

TANZANIA DATANG INDUSTRIAL CO. LIMITED

BUSINESS PLAN

FOR

**MANUFACTURING OF BUILDING
MATERIALS**

1.0 EXECUTIVE SUMMARY.

TANZANIA DATANG INDUSTRIAL CO. LIMITED is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No. 166889995 issued on 12TH july 2023.

The proposed business plan is of manufacturing building materials at **DAR ES SALAAM, TEMEKE ,SANDALI,LICENSE NO TMK/SDL/SDL3/15,RESIDENCE PERMIT TMK000105.BLOCK 3**

The proposed new project shall cost US\$ 500,000 and creating new employment of 60 local people and 5 foreign people.

1.1 LEGAL STATUS AND COMPANY BACK GROUND BRIEF GLOBAL

ALUMINIUM LIMITED bears the certificate No. 166889995 issued in 2002 by BRELA.

The shareholders of **TANZANIA DATANG INDUSTRIAL CO. LIMITED**, the shareholders of this newly formed company are DEKUN LI and MEIYING GAO.

The company is owned by two shareholders, namely:-

Name	%of Shares	Nationality
DEKUN LIN	75%	China
MEIYING GAO	25%	China

1.2 LOCATION.

The new project is located atDAR ES

SALAA,TEMEKE ,SANDALI,LICENSE NO

TMK/SDL/SDL3/15,RESIDENCE PERMIT TMK000105

1.3 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.

1.4 Core Values

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

1.5 BANKERS

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

NMB BANK

1.6 AUDITED REPORTS

TANZANIA DATANG INDUSTRIAL CO. LIMITED will maintain good financial reports which will be audited by reputable auditor firm

2.0 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:

2.1 Study Objectives:

- a) To analyze the relevant market and other factors impacting upon the supply and demand of building materials in all sizes required.

- 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 conceptualize the proposed company's production and business operations, assess their economic viability, commercial profitability, social feasibility and provide a vision as to how the planned objectives should be realized.
- d) To provide supporting documentation required for manufacturing of building materials at SANDALI-TEMEKE

2.2 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) A brief market survey on building materials industries in Tanzania, Characteristics of demand and the general market structure of building material products, competition among suppliers and producers in the market.
- d) 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.

3.0 THE PROJECT

3.1 Project Concept

The project involves establishing a new MANUFACTURING OF BUILDING MATERIALS industry; this will include construction of and installations of modern machines, purchasing vehicles, new generator etc.

The planned production capacity is 5600 metric tons per year.

3.2 Project planned business project will entail the following main activities:

- Making shopping visit to Tanzania, China and other supplier countries to identify the suitable and appropriate machinery for the planned project.
- Ordering of the building material production machinery, motor vehicles and their assorted and equipment from China and other overseas suppliers and entering into agreements for the purchase/ acquisition of those assets.
- Consigning the purchased machinery and motor vehicles including all the equipment and accessories from countries of their origin to Tanzania
- Clearing of all the purchased goods from the ports of entry and transporting them to the company's premises in Dar es salaam
- Installation of the machinery, registration, insuring and licensing of the vehicles ready for deployment in the company's business

3.3 Project Objectives

3.3.1 Development Objectives:

TANZANIA DATANG INDUSTRIAL CO. 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.

3.3.2 Immediate Objectives:

- a) To build and operate a building materials machine and installed production capacity of 5600 metric tons per year.
- b) Enhancing the country's capacity to utilize its BUILDING MATERIALS raw materials and related natural resources when their commercial exploitation begins,

- c) Creating employment opportunities to skilled and semi-skilled Tanzanians in industrial operations, including their supplies and distribution in the company's business.

4.0 Overview of the Manufacturing Sector and Building materials industry in Tanzania

4.1 The economy

Tanzania is one of the fastest growing economies in Africa, thanks to the sustained economic reforms which are being undertaken 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 926,333TZSmillion.

4.2 Manufacturing Industry

Tanzania manufacturing sector contributes 5.6% to the countryGDP 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-

4.2.1 Building materials industry

Tanzania has around 10 building materials industries which used to produce approximately 300,000tons of building materials per annum. The industry uses raw materials, most of which is obtained locally, however due to growing demand, producers are sometimes forced to import raw materials from neighboring countries, where there is excess of the materials, which can be obtained at competitive prices. Due to financial difficulties and lack of adequate supply of raw materials.

TANZANIA DATANG INDUSTRIAL CO. LIMITED is poised to exploit to the maximum, the anticipated development in this Sector for its own enhanced growth.

5.0 BUSINESS ENVIRONMENT ANALYSIS;

5.1 Internal Approach;

5.1.1 Management:

TANZANIA DATANG INDUSTRIAL CO. LIMITED a s 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 assisted by directors, Managers, senior officers etc.

The Managing Director will be closely assisted by well qualified professionals in the building materials industry, 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.

5.2 External Environment:

5.2.1 The market:

TANZANIA DATANG INDUSTRIAL CO. Limited marketing policy aim at two objectives:

- further penetration/ entrenchment into the market's main segments to increase and retain a 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 building materials products market situation in the country is characterized by about 70% of the demand being supplied by internal manufacturers, while the remaining 30% is supplied by imports.

Products Manufacturing industries which is estimated to consume between 80%-85% of all building materials products in the local market, has been also growing over years.

The market surveys conducted during feasibility study for this project established that, demand for building materials in the country is growing with each passing year.

5.2.1.1 Market Potential:

As explained in the topic above, the demand for building materials is on the rise, while the consumer goods manufacturing sector is one of fastest growing sectors in the country, with new rise consumer goods industries and products every day, the sixth phase Government initiative of industrialization, construction of economic infrastructure such as standard gauge, improvement of ports, fly over, etc all these create the demand for building materials products in the country.

5.2.1.2 Competition:

TANZANIA DATANG INDUSTRIAL CO. LIMITED is expecting to face competition from existing building materials industries which controls a sizeable market share of paper products in Tanzania, the company plan to increase market share by investing in a new and bigger building materials manufacturing machines with production capacity of 5600 metric tons per year

6.0 PROJECT OPERATING COSTS

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

7.0 REVENUE ASSUMPTIONS

- For the purpose of this project all revenue will come from building materials produced at the factory
- 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.

8.0 CONCLUSION AND RECOMMENDATION

8.1 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 **TANZANIA DATANG INDUSTRIAL CO. 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
TANZANIA DATANG INDUSTRIAL CO. LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	100,000.00
Machinery & Equipment	20,000.00
Motor Vehicles	20,000.00
Furniture & Fixtures	20,000.00
Pre exp	20,000.00
Others	20,000.00
Working Capital	300,000.00
TOTAL	500,000.00

PROJECTIONS

TANZANIA DATANG INDUSTRIAL CO. LIMITED FINANCIAL PROJECTION SUMMARY FROM 2024 TO 2028
PROJECTED STATEMENT OF FINANCIAL POSITION FOR 5 YEARS FROM 2024 - 2028

DETAILS	2024	2025	2026	2027	2028
CURRENCY	USD	USD	USD	USD	USD
ASSETS					
NON-CURRENT ASSETS					
PPE	74,000	75,000	76,000	77,000	80,000
TOTAL NON-CURRENT ASSET	74,000	75,000	76,000	77,000	80,000
CURRENT ASSET					
Inventory	230,460	250,689	256,000	299,890	340,000
Trade Receivables	60,000	64,000	65,000	66,800	67,780
Working Capital	300,000	300,000	300,000	300,000	300,000
Cash and Cash Equivalent	30,000	35,600	35,800	36,900	37,000
TOTAL CURRENT ASSET	620,460	650,289	656,800	703,590	744,780
TOTAL ASSETS	694,460	725,289	732,800	780,590	824,780
EQUITY AND LIABILITIES					
EQUITY					
Share Capital	255,000	255,000	300,000	300,000	300,000
Retained Earnings	90,909	92,455	93,100	125,000	126,890
TOTAL EQUITY	390,909	392,455	393,100	425,000	426,890
LIABILITIES					
Trade Payables	118,382	133,340	142,540	155,800	197,910
Other Payables	185,169	199,494	197,160	199,790	199,980
TOTAL LIABILITIES	303,551	332,834	339,700	355,590	397,890
TOTAL EQUITY AND LIABILITIES	694,460	725,289	732,800	780,590	824,780

TANZANIA DATANG INDUSTRIAL CO. LIMITED FINANCIAL PROJECTION SUMMARY FROM 2024 TO 2028
PROJECTED STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR 5 YEARS

DETAILS					
CURRENCY	USD	USD	USD	USD	USD
SALES					
TOTAL INFLOW	770,000	912,000	923,00	1,229,300	1,230,000
COST OF SALES					
Opening Inventory	0	330,260	350,689	356,000	299,890
Add: Production Cost	532,650	536,230	588,700	600,890	680,000
Less: Clsoing Inventory	-330,260	-350,689	-356,000	-299,890	-370,000
	202,390	515,801	583,389	657,000	609,890
GROSS PROFIT	567,610	296,199	589,800	572,300	620,110
OPERATING EXPENSES					
Adminstration Expenses	120,000	123,005	110,200	195,000	190,000
Sales and Distribution Expenses	109,200	110,000	107,850	108,000	90,985
Finance Cost	120,210	123,100	120,000	124,000	100,000
Depreciation Expense	12,000	12,055	10,008	10,009	10,100
-	0	0	0	0	0
TOTAL OPERATING EXPENSES	361,410	368,160	348,058	437,009	391,085
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PROFIT FOR THE YEAR	206,200	206,229	241,742	135,291	229,025

