procurement business process:**

Raw materials and materials are purchased from abroad, exported, shipped by sea, imported to Tanzania, and then transported to the Mwanza factory for processing through logistics;

## **3 SWOT Analysis**

### **3.2 Strengths :**

#### **3.1.1 Talent management concept.**

We pay attention to the construction of management technical team. At present, the shareholders are composed of local individual, have certain local coordination capabilities and relationships, and also have senior managers in large corporate finance. We will also hire professional managers and technicians of food processing enterprises locally in the future.

#### **3.1.2 Technology advantage.**

We have advanced production equipment, as well as product formulas, continuously improve our processing technology, enhance processing capacity, and produce more high-quality food to meet market needs We have China as the rear, and once there are bottlenecks in personnel and technology, we can get timely support from the Chinese market(including HK).

#### **3.1.3 Financial advantage.**

After the successful operation of the first project, we may get more investors to join our company, or establish branches, or carry out other aspects of cooperation.

### **3.1.4 Management advantage.**

Our shareholders and key management personnel have decades of working experience in large international companies, have a global thinking, long-term consideration, attach great importance to the interests of shareholders, and attach importance to the establishment and coordination of the relationship between shareholders and employees and society.

### **3.1.5 Export affairs.**

We are familiar with international settlement, international finance and international business operations. After commencing production, we will establish an international trade operation team to increase our export share.

### **3.1.5 Diversity and differentiation of produced products**

Our products are different from those of other competitors. At the same time, we also provide related products and services.

## **3.2 The Weaknesses :**

We need continue to study more of Tanzania politics, economy, culture, consumption, population, etc., Lack of understanding of the local talent market. In the future, we mainly rely on local talents to operate and manage local enterprises. But how to find talents and how to establish a mechanism to attract local talents remains to be explored further; The method of obtaining local resources needs to be improved. We need local market raw materials with suitable prices. As far as the current situation is concerned, there are certain deficiencies here. We need to develop new plans and strategy in supply. Raise more funds and improve the efficiency of fund use.

Judging from the company's registration situation, the government's work efficiency is very low.

The local market is price sensitive and our operating costs are too high.

### **3.3 Opportunities :**

Tanzania has abundant labor resources and the government encourages employment and investment. The Belt and Road Initiative has brought many Chinese companies, long-term friendship between China and Tanzania, many Chinese people work, study, and work there, and many Tanzanians live, work, and study in China for a long time.

The surrounding countries, including Burundi, Rwanda, Uganda, Congo (Kinshasa), and Kenya, have a lot of potential demand, which is conducive to the export of our products.

Tanzania has a sound education system, with a literacy rate of 87% and English is the second language in the country, making it possible to recruit suitable employees.

China's industry is in a period of outward transfer. There are not many restrictions on investors from China, and we can invest through Hong Kong.

### **3.4 Threats :**

There is no local raw material supply, raw material procurement can only be imported from China to Tanzania, and there is a huge risk of price fluctuations. The company's initial development scale is small, and its ability to bear market risks is relatively weak.

The competition is fierce. There are 7 similar factories in the Mwanza area and 3 foreign institutions. The market competition is fierce.

The local culture and the company's management philosophy still need a long time to adapt.

### **3.5 Our Mission**

#### **3.5.1 Shareholders, Employees and Social Harmony**

Strategy Efforts to develop the company's business, enhance the company's ability to create value, and achieve sustainable and healthy development of the company. Let the development of the company benefit all employees and all stakeholders in society.

#### **3.5.2 Focus on Company's Cash Flow and Credit.**

In operating activities, the amount of profit and cash flow is used as an important basis for judging projects and new products. Integrity is the basic tenet of the company, and fulfills the rights and obligations of contracts and agreements. Operate according to law and operate with integrity.

#### **3.5.3 Low-Cost Development Strategy.**

On the premise of meeting high quality standards, continuously reduce operating costs. We will continue to reduce the company's operating costs by optimizing processes and structures, deepening market development, and restructuring new business operating models.

#### **3.5.4 High Quality development.**

Establish healthy, environmentally friendly, product quality standards that meet market needs.

#### **3.5.5 Continue to Innovate Strategy.**

Focus on the market, research trends, continuously innovate production processes, improve organizational structure, and gain competitive advantage; We will drop a new product every quarter.

#### **3.5.6 Diversified Development Strategy.**

What we provide to society is service, and the products processing is the beginning of our service. Within the scope of our management capabilities, we need to carry out related services, including projects

that extend the value chain, and other feasible projects with cash flow and market potential.

### 3.5.7 Market-oriented Development Strategy.

In the field of construction manufacture, we want to produce more products that meet market needs. Pay more attention to the research of various market segments, and to provide targeted research and development of new products.

### 3.5.8 Capital Operation Development Strategy.

We will not conduct capital operations just because we want to expand. Funds and talents will always be a company's shortcomings. Capital operation is to better obtain technology, talents and funds.

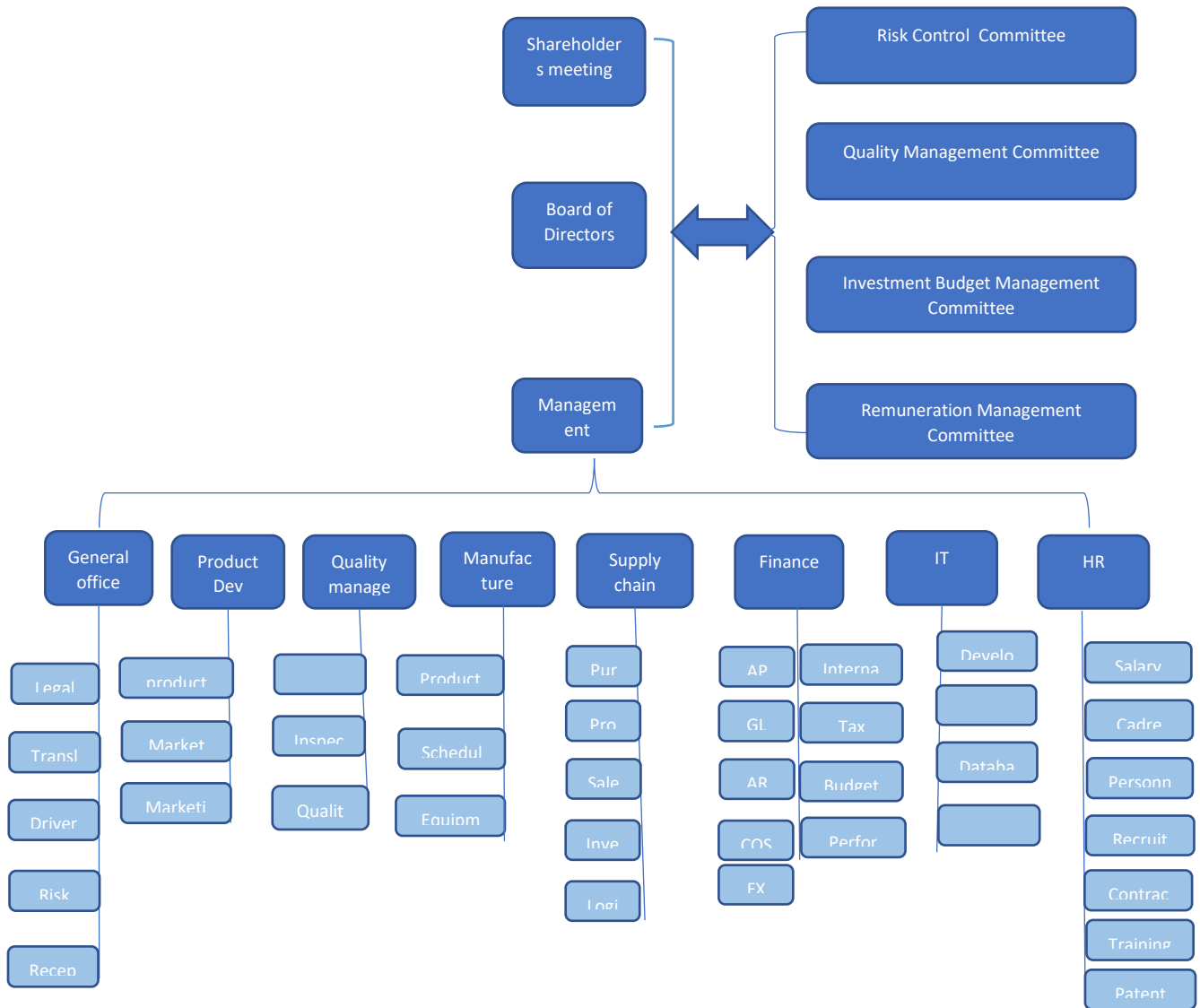
## 4 Human Resources

### 4.1 Our human resources plan

According to our budget, our human resources as following:

|                    | 2023      | 2024      | 2025      | 2026      | 2027      |
|--------------------|-----------|-----------|-----------|-----------|-----------|
| Management         | 3         | 3         | 3         | 3         | 3         |
| General            | 2         | 2         | 2         | 2         | 2         |
| Engineers          | 1         | 2         | 3         | 4         | 6         |
| Operating          | 6         | 6         | 12        | 15        | 15        |
| Finance/Accounting | 1         | 1         | 6         | 8         | 10        |
| Sales              | 3         | 3         | 12        | 16        | 18        |
| IT                 |           |           | 1         | 1         | 1         |
| Capital Operation  |           |           | 1         | 2         | 2         |
| Human Resources    |           |           | 1         | 2         | 3         |
| <b>Total</b>       | <b>16</b> | <b>17</b> | <b>41</b> | <b>53</b> | <b>60</b> |
| Local              | 12        | 12        | 33        | 45        | 50        |
| Foreign            | 4         | 5         | 8         | 8         | 10        |

### 4.2 Organization Chart



## 5 Investment plan - equipment and raw materials, material procurement list

### 5.1 Investment plan

| Items                 | Currency      | Amount           |
|-----------------------|---------------|------------------|
| Pre-expenses          | RMB ¥         | 150000           |
| Land                  | RMB ¥         | 207974.7         |
| Plant                 | RMB ¥         | 1,300,000        |
| Working Capital       | RMB ¥         | 3,000,000        |
| Car                   | RMB ¥         | 200,000          |
| Furniture             | RMB ¥         | 40,000           |
| <b>Total</b>          | <b>RMB ¥</b>  | <b>4,897,975</b> |
| <b>USD Equivalent</b> | <b>USD \$</b> | <b>731,041</b>   |

## 5.2 Lists of Imported Machinery

| Serial No  | Equipment Name  | Model and Specification  | Quantity |
|------------|---|--------------------------|----------|
| 1          | <b>Automatic CNC leveling machine line</b>  | See <u>Business Plan</u> |          |
|            | Passive unloading machine   |                          | 1 set    |
|            | Multi-roller leveling mechanism   | See <u>Business Plan</u> | 1set     |
|            | support sector mechanism  | See <u>Business Plan</u> | 1 pair   |
|            | High-precision servo feeding mechanism  | See <u>Business Plan</u> | 1 set    |
|            | Rapid knife adjustment and shearing machine with air pump                               | See <u>Business Plan</u> | 1        |
|            | 4m conveying platform including fan   | See <u>Business Plan</u> | 1        |
|            | Mobile hydraulic lifting table and stacking rack, stacking rack and discharging trolley | See <u>Business Plan</u> | 1        |
|            | Electrical control system   | See <u>Business Plan</u> | 1 set    |
| 2          | <b>HX-3200 Flattening Machine</b>   | See <u>Business Plan</u> |          |
| 3          | <b>Equipment configuration of PVC pipe production line</b>                              |                          |          |
|            | High cooling mixer  | SHRL-200/500             | 1        |
|            | Conical twin-screw extruder   | SJSZ-65/132              | 1        |
|            | Vacuum shaping water tank   | See <u>Business Plan</u> | 1        |
|            | Crawler tractor   | See <u>Business Plan</u> | 1        |
|            | Cutting machine   | See <u>Business Plan</u> | 1        |
|            | Unloading table   | See <u>Business Plan</u> | 1        |
|            | Mold  | 50. 75. 110. 160         | 1        |
|            | Flaring machine   | 50-200                   | 1        |
|            | Crusher   | 360                      | 1        |
| Flour mill | See <u>Business Plan</u>  | 1                        |          |
| 4          | <b>Equipment configuration of PE16-110 pipe production line</b>                         | See <u>Business Plan</u> |          |
|            | Single screw extruder   | SJ65x33                  | 1 set    |
|            | Single screw extruder   | SJ30x25                  | 1 set    |
|            | Electrical control system   | See <u>Business Plan</u> | 1 set    |
|            | Mould, sizing sleeve  | SJMFΦ16-110              | 1 set    |
|            | Vacuum sizing cooling water tank  | SZDX-6000                | 1 set    |
|            | Spray cooling water tank  | SPX-6000                 | 1 set    |
|            | Crawler tractor   | SLQ-200                  | 1 set    |
|            | Inkjet printer  |                          | 1 set    |
|            | Chipless cutting machine  | SJG-110                  | 1 set    |
|            | Reversal table  | SFZ-6000mm               | 1 set    |
| 5          | <b>Construction and installation equipment</b>  |                          |          |
|            | forklift  | 5 ton                    | 1        |
|            | generator set   | 100KW                    | 1        |
|            | excavator   | used                     | 1        |

|          |   |      |         |
|----------|---|------|---------|
|          | welding machine   | used | 1       |
|          | Cutting Machine   | used | 1       |
|          | air compressor  | used | 1       |
|          | Hand saw  | used | 1       |
|          | portable grinder  | used | 1       |
|          | pistol drill  | used | 1       |
|          | electric hammer   | used | 1       |
|          | baler   |      | 1       |
|          | Inkjet printer  | used | 1       |
|          | manual packer   |      | 1       |
| <b>6</b> | <b>Office Equipment and Supplies</b>                                |      |         |
|          | office car  | Used | 2       |
|          | Computer  | Used | 4       |
|          | Printer   | Used | 2       |
|          | packing belt  |      | 2 ton   |
|          | laser printer toner   |      | 1 box   |
|          | Laser Printer Cartridges  |      | 1       |
|          | Dot matrix printer ribbon (with bracket)                            |      | 1 box   |
|          | A4 paper  |      | 2 box   |
|          | Invoice paper (four copies in one form, divided into 2 equal parts) |      | 2 box   |
|          | Carmara   |      | 10      |
|          | Security Alarm  |      | 3       |
|          | PP packing belt packing buckle                                      |      | 1 box   |
| <b>7</b> | <b>Accessories supplied with molding equipment</b>                  |      |         |
|          | Inkjet printer  |      | 3 set   |
|          | special tool 专用工具   |      | 3 piece |
|          | Allen wrench 内六角扳手  |      | 3 set   |

### 5.3 Sources of Fund

There are mainly three sources of funds, shareholder investment, shareholder loan and bank financing.

All equipment purchases are invested by shareholders. Shareholder loans and overseas bank financing in the amount of \$300,000.

## 6 Financial Analysis

### 6.1 Depreciation Analysis

|                                | Currency Unit: RMB ¥ |         |          |          |          |
|--------------------------------|----------------------|---------|----------|----------|----------|
| Year                           | 2023                 | 2024    | 2025     | 2026     | 2027     |
| <b>Equipment</b>               | Two Sets             | One set |          |          |          |
| New fixed assets               | 1,300,000            |         |          |          |          |
| Original value of fixed assets | 1,300,000            |         |          |          |          |
| Depreciation Rate              | 50.0%                | 12.5%   | 12.5%    | 12.5%    | 12.5%    |
| Depreciation                   | 650000               | 81250   | 71093.75 | 62207.03 | 54431.15 |
| Net Book Value                 | 650000               | 568750  | 497656.3 | 435449.2 | 381018.1 |
| Used Car                       | 2                    |         |          |          |          |
| New fixed assets               | 200,000              |         |          |          |          |
| Original value of fixed assets | 200000               |         |          |          |          |
| Depreciation Rate              | 37.5%                | 37.5%   | 37.5%    | 37.5%    | 37.5%    |
| Depreciation                   | 75000                | 46875   | 29296.88 | 18310.55 | 11444.09 |
| Net Book Value                 | 125000               | 78125   | 48828.13 | 30517.58 | 19073.49 |
| <b>Compute/Printer</b>         | 4                    | 4       | 4        | 4        | 4        |
| New fixed assets               | 20000                | 20000   | 20000    | 20000    | 20000    |
| Original value of fixed assets | 20000                | 40000   | 60000    | 80000    | 100000   |
| Depreciation Rate              | 37.5%                | 37.5%   | 37.5%    | 37.5%    | 37.5%    |
| Depreciation                   | 7500                 | 12,188  | 17,930   | 23,276   | 28,771   |
| Net Book Value                 | 12500                | 27,813  | 42,070   | 56,724   | 71,229   |
| <b>Furnitures</b>              |                      |         |          |          |          |
| New fixed assets               | 40,000               | 30,000  |          |          |          |
| Original value of fixed assets | 40000                | 70,000  |          |          |          |
| Depreciation Rate              | 12.5%                | 12.5%   | 12.5%    | 12.5%    | 12.5%    |
| Depreciation                   | 5000                 | 4375    | 3828.125 | 3349.609 | 2930.908 |
| Net Book Value                 | 35000                | 30625   | 26796.88 | 23447.27 | 20516.36 |
| <b>Others</b>                  |                      |         |          |          |          |

|                                |               |                 |                 |                 |                 |
|--------------------------------|---------------|-----------------|-----------------|-----------------|-----------------|
| New fixed assets               | 200000        | 150,000         |                 |                 |                 |
| Original value of fixed assets | 200000        | 350,000         |                 |                 |                 |
| Depreciation Rate              | 12.5%         | 12.5%           | 12.5%           | 12.5%           | 12.5%           |
| Depreciation                   | 25000         | 21875           | 19140.63        | 16748.05        | 14654.54        |
| Net Book Value                 | 175000        | 153125          | 133984.4        | 117236.3        | 102581.8        |
| <b>Total</b>                   |               |                 |                 |                 |                 |
| New fixed assets               | 1760000       | 200000          | 20000           | 20000           | 20000           |
| Original value of fixed assets | 1760000       | 460000          | 60000           | 80000           | 100000          |
| <b>Depreciation</b>            | <b>762500</b> | <b>166562.5</b> | <b>141289.1</b> | <b>123891.6</b> | <b>112232.1</b> |
| Net Book Value                 | 997500        | 858437.5        | 749335.9        | 663374          | 594418.3        |

## 6.2 Purchase Cost Parameters

| CIF Dar es Salaam         |                           |  |                        |
|---------------------------|---------------------------|--|------------------------|
| Port of departure charges | Station                   | 场站+杂费                                  | 250 元/20GP; 500 元/40GP |
|                           |                           | THC 费用                                 | 825 元/20GP;1025 元/40GP |
|                           |                           | VGM 费用                                 | 50 元/柜                 |
|                           |                           | 提箱费用                                   | 180/20GP;276/40GP      |
|                           |                           | 舱单费                                    | 100 元/票                |
|                           | Reinforcement             | 场站装箱费                                  | 280 元/20GP;460/GP      |
|                           |                           | 加固费用                                   | 700 元/柜                |
|                           |                           | 场地费                                    | 150 元/票                |
|                           |                           | 区外库装箱                                  | 1500/柜                 |
|                           | Custmers Clearance        | 报关代理费                                  | 150 元/票                |
|                           |                           | 报检代理费                                  | 100 元/票                |
|                           |                           | 查验代理费                                  | 150 元/票                |
|                           |                           | 查验费用                                   | 实报实销                   |
|                           | Shipping                  | 买单费                                    | 200 元/票                |
|                           | 长荣船公司, 新加坡转船 30 天         | 1700/20GP;3000/40GP (美金)               |                        |
| CIF Mwanza                |                           |  |                        |
| Destination charges       | 关税/IMP                    | CIF*25% (镀锌钢卷进口关税 25%, 压瓦机进口关税 0)      |                        |
|                           | 港口推进税/CPF                 | FOB*0.6%                               |                        |
|                           | 铁路开发税/RDL                 | CIF*1.5%                               |                        |
|                           | 增值税/VAT                   | (CIF+IMP+CPF+RDL) *18%                 |                        |
|                           | 码头税 (达港)/WARFAGE          | 1.6%*CIF+18%VAT                        |                        |
|                           | 走廊税/CORRIDOR LEVY CHARGES | USD6/20GP+18%VAT; USD12/40GP+18%VAT    |                        |
|                           | 海关查验费/VERIFACAITION       | USD160/20GP+18%VAT; USD280/40GP+18%VAT |                        |

|                              |   |
|------------------------------|---|
| 操作费/SHORE HANDLING           | USD160/20GP+18%VAT; USD210/40GP+18%VAT              |
| 船公司费用/SHIPPING LINE CHARGES  | USD50~USD150/柜                                      |
| 清关代理费/AGENCY FEE             | USD200/20GP+18%VAT:USD250/40GP+18%VAT               |
| 运输费/TRANSPORTATION FEE       | 530 万坦先令+18%VAT / 20FT (以上费用含落箱费)                   |
| 挪移费(如适用)/REMOVAL CHARGES     | USD100/20GP+18%VAT; USD150/40GP+18%VAT (按 14 天计算)   |
| 堆存费(如适用)/STORAGE CHARGES     | USD40/20GP/天+18%VAT; USD80/40GP/天+18%VAT (按 14 天计算) |
| 仓库租赁费/CUSTOMS WAREHOUSE RENT | USD0.3*CBM(集装箱) *天数 (21 天后开始计费)                     |
| 滞箱费(如适用)/CONTAINER DEMURRAGE | (按 14 天计算免箱期)                                       |

Regarding the purchase of steel coil materials in the above parameters, the tax calculation basis is to calculate the payable tax amount based on USD 1,200 per ton, not the purchase amount according to the contract.

It can be seen from the above parameters that the cost of investing in Tanzania is too high due to the purchase of equipment and materials from abroad. According to the current factory purchase price of 5,200 yuan/ton (776.2 US dollars/ton) per ton of steel coil, the cost to reach Mwanza will reach 9,360 yuan/ton (1,397 US dollars/ton), basically there is no room for profit.

We hope that the government will give certain preferential measures in terms of taxation.

### 6.3 Five-year cost-income-cash flow analysis

Currency Unit: RMB ¥ ; Quantity Unit: Ton

|                      | 2023   |            | 2024   |            | 2025   |            | 2026   |            | 2027   |            |
|----------------------|--------|------------|--------|------------|--------|------------|--------|------------|--------|------------|
|                      | Quant. | Amt.       | Quant. | Amt.       | Quant. | Amt.       | Quant. | Amt.       | Quant. | Amt.       |
| Purchase(CIF Mwanza) |        |            |        |            |        |            |        |            |        |            |
| Galvalume Steel Coil | 1,960  | 21,168,000 | 4,032  | 43,545,600 | 5,040  | 54,432,000 | 6,720  | 72,576,000 | 7,392  | 79,833,600 |
| calcium powder       |        |            | 17     | 24,192     | 34     | 48,384     | 50     | 72,576     | 67     | 96,768     |
| Plastic particles    |        |            | 168    | 2,419,200  | 336    | 4,838,400  | 504    | 7,257,600  | 672    | 9,676,800  |
| Subtotal             | 1,960  | 21,168,000 | 4,217  | 45,988,992 | 5,410  | 59,318,784 | 7,274  | 79,906,176 | 8,131  | 89,607,168 |
| VAT                  |        | 3,810,240  |        | 8,278,019  |        | 10,677,381 |        | 14,383,112 |        | 16,129,290 |
| Sales                |        |            |        |            |        |            |        |            |        |            |
| Iron Sheet           | 1,862  | 22,120,560 | 3,830  | 45,505,152 | 4,788  | 56,881,440 | 6,384  | 75,841,920 | 7,022  | 83,426,112 |
| PVC Pipe             | -      |            | 160    | 2,528,064  | 319    | 5,056,128  | 479    | 7,584,192  | 638    | 10,112,256 |
| subtotal             | 1,862  | 22,120,560 | 3,990  | 48,033,216 | 5,107  | 61,937,568 | 6,863  | 83,426,112 | 7,661  | 93,538,368 |
| VAT                  |        | 3,981,701  |        | 8,645,979  |        | 11,148,762 |        | 15,016,700 |        | 16,836,906 |
| Net VAT              |        | 171,461    |        | 367,960    |        | 471,381    |        | 633,588    |        | 707,616    |
| Gross profit         |        | 952,560    |        | 2,044,224  |        | 2,618,784  |        | 3,519,936  |        | 3,931,200  |
| Management           |        |            |        |            |        |            |        |            |        |            |

## Mwanchi Mabati Limited

TIN: 158719061

|                |           |         |           |           |           |
|----------------|-----------|---------|-----------|-----------|-----------|
| Rent           | 207,975   | 207,975 | 207,975   | 207,975   | 228,772   |
| Salary         | 384,000   | 384,000 | 460,800   | 552,960   | 663,552   |
| Law and Audit  | 39,394    | 78,788  | 118,182   | 177,273   | 265,909   |
| Office General | 36,364    | 72,727  | 87,273    | 104,727   | 125,673   |
| Sale Fee       | 22,121    | 44,241  | 53,089    | 63,707    | 76,449    |
| Finance Fee    | 61,740    | 134,135 | 173,013   | 233,060   | 261,354   |
| Depreciation   | 762,500   | 166,563 | 141,289   | 123,892   | 112,232   |
| Net Profit     | -         | 955,796 | 1,377,163 | 2,056,343 | 2,197,259 |
| Income Tax     |           | 118,279 | 413,149   | 616,903   | 659,178   |
| Investment     | 4,897,975 |         |           |           | 29,494    |
| Net Cashflow   | -         | 636,119 | 633,922   | 929,743   | 913,203   |

**Cash flow:** five-year cumulative cash flow of -1,755,481yuan, equivalent to -262,012 U.S. dollars, and a total of ten-year cash flow of 2,810,536 yuan, equivalent to 419,483 U.S. dollars.

**Return on investment:** The return on investment in ten years is 9.61%.

**Payback period:** 6 years and 11 months.

## 7 Analysis of Risks

The following risks identified are specific to the industry in which our company is operating and general risk.

### Operational Risk

It will take a while for the company to open to scale. Need to do a lot of promotion Barriers to Entry.

### Business Risk

Sales Volume and profitability might be adversely impacted due to decrease in demand of company product and/or intensification of competition. Loss on Inventory Due to Materials Prices Volatility.

### Foreign Exchange Volatility

The fund from our foreign investors and our exporting products will be affected by this risk. We will do our foreign exchange hedge when begin our international trading business.

### Regulatory Risk

Regulatory risks relate to changes in government policies which may affect the industry. Changes in regulatory framework can impact the performance of any sector of the industry.

### Credit Risk

In the future, we may provide credit facility to utility stores corporation and is exposed to the financial risk of counterparty being unable to discharge its obligation. Default by such parties would negatively affect the company's financial standing.

### Economic Slowdown

The growth of any sector is affected by the economic conditions prevailing in the country. An economic slowdown may adversely affect the growth and performance of the food sector.

### Inflation and Interest Rate Risk

High interest rates and inflationary pressures on a long-term basis may have an adverse impact on the business operations of the Company.

## **8 Conclusion and Suggestions**

Tanzania enjoys political stability, economic development and population growth, high social literacy rate, and people's increasing material and cultural needs. However, the administrative efficiency of government departments is not high, and some policies obviously hinder the development of investment and pre-expenses is too high.

The return on investment of our manufacturing project is 9.1%, less than 15%, and the payback period takes 6 years and 11 months, which is less than investors want.

It is recommended that TIC give us tax incentives for equipment imports and processing materials imports. On this basis, we can shorten the investment cycle and allow more projects to enter.