

YONGDA INTERNATIONAL
ENERGY TRADING CO.LTD

BUSINESS PLAN



2024

Yongda International Energy
Trading Company Limited
Certification Number: 164-312-240

Powered by :
JULIUS S OLAN'G

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1. Executive summary

Company: Yongda International Energy Trading Company Limited

Certification Number: 164-312-240

Date of Incorporation: March 15, 2023

Business Location: Tanzania

Business License: Mineral Processing

Investment Capital: USD 850,000

2. Investment Objective, Sector, and Products

2.1 OBJECTIVE:

The primary goal of Yongda International Energy Trading Company Limited is to establish a profitable energy trading business by purchasing, processing, and selling coal locally and internationally. The project's purpose is to install a coal sales point to facilitate the distribution of processed coal efficiently. This sales point will be strategically located at Rahaleo, Maposeni Village, Songea DC.

SECTOR:

The business operates in the Energy Sector, focusing on mineral processing – specifically, the buying, processing, and trading of coal.

PRODUCTS:

- Processed coal for local industrial use (cement, steel manufacturing, power generation)
- Processed coal for export to international markets (primarily in Africa and Asia)

3. Investment Costs and Sources of Finance

Capital needed:

Total Investment Cost: USD 850,000

ITEM	COST (USD)
Coal Purchase (Raw Material)	200,000
Coal Processing Machinery	250,000
Facility Setup and Equipment	150,000
Licensing and Legal Fees	30,000
Working Capital	120,000
Marketing and Distribution	50,000
Miscellaneous	50,000
Total	850,000

3.2 Sources of Finance

- Owner's Equity: USD 850,000 (100% of total investment)

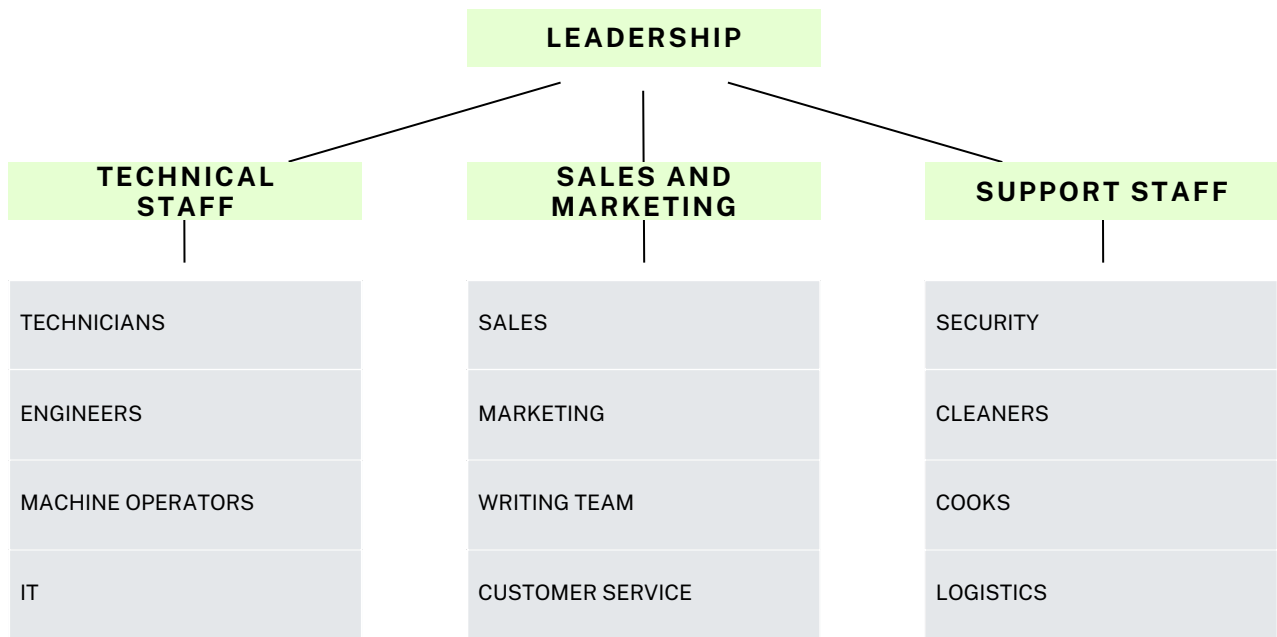
4. Job Creation

Yongda International Energy Trading Company Limited will contribute to local employment by hiring skilled and unskilled labor. The company projects the creation of at least 50 jobs directly related to coal processing and trading. The job categories include:

- Management and Administration (5 people)
- Technical Staff (20 people) (engineers, technicians, and machine operators)
- Support Staff (14 people) (security, cleaning, logistics)
- Sales and Marketing (15 people)



The Team Vision



5. Investment Funds Expenditure Breakdown

COAL PROCESSING MACHINERY

250,000 USD for acquisition and installation of high-efficiency processing machines.

MARKETING & DISTRIBUTION

50,000 USD for branding, market entry strategies, and logistics

RAW MATERIALS (COAL):

200,000 USD allocated to purchasing coal for the first 6 months of operation

MISCELLANEOUS EXPENSES

50,000 USD to cover unforeseen costs and contingencies

LEGAL & LICENSING FEES:

30,000 USD for legal compliance, business licenses, and operational permits

WORKING CAPITAL

120,000 USD to cover initial overhead costs, salaries, and operational expenses.

6. Sources of Supply of Inputs

- **Local Coal Mines:** Yongda International Energy Trading Company Ltd will source raw coal from established coal mines within Tanzania, particularly from the Mchuchuma and Ngaka coal fields, which are rich in reserves and conveniently located for transport to the processing plant.

7. Marketing Plan

Yongda International Energy Trading Company Ltd will employ the following strategies to market its processed coal products:

Local Market Strategy:

- Target key industries within Tanzania that heavily rely on coal, such as cement manufacturing, steel production, and power generation.
- Form long-term supply contracts with large-scale consumers to ensure stable demand.
- Use competitive pricing to attract small- and medium-sized businesses that use coal for industrial and commercial purposes.

International Market Strategy:

- Export processed coal to neighboring countries (Kenya, Uganda, Rwanda) and Asian markets (India, China).
- Partner with shipping and logistics companies to streamline the export process and reduce delivery time.
- Attend international energy trade shows and exhibitions to build a global presence.

Branding and Promotion:

- Develop a strong brand that emphasizes the quality and sustainability of the company's coal products.
- Use online marketing, including a company website and social media, to reach international buyers.



8. Implementation Schedule

ACTIVITY	COST (USD)
Securing Initial Funding	200,000
Purchasing Machinery and Equipment	250,000
Facility Construction & Setup	150,000
Initial Coal Purchase	30,000
Processing Plant Commissioning	120,000
Recruitment and Training	50,000
Miscellaneous	50,000
Total	850,000

9. Financial Outlook

Here is a summary of the financial outlook for the business over the next three years.

YEAR ONE

- Local Sales: \$600,000
- International sales: \$1,000,000
- Total sales: \$1,600,000

YEAR TWO

- Local sales: \$700,000
- International sales: \$1,200,000
- Total sales: \$1,900,000

YEAR THREE

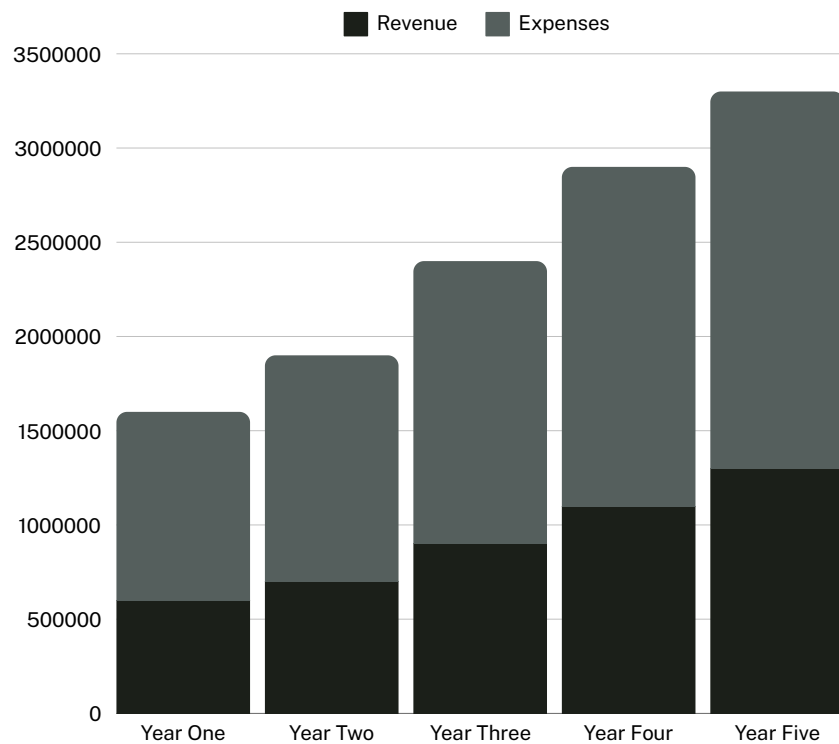
- Local sales: \$900,000
- International sales: \$1,500,000
- Total sales: \$2,400,000

YEAR FOUR

- Local sales: \$1,100,000
- International sales: \$1,800,000
- Total sales: \$2,900,000

YEAR FIVE

- Local sales: \$1,300,000
- International sales: \$1,200,000
- Total sales: \$3,300,000



EXPENSES PROJECTIONS

YEAR ONE

- Cost of goods sold: \$800,000
- Operating expenses: \$300,000
- Total expenses: \$1,100,000

YEAR TWO

- Cost of goods sold: \$950,000
- Operating expenses: \$350,000
- Total expenses: \$1,300,000

YEAR THREE

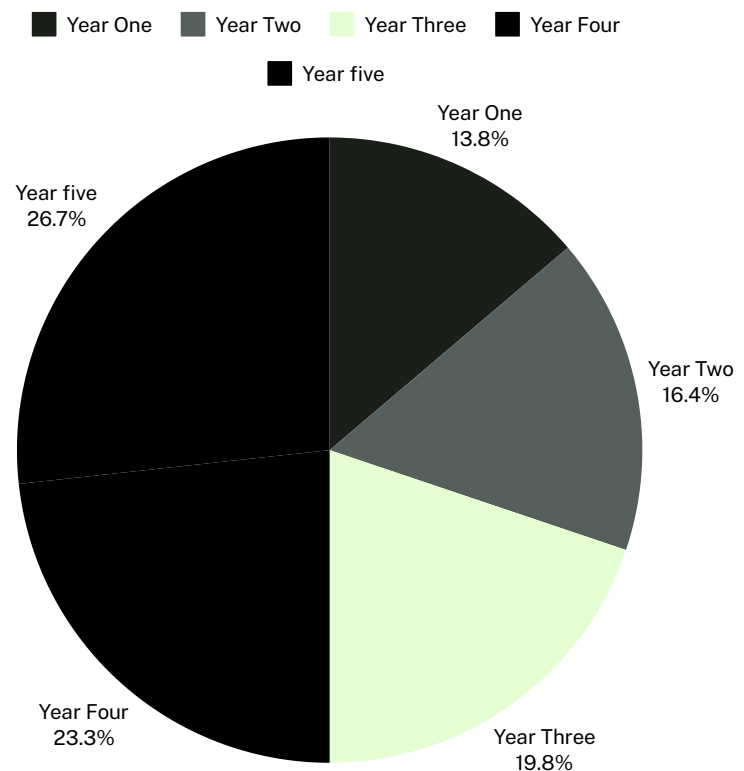
- Cost of goods sold: \$1,150,000
- Operating expenses: \$400,000
- Total expenses: \$1,550,000

YEAR FOUR

- Cost of goods sold: \$1,350,000
- Operating expenses: \$450,000
- Total expenses: \$1,800,000

YEAR FIVE

- Cost of goods sold: \$1,550,000
- Operating expenses: \$500,000
- Total expenses: \$2,050,000



PROFIT PROJECTIONS

YEAR ONE

- Gross Profit: \$500,000
- Net Profit: \$200,000

YEAR TWO

- Gross Profit: \$600,000
- Net Profit: \$300,000

YEAR THREE

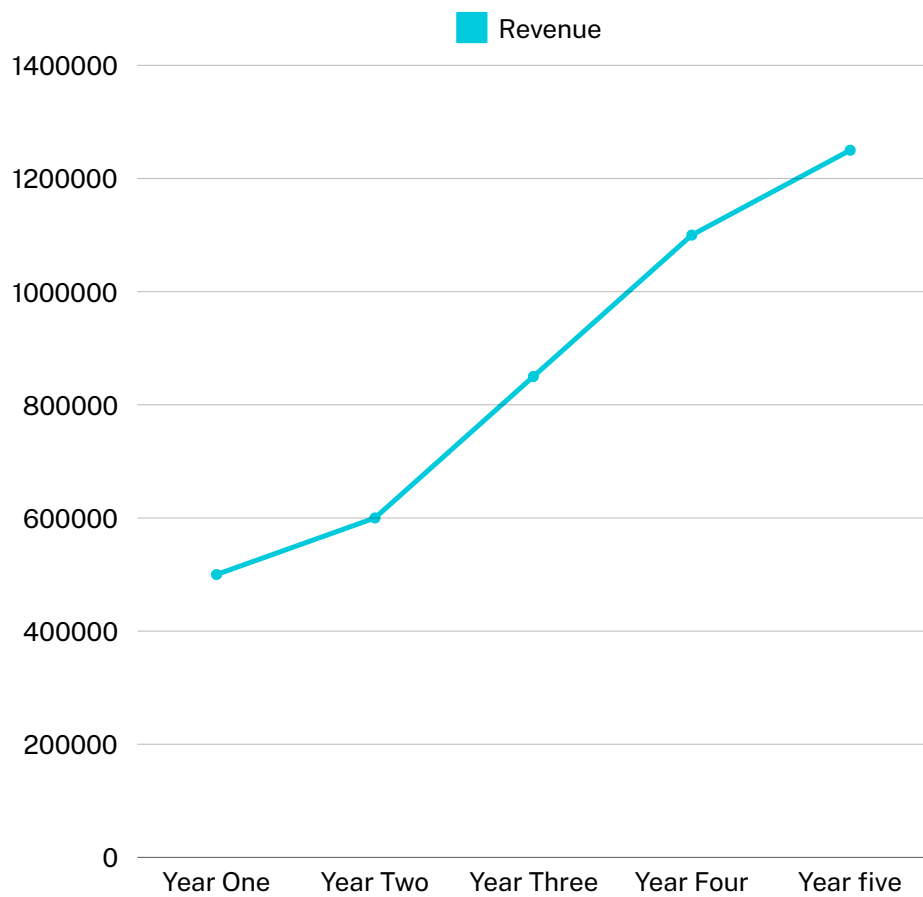
- Gross Profit: \$850,000
- Net Profit: \$450,000

YEAR FOUR

- Gross Profit: \$1,100,000
- Net Profit: \$600,000

YEAR FIVE

- Gross Profit: \$1,250,000
- Net Profit: \$700,000



10. Capacity of the Project

Yongda International Energy Trading Company Limited is projected to process 150,000 tons of coal annually in the initial year, with plans to increase production capacity by 10-15% each year. By Year 5, the plant aims to reach a processing capacity of 225,000 tons per year to meet growing demand.

LOCATION OF SALES POINT

The new sales point will be established in Rahaleo, Maposeni Village, within Songea DC, strategically selected for its accessibility and proximity to local industries. This location will streamline coal distribution, enhancing the company's ability to penetrate both local and international markets. Additionally, the sales point is expected to drive regional development, generating both direct and indirect economic benefits for the surrounding community.