

# **AMANI PLASTICS LIMITED**

**BUSINESS PLAN**

**FOR**

**MANUFACTURING PACKAGING PRODUCTS**

## **1.0 Industry Overview**

Packaging products and other packaging materials are one commodity that is used mostly in the retailing industry for packaging water, liquid, commodity in general. This goes to show that there is indeed a very large market for packaging materials in Tanzania; hence loads of investors are investing in the packaging products manufacturing industry.

Businesses in the packaging products manufacturing industry are involved in the manufacturing of a wide range of products from various plastic compounds based on their end use. These products are then sold to beverage, food and chemical manufacturers to use as packaging for soft drinks, milk, condiments, household and automotive chemicals.

The fact that plastic is used in the packaging of various consumer products, from vending machine sodas to family-sized products of detergent make it a viable industry to invest in. Nevertheless, the prevalence of plastic containers and products has not immunized the Packaging products Manufacturing industry to economic volatility.

Large players of packaging products manufacturers are based in Dar es Salaam and Consumer spending is also increasing, resulting in revenue increasing over the five years.

The Packaging products Manufacturing industry is indeed a major sector of the economy of most countries in the world. No Statistics are available in Tanzania related to plastic bottle.

We forecast Tanzania's non-alcoholic drinks sales will experience positive growth over our forecast period to 2020, reaching an 8.2%

CAGR. Growth will be driven by consumers' rising incomes and increasing investment into the segment. Also contributing to growth is the fact that soft drinks appeal to lower-income consumers, as carbonates are often cheaper than bottled water and prices of core carbonates rarely rise at the rate of inflation. Carbonated soft drinks sales will grow by 12.3% over our five-year forecast period to 2020. In line with our expectations for pan-regional disposable income appreciation, demand for low-cost carbonated soft drinks and bottled water is projected to grow considerably over the coming years.

While Tanzania was once dominated by PepsiCo's core brands, The Coca-Cola Company came back strongly in the mid-1990s under the South African company Coca-Cola SABCO, which invested heavily in resuscitating Coca-Cola and usurping Pepsi's long-held dominance. The rising demand for carbonated soft drinks across the country will create profitable opportunities for expansion as well as companies looking to invest in Tanzania. Local companies Bakhresa Group (one of East Africa's leading conglomerates) and MeTL (a family conglomerate) are expanding into the beverage segment

With a positive consumer outlook, we forecast positive growth for bottled water sales, growing by 6.3% to 2020. However, we believe the bottled water industry will experience slower growth than carbonated soft drinks, owing to lower demand. A large proportion of Tanzania's population still lives in rural areas and we expect consumers to spend less on bottled water as it is a relatively more expensive product.

Furthermore, a large part of the population is dependent on purified tap water, due to the cost of bottled water.

The Packaging products Manufacturing industry is a profitable industry and it is open for any aspiring entrepreneur to come in and establish his or her business. That is why the company has decided to set up a factory in Dar es Salaam region.

## 2.0 **Executive Summary**

AMANI PLASTICS LIMITED is a company incorporated in Tanzania with Certificate of Incorporation No.173930577 dated 17<sup>th</sup> April 2024 dealing with packaging products manufacturing and plastic related products that is located at **Plot No. 19Nyerere Road Industrial Area, Ilala, Dar es Salaam, Tanzania**; in an ideal location that is highly suitable for the kind of business we are investing. The company has leased a facility that is big enough to fit into the design of the kind of standard packaging products manufacturing company that we are operating.

AMANI PLASTICS LIMITED is involved in the manufacturing of a wide range of plastic products such as beverage products, food products, household product products, automotive and industrial product products amongst others. We are set to service a wide range of clientele not just in the United Republic of Tanzania, but also all parts of the world.

We are aware that there are several packaging products manufacturing companies all around the United Republic of Tanzania, which is why we spent time and resources to conduct thorough feasibility studies and

market survey so as to be well positioned to favorably compete with all our competitors.

AMANI PLASTICS LIMITED. will ensure that all the plastic products that leave our factory are of the highest quality, highly durable and affordable. We want to build a business with a wide range of clientele base that cuts across businesses in the fast-moving consumer goods (FMCG) sector. We have a CRM software that will enable us manage a one on one relationship with our customers no matter how large they are.

AMANI PLASTICS LIMITED. will at all times demonstrate her commitment to sustainability, both individually and as a firm, by actively participating in our communities and integrating sustainable business practices wherever possible. We will ensure that we hold ourselves accountable to the highest standards by meeting our customers' needs precisely and completely whenever they patronize our products.

### **3.0 Company Ownership**

AMANI PLASTICS LIMITED is a company owned by two shareholders from India

Name of subscriber	% of shares	Nationality
Jignesh Pravin Panchal	50	India
Kettan Pravin Panchal 5737	45	India
Dharmeshkumar Jayantilal	5	India

Board of directors will be bringing in experience to build AMANI PLASTICS LIMITED to become a top brand.

#### **4.0 Our Product Offering**

AMANI PLASTICS LIMITED. is in the packaging products manufacturing industry to manufacture a wide range of plastic products for a wide range of clients. We are set to service clients who are not just in Dar es Salaam, but also all neighboring regions which is why we will go all the way to give our clients and potential clients options.

The company will strictly do all that is permitted by the law of the United Republic of Tanzania to achieve our business goal, aim and ambition. Our product offerings are listed below;

- Manufacturing HDPE plastic products
- Manufacturing PET plastic products
- Manufacturing PVC plastic products
- Other plastic products related

#### **4.1 Our Vision Statement**

Our vision is to become the leading brand in the packaging products manufacturing industry in Tanzania.

#### **4.2 Our Mission Statement**

Our mission is to have a world – class packaging products manufacturing company whose products will not only be used by both small and large corporations in the FMCG sector in the United Republic of Tanzania, but also be exported to other neighboring countries.

### **4.3 Our Business Structure**

Our intention of starting our packaging products manufacturing company is to build a standard company in Dar es Salaam. Although our packaging products manufacturing company might not be as big as other companies in Dar es Salaam, but we will ensure that we put the right structures in place that will support the kind of growth that we have in mind while setting up the business.

The will make sure that we employ people that are qualified, honest, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders.

### **4.4 Project Management and Manpower Requirements**

**AMANI PLASTICS LIMITED** will be under the Management with vast experience in managing various soft drinks businesses, the project will be directly managed Managing Director assisted by Managers who will comprise the management team. **25** staff will be directly employed.

In view of that, **AMANI PLASTICS LIMITED** have decided to hire qualified and competent hands to occupy various positions

### **4.4 SWOT Analysis**

**AMANI PLASTICS LIMITED** is in business to become one of the leading packaging products manufacturing companies in the United Republic of Tanzania and we are fully aware that it will take the right business concept, management and organizational structure to achieve our goal.

We know that there are several packaging products manufacturing companies all over the United Republic of Tanzania and even in the same region where we are located intend.

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be equipped to confront our threats.

AMANI PLASTICS LIMITED employed the services of an expert HR and Business Analyst with bias in the manufacturing industry to help us conduct a thorough SWOT analysis and to help us create a business model that will help us achieve our business goals and objectives.

This is the summary of the SWOT analysis that was conducted for AMANI PLASTICS LIMITED.;

#### **4.6 Strength:**

Our main strength lies in the high quality of finished products, the power of our team and the state-of-the-art packaging products manufacturing factory that we own. We have a team of highly trained and experienced professionals that can go all the way to produce top notch plastic products. We are well positioned in the heart of Dar es Salaam and we know we will attract loads of clients from various regions and neighboring countries.

#### **4.7 Weakness:**

A major weakness that may count against us is the fact that we are a new plastic products manufacturing company and we don't have the financial capacity to compete with multi - million dollars' companies in the industry when it comes to manufacturing plastic products at a rock bottom prices. So also, we may not have enough cash reserve to promote our business the way we would want to do.

#### **4.8 Opportunities:**

The fact that we are operating our plastic products manufacturing company in Dar es Salaam provides us with unlimited opportunities to sell our products to a large number of corporations. We have been able to conduct thorough feasibility studies and market survey and we know what our potential clients expecting from us; we are well positioned to take on the opportunities that will come our way.

#### **4.9 Threat:**

Just like any other business, one of the major threats that we are facing is economic downturn. Another threat that may likely confront us is the arrival of a new packaging products manufacturing company in same location where ours is located. So also, unfavorable government policies may also pose a threat for businesses such as ours.

## **5.0 MARKET ANALYSIS**

### **Market Trends**

Trends in the packaging products manufacturing industry shows that plastic will remain a more effective, lower-cost alternative to glass or metal packaging. Food producers purchased more plastic products to meet increasing product demand and as demand for bottled water and sports drinks increases, demand for plastic products will expand.

The conditions in the Packaging products Manufacturing industry have been relatively volatile. The revenue generated in the industry is heavily influenced by national demand for consumer goods (water, liquids and milk et al), as the majority of the products that are produced in the industry are sold for downstream use in the fast-moving consumer goods (FMCG) sector.

As part of marketing strategies, packaging products manufacturing companies now ensure that they go beyond mass production of plastic products to producing customized plastic products for bigger corporations who are in the fast-moving consumer goods sector.

### **5.1 Our Target Market**

There is hardly any company that is into the production of liquid related products that do not make use of plastic products in packaging their products.

In view of that, we have positioned our packaging products manufacturing company to service a wide range of clientele in the United

Republic of Tanzania and other parts of the neighboring countries. We have conducted our market research and feasibility studies and we have ideas of what our target market would be expecting from us.

We in the packaging products manufacturing industry to supply our products to the following fast-moving consumer goods (FMCG) organizations;

Bottle water production companies

Milk production companies

Pharmaceutical companies

Carbonated drinks production companies

Chemical manufacturing companies

## **5.2 Our Competitive Advantage**

A close examination of the packaging products manufacturing industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, you have to be highly creative with your market approach, be customer centric and proactive if you must survive in this industry. We are aware of the competition and we are prepared to compete favorably with other leading packaging products manufacturing companies in the United States.

AMANI PLASTICS LIMITED. is launching a standard packaging products manufacturing company that will indeed become the preferred choice for businesses in the fast-moving consumer goods (FMCG) sector in the

United Republic of Tanzania. Our packaging products manufacturing company is located in an ideal property highly suitable for the kind of manufacturing company that we want to run.

Our competitive advantages are our provision of a related range of goods and our technical research and development skills. One thing is certain, we will ensure that we manufacture high quality and durable plastic products in our factory at all times. Our excellent customer service culture, various payment options and highly secured facility will serve as a competitive advantage for us.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions and commissions to freelance sales agents that we will recruit from time to time.

### **5.3 SALES AND MARKETING STRATEGY**

#### **Sources of Income**

AMANI PLASTICS LIMITED. is in business to manufacture and supply plastic products in the United Republic of Tanzania and other parts of the world. We are in the packaging products manufacturing industry to maximize profits and we are going to go all the way out to ensure that we achieve or business goals and objectives.

AMANI PLASTICS LIMITED. will generate income by selling the following products;

- Beverage products
- Food products
- Household product products
- Automotive and industrial product products
- HDPE plastic products
- PET plastic products
- PVC plastic products

The packaging products manufacturing industry has a wide range of customers that cut across various manufacturing industries especially players in the fast-moving consumer goods (FMCG) sector.

We are well positioned to take on the available market in the United Republic of Tanzania and of course the rest of the world and we are quite optimistic that we will meet our set target of generating enough income / profits from the first six months of operation and grow the business and our clientele base.

#### **5.4 Marketing Strategy and Sales Strategy**

Before choosing a location for AMANI PLASTICS LIMITED, we conducted a thorough market survey and feasibility studies in order for us to be able to penetrate the available market and become one of the preferred choices for businesses not only in Dar es Salaam, but also throughout the United Republic of Tanzania. We have detailed information and data that

we were able to utilize to structure our business to attract the number of customers we want to attract per time.

We hired experts who have good understanding of the packaging products manufacturing industry to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market in the United Republic of Tanzania.

In summary, AMANI PLASTICS LIMITED will adopt the following sales and marketing approach to win customers over;

- Introduce our packaging products manufacturing company by sending introductory letters alongside our brochure to manufacturing organizations, stores and key stake holders in the industry
- Ensure that we manufacture a wide range of plastic products and related packaging materials
- Make use of attractive hand bills to create awareness and also to give direction to our factory
- Create a loyalty plan that will enable us reward our regular customers
- List our business and products on yellow pages ads (local directories)
- Leverage on the internet to promote our products
- Engage in direct marketing and sales
- Encourage the use of Word of mouth marketing (referrals)

Even though our plastic products manufacturing company is well positioned, we will still go ahead to intensify publicity for the business. We are going to explore all available means to promote our company.

AMANI PLASTICS LIMITED has a long – term plan of opening our factories in key regions which is why we will deliberately build our brand to be well accepted in the United Republic of Tanzania before venturing out.

As a matter of fact, our publicity and advertising strategy is not solely for winning customers over but to effectively communicate our brand. Here are the platforms we intend leveraging on to promote and advertise AMANI PLASTICS LIMITED.;

- Place adverts on community based newspapers, radio and TV stations.
- Encourage the use of word of mouth publicity from our loyal customers
- Leverage on the internet and social media platforms to promote our business
- Ensure that our we position our banners and billboards in strategic positions all around strategic area.
- Distribute our fliers and handbills in target areas in and around our neighborhood
- Advertise our packaging products manufacturing company in our official website and employ strategies that will help us pull traffic to the site

- Brand all our official cars and trucks and ensure that all our staff members and management staff wear our branded shirt or cap at regular intervals.

## **5.5 Our Pricing Strategy**

Aside from quality, pricing is one of the key factors that gives leverage to plastic products manufacturing companies, it is normal for consumers to go to places where they can get plastic products at cheaper prices which is why big players in the plastic products manufacturing industry always attract loads of clients.

We know we don't have the capacity to compete with Big companies but we will ensure that the prices and quality of all our plastic products are competitive with what is obtainable amongst packaging products manufacturing companies within our level.

## **6.0 Project Investment Cost**

The estimated capital investment cost of the project is US \$ 1m out of which US \$750,000 will be fixed investment costs. Pre-production expenditures have been budgeted at US \$30,000; other cost will be \$20,000, while working capital is put at \$200,000

## COST STRUCTURE

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	40,000.00
Machinery & Equipment	600,000.00
Motor Vehicles	100,000.00
Furniture & Fixtures	10,000.00
Pre exp	30,000.00
Others	20,000.00
Working Capital	200,000.00
<b>TOTAL</b>	<b>1,000,000.00</b>

For the project to be a reality a total investment amounting to US \$1 is needed

### 6.1 Financing Pattern

The project will be financed by equity by 80%; constituting US\$ 800,000 and loan 20% being US \$200,000

### 6.2 Project Operating Costs

In order to realize its intended objective, the project will have to meet the following operating costs.

#### i. Salaries and Wages US \$320,000

The project will engage 25 employees.

**ii. Utilities US \$32,000**

Considered here are water and electricity which together will cost US \$32,000 annually respectively.

**iii. Motor vehicle running Expense US\$20,000**

Petrol/diesel and lubricant requirement for the project's motor vehicles, this cost element will amount to US\$20,000 annually.

**iv. Insurance: US\$5,800**

Each vehicle will be covered by third party insurance of US\$ 5,800 annually

**v. Marketing cost US \$2815**

A portion of US\$39,216 is to be used in advertising the project and also for marketing purposes, for instance, Public Relations' contributions, charity donations, etc.

**vi. Depreciation cost US \$162,966**

For the day-to-day depreciation of fixed asset of the project US\$162,966 will be required annually for depreciation cost.

**vii. Pension contribution US \$ 31,000**

The company has set a side US \$ 31,000 as pension contribution

**viii. Communication cost US\$ 5,500 and Administration cost US\$ 5200.**

### **6.3 Investment Pattern**

It is estimated that a total of US\$ **2,120,000** will be required over a period of five years of the project to acquire the various assets particularly machines as provided above and it will be invested in phases.

<b>Source</b>	<b>Value (\$)</b>
Equity	200,000
Loan	800,000
Total	1,000,000

### **7.0 Financial Analysis**

#### **7.1 Considerations and Assumptions:**

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

It is assumed that the major raw material will be procured from local market and other will be imported. Plastic products will be manufactured at the factory. Revenues have been conservatively estimated based on experience of the promoters and trends in the plastic products industry.

#### **7.2 Financial Statements:**

#### **7.3 Projected Sales Revenue**

For projection purposes, it is assumed that the economic life of the project is five years, and that production of the different types of plastics products commence from the first year of operation.

**REVENUE PROJECTION**

YEARS					
PRODUCTS	1 US\$	2 US\$	3 US \$	4 US\$	5 US\$
Recycled plastic	1,630,800	1,640,800	1,649,805	1,655,901	1,700,000

**7.4 Projected Profit and Loss Statement**

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US \$ **419,499** in first year to US \$ **456,299** in the 5 years

**PROJECTED INCOME STATEMENT USD**

	1	2	3	4	5
Revenue	1,500,000.00	1,610,000.00	1,730,000.00	1,810,000.00	1,930,000.00
Cost of Sales	500,000.00	520,000.00	545,000.00	550,000.00	560,000.00
<b>Gross Profit</b>	<b>1,000,000.00</b>	<b>1,090,000.00</b>	<b>1,185,000.00</b>	<b>1,260,000.00</b>	<b>1,370,000.00</b>
<b>Operating Expenses:</b>					
Administrative Expenses	61,440.00	74,512.00	88,238.00	90,649.00	92,782.00
Motor vehicle running expenses	43,792.00	50,982.00	58,531.00	66,457.00	74,780.00
Salaries and Wages	210,800.00	226,340.00	242,657.00	259,790.00	277,779.00
Pension Contributions	21,080.00	22,634.00	24,265.00	25,979.00	27,777.00
Depreciation	162,966.00	162,966.00	162,966.00	162,966.00	162,966.00

Marketing Costs	39,216.00	41,177.00	43,236.00	45,397.00	47,667.00
Utility costs	32,680.00	34,314.00	36,030.00	37,831.00	39,723.00
Insurance	14,250.00	14,963.00	15,711.00	16,496.00	17,321.00
Communication	12,000.00	12,600.00	13,230.00	13,892.00	15,586.00
<b>Total Expenses</b>	<b>598,224.00</b>	<b>640,488.00</b>	<b>684,864.00</b>	<b>719,457.00</b>	<b>756,381.00</b>
<b>Profit before tax</b>	<b>401,776.00</b>	<b>449,512.00</b>	<b>500,136.00</b>	<b>540,543.00</b>	<b>613,619.00</b>
Tax (30%)	231,460.00	226,354.00	250,241.00	262,483.00	291,246.00
<b>Profit After Tax</b>	<b>170,316.00</b>	<b>223,158.00</b>	<b>249,895.00</b>	<b>278,060.00</b>	<b>322,373.00</b>

## 7.5 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year1, i. e US\$ 2,845,818 of operation to the 5th year i.e. US \$ 6,686,52

**PROJECTED CASHFLOWS USD**

	1	2	3	4	5
<b>CASH FLOW FROM OPERATIONS:</b>					
Cash Sales	3,400,000.00	3,520,000.00	3,632,000.00	3,720,000.00	3,880,000.00
<b>Subtotal cash Received</b>	3,400,000.00	3,520,000.00	3,632,000.00	3,720,000.00	3,880,000.00
<b>Expenditures from Operations:</b>					
Fuel	560,000.00	590,000.00	621,000.00	675,000.00	683,400.00
Additional Cash Spent	845,258.00	887,521.00	931,897.00	978,492.00	1,028,416.00
<b>Subtotal Cash Payment</b>	1,405,258.00	1,477,521.00	1,552,897.00	1,653,492.00	1,711,816.00
CASH FLOW FROM OPERATIONS:	<b>1,994,742.00</b>	<b>2,042,479.00</b>	<b>2,079,103.00</b>	<b>2,066,508.00</b>	<b>2,168,184.00</b>
<b>CASH FLOW FROM INVESTMENTS:</b>					
Purchase of Assets	(3,700,000.00)				
Working Capital and pre-expenses	(1,200,000.00)				
CASH FLOW FROM INVESTMENTS:	<b>(4,900,000.00)</b>				
<b>CASH FLOW FROM FINANCING:</b>					
Loan	2,250,000.00				
Owners Equity Contribution	2,750,000.00				
CASH FLOW FROM FINANCING:	<b>5,000,000.00</b>				
<b>NET CASH FLOW FOR PERIOD</b>	<b>2,094,742.00</b>	<b>2,569,879.00</b>	<b>2,621,083.00</b>	<b>2,614,608.00</b>	<b>2,743,572.00</b>
<b>CASH FLOW START OF YEAR</b>	-	2,605,942.00	5,175,821.00	7,796,904.00	10,411,512.00
<b>CASH FLOW AT THE END OF YEAR</b>	<b>2,094,742.00</b>	<b>5,175,821.00</b>	<b>7,796,904.00</b>	<b>10,411,512.00</b>	<b>13,155,084.00</b>

## 7.6 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Net worth of the project increases from US\$ 1,261,548 in the first year of operation to US \$ 1,297,691 in the 5<sup>th</sup> year.

### PROJECTED BALANCE SHEE USD

<b><u>Fixed Assets</u></b>	1	2	3	4	5
Long-term Assets	750,000	731,000	712,000	693,000	674,000
Depreciation	19,000	19,000	19,000	19,000	19,000
<b>Total Long-term Assets</b>	<b>731,000</b>	<b>712,000</b>	<b>693,000</b>	<b>674,000</b>	<b>655,000</b>
<b><u>Current Assets</u></b>					
Cash	60,000	65,000	67,000	69,500	70,000
Accounts Receivable	5,000	4,500	6,000	7,000	7,500
<b>Total Current Assets</b>	<b>65,000</b>	<b>69,500</b>	<b>73,000</b>	<b>76,500</b>	<b>77,500</b>
<b>Total Assets</b>	<b>796,000</b>	<b>781,500</b>	<b>766,000</b>	<b>750,500</b>	<b>732,500</b>
<b><u>Current Liabilities</u></b>					
Accounts Payable	4,000	6,000	7,500	8,000	9,000
Other Current Liabilities	31,373	32,941	34,589	36,318	38,134
<b>Subtotal Current Liabilities</b>	<b>35,373</b>	<b>38,941</b>	<b>42,089</b>	<b>44,318</b>	<b>47,134</b>
<b><u>Long-term Liabilities</u></b>					
Long-term Liabilities	200,000	200,000	200,000	200,000	200,000
<b>Total Liabilities</b>	<b>235,373</b>	<b>238,941</b>	<b>242,089</b>	<b>244,318</b>	<b>247,134</b>
<b>Net Assets</b>	<b>560,627</b>	<b>542,559</b>	<b>523,911</b>	<b>506,182</b>	<b>485,366</b>
<b><u>Capital and Reserves</u></b>					
Owners Contribution	800,000	800,000	800,000	800,000	800,000
Retained Earnings	170,316.00	<b>223,158.00</b>	249,895	278,060	322,373
<b>Total Capital</b>	<b>970,316</b>	<b>1,023,158</b>	<b>1,049,895</b>	<b>1,078,060</b>	<b>1,122,373</b>

## 7.7 Projected Risks

No major risks have been identified for this kind of project so far. Unless a change in the country's political and economic stability and global changes affect business

## 7.8 Implementation Schedule

Project is already been stated to be implemented:-

Project Implementation

S/N	ACTIVITY	PERIOD
1	Processing TIC Certificate of Incentive	May 2024
2	Processing Exemptions	July-August 2024

## 8.0 Conclusion & Recommendation

### 8.1 Conclusion

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to **25** people.
- The project is an encouraging sign to prove that we have investors who have confidence with Tanzania and are ready to invest such large sums of investment.

### 8.2 Recommendation

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the Tanzania Investment Centre – (TIC). The project deserves this support

because of its viability, since it is technical feasible, economically viable and socially acceptable.



## APPENDIX I

## PACK (T) LIMITED PROJECTED INCOME &amp; EXPENDITURE STATEMENT

" US \$

	1	2	3	4	5	6	7	8
Revenue	2,175,550	3,347,000	5,020,500	9,036,900	13,388,000	13,388,000	13,388,000	13,388,000
<b>Cost of Sales</b>	877,500	1,350,000	2,025,000	3,645,000	5,400,000	5,405,000	5,410,000	5,415,000
<b>Operating costs</b>	1,087,775	1,673,500	2,510,250	4,518,450	6,694,000	6,694,000	6,694,000	6,694,000
<b>Profit before Depreciation &amp; Interest</b>	<b>210,275</b>	<b>323,500</b>	<b>485,250</b>	<b>873,450</b>	<b>1,294,000</b>	<b>1,289,000</b>	<b>1,284,000</b>	<b>1,279,000</b>
<b>Depreciation</b>	<b>18,500</b>	<b>34,725</b>	<b>55,581</b>	<b>60,005</b>	<b>80,667</b>	<b>76,331</b>	<b>72,172</b>	<b>68,181</b>
<b>Net Profit</b>	<b>191,775</b>	<b>288,775</b>	<b>429,669</b>	<b>813,445</b>	<b>1,213,333</b>	<b>1,212,669</b>	<b>1,211,828</b>	<b>1,210,819</b>
Tax (30%)	57,533	86,633	128,901	244,034	364,000	363,801	363,548	363,246
<b>Profit After Tax</b>	<b>134,243</b>	<b>202,143</b>	<b>300,768</b>	<b>569,412</b>	<b>849,333</b>	<b>848,868</b>	<b>848,280</b>	<b>847,573</b>
Accumulated Profit	134,242	336,385	637,153	1,206,564	2,055,897	2,904,766	3,753,045	4,600,619

## APPENDIX II

## AMANI PLASTICS LIMITED PROJECTED CASH FLOW US\$ US\$

	-	1	2	3	4	5	6	7	8
<b>SOURCES:</b>									
Profit before interest and depreciation	-	210,275	323,500	485,250	873,450	1,294,000	1,289,000	1,284,000	1,279,000
Equity	365,000	370,000	530,000	325,000	565,000				
<b>Total Sources</b>	<b>365,000</b>	<b>580,275</b>	<b>853,500</b>	<b>810,250</b>	<b>1,438,450</b>	<b>1,294,000</b>	<b>1,289,000</b>	<b>1,284,000</b>	<b>1,279,000</b>
<b>Applications:</b>									
Capital expenditure	265,000	320,000	430,000	150,000	465,000	-			
working Capital & Others	100,000	150,000	250,000	425,000	525,000	525,000	525,000	525,000	525,000
Cash	-	110,275	173,500	235,250	448,450	769,000	769,000	769,000	769,000
Tax	-	57,532	86,632	128,900	244,033	363,999	363,800	363,548	363,245
<b>Sub total</b>	<b>365,000</b>	<b>580,275</b>	<b>853,500</b>	<b>810,250</b>	<b>1,438,450</b>	<b>1,294,000</b>	<b>1,294,000</b>	<b>1,294,000</b>	<b>1,294,000</b>
<b>Total applications</b>	<b>365,000</b>	<b>580,275</b>	<b>853,500</b>	<b>810,250</b>	<b>1,438,450</b>	<b>1,294,000</b>	<b>1,294,000</b>	<b>1,294,000</b>	<b>1,294,000</b>
Accumulated cash		110,275	283,775	519,025	967,475	1,736,475	2,505,475	3,274,475	4,043,475

## APPENDIX III

## G.S.GROUP LIMITED PROJECTED BALANCE SHEET US \$

	-	1	2	3	4	5	6	7	8
<b>Fixed Assets</b>	-								
Opening balance	-	470,000	771,500	1,164,575	1,259,794	1,664,089	1,584,222	1,508,691	1,437,319
<b>Total Long-term Assets</b>	-	470,000	771,500	1,164,575	1,259,794	1,664,089	1,584,222	1,508,691	1,437,319
<b>Less depreciation</b>	-	18,500	34,725	55,581	60,005	80,667	76,331	72,172	68,181
Working capital	100,000	150,000	250,000	425,000	525,000	525,000	525,000	525,000	525,000
Accumulated cash	-	110,275	283,775	519,025	967,475	1,736,475	2,505,475	3,274,475	4,043,475
<b>Total assets</b>	<b>100,000</b>	<b>260,275</b>	<b>533,775</b>	<b>944,025</b>	<b>1,492,475</b>	<b>2,261,475</b>	<b>3,030,475</b>	<b>3,799,475</b>	<b>4,568,475</b>
Financed by									
Equity	365,000	370,000	530,000	325,000	565,000				
Net profit	-	134,242	202,142	300,768	569,411	849,333	848,868	848,279	847,573
Total equity	365,000	504,242	1,236,384	1,862,152	2,996,563	3,845,896	4,694,764	5,543,043	6,390,616
<b>Total equity and debts</b>	<b>365,000</b>	<b>504,242</b>	<b>1,236,384</b>	<b>1,862,152</b>	<b>2,996,563</b>	<b>3,845,896</b>	<b>4,694,764</b>	<b>5,543,043</b>	<b>6,390,616</b>

## APPENDIX IV

		PAYBACK PERIOD		
Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	134,242	18,500	152,742.00	152,742.00
2	202,142	34,725	236,867.00	389,609.00
3	300,768	55,581	356,349.00	745,958.00
4	569,411	60,005	629,416.00	1,375,374.00
5	849,333	80,667	930,000.00	2,305,374.00
6	848,868	76,331	925,199.00	3,230,573.00

## APPENDIX V

## AMANI PLASTICS LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	200,000.00
Machinery & Equipment	1,300,000.00
Motor Vehicles	80,000.00
Furniture & Fixtures	5,000.00
Pre exp	0.00
Others	10,000.00
Working Capital	525,000.00
<b>TOTAL</b>	<b>2,120,000.00</b>