

Business Plan

**XIN JIA Industrial Park Tanzania
Limited**

Executive Summary

XIN JIA Industrial Park Tanzania Limited aims to develop a state-of-the-art industrial park in Kibaha, Tanzania. Spanning 12 acres, this park will serve as a strategic hub for manufacturing, logistics, and commercial enterprises. With a significant investment of USD 600,000 fully funded by shareholders, the park will offer prime facilities and infrastructure to attract both local and international businesses. This venture is designed to bolster economic growth, create jobs, and enhance Tanzania's industrial capabilities.

1. Investment Objective, Sector, and Products

Investment Objective

XIN JIA Industrial Park Tanzania Limited's primary objective is to create a modern, efficient, and strategically located industrial park in Kibaha. The park will cater to various industries, providing comprehensive facilities and support services to foster business growth and investment in Tanzania.

Sector

- **Real Estate Development and Industrial Infrastructure**

Products and Services

- **Industrial Plots:** Leased spaces tailored for manufacturing units.
- **Warehouse Facilities:** Storage and distribution spaces equipped with essential logistics support.
- **Commercial Spaces:** Office spaces, retail outlets, and business centers designed to accommodate various business needs.
- **Infrastructure and Utilities:** Reliable power supply, water distribution, waste management systems, and high-speed internet.
- **Support Services:** Security, facility maintenance, and administrative support to ensure seamless operations for tenants.

2. Investment Costs and Sources of Finances

Total Investment Costs

The estimated total investment for XIN JIA Industrial Park Tanzania Limited is **USD 600,000** (equivalent to approximately **TZS 1,500,000,000** at an exchange rate of TZS 2,500 per USD).

Breakdown of Investment Costs

- **Land Lease:** TZS 144,000,000 (TZS 1,000,000 per month for 12 acres over 12 years)
- **Infrastructure Development:** TZS 900,000,000
 - Site preparation, road construction, and installation of utilities.
- **Construction of Facilities:** TZS 300,000,000
 - Building industrial plots, warehouses, and commercial spaces.
- **Initial Working Capital:** TZS 156,000,000
 - Operational expenses for the first year, including salaries and marketing.

Sources of Finances

- **Equity Financing:** TZS 1,500,000,000 (USD 600,000 provided entirely by shareholders)

3. Job Creation

Direct Employment

- **Management and Administration:** 10 employees
 - General Manager, Administrative Staff, Finance Manager, Marketing Manager.
- **Operational Staff:** 20 employees
 - Maintenance, Security, Utilities Management, and Support Staff.

Indirect Employment

- Jobs created through tenant businesses (manufacturing, logistics, and commercial sectors).
- Additional employment in supporting services (construction, local suppliers, and ancillary services).

4. Investment Funds Expenditure Breakdown

Land Lease

- **Rental Costs:** TZS 144,000,000
 - TZS 1,000,000 per month for 12 acres over a period of 12 years.

Infrastructure Development

- **Site Preparation and Road Construction:** TZS 300,000,000
 - Leveling and preparing the land for construction, building internal roads.
- **Utilities Installation:** TZS 400,000,000
 - Setting up electricity, water distribution, sewage, and waste management systems.
- **Communication Infrastructure:** TZS 100,000,000
 - Installing high-speed internet and telecom services.
- **Security and Surveillance Systems:** TZS 100,000,000
 - Installing CCTV, fencing, and security systems.

Construction of Facilities

- **Industrial Plots and Warehouses:** TZS 200,000,000
 - Constructing spaces designed for manufacturing and storage.
- **Commercial Spaces:** TZS 100,000,000
 - Building office spaces, retail outlets, and business centers.

Initial Working Capital

- **Operational Expenses for Year 1:** TZS 156,000,000
 - Covering salaries, maintenance, utilities, and initial marketing efforts.

5. Sources of Supply of Inputs

Land and Lease

- **Location:** Kibaha, Tanzania
- **Lease Agreement:** Secured with local authorities for a 12-acre plot at TZS 1,000,000 per month.

Construction Materials and Services

- **Local Suppliers:** Procuring cement, steel, and other construction materials locally to support the Tanzanian economy.

- **Construction Companies:** Engaging reputable Tanzanian firms for infrastructure development and building construction.

Utilities and Services

- **Electricity:** Sourced from the national grid, with backup power solutions as needed.
- **Water:** Supplied from local municipal sources or an onsite borewell.
- **Telecommunication:** Partnering with local telecom providers for reliable internet and communication services.

6. Marketing Plan

Market Analysis

- **Target Market:** Local and international businesses in manufacturing, logistics, and commercial sectors looking for strategically located and well-supported facilities.
- **Market Size:** Increasing demand for industrial and commercial spaces in Tanzania due to economic growth and strategic geographic position.
- **Competitive Landscape:** Competing with other industrial parks and business zones in the region, with a focus on offering superior facilities and services.

Marketing Strategy

- **Product Positioning:** Promoting the park as a modern, integrated, and strategically located hub offering comprehensive support services.
- **Distribution Channels:** Direct sales to businesses, partnerships with industry associations, and collaboration with government investment promotion agencies.
- **Pricing Strategy:** Offering competitive leasing rates and flexible terms to attract a diverse range of tenants.
- **Promotion:** Utilizing online marketing, participating in trade fairs, collaborating with Tanzanian trade and investment bodies, and conducting targeted outreach to potential international investors.

Sales Projections

- **Year 1:** Achieve 25% occupancy of available spaces.
- **Year 2:** Increase to 50% occupancy.
- **Year 3:** Reach 75% occupancy.
- **Year 4-5:** Achieve 90-100% occupancy.

7. Implementation Schedule

Year 1

- **Q1:** Finalize land lease agreements, initiate site preparation, and begin infrastructure development.
- **Q2:** Continue infrastructure development and start construction of industrial and commercial facilities.
- **Q3:** Complete initial construction phase, launch marketing campaigns to attract tenants.
- **Q4:** Begin tenant onboarding and start operational activities.

Year 2

- **Q1-Q4:** Expand infrastructure and facilities as needed based on tenant demand. Continue marketing and tenant acquisition efforts.

Year 3-5

- **Q1-Q4:** Reach full operational capacity, maintain and upgrade facilities and services. Explore opportunities for further expansion or development of additional services based on market demand.

8. Financial Projection (5 Years)

Assumptions

- **Annual Rental Growth:** 3% increase in rental prices annually.
- **Occupancy Rate Growth:** Incremental increase reaching 100% by year 5.
- **Cost Inflation Rate:** 2% annually.
- **Revenue Streams:** Rental income from industrial plots, warehouses, and commercial spaces.

Income Statement

Year	Revenue (TZS)	Operating Expenses (TZS)	Gross Profit (TZS)	Net Profit (TZS)
1	360,000,000	240,000,000	120,000,000	-24,000,000
2	720,000,000	360,000,000	360,000,000	156,000,000
3	1,080,000,000	400,000,000	680,000,000	476,000,000
4	1,440,000,000	450,000,000	990,000,000	786,000,000
5	1,800,000,000	500,000,000	1,300,000,000	1,096,000,000

Cash Flow Statement

Year	Operating Cash Flow (TZS)	Investing Cash Flow (TZS)	Financing Cash Flow (TZS)	Net Cash Flow (TZS)
1	120,000,000	-900,000,000	1,500,000,000	720,000,000

Year	Operating Cash Flow (TZS)	Investing Cash Flow (TZS)	Financing Cash Flow (TZS)	Net Cash Flow (TZS)
2	360,000,000	-	-	360,000,000
3	680,000,000	-	-	680,000,000
4	990,000,000	-	-	990,000,000
5	1,300,000,000	-	-	1,300,000,000

Balance Sheet

Year	Assets (TZS)	Liabilities (TZS)	Equity (TZS)
1	1,620,000,000	1,500,000,000	120,000,000
2	1,980,000,000	1,500,000,000	480,000,000
3	2,660,000,000	1,500,000,000	1,160,000,000
4	3,650,000,000	1,500,000,000	2,150,000,000
5	4,950,000,000	1,500,000,000	3,450,000,000

9. Capacity of the Project

Land and Facilities

- **Total Area:** 12 acres.
- **Industrial Plots:** 6 acres allocated for manufacturing units.
- **Warehouse Facilities:** 3 acres designated for storage and distribution.
- **Commercial Spaces:** 2 acres for office spaces, retail outlets, and business centers.
- **Infrastructure and Utilities:** 1 acre for roads, utilities, and support services.

Operational Capacity

- **Initial Occupancy Capacity:** 25% in Year 1, scaling up to 100% by Year 5.
- **Facility Expansion:** Provisions to expand and add additional facilities based on tenant demand and market growth.

Utility Provision

- **Electricity:** Adequate capacity to meet the needs of all tenants with plans for backup power solutions.
- **Water Supply:** Reliable water resources for industrial and commercial activities.
- **Waste Management:** Comprehensive waste disposal and recycling systems to ensure environmental compliance.
- **Security:** 24/7 surveillance and security personnel to maintain a safe and secure environment for tenants.

Conclusion

XIN JIA Industrial Park Tanzania Limited is strategically positioned to become a leading industrial hub in Kibaha, providing essential infrastructure and support to a wide range of businesses. With a robust financial plan, strategic location, and commitment to quality services, the industrial park is set to attract significant investment and contribute substantially to the economic development of Tanzania. This venture offers promising returns for shareholders and substantial benefits for the local community.