

GLOBAL ALUMINIUM LIMITED

BUSINESS PLAN

FOR

PEAK LUBRICANT COMPANY LIMITED

1.0 EXECUTIVE SUMMARY.

PEAK LUBRICANT COMPANY LIMITED is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No. 171305012 issued on 11th January 2024.

The proposed business plan is of Processing Raw Materials for the Purpose of Obtaining Engine Oil and Crude Oil at **L.O No 174893, Plot No 5, Block “D” sized 16020 SQM, miembesaba area, Kibaha Township in Coastal region.**

The proposed new project shall cost US\$ 3m and creating new employment of 150 local people and 15 foreign people.

- 1.1 The shareholders of this newly formed company are DONGLIN GUO and WENZHANG CUI both are Chinese by nationals**

The company is owned by two shareholders, namely: -

Name	% of Shares	Nationality
WENZHANG CUI People's Republic of China	55%	Chinese
DONGLIN GUO People's Republic of China	45%	Chinese

1.2 LOCATION.

The new project is located at **L.O No.174893, Plot No 5, Block "D"**
, Miembesaba areas, Kibaha Township in Coastal region.

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 using sister company financial status till completion of implementation program of starting business, the sister company namely Tanzania China Trade & Tourism Development Limited Which Bank Accounts with: -.

NMB BANK
CRDB BANK
EXIM BANK

1.6 AUDITED REPORTS

In future 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 Engine Oil in all requirements.

- 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 Engine Oil at Kibaha 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 engine oil industries in Tanzania, Characteristics of demand and the general market structure of engine Oil raw materials, 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 **PROCESSING MATERIALS FOR THE PURPOSE OF OBTAINING ENGINE OIL AND CRUDE OIL** industry; this will include Engine Oil processing of and installations of modern machines for processing Crude Oil, purchasing vehicles, new generator etc.

The planned production capacity is 120000 metric tons per year.

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 processing crude oil machinery and their assorted and equipment from China and other overseas suppliers and entering into agreements for the purchase/ acquisition of those assets.
- Consigning the purchased engine oil machine processing including all the equipment and accessories from countries of their origin to Tanzania
- Clearing of all the purchased goods from the ports of entry and transporting them to the company's port of entry in Dar es salaam
- Installation of the machinery, registration, insuring and licensing of the vehicles ready for deployment in the company's business

3.3 Project Objectives

3.3.1 Development Objectives:

PEAK LUBRICANT 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 Processing Engine Oil.

3.3.2 Immediate Objectives:

- a) To build and operate Engine Oil machine and installed production capacity of 120000 metric tons per year.
- b) Enhancing the country's capacity to utilize its Engine Oil 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.

4.0 Overview of the Manufacturing Sector and Engine Oil industry 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 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 Engine Oil estimated to over 1,926,333TZS million.

4.1.1 Engine Oil Raw materials industry

PEAK LUBRICANT COMPANY LIMITED is poised to exploit to the maximum, the anticipated development in this Sector for its own enhanced growth.

5.0 BUSINESS ENVIRONMENT ANALYSIS; The environment for investing in Tanzania is the best compared to other countries in Africa

5.0.1 Management: -

PEAK LUBRICANT COMPANY LIMITED 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 for the production machines will be recruited for their competence, experience and good track record in their respective fields and in previous employments.

5.1 External Environment:

5.1.1 The market:

PEAK LUBRICANT COMPANY LIMITED'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.

5.1.1.1 Market Potential:

As explained in the topic above, the demand for Engine Oil 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,

5.1.1.2 Competition:

PEAK LUBRICANT COMPANY LIMITED is expecting to face competition from existing Engine Oil industries which controls a major market in Tanzania, the company plan is to increase market share by investing in a new and bigger Engine Oil machines with production capacity of 120000 metric tons per year

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 Engine Oil produced at the factory
- The annual revenue to grow by different percentages depending on market demand annually
- Revenue projections are based on experiences gained by the firm for being in the market for five years now.

8.0 CONCLUSION AND RECOMMENDATION

8.1 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 **PEAK LUBRICANT 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
PEAK LUBRICANT COMPANY LIMITED - COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	600,000.
Machinery & Equipment	400,000.
Motor Vehicles	750,000.
Furniture & Fixtures	90,000.
Pre exp	10,000.
Others	50,000.
Working Capital	1,000,000.
TOTAL	3,000,000.

PROJECTIONS

PEAK LUBRICANT COMPANY LIMITED

FINANCIAL PROJECTION SUMMARY FROM 2025 TO 2029

PROJECTED STATEMENT OF FINANCIAL POSITION FOR 5 YEARS FROM 2025 - 2029

DETAILS	2025	2026	2027	2028	2029
CURRENCY	USD	USD	USD	USD	USD
ASSETS					
NON-CURRENT ASSETS					
PPE	462,000	471,240	480,665	490,278	500,084
TOTAL NON-CURRENT ASSET	462,000	471,240	480,665	490,278	500,084
CURRENT ASSET					
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	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000
Cash and Cash Equivalent	315,600	315,916	316,232	316,548	316,864
TOTAL CURRENT ASSET	5,278,978	5,531,406	5,765,247	5,980,720	6,178,659
TOTAL ASSETS	10,740,978	11,002,646	11,245,912	11,470,998	11,678,742
EQUITY AND LIABILITIES					
EQUITY					
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
TOTAL EQUITY	3,799,133	1,915,226	2,658,207	3,699,346	3,797,018
LIABILITIES					
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
TOTAL LIABILITIES	6,941,845	9,087,420	8,587,705	7,771,652	7,881,724
TOTAL EQUITY AND LIABILITIES	10,740,978	11,002,646	11,245,912	11,470,998	11,678,742