

DC COMPANY LIMITED

BUSINESS PLAN

FOR

MANUFACTURING OF WOVEN BAGS

AND

TAPE

EXECUTIVE SUMMARY.

DC COMPANY LIMITED is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No.173006527 issued on 13THMARCH 2024.

The proposed business plan is of manufacturing of tape and woven bags at **Pwani,Mkuranga, Kilwa roads,Tanzania Plot no 20 ,block number F.Mwambaya.**

The proposed new project shall cost US\$ 1m and creating new employment of 60 local people and 3 foreign people.

LEGAL STATUS AND COMPANY BACKGROUND BRIEF

DC COMPANY LIMITED bears the certificate No.173006527 issued in 2002 by BRELA.

The shareholders of **DC COMPANY LIMITED**, the shareholders of this newly formed company are Zhang Donsheng and Ye Huajin., both are people registered in China, these are reputed international people with vast experience in manufacturing industries.

The company is owned by two shareholders ,namely:-

Name	%ofShares	Nationality
ZHANG DONSHENG Zhejiang, east wangwenhua,Niansanli,Unit 2 buiding 6,2002, CHINA	80%	China
YE HUAJIN Zhejiang,east wangwenhua,Niansanli,Unit 2 buiding 6,2002, CHINA`	20%	China

LOCATION.

The new project is located at **Pwani,Mkuranga, Kilwa roads,Tanzania Plot no 20,block number F, Mwambaya.**

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 to the following bank.

NMB BANK

AUDITEDREPORTS

DC COMPANY LIMITED will maintain good financial reports which will be audited by reputable auditor firm

BASISOFTHEBUSINESSPLAN

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 purchase, take on lease or in exchange, hire and otherwise acquire any real and personal property, and any rights or privileges which the company may think appropriate for the purpose of its business, and in particular any land, building, easements, machinery, plants and stock in trade.

- 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 tape and woven bags 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 manufacturing of tape and woven bags in Tanzania, Characteristics of demand and the general market structure of 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 TAPE AND WOVEN BAGS industry; this will include construction of and installations of modern machines, purchasing vehicles, new generator etc.

The planned production capacity is 5300 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 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.
- Consigning the purchased machinery and motor vehicles 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 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:

DC 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 building materials.

Immediate Objectives:

- a) To build and operate a machine and installed production capacity of 5300 metric tons per year.
- b) Enhancing the country's capacity to utilize its 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 and Woven bags industry in

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 926,333 TZS million.

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\$1.4 billion in 2015 accounting for 25% of Tanzania's total exports value- excess of the materials, which can be obtained at competitive prices. Due to financial difficulties and lack of adequate supply of raw materials.

TAPE AND WOVEN BAGS INDUSTRY

Woven Bag Market Overview:

Advancements in manufacturing technologies have made woven bags more cost-effective and aesthetically appealing, making them a preferred choice among consumers. Consequently, there is likely to be around a 1.6X surge in the sales of woven bags by 2030.



TAPE INDUSTRY

The global Adhesive Tape market was valued at US\$ 69420 million in 2023 and is anticipated to reach US \$ 105980 million by 2030, witnessing a CAGR of 6.1% during the forecast period 2024-2030.



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

BUSINESSENVIRONMENTANALYSIS;

Internal Approach;

Management:

DC COMPANY LIMITED as 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 assist professionals in the Manufacturing 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:**

DC COMPANY LIMITED policy aim at two objectives:

- Further penetration/entrenchment in to 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 hinge don 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.

years.

The market surveys conducted during feasibility study for this project established that, demand for Woven bags in the country is growing with each passing year.

Market Potential:

As explained in the topic above, the demand for Woven bags and tape 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:

DC COMPANY LIMITED is expecting to face competition from existing woven bags and Tape 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 Woven bags and Tape manufacturing machines with production capacity of 5300 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 Woven bags and Tape 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

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 **DC 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.

DC COMPANY LIMITED

PARTICULAR	US\$
Land and Buildings	250,000.00
Machinery & Equipment	200,000.00
Motor Vehicles	20,000.00
Furniture & Fixtures	10,000.00
Preexp	10,000.00
Others	10,000.00
Working Capital	500,000.00
TOTAL	1,000,000.00

PROJECTIONS

DC COMPANY LIMITED
 FINANCIAL PROJECTIONS SUMMARY FROM 2024 TO 2028
 PROJECTED STATEMENT OF FINANCIAL POSITION FOR 5 YEARS FROM 2024 - 2028

DETAILS	2024	2025	2026	2027	2028
CURRENCY	USD	USD	USD	USD	USD
ASSETS					
NON-CURRENT ASSETS					
PPE	340,000	450,000	460,000	465,000	470,000
TOTAL NON-CURRENT ASSET	340,000	450,000	460,000	465,000	470,000
CURRENT ASSET					
Inventory	1,324,200	1,119,270	1,006,701	1,657,802	1,297,998
Trade Receivables	101,405	202,000	235,900	208,214	286,174
Working Capital	500,000	500,000	500,000	500,000	500,000
Cash and Cash Equivalent	93,400	117,516	108,632	99,448	120,764
TOTAL CURRENT ASSET	2,019,005	1,938,786	1,851,233	2,465,464	2,204,936
TOTAL ASSETS	2,359,005	2,388,786	2,311,233	2,930,464	2,674,936
EQUITY AND LIABILITIES					
EQUITY					
Share Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retained Earnings	403,082	327,612	535,226	837,500	720,400
TOTAL EQUITY	1,403,082	1,327,612	1,135,226	1,837,500	1,720,400
LIABILITIES					
Trade Payables	462,654	585,126	627,263	467,955	432,503
Other Payables	493,269	476,048	548,744	625,009	522,033
TOTAL LIABILITIES	955,923	1,061,174	1,176,007	1,092,964	954,536
TOTAL EQUITY AND LIABILITIES	2,359,005	2,388,786	2,311,233	2,930,464	2,674,936

DC COMPANY LIMITED
FINANCIAL PROJECTIONS SUMMARY FROM 2024 TO 2028
PROJECTED STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR 5 YEARS

DETAILS	2024	2025	2026	2027	2028
CURRENCY	USD	USD	USD	USD	USD
SALES	4,865,650	6,339,811	7,973,792	7,999,481	8,061,206
TOTAL INFLOW	5,865,650	6,339,811	7,973,792	7,999,481	8,061,206
COST OF SALES					
Opening Inventory	0	1,324,200	1,119,270	1,006,701	1,657,802
Add: Production Cost	2,320,000	1,072,504	2,749,054	1,730,073	2,703,080
Less: Closing Inventory	-1,324,200	-1,119,270	-1,006,701	-1,657,802	-1,297,998
	1,295,800	1,377,434	2,561,623	428,972	862,884
GROSS PROFIT	4,569,850	4,962,377	5,412,169	7,570,509	7,198,322
OPERATING EXPENSES					
Administration Expenses	2,293,130	1,937,267	2,792,013	2,936,472	2,981,749
Sales and Distribution Expenses	896,565	1,573,341	1,596,069	2,970,872	2,306,121
Finance Cost	405,210	491,450	49,229	50,612	53,714
Depreciation Expense	14,000	18,960	19,027	19,104	19,284
-	0	0	0	0	0
TOTAL OPERATING EXPENSES	3,608,905	4,021,018	4,456,338	5,977,060	5,360,868
PROFIT FOR THE YEAR	960,945	941,359	955,831	1,593,449	1,837,454

DC COMPANY LIMITED
FINANCIAL PROJECTIONS SUMMARY FROM 2024 TO 2028

Cost of Sales Analysis				
Cost of Raw Material Produced				
Particular	Units (TONES)/MONTH	Cost per Unit in USD per month	Total Cost of production in USD per month	Total Cost of production in USD Annually
WOVEN BAGS AND TAPE	400	1090.09	436,036	5,232,432
Total Cost of Raw material produced				

Labour Cost					
Particular	Rate per day per labour USD\$	Rate per month per labour in USD\$	No of Labours	Total Cost per month in USD\$	Total Cost Annually in USD\$
Foreign employees	165.07	4,291.82	3	12,875.46	154,505.52
Direct and Indirect Labours	125.26	3,251.04	60	195,062.4	2,340,748.8
					2,495,254.32

	Year 1
Particular	Amount in USD\$
Opening Stock	-
Add: Production Cost	5,232,432
Less: Cost of Sales	7,727,686.32
Closing Stock	1,324,200

Closing stock

