

**HUA TAN MANUFACTURING COMPANY LIMITED**

**BUSINESS PLAN**

**FOR**

**YEARS 2023, 2024, 2025, 2026 & 2027**

Prepared by

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## **Executive Summary:**

HUA TAN MANUFACTURING CO. LIMITED is a textile manufacturing company located in Dar es salaam, Tanzania. The company will manufacture a range of textile products including African print fabric, clothing, and accessories. The company's mission is to provide high-quality textile products that celebrate African culture and design while also contributing to the economic growth of the region.

## **Introduction:**

HUA TAN Manufacturing Company Limited is registered company under the Tanzanian Company Act Registration Number 163892987. Our main line of business will operate in the textile manufacturing industry, and we will specialize in the production of high-quality African print fabric, clothing, and accessories. We will utilize modern equipment and technology to ensure our products meet international standards, and we will employ skilled personnel to guarantee the quality of our products.

## **Market Analysis:**

Tanzania's textile industry has great potential as the government has placed a high priority on the development of the industry, and there is a growing demand for African print fabrics worldwide. In addition, Tanzanians are increasingly embracing locally made products. Therefore, HUA TAN will target the local market, as well as the international market, with a focus on Europe, the US, and Africa.

**Products and Services:**

HUA TAN will manufacture a range of textile products, including African print fabric, clothing, and accessories. We will use high-quality materials, including 100% cotton and wax prints, to create our products. Our manufacturing process will involve modern equipment and technology to ensure the quality of our products. We will offer a wide range of designs and patterns, including custom-made prints, to meet the unique needs of our customers.

Our products will be distributed through the country and through partnerships with other retailers. We will also offer online sales to reach a wider customer base.

Our products will be as follows:

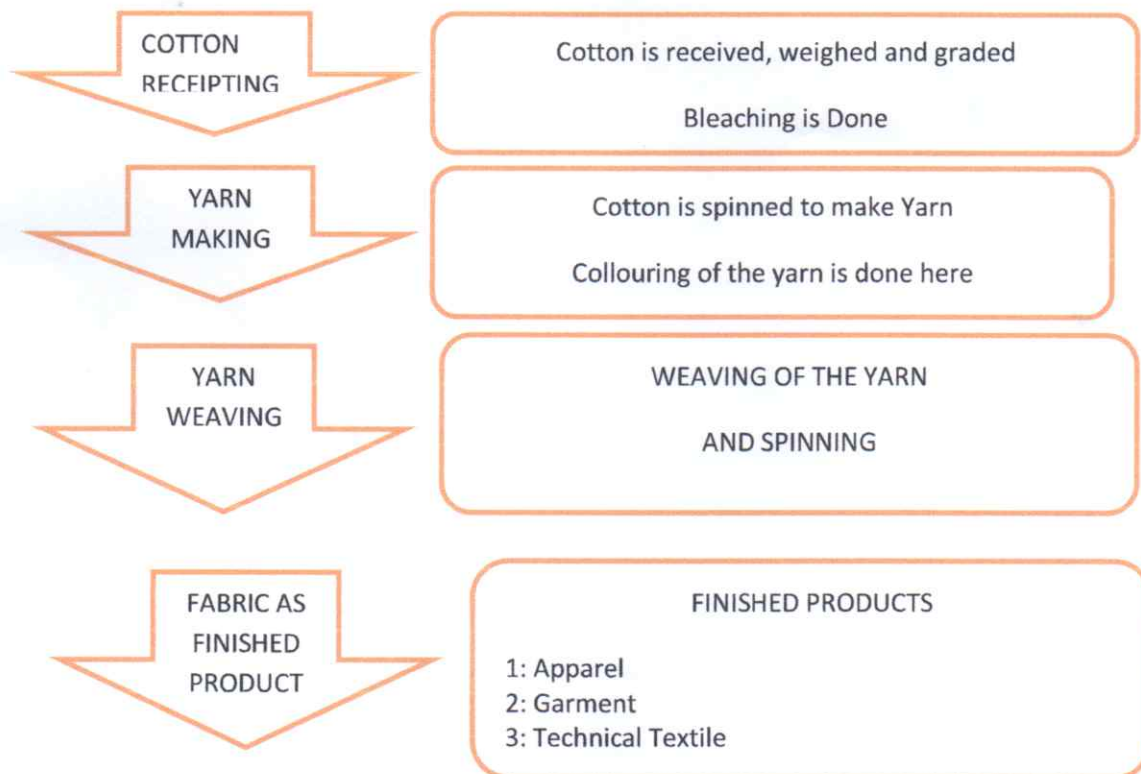
- 1) Apparel
- 2) Garments
- 3) Technical Textile
- 4) Home Textile

### Operations Plan:

Our manufacturing process will involve sourcing high-quality raw materials, the best of the best cotton from Tanzania, utilizing modern equipment and technology to produce high-quality products, and maintaining strict quality control measures throughout the production process.

Textile is a flexible material formed using different processes, such as knitting, weaving, felting, or crocheting. These materials are used in the manufacturing of a wide range of conventional, as well as advanced finished goods, in kitchen, upholstery, bedding, transportation, construction, protective, handbags, medical, apparel, ties & clothing accessories

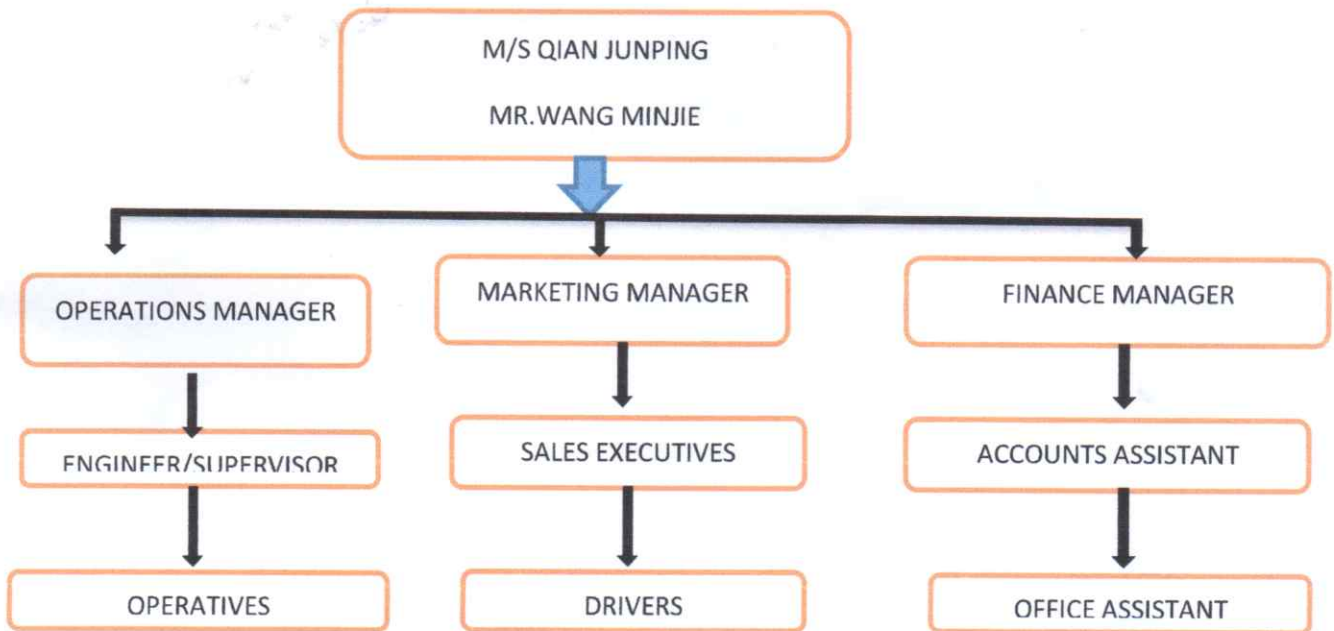
The manufacturing process is here below:



**Management and Organization:**

HUA TAN will be managed by a team of experienced and skilled personnel who will be responsible for the day-to-day operations of the business.

The team will be headed by a CEO who is Madam Qian Jinping. There will be a production manager, a marketing manager, a finance manager, and other personnel as necessary.



## **Financial Plan**

The company's startup capital which is Tshs 300 Million will be sourced from Directors personal savings and a loan of Tshs 900 million will be secured from Chinese Banks.

The Company expects to generate revenue of Tshs 150 Million in the first year of operations, increasing to Tshs 250 million in the second year.

The company expects break even in the first year of operations and generate profits of Tshs 147 million.

The Company's Financial Projections for the Five years is attached.

# HUA TAN MANUFACTURING COMPANY LIMITED

ADD: INCOME FORECAST 2023 to 2027

PARTICULARS	TOTAL	2023	2024	2025	2026	2027
Sales of Fabrics	1,520,000,000	120,000,000	200,000,000	300,000,000	400,000,000	500,000,000
Sales Offcuts/Leftovers ( Mashudu)	300,000,000	30,000,000	50,000,000	60,000,000	70,000,000	90,000,000
Directors Investment-Shareholding	300,000,000	300,000,000				
Bank Loan	900,000,000		900,000,000			
<b>TOTAL INCOME</b>	<b>3,020,000,000</b>	<b>450,000,000</b>	<b>1,150,000,000</b>	<b>360,000,000</b>	<b>470,000,000</b>	<b>590,000,000</b>

**MINUS: OUTFLOW FORECAST**

EXPENDITURE- OUTFLOW	TOTAL	2023	2024	2025	2026	2027
Capital- Buildings	45,000,000	20,000,000	25,000,000			
Machinery/Spinning	600,000,000	150,000,000	450,000,000			
Office Equipment	6,000,000	3,000,000	3,000,000			
Raw Materials- Cotton	900,000,000	60,000,000	120,000,000	180,000,000	240,000,000	300,000,000
<b>TOTAL CAPITAL:</b>	<b>1,551,000,000</b>	<b>233,000,000</b>	<b>598,000,000</b>	<b>180,000,000</b>	<b>240,000,000</b>	<b>300,000,000</b>

**MINUS: PRODUCTION FORECAST**

Production Costs	TOTAL	2023	2024	2025	2026	2027
Utilities - Water	37,000,000	4,000,000	6,000,000	8,000,000	9,000,000	10,000,000
Power	340,000,000	40,000,000	60,000,000	70,000,000	80,000,000	90,000,000
<b>TOTAL PRODUCTIO COSTS</b>	<b>377,000,000</b>	<b>44,000,000</b>	<b>66,000,000</b>	<b>78,000,000</b>	<b>88,000,000</b>	<b>100,000,000</b>

**MINUS: OPERATING FORECAST**

Operating Costs	TOTAL	2023	2024	2025	2026	2027
Salaries	83,520,000	12,000,000	24,000,000	15,840,000	15,840,000	15,840,000
Transportation	27,600,000	4,800,000	5,400,000	6,600,000	5,400,000	5,400,000
Communication/Telephone	15,000,000	1,800,000	2,400,000	3,600,000	3,600,000	3,600,000
Insurance	14,400,000	1,200,000	2,400,000	3,600,000	3,600,000	3,600,000
Land Lease	15,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Audit Fees	15,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Loan Repayment ( Ten Years ) Tshs 900,000,000	412,000,000		103,000,000	103,000,000	103,000,000	103,000,000
<b>TOTAL OPERATING COSTS</b>	<b>582,520,000</b>	<b>25,800,000</b>	<b>143,200,000</b>	<b>138,640,000</b>	<b>137,440,000</b>	<b>137,000,000</b>

**PROFIT AND LOSS**

<b>509,520,000</b>	<b>147,200,000</b>	<b>342,800,000</b>	<b>( 36,640,000 )</b>	<b>3,560,000</b>	<b>52,600,000</b>
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## SUMMARY

As evidenced above, apart from the Directors Investment of Tshs 300,000,000 they will secure over Tshs 900,000,000 loan from China to finance the whole Project. This amount will total to Tshs 1,200,000,000 the equivalent of USD 500,000.

## **Conclusion**

The company will be able to break even in the first year as evidenced by the attached Financial Projections.

The company stands a big chance of big success, as market for fabrics grows as per population increases, coupled by per capita upward acceleration too.