

**TANZANIA DAMEI NEW MATERIALS  
COMPANY LIMITED**

**BUSINESS PLAN**

**FOR**

**LIGHT STEEL KEEL AND NEW  
CEILING MATERIAL**

## 1.0 EXECUTIVE SUMMARY.

**TANZANIA DAMEI NEW MATERIALS COMPANY LIMITED** is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No. 174457085 issued on 24<sup>TH</sup> JUNE 2024

The proposed business plan of light steel keel and new ceiling material production in Mkuranga ,Dar es salaam Tanzania.

The project is scheduled to start within 20 days from August 15,2024 and be completed within 2 months from the date of construction.

The proposed new project shall cost USD 504,536 and creating new employment of 20 local people and foreign people 5.

## 1.1 LEGAL STATUS AND COMPANY BACK GROUND

**TANZANIA DAMEI NEW MATERIALS COMPANY LIMITED** bears the certificate No.174457085 issued in by BRELA.

The shareholders of **TANZANIA DAMEI NEW MATERIALS COMPANY LIMITED** , the shareholders of this newly formed company are Liu Zhenfei and Li Hongjian .

The company is owned by two shareholders, namely: -

Name	% of Shares	Nationality
LIU ZHENFEI People's Republic of China	50%	China
LI HONGJIAN People's Republic of China	50%	China

## **1.2 LOCATION.**

The new project is located at region pwani ,District Mkuranga ,ward Mkuranga ,Postal code 61501,street MWANAMBAYA ,Road MWANAMBAYA ,Plot number 182, Block number E,House number 12.

## **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 DAMEI NEW MATERIAL COMPANY 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 light steel keel and ceiling 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 and also in accessing credit facilities required in the financing of the investment capital.

## **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 light steel keel and ceiling materials industries in Tanzania, Characteristics of demand and the general market structure of light steel keel and ceiling 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 light steel keel and new ceiling materials industry;

**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 light steel keel and ceiling material production machinery, and equipment from China and other overseas suppliers and entering into agreements for the purchase/ acquisition of those assets.

### **3.3 Project Objectives**

#### **3.3.1 Development Objectives:**

**TANZANIA DAMEI NEW MATERIALS COMPANY 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.
- b) Enhancing the country's capacity to utilize its light steel keel and new ceiling 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 light steel keel and ceiling materials 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 capital 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.

### **4.1.1 Light steel keel and new ceiling materials industry**

Tanzania has around more than 10 building materials industries which used to produced of building materials per annul. 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 DAMEIN NEW MATERIALS PRODUCTION** 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 DAMEI NEW MATERIALS COMPANY 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 forth 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 DAMEI NEW MATERIAL'S 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:**

Market Research Intellect projects a promising growth trajectory for the Light Steel Keel Gypsum Board Ceiling Market from 2024 to 2031. Fueled by factors such as drivers, the market is expected to witness substantial expansion. Technological advancements will drive product innovation and market penetration, while favorable regulatory policies and rising consumer awareness will further stimulate demand. Market Research Intellect anticipates a steady CAGR during this period, indicating lucrative opportunities for industry participants. By leveraging emerging trends and adopting strategic approaches, companies can strengthen their competitive position and capitalize on the evolving market dynamics to achieve sustained growth and profitability.

### **5.2.1.2 Competition:**

**TANZANIA DAMEI NEW MATERIALS COMPANY LIMITED** is expecting to face competition from existing light steel keel and ceiling materials industries which controls a sizeable market share of products in Tanzania, the company plan to increase market share by investing in a new and bigger production.

## **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 produced at the factory
- The annual revenue to grow by different percentages depending on market demand annually

## **CONCLUSION AND RECOMMENDATION**

### **8.0 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 DAMEI NEW MATERIALS COMPANY 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 DAMEI NEW MATERIAL COMPANY LIMITED COST STRUCTURE**

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	82,067.00
Machinery & Equipment	51,000.00
Motor Vehicles	65,933.00
Furniture & Fixtures	31,666.00
Pre exp	38,667.00
Others	35,203.00
Working Capital	200,000.00
<b>TOTAL</b>	<b>504,536.00</b>

**TANZANIA DAMEI NEW MATERIALS COMPANY LIMITED**  
**PROFIT AND LOSS SUMMARY FROM 2024 TO 2028**  
**PROJECTED SUMMARY FOR 5 YEARS FROM 2024 - 2028**

	2024	2025	2026	2027	2028
<b>DETAILS</b>					
<b>CURRENCY</b>	USD	USD	USD	USD	USD
SALES	1,000,000	1,060,000	1,320,002	1,393,008	1,600,278
<b>TOTAL INFLOW</b>	<b>1,000,000</b>	<b>1,060,000</b>	<b>1,320,002</b>	<b>1,393,008</b>	<b>1,600,278</b>
<b>COST OF SALES</b>					
Opening Inventory	0	858,700	895,296	929,802	997,998
Add: Production Cost	898,746	509,504	308,013	300,373	405,456
Less: Closing Inventory	-858,700	-895,296	-929,802	-997,998	-999,958
	<b>40,046</b>	<b>472,908</b>	<b>467,293</b>	<b>232,177</b>	<b>403,496</b>
<b>GROSS PROFIT</b>	<b>959,954</b>	<b>587,092</b>	<b>852,709</b>	<b>1,160,831</b>	<b>1,196,782</b>
<b>OPERATING EXPENSES</b>					
Adminstration Expenses	356,384	298,467	200,643	497,394	441,449
Sales and Distribution Expenses	345,654	34,794	379,913	338,377	410,121
Finance Cost	60,486	45,030	47,982	64,112	55,014
Depreciation Expense	16,000	19,360	19,727	19,102	19,484
-	0	0	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>778,524</b>	<b>397,651</b>	<b>648,265</b>	<b>918,985</b>	<b>926,068</b>
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<b>PROFIT FOR THE YEAR</b>	<b>181,430</b>	<b>189,441</b>	<b>204,444</b>	<b>241,846</b>	<b>270,714</b>
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**TANZANIA DAMEI NEW MATERIAL COMPANY LIMITED**  
**FINANCIAL POSITION FROM 2024 TO 2028**  
**PROJECTED SUMMARY OF FINANCIAL STATEMENT FOR 5 YEARS FROM 2024 - 2028**

	2024	2025	2026	2027	2028
<b>DETAILS</b>					
<b>CURRENCY</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
PPE	255,000	264,890	278,648	305,623	325,937
<b>TOTAL NON-CURRENT ASSET</b>	<b>255,000</b>	<b>264,890</b>	<b>278,648</b>	<b>305,623</b>	<b>325,937</b>
<b>CURRENT ASSET</b>					
Inventory	759,924	895,296	929,802	997,998	999,958
Trade Receivables	60,450	79,950	200,194	239,214	246,174
Working Capital	200,000	200,000	200,000	200,000	200,000
Cash and Cash Equivalent	92,750	102,916	111,232	117,548	120,864
<b>TOTAL CURRENT ASSET</b>	<b>1,113,124</b>	<b>1,278,162</b>	<b>1,441,228</b>	<b>1,554,760</b>	<b>1,566,996</b>
<b>TOTAL ASSETS</b>	<b>1,368,124</b>	<b>1,543,052</b>	<b>1,719,876</b>	<b>1,860,383</b>	<b>1,892,933</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share Capital	300,000	300,000	300,000	300,000	300,000
Retained Earnings	48,133	52,300	57,886	63,006	67,980
<b>TOTAL EQUITY</b>	<b>348,133</b>	<b>352,300</b>	<b>357,886</b>	<b>363,006</b>	<b>367,980</b>
<b>LIABILITIES</b>					

Trade Payables	99,180	107,126	120,263	126,500	130,770
Other Payables	83,458	87,730	90,878	94,229	96,930
<b>TOTAL LIABILITIES</b>	<b>182,638</b>	<b>194,856</b>	<b>211,141</b>	<b>220,729</b>	<b>227,700</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>530,771</b>	<b>547,156</b>	<b>569,027</b>	<b>583,735</b>	<b>595,680</b>

