



Certificate of Incorporation No.: 168759924

Business Plan: Global Paints Tanzania (Pvt.) Ltd.

I. Executive Summary:

Global Paints Tanzania (Pvt.) Ltd. aims to establish a state-of-the-art thermoplastic road marking paints manufacturing unit in Tanzania. The company was incorporated on the 22nd of September 2023 under the Companies ACT 2002 of the United Republic of Tanzania, with Certificate of Incorporation No.168759924.

Global Paints Tanzania (Pvt.) Ltd aims to establish itself as a leading Manufacturer of Paints and Allied Products in Tanzania and sales of the same in the local market. With the growing perspective that exists in the country in two phases and plan to invest a total of US\$523,258 in the project. The manufacturing unit will have a monthly production capacity of 300 Metric Tonnes. The investment will be phased to import capital goods and procure raw materials, and aims to capitalize on the market opportunities and become a trusted name in the industry for its products.

Global Paints Tanzania (Pvt) Limited is located in a strategic location and a strong background in the Industrial Area in Dar es Salaam and Pwani region, with easy access to transportation facilities. The company will operate as a limited liability company, owned and managed by experienced professionals.

II. Business Description:

Objective of the Project

The Company intends to operate a project of manufacturing high-quality thermoplastic road marking paints and related Allied Products in Tanzania, with the project's plant monthly capacity of 300 Metric Tones.

Company Overview:

The Global Paints Tanzania (Pvt.) Ltd is located in Dar es Salaam, Tanzania The authorized initial share capital of the Company shall consist of Five Hundred Million (TZS. 500,000,000/=) divided into Two Thousand (2,000) shares of Tanzania Shillings Two Hundred Fifty Thousand (TZS. 250,000/=) each, with power for the Company to increase or reduce such capital and to divide the shares in the capital for the time being. However, the Projected Investment will be to the tune of US\$ 523,258 for the entire project implementation period.

Product Description:

The company focuses on manufacturing high-quality thermoplastic road marking paint conforming to BS: 3262-1989 and AASHTO: M-249 standards using key raw materials including; Hydrocarbon Resin, Titanium Dioxide Anatase, Calcium Carbonate, Glass Frit A, Glass Frit B, Mineral Oil, Wax, and Yellow Chrome Powder which will be sourced locally as well as from India, China, United Arab Emirates and other places of the world.

III. Market Analysis:

Market Opportunity:

Increasing demand for road infrastructure development in Tanzania with no local manufacturing in whole of East African countries.

No local manufacturing of thermoplastic road marking paint, creating an opportunity for capturing a sizeable market share and export to other East African nations.

Target Customers:

Government agencies responsible for road construction and maintenance, Private contractors involved in infrastructure projects, Road maintenance companies.

IV. Investment Plan:

Phased Investment:

Phase 1: Import of capital goods, setup, and initial raw material procurement. Phase 2: Ramp-up production and expansion.

INVESTMENT BREAK DOWN

	Unit	Price per Unit	Qty	Amount (US\$)
Rent of the initial premises				30,000.00
Land Lease				80,000.00
Construction of Factory				150,000.00
Office Equipment/ Furniture				15,000.00
				275,000.00

EQUIPMENT

Fig. (In US\$)

	Unit	Price	Qty	
Mixing Drum - 1	Nos.		2	14,000.00
One ton Silos - 2	Nos.		2	3,000.00
Oil Tank -1	Nos.		1	1,600.00
Conveyor -1	Nos.		1	1,600.00
Lab Equipment	Nos.		LS	3,000.00
Packing Machine	Nos.		1	500.00
Forklift Truck	Nos.		1	8,200.00
Pick Up Vehicle	Nos.		1	18,000.00
Plant Installation & Commissioning				2,000.00
Freight DXB - Dar es Salaam	Cont		1	3,000.00
				54,900.00
VAT on Plant & Equipment				8,982.00
Total Landed Cost of Plant & Equipment				63,882.00
			SAY	64,000.00

RAW MATERIAL FOR INITIAL PRODUCTION

	Unit	Price	Qty	Cost (US\$)
Hydrocarbon Resin	US\$ /Kg	1.715	28,000.00	48,028.00
Glass Frit A	US\$ /Kg	0.458	24,000.00	10,992.00
Glass Frit B	US\$ /Kg	0.422	24,000.00	10,128.00
Titanium Dioxide	US\$ /Kg	2.620	10,000.00	26,200.00
PE Wax	US\$ /Kg	1.500	2,000.00	3,000.00
VOXCO Chrome Yellow	US\$ /Ltr	4.460	1,000.00	4,460.00
Freight				12,350.00
TOTAL RAW MATERIAL COST			89,000.00	115,158.00

INITIAL EXPENSES

				Amount (US\$)
Company Formation/Set up				25,000.00
Factory Rent		3 months		7,500.00
Provision for Operations Manager		3 months		12,000.00
Provision for Accountant		3 months		4,500.00
Provision of Production Manager		3 months		6,000.00
Provision of Marketing Manager		3 months		4,500.00
Workmen		3 months		9,600.00
				69,100.00

TOTAL PROJECT COST	523,258.00
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Phase - 1 Investment	2023 - 2025	221,520.00
Phase - 2 Investment	2025 - 2027	301,738.00

Summary of the Investment Breakdown

INVESTMENT BREAKDOWN	
ITEM	AMOUNT IN USD
Land & Buildings	260,000
Plant & Machineries/Equipment	37,800
Vehicles	26,200
Furniture & Fittings	15,000
Pre Operative Expenses	69,100
Others	
Working Capital	115,158
TOTAL INVESTMENT CAPITAL	523,258

Lease & Land

It is proposed to acquire an industrial warehouse to start the operations for a period of 2 Years 2024-2025 & 2025-2026.

During this period the company will look for a plot of land on long lease at a suitable place and construct customized premises for permanent use. Operations will shift to new premises within period of the lease of Industrial Warehouse.

Capital Goods:

Procurement of advanced Thermoplastic Road marking Paint manufacturing plant and spares required for smooth functioning.

Raw Materials:

Import

Hydrocarbon Resin
Titanium Dioxide Anatase
Glass Frit BPE Wax
Yellow Chrome Pigment

Local procurement:

Calcium Carbonate
Mineral Oil Glass Frit A

Project Financing

The project will be financed by Foreign equity by 100% from United Arabs Emirates shareholders with No local or foreign loans committed. Total financing, as shown in **table below** is USD 523,258 as the total investment value expected for the project.

Table: Project Financing

CATEGORIES	AMOUNT (USD)
EQUITY	
Local Equity	0
Foreign Equity	523,258.00
Total Equity	523,258.00
LOAN	
Local Loan	0
Foreign Loan	-
Total Loan	0
TOTAL FINANCING	523,258.00

V. Operations Plan:

Manufacturing Capacity:

Monthly production capacity of 300 Metric Tons.

Employment Generation:

Initially, the employment of 12-14 direct employees will be generated, with plans to expand to 30 employees post-expansion.

Create indirect employment and business opportunities for the local population.

VI. Marketing and Sales:

Marketing Strategy:

- Establish a strong online and offline presence.
- Collaborate with government agencies, contractors, and distributors.

Sales Strategy:

- Competitive pricing with a focus on product
- Maintaining Quality of product
- Build relationships with key stakeholders in the industry.
- Promote the product in export markets, initially in East Africa and after capacity expansion in MENA region.

VII. Financial Projections:

Revenue Forecast:

Based on the production capacity, market demand, and pricing strategy.

	Y- 2024	Y- 2025	Y- 2026	Y- 2027	Y- 2028
Production (Tons)	1,350.00	1,350.00	2,400.00	2,400.00	2,400.00
White Paint (Ton)	900.00	1,800.00	2,400.00	2,400.00	2,400.00
Selling Price (US\$/Ton)	1,260.00	1,260.00	1,260.00	1,260.00	1,260.00
Yellow Paint (Ton)	450.00	600.00	1,200.00	1,200.00	1,200.00
Selling Price (US\$/Ton)	1,300.00	1,300.00	1,300.00	1,300.00	1,300.00
Glass Beed B	45.00	45.00	45.00	45.00	45.00
Selling Price (US\$/Ton)	600.00	600.00	600.00	600.00	600.00
	1,746,000.00	3,075,000.00	4,611,000.00	4,611,000.00	4,611,000.00
VAT @ 18%	314,280.00	553,500.00	829,980.00	829,980.00	829,980.00
Revenue	2,060,280.00	3,628,500.00	5,440,980.00	5,440,980.00	5,440,980.00
Expenses:					
Breakdown of expenses, including raw materials, labor, utilities, and overheads					
COST					
Material Cost					
White TP Paint	765,000.00	1,530,000.00	2,040,000.00	2,040,000.00	2,040,000.00
Yellow TP Paint	382,500.00	510,000.00	1,020,000.00	1,020,000.00	1,020,000.00
Glass Beed B	23,400.00	23,400.00	23,400.00	23,400.00	23,400.00
Salaries	36,000.00	48,000.00	58,000.00	58,000.00	58,000.00
Wages	43,200.00	64,800.00	64,800.00	64,800.00	64,800.00
Rent	30,000.00	30,000.00	80,000.00	80,000.00	80,000.00
Water & Electricity	10,000.00	15,000.00	16,000.00	16,000.00	16,000.00
Misc office Exp	8,000.00	12,000.00	12,000.00	12,000.00	12,000.00
Fuel & Conveyance	10,000.00	15,000.00	15,000.00	15,000.00	15,000.00
Transport / Levies	150,000.00	200,000.00	250,000.00	250,000.00	250,000.00
Marketing Exp. - 5%	103,014.00	181,425.00	272,049.00	272,049.00	272,049.00
Total Cost	1,561,114.00	2,629,625.00	3,851,249.00	3,851,249.00	3,851,249.00
EBITDA	499,166.00	998,875.00	1,589,731.00	1,589,731.00	1,589,731.00
EBITDA Percentage	24%	28%	29%	29%	29%
Depreciation@ 6 Years	1,066.67	1,066.67	1,066.67	1,066.67	1,066.67
Empl. Benefits/Taxes	7,920.00	11,280.00	12,280.00	12,280.00	12,280.00
VAT @ 18%	129,848.40	240,858.00	374,504.40	374,504.40	374,504.40

Corporate Tax 30% of EBIDTA	149,749.80	299,662.50	476,919.30	476,919.30	476,919.30
TOTAL	288,584.87	552,867.17	864,770.37	864,770.37	864,770.37
ESTIMATED NET PRIFIT	210,581.13	446,007.83	724,960.63	724,960.63	724,960.63
Estimated NP %	10%	12%	13%	13%	13%

SUMMARY OF REVENUES FORECAST FOR FIVE YEARS INVESTMENT

	Y1	Y2	Y3	Y4	Y5
REVENUE	2,060,280.00	3,628,500.00	5,440,980.00	5,440,980.00	5,440,980.00
EST NET PRIFIT	210,581.13	446,007.83	724,960.63	724,960.63	724,960.63
Estimated NP %	10%	12%	13%	13%	13%
Return On Investments	40%	85%	139%	139%	139%

VIII. Risk Analysis:

Risk analysis is the process of identifying and analyzing potential future events that may adversely impact a company. A company performs risk analysis to better understand what may occur, the financial implications of that event occurring, and what steps it can take to mitigate or eliminate that risk.

Market Risks:

Dependency on government projects and economic conditions.

Operational Risks:

Supply chain disruptions, quality control issues.

IX. Environmental Impact

1. Thermoplastic Road Marking Paint is a non-hazardous product free from any harmful solvent.
2. The manufacturing process consumes less energy.
3. The usage of thermoplastic paints represents a commitment to sustainability and improving our environment.
4. All the raw materials used in the manufacturing of Thermoplastic paint are non-hazardous in dry powder form chemicals which does not have any impact on the environment.
5. Where environmental sustainability has become a top priority, thermoplastic road marking paints stands out due to its eco- friendly composition.
6. Any rejected material will be recycled and hence will have no impact on the environment.

X. Conclusion:

Global Paints Tanzania (Pvt.) Ltd. aims to be a leading player in the thermoplastic road marking paint manufacturing industry in Tanzania. The phased investment approach, focus on quality, and strategic marketing and sales initiatives will contribute to the company's success, creating employment and business opportunities in the local community.