

# **BUSINESS PLAN FOR IRON ORE PROJECT**

## **1. EXECUTIVE SUMMARY:**

**KACHCHH MINING AND TRADING LIMITED** is registered business company incorporated with Brela and issued with the certificate no.168678517 dated 15th September 2023, registered with TRA and issued with TIN Certificate no 168678517 dated 19th September 2023 and acquire Master Dealer license no. DL 0017TNG/EZ/2023.24.issued by mining commission dated 28/02/2024. The main objective is to deal with mining and trading.

## **2. SUMMARY OF THE LEGAL INFORMATION:**

.it is Limited company by share and it will depend on decision made by board resolution of the board members and shareholders of the company it is limited private share holders

It is registered under cap 212 ordinance, it deals with minerals especial iron ore mining and exports.

## **3. COMPANY SHAREHOLDING STRUCTURE AND NATIONALITY:**

The shareholders of the companies are:

- a) CHANDULAL RAVJI SENGHANI- INDIAN NATIONALITY Shares 20.5%
- b) AJITSINH JATUBHA JADEJA –INDIAN NATIONALITY Shares 20.5%
- c) RAJ NILESH CHHEDA- INDIAN NATIONALITY Shares 34%
- d) MICHAEL CHARLES KISAKA-TANZANIAN NATIONALITY Shares 25%

## **4. DESCRIPTION OF PROJECT LOCATION:**

The project location is at kwa bojo village, Mgambo ward, Handeni District Tanga Region.

## **5. DESCRIPTION OF PROJECT OBJECTIVE:**

Mining of iron ore and trading of iron ore export and local market,  
Processing and sorting of iron ore for export market and local market

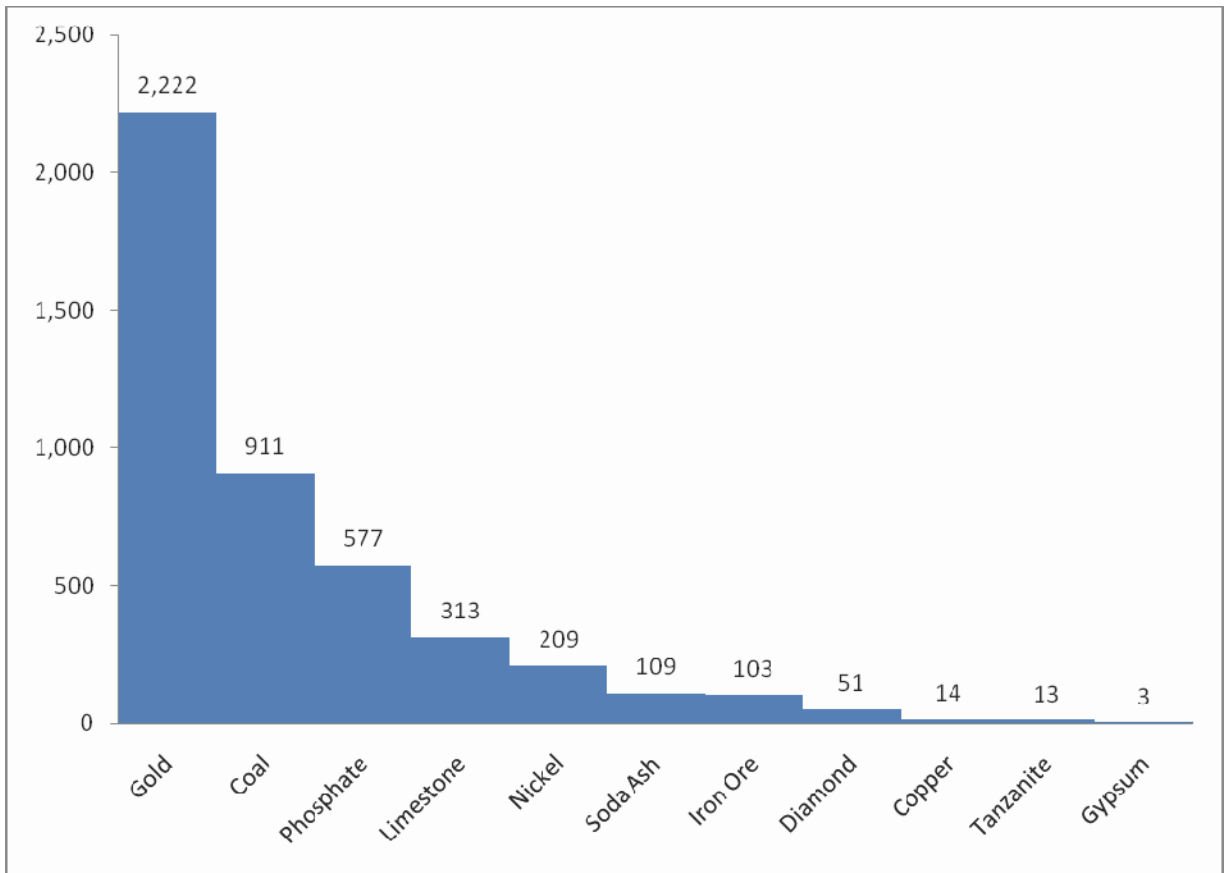
Exploration of minerals and processing , smelting plant for smelting to make finished goods for local market and export market

## **6. SUMMARY OF SECTOR PERFORMANCE:**

Over the course of the 1980s and 1990s, the Tanzanian government undertook significant economic policy reforms, which included the National Economic Survival Program in 1981, the Structural Adjustment Program in 1983, and a donor-sponsored Economic Recovery Program (ERP) in 1986. In 1989, the ERP Program was modified to create the Economic and Social Action Program. The overall objective of these reforms was to increase the role of the private sector in the economic and social development of the country. Hence, many existing policies were reviewed so as to provide room for the private sector to make a contribution, especially through investments in production activities. This profuse policy orientation also focused on installing modern management systems, thereby attracting investment that would bring technology transfer and needed investment to various economic sectors, including the mineral sector. With respect to the mineral sector, the government began its attempts to capture revenues from it by licensing private companies to buy, cut and export gemstones being produced by small-scale miners. However, full recognition of the potential of the country's mineral sector would not come until the next decade. The 1990s brought with it an increasing awareness of the economic potential of Tanzania's mining industry, and it was during this time that the country began liberalizing and privatizing its minerals sector. Indeed, policymakers were not mistaken. In the late-1990s, Tanzania experienced a mineral boom that is still occurring. According to Phillips et al. (2001, p.5), a key policy decision that set off the boom was the dismantlement of the state-owned mineral monopoly, STAMICO, which allowed any Tanzanian individual to register claims and sell minerals. Since the onset of the boom, Tanzania has risen to a position of importance in African mineral production. In 2007, it was the third largest gold exporter in sub-Saharan Africa, behind Ghana and Mali. It

is also the 32nd largest diamond exporter in the world by volume, as evidenced below in Table 1. The foreign direct investment that the mineral sector has brought in has also been substantial, as it helped the country to become the second largest non-oil recipient of foreign direct investment in Africa in 2007, when it received US\$5.94 billion<sup>3</sup> (UNCTAD, 2008). In addition to gold and diamonds, colored gemstones are also mined extensively in the country (ABN Newswire, 2009). More recently, significant uranium deposits have also been discovered. While Tanzania is a country endowed with substantial reserves of mineral resources, as is evidenced by data made available by the Ministry of Energy and Minerals. Figure 1 shows the estimated amount of all mineral reserves in Tanzania. They are classified in five groups: (i) metallic minerals group (this includes gold, iron ore, nickel, copper, cobalt and silver), (ii) gemstone groups (this includes diamond, tanzanite, ruby, garnets), (iii) industrial minerals group (limestone, soda ash, gypsum, salt and phosphate), (iv) energy-generating minerals (like coal and uranium) and (v) construction minerals (like gravel, sand and dimension stones) (The United Republic of Tanzania, 2008, p.

Figure 1. Mineral reserves in Tanzania, in 2008 (millions of tons)



### SUMMARY OF MARKET ANALYSIS:

Market analysis of iron ore bin Tanzania

Iron Ore Market Size in Tanzania for the fourth year in a row, the Tanzanian iron ore market recorded growth in sales value, which increased by X% to \$X in 2022. Overall, consumption recorded significant growth. Iron ore consumption peaked in 2022 and is expected to retain growth in years to come. In value terms, iron ore production declined to \$X in 2022 estimated in export price. In general, production enjoyed a buoyant increase. The growth pace was the most rapid in 2018 when the production volume increased by X%. Iron ore production peaked at \$X in 2019; however, from 2020 to 2022, production failed to regain momentum. In value terms, iron ore production declined to \$X in 2022 estimated in export price. In general, production enjoyed a buoyant increase. The growth pace was the most rapid in 2018 when the production volume increased by X%. Iron ore production peaked at \$X in 2019; however, from 2020 to 2022, production failed to regain momentum. Please mention the

Source: <https://www.indexbox.io/store/tanzania-iron-ores-and-concentrates-market-analysis-forecast-size-trends-and-insights/>This data cannot be copied. Source:

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## **Tanzania Iron Ore Market (2024-2030) | Revenue, Trends, Forecast, Industry, Share, Value, Outlook, Growth, Analysis, Size, Segmentation & Companies**

**Market Forecast By Type (Hematite, Magnetite, Others), By Form (Pellets, Lumps, Fines), By Application (Steel Production, Medicine, Others) And Competitive Landscape**

<b>Product Code:</b> ETC5685052	<b>Publication Date:</b> Nov 2023	<b>Updated Date:</b> Feb 2024	<b>Product Type:</b> Market Research Report
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<b>Publisher:</b> 6Wresearch	<b>No. of Pages:</b> 60	<b>No. of Figures:</b> 30	<b>No. of Tables:</b> 5
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### **Tanzania Iron Ore Market Competition 2023**

- Tanzania Iron Ore Market HHI Index Trend of Exporting Countries

Monopoly

Moderate Completion

Highly Fragmented

Source:

6Wresearch

Note: HHI Index which is also known as Heyerdahl–Hirschman index measures the competition in the country where, HHI less than 1500 means highly competitive; 1500-2500 means moderately competitive; 2500-6000 means concentrated and more than 6000 means highly concentrated

Tanzania Iron Ore market currently, in 2023, has witnessed an HHI of 10000, Which has increased slightly as compared to the HHI of 9735 in 2017. The market is moving towards Highly concentrated. Heyerdahl index measures the competitiveness of exporting countries. The range lies from 0 to 10000, where a lower index number represents a larger number of players or exporting countries in the market while a large index number means fewer numbers of players or countries exporting in the market.

## **Tanzania Export Potential Assessment For Iron Ore Market (USD Values in Thousand)**

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### **Key Highlights of the Report:**

- Tanzania Iron Ore Market Outlook
- Market Size of Tanzania Iron Ore Market, 2023
- Forecast of Tanzania Iron Ore Market, 2030
- Historical Data and Forecast of Tanzania Iron Ore Revenues & Volume for the Period 2020-2030
- Tanzania Iron Ore Market Trend Evolution
- Tanzania Iron Ore Market Drivers and Challenges
- Tanzania Iron Ore Price Trends
- Tanzania Iron Ore Porter`s Five Forces
- Tanzania Iron Ore Industry Life Cycle
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Type for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Hematite for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Magnetite for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Others for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Form for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Pellets for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Lumps for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Fines for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Application for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Steel Production for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Medicine for the Period 2020-2030
- Historical Data and Forecast of Tanzania Iron Ore Market Revenues & Volume By Others for the Period 2020-2030
- Tanzania Iron Ore Import Export Trade Statistics
- Market Opportunity Assessment By Type
- Market Opportunity Assessment By Form

- Market Opportunity Assessment By Application
- Tanzania Iron Ore Top Companies Market Share
- Tanzania Iron Ore Competitive Benchmarking By Technical and Operational Parameters
- Tanzania Iron Ore Company Profiles
- Tanzania Iron Ore Key Strategic Recommendations

## **Frequently Asked Questions About the Market Study (FAQs):**

**Do you also provide customisation in the market study?**

**SUMMARY OF PROJECT DESCRIPTION INCLUDING ANNUAL PRODUCTION CAPACITY, EMPLOYMENT CREATION INCLUDING NUMBERS OF FOREIGN AND LOCAL SKILLED AND NON-SKILLED AND GENDER, TECHNOLOGY USED AND SKILL TRANSFER:SUMMARY OF THE PROJECT DESCRIPTION INCLUDING NUMBERS OF FOREIGN AND LOCAL SKILLED AND NON SKILLED AND GENDER, TECHNOLOGY USED AND SKILL TRANSFER.**

The iron ore project in kwa bojo village is going to become very big iron ore processing and mainly will be exported to Asia, India and China.

Machines for separation magnetic iron ore will be used and excavators, hummer , and sorting machines, for the in order to get the required size for export, dumper Trucks for transporting the iron ore from site to Tanga Port and Tanga cement factory in case of sand material will be sold to the local cement factories in Tanga. all these machines is from India.

Recruitment of Skilled foreign workers shall not exceed 10 people of 8 man and 2 female no unskilled labor from outside the country and for the local skilled personnel local is 50 of which male are 30 and the rest 20 re female and the unskilled workers , upon fulfilling the project target of export of 1,000,000 tons of iron ore per year this will need recruitment of 100 people 60 female 40 male.

The transfer of skills from foreign skilled workers will be done by engaging assistance in every sector where the foreign skilled personnel is employed and also there will be a session of training classes in every two days of a week .

**PROJECT INVESTMENT COSTING INCLUDING LAND AND BUILDING PLANT AND MACHINERY, VEHICLES, FURNITURES, OTHERS AND WORKING CAPITAL.**

The project investments land and building = USD 29,000  
The project investment on plant and machinery = USD 725,000  
The project investment on Vehicles ..... = USD 20,000  
The project investment on furniture..... =.USD 43,500  
The project investment on Pre operation expenses....= USD 55,000  
Others ..... =USD 1000  
Working Capital .....=USD 50,000  
**The project investment grand total.....=USD 923,500**

**PROJECT FINANCING PATTERN INCLUDING FOREIGN/LOCAL EQUITY. FOREIGN/LOCAL LOAN:**

Foreign Equity.....USD= 21872  
Local Equity.....-=NIL  
Foreign Loan.....USD= 901128  
Local loan.....=NIL  
**Total Investment.....USD= 923,500**

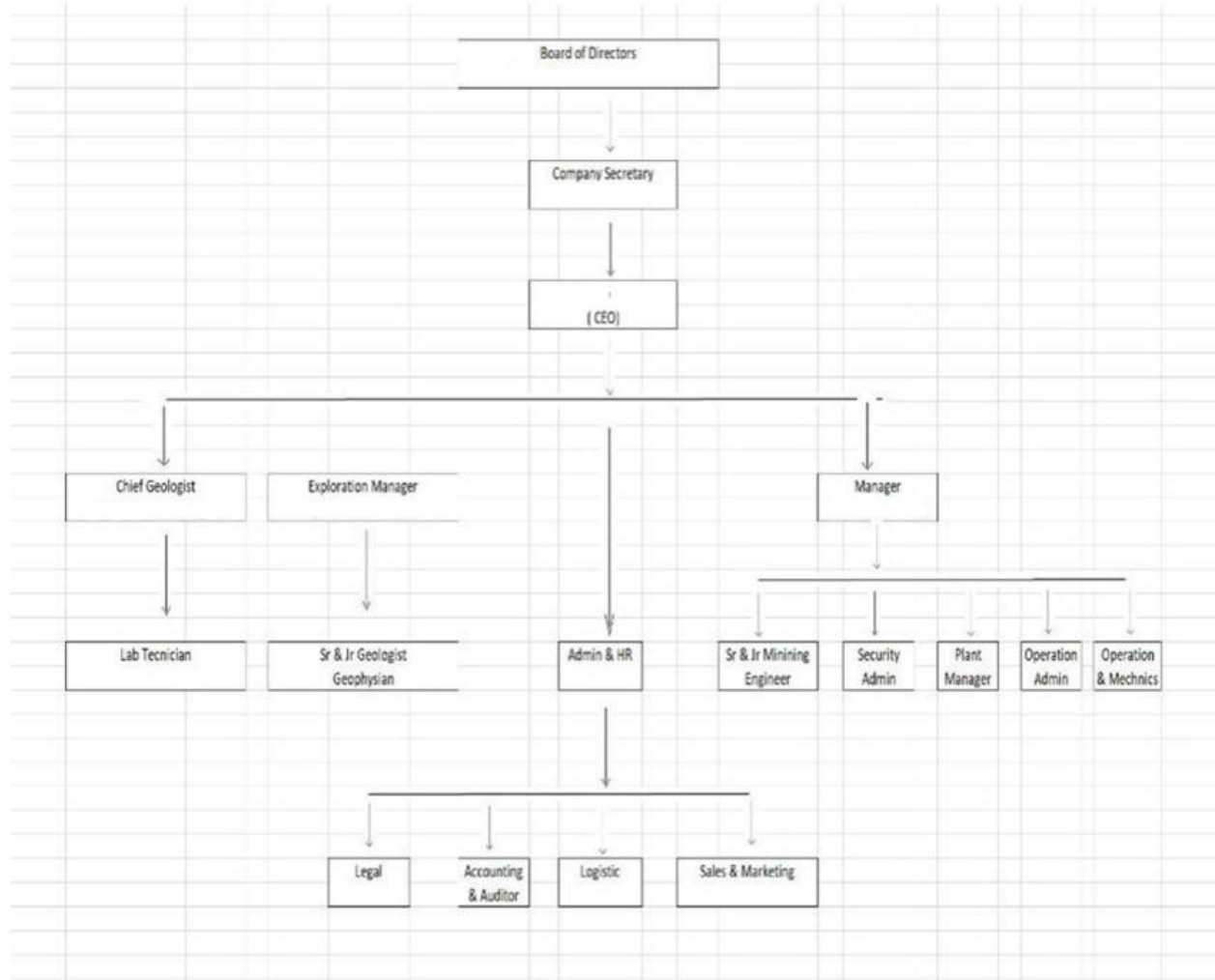
**>PROJECT IMPLEMENTATION SCHEDULEE:**

Documentation 1 month  
Research that is 2 months  
Importation of machinery 3 months  
Installation of machinery 2 months

Plant testing 15 days

Employment mobilization skilled and non skilled 15 days

Starting production and collection of the material (iron ore) for export 6moths



**PROJECT FINANCIAL PROJECTION AT LEAST FOR FIVE YEARS INCLUDING  
INCOME STATEMENTS, CASH FLOWS, BALANCE SHEET, AND LOAN  
REPAYMENT SCHEDULES PAYBACK PERIOD ETC:**

**CONCLUSION:**

The iron ore project is a project that shall be expanded because of the demand and use of iron in to days world in the sector of industries which the ending products are many and are of day today use in the industries and every home.

There after installing smelter this will improve country economy and create more jobs for the entire citizen of Tanzania. For exporting it will be the source of generating foreign currency.

For the mineral sector it will add in numbers of the types of industry and mettalic minerals which are mostly use in heavy industries.