

**J & Z BROTHERS TANZANIA  
LIMITED**

**BUSINESS PLAN**

**FOR**

**MANUFACTURING OF FOAMS  
AND ITS RELATED PRODUCTS**

## **EXECUTIVE SUMMARY.**

**J&Z BROTHERS TANZANIA LIMITED** is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No. 169704902 issued on 30<sup>th</sup> October 2023.

The proposed business plan is of manufacturing of foams and its related products like mattresses, sponges et cetera at **House number 30, Block number F, Plot No 32, Kilwa Road Street Dundani Industrial Area, Poastal code 61506, ward Vikindu, District, Pwani Region.**

The proposed new project shall cost US\$ 1m and creating new employment of 400 local people and 40 foreign people.

**LEGAL STATUS AND COMPANY BACK GROUND BRIEF of J & Z BROTHERS TANZANIA LIMITED** bears the certificate No. 169704902 issued in 2023 by BRELA.

The shareholders of **J & Z BROTHERS TANZANIA LIMITED**, the shareholders of this newly formed company are Yongling Ji and Zhigang Zhang limited both are Chinese, these are reputed people with vast experience in manufacturing industries.

The company is owned by two shareholders, namely: -

<b>Name</b>	<b>% of Shares</b>	<b>Nationality</b>
YONGLING JI Hongkong, People's Republic of China	50%	China
ZHIGANG ZHANG Hongkong, People's Republic of China	50%	China

**LOCATION.**

**House number 30, Block number F, Plot No 32, Kilwa Road  
Street Dundani Industrial Area, Poastal code 61506, ward  
Vikindu, District, Pwani Region.**

## **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.

## **Core Values**

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

## **BANKERS**

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

NMB BANK

## **AUDITED REPORTS**

**J & Z BROTHERS COMPANY LIMITED** will maintain good financial reports which will be audited by reputable auditor firm.

## **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:

### **Study Objectives:**

- a) To analyze the relevant market and other factors impacting upon the supply and demand of foams and its related products like mattresses 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 foams and all related products at Mkuranga and also in accessing credit facilities required in the financing of the investment capital.

**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 foams and its related 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.

**THE PROJECT**

Project Concept

The project involves establishing a new MANUFACTURING OF FOAM AND ITS RELATED PRODUCTS industry; this will include construction of and installations of modern machines, purchasing vehicles, new generator etc.

The planned production capacity is 8400 metric tons per year.

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 foams and its related products, 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.
- 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

### **Project Objectives**

#### **Development Objectives:**

**J & Z BROTHERS TANZANIA 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 foams material.

#### **Immediate Objectives:**

- a) To build and operate a foam and its related products, production capacity of 8400 metric tons per year.
- b) Enhancing the country's capacity to utilize its foams and its related products 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.

## **Overview of the Manufacturing Sector of foams and its related products industry in Tanzania**

### **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.

### **Manufacturing Industry**

Tanzania manufacturing sector contributes 5.6% to the country GDP 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-

### **Foam and its related products industry**

Tanzania has around more than 40 foams industries which used to produce approximately 200,000 tons of foams and its related products per annum. The industry uses raw materials, most of which is obtained outside the country and somehow producers also use to raw materials available within the country, 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.

**J & Z BROTHERS TANZANIA LIMITED** is poised to exploit to the maximum, the anticipated development in this Sector for its own enhanced growth.

### **BUSINESS ENVIRONMENT ANALYSIS;**

#### **Internal Approach;**

#### **Management:**

**J & Z BROTHERS LIMITED** is 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 foams and its related products 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.

### **External Environment:**

#### **The market:**

**J & Z BROTHERS TANZANIA 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 foam and its related 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 foam 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 foams and its related products in the country is growing with each passing year.

### **Market Potential:**

As explained in the topic above, the demand for foams and its related products like mattresses, sponges 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.

### **Competition:**

J & Z BROTHERS TANZANIA LIMITED is expecting to face competition from foam 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 foams manufacturing machines with production capacity of 8400 metric per year.

## **6.0 PROJECT OPERATING COSTS**

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

### **REVENUE ASSUMPTIONS**

- For the purpose of this project all revenue will come from foams produced at the factory
- The annual revenue to grow by different percentages depending on market demand annually
- Revenue projections and experiences research done by the firm

## **CONCLUSION AND RECOMMENDATION**

### **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 **J & Z BROTHERS TANZANIA 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**  
**J & Z BROTHERS TANZANIA LIMITED COST STRUCTURE**

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	300,000.00
Machinery & Equipment	150,000.00
Motor Vehicles	20,000.00
Furniture & Fixtures	10,000.00
Pre exp	10,000.00
Others	10,000.00
Working Capital	500,000.00
<b>TOTAL</b>	<b>1,000,000.00</b>

# PROJECTIONS

**J & Z BROTHERS TANZANIA LIMITED**  
**FINANCIAL PROJECTION SUMMARY FROM 2024 TO 2028**  
**PROJECTED STATEMENT OF FINANCIAL POSITION 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	462,000	471,240	480,665	490,278	500,084
<b>TOTAL NON-CURRENT ASSET</b>	<b>462,000</b>	<b>471,240</b>	<b>480,665</b>	<b>490,278</b>	<b>500,084</b>
<b>CURRENT ASSET</b>					
Inventory	9,044,408	9,225,296	9,409,802	9,597,998	9,789,958
Trade Receivables	418,970	490,194	539,214	566,174	571,836
Working Capital	500,000	500,000	500,000	500,000	500,000
Cash and Cash Equivalent	315,600	315,916	316,232	316,548	316,864
<b>TOTAL CURRENT ASSET</b>	<b>10,278,978</b>	<b>10,531,406</b>	<b>10,765,247</b>	<b>10,980,720</b>	<b>11,178,659</b>
<b>TOTAL ASSETS</b>	<b>10,740,978</b>	<b>11,002,646</b>	<b>11,245,912</b>	<b>11,470,998</b>	<b>11,678,742</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retained Earnings	2,799,133	915,226	1,658,207	2,699,346	2,797,018
<b>TOTAL EQUITY</b>	<b>3,799,133</b>	<b>1,915,226</b>	<b>2,658,207</b>	<b>3,699,346</b>	<b>3,797,018</b>
<b>LIABILITIES</b>					
Trade Payables	3,990,180	2,793,126	2,737,263	2,682,518	2,950,770
Other Payables	2,951,665	6,294,294	5,850,441	5,089,134	4,930,954
<b>TOTAL LIABILITIES</b>	<b>6,941,845</b>	<b>9,087,420</b>	<b>8,587,705</b>	<b>7,771,652</b>	<b>7,881,724</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,740,978</b>	<b>11,002,646</b>	<b>11,245,912</b>	<b>11,470,998</b>	<b>11,678,742</b>

**J & Z BROTHERS TANZANIA LIMITED**  
**FINANCIAL PROJECTION SUMMARY FROM 2024 TO 2027**  
**PROJECTED STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR 5 YEARS**

	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>
SALES	12,700,750	15,700,801	16,339,890	17,965,650	14,061,206
<b>TOTAL INFLOW</b>	<b>12,700,750</b>	<b>15,700,801</b>	<b>16,339,792</b>	<b>17,965,950</b>	<b>18,061,206</b>
<b>COST OF SALES</b>					
Opening Inventory	0	8,044,408	8,225,296	9,409,802	9,525,280
Add: Production Cost	14,950,710	10,170,405	9,572,504	9,995,504	10,803,800
Less: Closing Inventory	(8,044,408)	(8,225,296)	(9,409,802)	(9,525,280)	(9,780,860)
	<b>6,906,302</b>	<b>9,989,617</b>	<b>8,388,998</b>	<b>9,880,026</b>	<b>10,548,220</b>
<b>GROSS PROFIT</b>	<b>5,794,448</b>	<b>5,711,284</b>	<b>7,950,892</b>	<b>8,085,624</b>	<b>7,512,980</b>
<b>OPERATING EXPENSES</b>					
Administration Expenses	2,790,130	2,737,200	2,792,300	2,736,172	2,681,449
Sales and Distribution Expenses	1,030,780	1,330,241	2,450,500	2,360,700	2,906,000
Finance Cost	40,500	41,360	42,700	44,800	45,014
Depreciation Expense	16,700	16,360	16,727	18,102	18,484
	0	0	0	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>3,878,110</b>	<b>4,125,161</b>	<b>5,302,227</b>	<b>5,159,774</b>	<b>5,610,437</b>
<b>PROFIT FOR THE YEAR</b>	<b>1,916,330</b>	<b>1,586,123</b>	<b>2,648,665</b>	<b>2,925,850</b>	<b>1,907,543</b>

Appendix

**J & Z BROTHERS TANZANIA LIMITED**  
**FINANCIAL PROJECTION SUMMARY FROM 2023 TO 2027**

<b>Cost of Sales Analysis</b>				
<b>Cost of Raw Material Produced</b>				
<b>Particular</b>	<b>Units (TONES)/MONTH</b>	<b>Cost per Unit in USD per month</b>	<b>Total Cost of production in USD per month</b>	<b>Total Cost of production in USD Annually</b>
BUILDING MATERIAL	500	2,660.12	1,330,060	15,960,720
<b>Total Cost of Raw material produced</b>		<b>2,660.12</b>	<b>1,330,060.00</b>	<b>15,960,720</b>

<b>Labour Cost</b>					
<b>Particular</b>	<b>Rate per day per labour USD\$</b>	<b>Rate per month per labour in USD\$</b>	<b>No of Labours</b>	<b>Total Cost per month in USD\$</b>	<b>Total Cost Annually in USD\$</b>
Foreign employees	141.06	3,667.66	40	146,706.04	1,760,472.48
Direct and Indirect Labours	65.22	1,695.65	400	678,288.00	8,139,456.00
					<b>9,899,928.48</b>

**Closing stock**

<b>Particular</b>	<b>Year 1 Amount in USD\$</b>
Opening Stock	-
Add: Production Cost	15,960,720
Less: Cost of Sales	25,860,648.48
Closing Stock	9,044,408

