

YAKET INTERNATIONAL LIMITED

BUSINESSPLAN

FOR

MANUFACTURING, INDUSTRIAL

PROCESSING, DISTRIBUTION

AND SELLING OF PURE

DRINKING WATER

EXECUTIVE SUMMARY.

YAKET INTERNATIONAL LIMITED is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No.169020434 issued on 03TH October 2023.

The proposed business plan is of manufacturing of soft drink at **Region Pwani, District Mkuranga, Ward Mkuranga, Postal code 61501, MKURANGA NEAR PHOENIX FARM (KIWANDA CHA KUKU)**

The proposed new project shall cost US\$1m and creating new employment of 500 local people and 50 foreign people.

LEGAL STATUS AND COMPANY BACKGROUND BRIEF

YAKET INTERNATIONAL LIMITED bears the certificate No. 169020434 issued in 2023 by BRELA.

The shareholders of **YAKET INTERNATIONAL LIMITED**, the shareholders of this newly formed company are CHUNBING ZHANG, CHUNFENG ZHAO, XIUJUN SHI and FUGEN QIU are people registered in China and French.

The company is owned by two shareholders, namely:-

| Name | %of Shares | Nationality |
|----------------|-------------------|--------------------|
| CHUNBING ZHANG | 25% | China |
| CHUNFENG ZHAO | 40% | French |
| XIUJUN SHI | 10% | China |
| FUGEN QIU | 25% | China |

LOCATION.

Region Pwani, District Mkuranga, Ward Mkuranga, and Postal code **61501**, **MKURANGA** Contacts: Email: dejun8898@163.com, Mob no/Tel no: **0758888885**, **P.O.Box 10572**.

MISSION

Prompt and professionally high-quality service delivery to customers, aimed at ensuring that they realize the highest value for money, thereby increasing the market share and seizure of every available opportunity for the company's growth.

Core Values

Service provision with commitment, integrity and creativity while treating each customer as if they were the company's only customer

BANKERS

The company is currently maintaining bank account of the following bank.

SPD BANK

NMB BANK

AUDITED REPORTS

YAKET INTERNATIONAL LIMITED will maintain good financial reports which will be audited by reputable auditor firm

BASIS OF THE BUSINESS PLAN

A study based on rapid appraisal surveys was conducted prior to, and as the basis of preparation of this plan, the surveys were based on the following objectives and approach:

Study Objectives:

- a) To analyze the relevant market and other factors impacting up on the supply and demand of pure drinking water.

- b) To examine the physical and operational characteristics of the existing market in order to determine the positioning of the proposed company's business in the market place.
- c) To develop integrate and demonstrate modern ICT solution for optimizing food and beverage production with focus on water and environmental sustainability.
- d) To supply and secure clean and sufficient drink water for the population at large

Study Approach

- a) Participatory: Semi- structured interview and discussion were held with the Company's Directors, stakeholders in packaging works and related businesses
- b) Physical visits to the company's main business premises
- c) Conduction of profitability/viability test of the investment, using the appropriate financial projections for the initial period of five years proposed for the business operations.

THE PROJECT

Project Concept

The project involves establishing a new MANUFACTURING, INDUSTRIAL PROCESSING, DISTRIBUTION AND SELLING OF PURE DRINK WATER. Industry; this will include construction of and installations of modern machines, purchasing vehicles, new generator etc.

The planned production capacity is 8400 tons per year.

Project planned business project will entail the following main activities:

- To develop, integrate and demonstrate water reclaiming and reusing technologies.
- To carry on business of industrial processing, distribution and selling of pure drinking water.
- To take part information, management, supervision or control of the business or operation of any company, and for that purpose to act as directors, administrators, a managers, accountant or other experts or agents.
- To act as agents or brokers and trustee of any person or firm or group of person in respect of any business or matters of any nature whets ever now is standing that the company may not be empowered to act, as principal in connection there with.
- To offer consultancy services or search and management of all projects related to the development process with particular areas of expertise including social sector Development, Environment, Training/Education, Finance and Investment, information technology and international trade.
- To carry an agency business including that of freight agents, steamer agents, chartering agents and forwarding agents, commission agents and bunkering agents.
- To provide either on lease, hire, charter or otherwise any motor vehicles, aircraft, boats, balloons or any other transport facilities to hunters, tourist or other travelers and make available to them through the a said means hunting and camping equipment ,gear or apparatus which may require by the company clients.
- To do all or any of the above things in Tanzania or in any part of the world and either as principal or agents, trustee or otherwise and to do all other things as may be necessary incidental or inclusive to attainment of the above objects or any one more of them.

Project Objectives

Development Objectives:

YAKET INTERNATIONAL LIMITED aims at playing a significant role in the participation of the company in the efforts to maximize exploitation of the largely existing business potential in manufacturing industry particularly in building materials.

Immediate Objectives:

- a) To carry on the business of industrial processing, distribution and selling of pure drinking water, capacity of 8400 tons per year.
- b) Enhancing the country's capacity to utilize its pure drinking water product, raw materials and related natural resources when their commercial exploitation begins.
- c) Reading employment opportunities to skilled and semi-skilled Tanzanians in industrial operations, including their supplies, processing, distribution and selling in the company's business.

Over view of the Manufacturing Sector and industrial processing, distribution and selling of pure drinking water industry in Tanzania

The economy

Tanzania is one of the fastest growing economies in Africa, thanks to the sustained economic reforms which are being under taken since the late 1980's.

The country's economy has been constantly growing since mid-1990 by average of 5.9%, and now growing at average of 7% which make Tanzania economy to be among the fastest growing economy in Africa and world at large. The overall vision is to transform the sector of the economy from the present level of per capita GDP of about US\$867 to medium developed country with an average per capital GDP of around US\$2,500 (National Development Vision 2025), the GDP from manufacturing 926,333TZ\$ million.

Manufacturing Industry

Tanzania manufacturing sector contributes 5.6% to the country GDP in 2014 with \$2.69bn compared to \$1.47bn in 2009, representing an increase of 82%. Tanzania's manufactured goods imports tripled over the past 5 years increasing from US\$497.7m in 2010 to US\$1.4billion in 2015 accounting for 25% of Tanzania's total exports value.

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.

Processing, distribution and selling of pure drinking water industry

Tanzania has around 27 drinking water companies, Drinking-Water Companies in Tanzania are in the business of providing quality water. These companies produce and supply drinking water to their customers or clients in wholesale or retail as well as special services when required. The average total domestic water use per person per day in Tanzania is below the minimum requirement, at about 10.1 liters. ⁷² Access to safe and reliable local water supplies is a major challenge for many people in Tanzania. The National Panel Survey (NPS) 2020/2021, released in January 2023, shows that since the NPS 2014/2015, four in every 10 households have gained access to improved sanitation (up from two-and-half households), and half the population now has access to clean water in the rainy season and two-thirds during the dry

YAKET INTERNATIONAL LIMITED is poised to exploit to the maximum, the anticipated development in this Sector for its own enhanced growth.

BUSINESS ENVIRONMENT ANALYSIS;

Internal Approach;

Management:

YAKET INTERNATIONAL LIMITED as a corporate entity is managed under the Board of Directors. Day to day management of its conducted under the company's Managing Director who will be as sited by directors, Managers, senior officers etc.

The Managing Director will be closely assisted by well qualified professionals in the business of Processing, distribution and selling of pure drinking water , industrial management and operations. The company managers, heads of departments and operational staff for the production machines will be recruited for their competence, experience and good track record in their respective fields and in previous employments.

External Environment:

The market:

YAKET INTERNATIONAL LIMITED policy aim at two objectives:

- Further penetration/entrenchment to the market's main Segments to increase and retain larger market share.
- Early investment cost recovery to enhance economic viability of the company's business and expedite its growth.

The policy will be hinged on continual conduction of market surveys

As a way of establishing current market situations and also as the means of enabling the company to develop marketing strategies which will facilitate achievement of set out sales goals, on monthly and annual basis .Surveys will enable the company to identify the potential market for its

Products and plan strategies for its penetration.

The market surveys conducted during feasibility study for this project established that , demand for manufacturing, processing and selling of pure drinking water in the country is growing with each passing year.

Market Potential

As explained in the topic above, the demand for manufacturing, is on the rise, while industrial processing, distribution and selling of pure drinking water the consumer goods manufacturing sector is one of fastest growing sectors in the country, with new rise consumer goods industries and products every day and new manufacturing industries of pure drinking water.

Competition:

YAKET INTERNATIONAL LIMITED, is expecting to face competition from existing pure soft drinking water industries which controls a size able market share of paper products in Tanzania, the company plan to increase market share by investing in a new and bigger manufacturing, processing of pure drinking water.

6.0 PROJECT OPERATING COSTS

In order to realize its intended objective, the project operating costs will vary based on total revenue.

REVENUE ASSUMPTIONS

- For the purpose of this project all revenue will come from selling of pure drinking water produced in the industry.
- The annual revenue to grow by different percentages depending on market demand annually.
- Revenue projections are based on experiences gained by the firm for being in the market for five years now.

CONCLUSION AND RECOMMENDATION

Conclusion

The project is viable and profitable throughout the project period, after the foregoing economic and financial evaluation of the project; we strongly recommend that **YAKET INTERNATIONAL LIMITED** Board of Directors approval and accept the business proposal. The new project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

Appendix I
YAKET INTERNATIONAL LIMITED COST STRUCTURE

| PARTICULAR | US\$ |
|-----------------------|---------------------|
| Land and Buildings | 250,000.00 |
| Machinery & Equipment | 180,000.00 |
| Motor Vehicles | 40,000.00 |
| Furniture & Fixtures | 10,000.00 |
| Preexp | 10,000.00 |
| Others | 10,000.00 |
| Working Capital | 500,000.00 |
| TOTAL | 1,000,000.00 |

PROJECTIONS

YAKET INTERNATIONAL LIMITED

FINANCIAL PROJECTION SUMMARY FROM 2023 TO 2027

PROJECTED STATEMENT OF FINANCIAL POSITION FOR 5YEARS FROM 2023-2027

| DETAILS | 2023 | 2024 | 2025 | 2026 | 2027 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| CURRENCY | USD | USD | USD | USD | USD |
| ASSETS | | | | | |
| NON-CURRENTASSETS | | | | | |
| PPE | 450,000 | 462,000 | 471,240 | 480,665 | 490,278 |
| TOTALNON-CURRENTASSET | 450,000 | 462,000 | 471,240 | 480,665 | 490,278 |
| | | | | | |
| CURRENTASSET | | | | | |
| Inventory | 9,125,000 | 9,144,408 | 9,225,296 | 9,409,802 | 9,597,998 |
| Trade Receivables | 408,900 | 428,970 | 490,194 | 539,214 | 566,174 |
| Working Capital | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Cash and Cash Equivalent | 314,700 | 323,140 | 315,916 | 316,232 | 316,548 |
| TOTALCURRENTASSET | 10,348,600 | 10,396,518 | 10,531,406 | 10,765,247 | 10,980,720 |
| | | | | | |
| TOTAL ASSETS | 10,798,600 | 10,858,518 | 11,002,646 | 11,245,912 | 11,470,998 |
| | | | | | |
| EQUITYANDLIABILITIES | | | | | |
| EQUITY | | | | | |
| Share Capital | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Retained Earnings | 2,890,134 | 2,780,000 | 915,226 | 1,658,207 | 2,699,346 |
| TOTALEQUITY | 3,890,134 | 3,780,000 | 1,915,226 | 2,658,207 | 3,699,346 |
| | | | | | |
| LIABILITIES | | | | | |
| Trade Payables | 3,889,994 | 3,990,800 | 2,793,126 | 2,737,263 | 2,682,518 |
| Other Payables | 3,018,472 | 3,087,718 | 6,294,294 | 5,850,441 | 5,089,134 |
| TOTAL LIABILITIES | 6,908,466 | 7,078,518 | 9,087,420 | 8,587,705 | 7,771,652 |
| | | | | | |
| TOTALEQUITY ANDLIABILITIES | 10,798,600 | 10,858,518 | 11,002,646 | 11,245,912 | 11,470,998 |

| YAKET INTERNATIONAL LIMITED | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| FINANCIAL PROJECTION SUMMARY FROM 2023-2027 | | | | | |
| DETAILS | 2023 | 2024 | 2025 | 2026 | 2027 |
| CURRENCY | USD | USD | USD | USD | USD |
| SALES | 13,450,750 | 16,680,975 | 17,995,980 | 18,990,600 | 19,765,430 |
| TOTAL INFLOW | 13,450,750 | 16,680,975 | 17,995,980 | 18,990,600 | 19,765,430 |
| COST OF SALES | | | | | |
| OPENING INVENTORY | 0 | 9,055,485 | 9,132,500 | 9,425,296 | 9,504,500 |
| ADD: PRODUCTION COST | 15,670,730 | 11,012,540 | 11,172,504 | 10,980,760 | 11,999,989 |
| LESS: CLOSING INVENTORY | (9,055,485) | (9,132,500) | (9,425,296) | (9,504,500) | (9,680,976) |
| | 6,615,245 | 10,935,525 | 10,879,708 | 10,901,556 | 11,823,513 |
| GROSS PROFIT | 6,835,505 | 5,745,450 | 7,116,272 | 8,089,044 | 7,941,513 |
| OPERATING EXPENSE | | | | | |
| ADMINISTRATION EXPENSES | 2,603,850 | 2,565,980 | 2,737,279 | 2,784,000 | 2,962,578 |
| SALES AND DISTRIBUTION EXPENSES | 1,380,706 | 1,465,900 | 1,689,700 | 2,923,570 | 1,988,895 |
| FINANCE COST | 50,530 | 53,400 | 54,406 | 55,870 | 56,960 |
| DEPRECIATION EXPENSES | 18,160 | 18,312 | 18,430 | 18,535 | 18,635 |
| TOTAL OPERATING EXPENSES | 4,053,246 | 4,103,592 | 4,499,815 | 5,781,975 | 5,027,068 |
| PROFIT FOR THE YEAR | 2,782,259 | 1,641,858 | 2,616,457 | 2,307,069 | 2,914,849 |

Appendix

**YAKET INTERNATIONAL LIMITED
FINANCIAL PROJECTIONS SUMMARY FROM 2023 TO 2027**

| Cost of Sales Analysis | | | | |
|--|---------------------------|---------------------------------------|--|--|
| <i>Cost of Raw Material Produced</i> | | | | |
| Particular | Units(TONES)/MONTH | Cost per Unit in USD per month | Total Cost of production in USD per month | Total Cost of production in USD Annualy |
| PURE DRINKING WATER | 500 | 2,660.12 | 1,330,060 | 15,960,720 |
| Total Cost of Raw material produced | | 2,660.12 | 1,330,060.00 | 15,960,720 |

| Labour Cost | | | | | |
|-----------------------------|--------------------------------------|---|----------------------|--------------------------------------|-------------------------------------|
| Particular | Rate per day per labour USD\$ | Rate per month per labour in USD\$ | No of Labours | Total Cost per month in USD\$ | Total Cost Annual y in USD\$ |
| Foreign employees | 142.08 | 3694.08 | 50 | 184,704 | 2,216,448 |
| Direct and Indirect Labours | 65.25 | 1696.05 | 500 | 848,250 | 10,179,000 |
| | | | | | 12,395,448 |

Closing stock

| Particular | Year1 Amount in USD\$ |
|----------------------|------------------------------|
| Opening Stock | 0 |
| Add: Production Cost | 15,670,730 |
| | |
| Less: Cost of Sales | 24,726,215 |
| Closing Stock | (9,055,485) |
| | |

