

HSMI-E

STEEL INDUSTRY

Quality Products & Customer Oriented Services



BUSINESS PLAN

FOR

**THE CONSTRUCTION OF AN ULTRA-MODERN STEEL MANUFACTURING INDUSTRY AT
KIGOMA EPZ TANZANIA**

2024

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Executive Summary

Introduction

The construction of an ultra-modern steel factory in Tanzania represents a pivotal step towards fostering industrial growth and economic development of the country. The project aims to revolutionize steel production in order to address the increasing demand for high quality steel products which at the moment is being pushed by ongoing activities and development programs in the country specifically in the construction, manufacturing, infrastructure and automotive sectors. By establishing a local steel manufacturing industry in form of BCMIE Steel Industry, the intention to create more job opportunities for Tanzanians is practically demonstrated, the use of local resources in industrial production is encouraged and the import culture of steel products will be replaced by export culture and thus enabling the country to earn other than spend in the long run This executive summary thus, outlines the strategic vision, objectives and anticipated benefits from the project upon completion and it also demonstrates the company's determination to support the country's economic development and industrialization efforts

Statement of Purpose

The primary purpose of constructing the BCMIE Steel Industry in Tanzania is to accelerate the overall industrial development country efforts while at the same time ensuring a robust steel manufacturing base to bring steel supply and demand to its equilibrium. Therefore this project seeks to; Enhance economic development through the production of high level steel products for the domestic market consumption, add to the country's export base and foreign earnings while at the same time mitigate the risky import culture; Generate significant employment opportunities for Tanzanians both directly and indirectly. The long run result will show itself in the improved living conditions of the local population, stability and small scale initiatives by households to start income generating ventures arising from the multiplier effects of money to supplement their income and socioeconomic living; Support infrastructural development projects through the supply of cost effective, durable and high quality steel that serve as resource inputs for different activities and projects across the sector; Promote local sourcing and utilization of available raw materials thereby stimulating other sectors within Tanzania to the same henceforth ensuring sustainable development and Introduce advanced technologies by integrating cutting-edge steel production technologies to support operational efficiency, product quality and environmental sustainability

BCMIE Steel Project Overview

The steel project will be located at Ujiji export zone Kigoma city, Kigoma region in western Tanzania. The location is within the special economic Zone of Kigoma and thus has many strategic advantages in relation to domestic and export trade and the availability of several facilities that require steel such as airfields and ports, presence of Railway line, increasing construction and infrastructural activities and the proximity to road networks

Objectives

To achieve the production of 44, 100 metric tons in the first year of steel production and with 12% increase per year as a means of meeting and addressing the surging demand for steel products in the construction, manufacturing, automotive and other sectors that primarily use steel products

To stimulate economic growth by contributing direct or indirectly over 1000 annual jobs and offer steady steel supplies to enhance different economic activities, industrialization, infrastructure, construction, trade, value additions investments and skills development within the country

To implement sustainable practices that minimize environmental impacts and ensure compliance with standards in place

To serve as an inter-generation employment source; an investment attraction; enhance resilience of the steel supply chain and promotion of technological innovations to boost efficiency, productivity and sustainability in production of steel products that meet industrial standards

Economic Rationale

Tanzania requires a stable supply of high quality steel and therefore the facility will boost domestic production in order to save the country from the risks of import trade and expenditure arising from purchase of steel products from other countries, it will also enhance competitiveness within the country and region and above all stimulate related industries to encourage economic development

Anticipated project benefits

The project is expected to come along with numerous benefits to the local people, the country and the East African region as a whole. These benefits will manifest themselves in terms of employment opportunities, skills development, economic growth and the country's GDP, community development through corporate social responsibility and educational programs, business growth and environmental sustainability

Implementation plan

BCMIE has in place a detailed implementation program as discussed in preceding chapters but summarily it will include many different but inter-related stages and actions and this is discussed in details in preceding chapters.

Products and the Market

The expected primary products to be produced will fall under the undermentioned categories structured steel products, sheet and plate products, Pipe and tubes, wire Rods, Re-bars, specialty steel products, castings and Nails. The steel market in Tanzania is an emerging sector which at the moment is being influenced by various factors such as economic growth, infrastructure development and industrialization. At the moment, Tanzania has limited steel production facilities despite the high its demand that are unable to meet the surging steel

products demand countrywide and as a result, reasonable quantities of steel products is being imported. Besides, local production is focused on re-rolling imported billets into bars and rods. The consumption of has throughout ages been growing much higher than its production right from the pre-colonization times to today mainly due to increased activities across all sectors of the economy specifically the construction, infrastructure, manufacturing and automotive sectors and with the growing population coupled with ongoing urbanization efforts by the government, there is urgent need to boost and stabilize the supply side through the construction of new steel facilities. The government policies on housing standards across the country and the supportive regulative policies in place that encourage investment in the country offers a lot of business opportunities within the sector and our study findings provide encouraging data in respect to business growth, profitability gross rate at 41.97% within the first year of operation, and higher possibilities of entry and survival into new markets regionally and globally

Resources and Financial highlights

An ultra-modern steel factory requires an array of resources such as raw materials, infrastructures, advanced technologies, machinery, human resources, energy and water, financial resources, healthy facility and transport and logistical resources among others.

The BCMIE Steel Factory requires a total of **65,620,321** USD as capital investment to facilitate the assembling all resources needed and the execution of the project to its completion

Land and Buildings	7,012,785	Furniture, Machines and Equipment	27,784,868.75
Vehicles	11,336,800	Working Capital	16,297,677.36
Insurance	3,188,190		

Prepared by

Mr. Barasa Franco and Paul Lwanga (Planning team of BCMIE) in consultation with the Board of Directors

1.0. THE COMPANY

Company Name	Bujumbura City Market Import / Export (BCMIE)
Physical and contact address	Export Processing Zone (EPZ) Ujiji- Kigoma City; Kigoma Region Tanzania P.O.Box..... Tel +255-764622982 Email
Vision	Vision statement To be one of the leading steel manufacturers , recognized for our commitment to innovation, sustainability, excellence and superior steel products that drive infrastructure, economic development and quality of life
Mission	Mission Statement To produce high quality steel products that meet the evolving needs of our customers while fostering a culture of innovation, safety and environmental responsibility as we attempt to create one staff one customer and one product
Core values	Innovation Sustainability Safety Quality and excellence Respect and Integrity Customer oriented focus Responsibility

<p>Company ownership and Legal structure</p>	<p>BCMIE Steel Factory is legally instituted company under the laws of the Republic of Tanzania with CTN No. 1119682 as its Registration Number and with 165-236-858 as the company's Tax Identification Number.</p> <p>The company is owned as a Private Limited Liability company with six (6) shareholders namely</p> <ol style="list-style-type: none"> 1. Bennie Nikobiri: An experienced business executive administrator and entrepreneur 2. Siyoni Nikobiri: He is an exemplary business administrator , an entrepreneur for decades and founder of BCMIE company 3. Israel Nikobiri: An experienced entrepreneur and administrator with international exposure for more than 5 years 4. Heaven Nikobiri: he is a business professional and entrepreneur and at the heart of management of BCMIE 5. Benjamin Nikobiri: He's an entrepreneur and business administrator 6. Eddy Paul Hakizimana: He's a business oriented Director with serious curiosity for learning and evaluating now business trends <p>The company founder and other directors form a modern Team of business administrators who are capable of managing business amidst different forces related to market dynamics, competition, and changing business trends. In addition , they form team of exemplary business leaders with strategic thinking and with capacity to collaborate and make and communicate key decisions in the interest of the company and all stakeholders</p>
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Company focus	Product quality Development, Technology Development, Marketing and Branding, Sales and Distribution, Customer service and satisfaction, functional Operations flows, A stable supply chain, effective financial management practices, Human resources management and development, Research and development and sustainability and Corporate social responsibility
Nature of BCMIE Steel factory	<p>BCMIE steel industry will be a high capital investment facility and thus, complex in nature and with different production levels and process. It uses a variety of raw materials such as iron ore, coal and limestone. In addition, the industry relies on heavy mining and transportation. The factory production processes include blast furnace methods, continuous casting, rolling, finishing, quality control and demands serious environmental management techniques on top of using advanced technologies and innovations and an aggressive market approach that can appropriately deal with market dynamics. In addition, the industry thrives well when it has established its supply chains and own highly a skilled workforce that is capable of surviving under different operational conditions Besides, all steel manufacturing companies are highly competitive and tend to operate on a regional or global range and contribute enormously to the country's economic developments</p>

INTRODUCTION

2.0. Introduction

This section provides an insight about the steel business, the background, project objectives, and the potential of steel business, analysis of the current gaps in steel production, the relevancy of BCMIE steel factory project, the benefits, the milestones, the business key performance factors and the anticipated challenges and their solutions

2.1. Business Description

Steel business involves manufacturing, processing and distribution of steel products. The business offers a range of products and services in form of steel products such as Rebars, steel coils and structured steel. It also includes many process services such as cutting and sitting, galvanizing and coating and fabrications and the distribution includes logistical related services and the creation and maintenance of stable supply chains. The business offers key inputs to the construction, manufacturing, infrastructure and automation sectors

2.2. Objectives

The company intends to construct state-of the –art steel manufacturing facility leveraging the latest advancements in industrial technologies in order;

To achieve the production of 44, 100 metric ton in the first year of steel production and with 12% increase per year as a means of meeting and addressing the surging demand for steel products in the construction, manufacturing, automotive and other sectors that primarily use steel products

To stimulate economic growth by contributing direct or indirectly over 1000 annual jobs and offer steady steel supplies to enhance different economic activities, industrialization, infrastructure, construction, trade, value additions investments and skills development within the country

To implement sustainable practices that minimize environmental impacts and ensure compliance with standards in place

In addition, the project shall serve as an inter-generation employment source; an investment attraction; as a facility that can ensure resilience of the steel supply chain and promotion of technological innovations that enhance efficiency, productivity and sustainability in production of steel products that meet industrial standards. In order to effectively execute the project, the project implementation shall effectively utilize the available resources to ensure that the construction is done according to plan and within the time and budget allocated.

2.3. Potentials of the Steel Business in Tanzania

The steel industry holds a lot of potential across all business and development sectors within the county specifically the infrastructure sector of Tanzania is dominated by many activities and programs intended to accelerate urbanization process to settle the growing urban population, Massive housing projects, roads, bridges, railways ports, airports among others are ongoing thus, translating these potentials into business opportunities to exploit. BCMIE intends to take hold of these potentials to position itself within the steel industrial sector to ensure business growth and sustainability.

In the field of technology there is massive adoption of advancement technologies that require high strength steel and bring along serious innovation and sustainable practices. Which push the demand for steel products to grow. Similarly the ongoing renewable energy efforts characterized by the use of wind turbines and solar panels, energy storage batteries, automotive vehicles and spare parts which Tanzania is yawning to have in full swing present the current and future business opportunities in the steel sector

The construction sector is full of planning and design activities for house and structural works, engineering, site preparations, foundation construction works and construction in all these works, steel products are critical inputs.

These activities collectively require steel products and push its demand high and in order to meet such surging demand, there is serious need to boost domestic production of steel and that's the reason behind the BCMIE steel factory construction project

2.4. Analysis of the current gaps in the steel production of Tanzania

Current assessment of the Steel sector and specifically the production side reveals a lot of gaps and challenges that need to be fixed. As discussed inter-alia, steel products for the critical inputs that serve as a means to perform activities in the construction, infrastructure, automotive and manufacturing. These gaps show themselves through the under discussed indicators

1. Low outputs of steel products since the existing industries in Tanzania so far are low output facilities and are not able to provide to meet and address the surging demand and this has forced Tanzania to import massively steel products for the last two decades
2. Old technology and many operate with out-of date technology and this impacts on production quantity and quality
3. Infrastructure deficiencies characterized by low energy, inconsistent electricity supplies, low grade transport infrastructures in many areas among others
4. Innovation gaps characterized by slow adoption to advanced technologies in manufacturing, automotive and digital culture
5. Few investments or facilities in the country and most of these facilities are in Dar es Salaam city and a few others. The majority of up country regions at the moment are lacking steel industrial facilities despite the fact that they are implementing major development projects

Addressing such gaps require coordinated efforts from government, private sector and partners and this should be followed by strategic investments in expanding the production side of the steel sector, supporting the construction of ultra-modern steel facilities with high outputs, reforming the policies and provision of investment capital

2.5. Project Relevancy

Construction of a steel factory in Tanzania can have significant relevance and benefits to the economic, industrial social and other development sectors. From the economic perspective, the facility will be a source of revenue arising from taxation which shall contribute directly to the country's GDP and trade balance. From the industrial angel, the facility shall encourage infrastructural developments and the

provision of steel products needed for constructing key infrastructures such as roads, bridges, ports, airfields, railways and buildings. In addition, the facility will accelerate the industrialization efforts of Tanzania through the provision of resource inputs and encouragement of technological and digital applications. The social relevance will be in form of income oriented employments that ultimately support community developments, urbanization and housing. The strategic relevancy is connected to national security through the provision of reliable and critical materials for infrastructure and defense purposes, resilience in steel production to avoid importation and its related dangers and can also make Tanzania a regional force and economic hub capable of attracting more investments

2.6. Benefits of BCMIE steel factory project

Upon completion and once in operation, the numerous benefits are expected and among such benefits include the following

1. The BCMIE Steel facility will greatly support the realization of Tanzania's economic development efforts in different sectors such as construction, infrastructure, automotive and manufacturing in terms of income(taxable revenue), foreign earning from export trade among others
2. BCMIE intends to produce quality steel products that meets the market standards and secure the future of many citizens given the durability and strength of the steel to be produced. Tanzania will attain strong and heavy duty infrastructures given the quality and durability of BCMIE steel products
3. BCMIE steel facility will be a high output facility and will be able to arrest the increasing market demand for steel products. Remember this surging demand forced the country into steel importation
4. BCMIE facility will massively expand the scope of Tanzania's domestic steel manufacturing base and this in turn will enable the country realize accelerated development on top of while at the same time provide additional product on the country's export menu to attract more earnings

5. BCMIE shall throughout ages offer inter-generational employment opportunities to the local population in Tanzania thereby enhancing and stabilizing people's socioeconomic living conditions
6. The facility shall be one of the major pillars to stimulate economic growth of Tanzania through the multi-dimensional benefits it will come along with such as job creation, industrial growth, export revenue, technological advancement and as a stimulus for local economic business engagements and investment attraction
7. BCMIE facility will turn a major pillar in generating the country's GDP to grow and enhance economic diversification
8. BCMIE Steel factory shall over time enhance skills development through knowledge transfers for sustainable development of Tanzania
9. The project shall have the potential to turn less valuable materials into finished and useful products needed in construction, manufacturing, infrastructure and automation sectors and this is a plus to waste management
10. It will serve as a stimuli for industrial growth especially of Kigoma, region and western Tanzania in general and thus, will enable these regions catch up with the rest of the country's regions in terms of development. It should also be noted that Kigoma region has many facilities that require steel products such as the Kigoma port, airport roads and railways, social amenities among others
11. At regional level the project will connect the Tanzania to other countries within the EAC and COMESA through export trade of steel products which apparently are in shortage supply

2.7. Milestones

The company has so far secure basic success in respect to;

1. Acquisition of basic resources such as land at Kigoma export zone (30 Acres of land)
2. Fencing of the facility land
3. Installation of utilities, electricity and water

4. Levelling of the land surface and making it ready for construction
5. Started the production of construction blocks
6. Successful feasibility studies on different focus areas such as business and market potentials and environment
7. Identification of project resources to be procured
8. Developing a business plan for the business
9. Acquisition of key staff to lead the engineering and construction processes

2.8. Key Performance Factors

Key Indicator	Description
Leadership	<ul style="list-style-type: none"> • Pro-active leadership that is focused on the company vision attainment • Leadership that aim at uplifting staff performance and their personalities • Strategic and result oriented leadership • Adaptive leadership
Management	<ul style="list-style-type: none"> • Efficient management practices that ensure smooth operations, optimal resource utilization and responsive
Machinery	<ul style="list-style-type: none"> • Ultra-modern machines with high production outputs
Market understanding	<ul style="list-style-type: none"> • High level customer focus • Competitiveness market strategies

	<ul style="list-style-type: none"> • Holistic marketing management philosophies • Market dynamics and trends
Products and services	<ul style="list-style-type: none"> • Quality and durable products which are distinctive
Operational excellence	<ul style="list-style-type: none"> • Effective and streamlined processes • Innovation and continuous improvements to keep company competitive
Human Resources	<ul style="list-style-type: none"> • Skilled workforce • Effective employee engagements
Technology	<ul style="list-style-type: none"> • Latest technologies that enhance cost effective and quality production
Infrastructure and machinery	<ul style="list-style-type: none"> • State- of the –art infrastructure and machinery
Customer communication	<ul style="list-style-type: none"> • Customer relationship, inventory and networks
Risk management	<ul style="list-style-type: none"> • Proactive risk mitigation and management practices
Location	<ul style="list-style-type: none"> • Strategically located at Kigoma with locational advantages for both domestic and export trade

2.9. Anticipated challenges and solutions

The table below illustrates the anticipated challenge and the solutions BCMIE will adopt to turn challenges into opportunities

Challenges	Solutions
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Raw materials such as iron ore, scrap materials and coal	<ul style="list-style-type: none"> • BCMIE intends to establish long term collaborations with suppliers • Diversified suppliers to avoid dependency on single source • Where possible invest in mining
Maintenance of high production efficiency	<ul style="list-style-type: none"> • Investment in high energy technologies and equipment • Regular maintenance and upgrade of machinery
Environmental issues	<ul style="list-style-type: none"> • Adoption of cleaner production technologies such as electric arc furnaces • Comprehensive waste management
Market fluctuations	<ul style="list-style-type: none"> • Develop flexible production strategies • BCMIE intends to diversify its product offerings
Keep up with changes in technologies	<ul style="list-style-type: none"> • Invest in R&D • BCMIE intends to develop strategic collaborations
Skilled work force	<ul style="list-style-type: none"> • Competitive wages • Conducive workforce culture
Supply chain management	<ul style="list-style-type: none"> • BCMIE to adopt advanced chain management efforts • Develop contingency plans
Financial management	<ul style="list-style-type: none"> • Robust financial management practices

	<ul style="list-style-type: none"> • Optimize inventory management
Customer management	<ul style="list-style-type: none"> • BCMIE intends to provide quality products • Excellent customer management • Build Customer networks • Develop customized products and services
Global trends and competition	<ul style="list-style-type: none"> • BCMIE will apply its Mix to produce and distribute quality and the right product • Work on brand reputation • Develop alliances to manage trends and contemporary issues in steel business

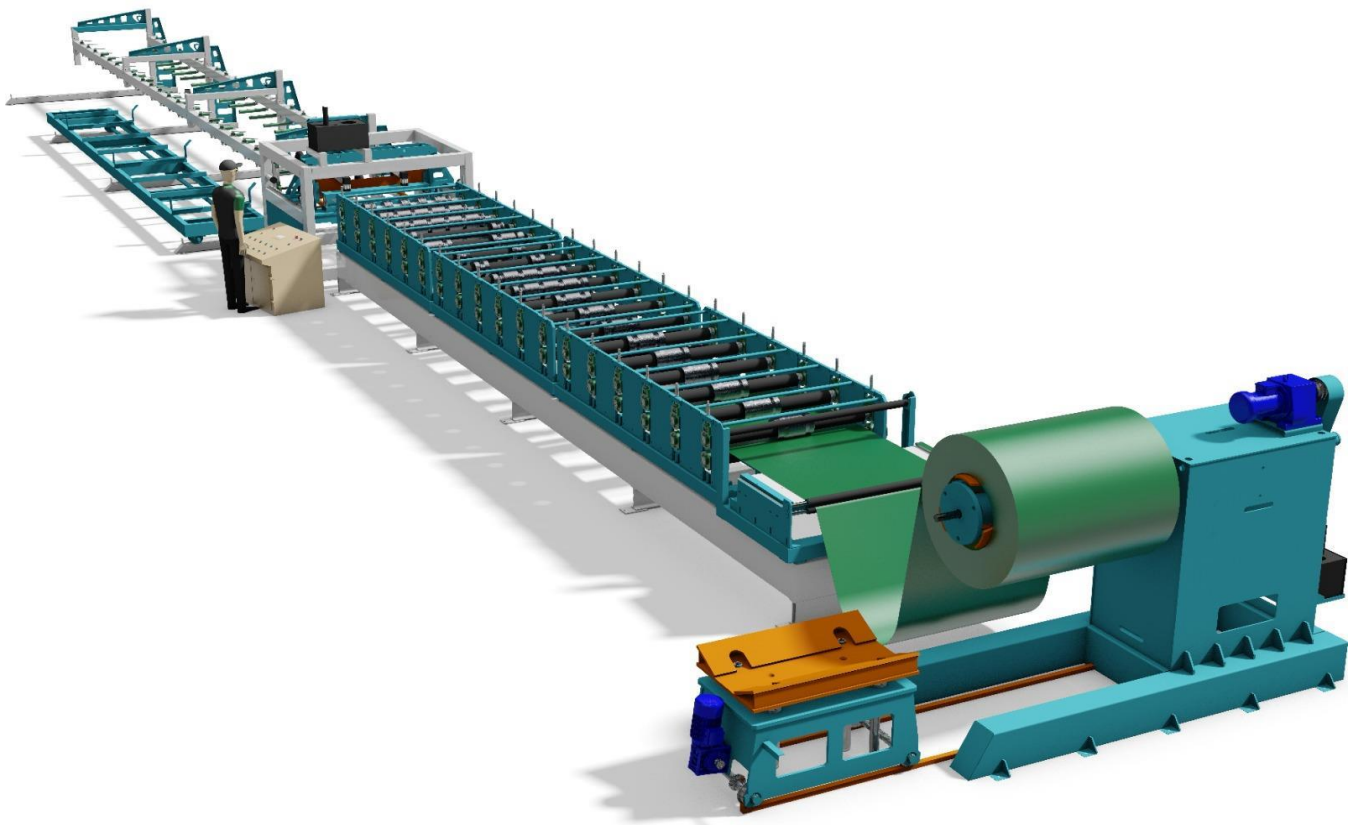
2.10. The BCMIE Steel Production Process

BCMIE Steel facility intends to use a complex process that involves several stages which are key in the transformation of raw materials into high quality steel. These steps may include;

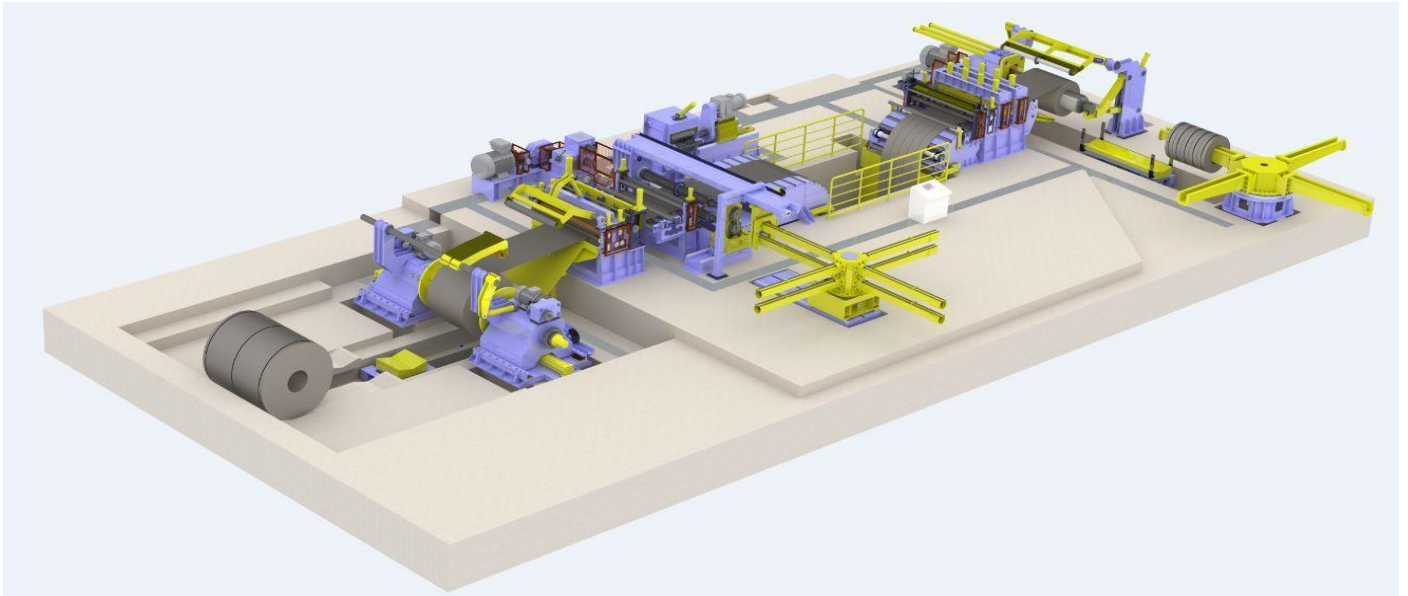
The use of oxygen furnace route that involves raw material preparation and blast furnace while the electric arc furnace route involves scrape preparation and melting.

The secondary refining processes BCMIE factory will adopt involve ladle metallurgy, vacuum degassing, and alloying This will be followed by others steps that will involve casting, hot rolling and cold rolling, finishing and quality controls. Below shows the different production tools BCMIE Company will use during the production process

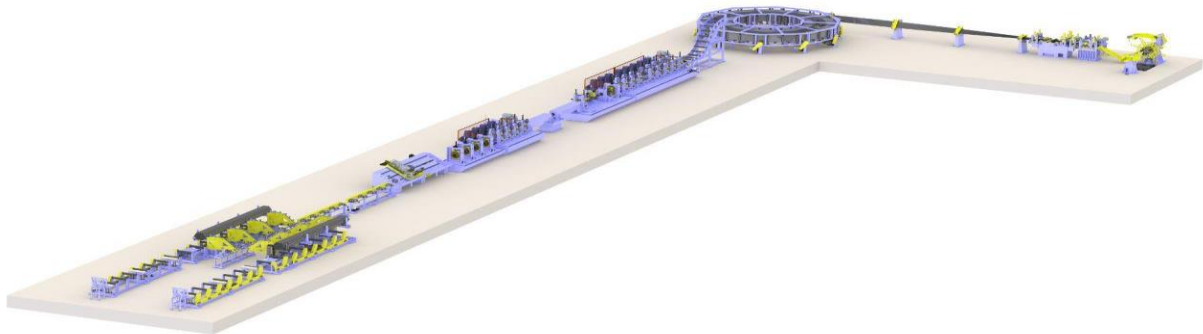
2.10.1. Iron sheets making process from decoiler to sharing



2.10.2. Image of a Slitting Line



2.10.3. Tube mill imaging



2.11. BCMIE Steel Factory Products

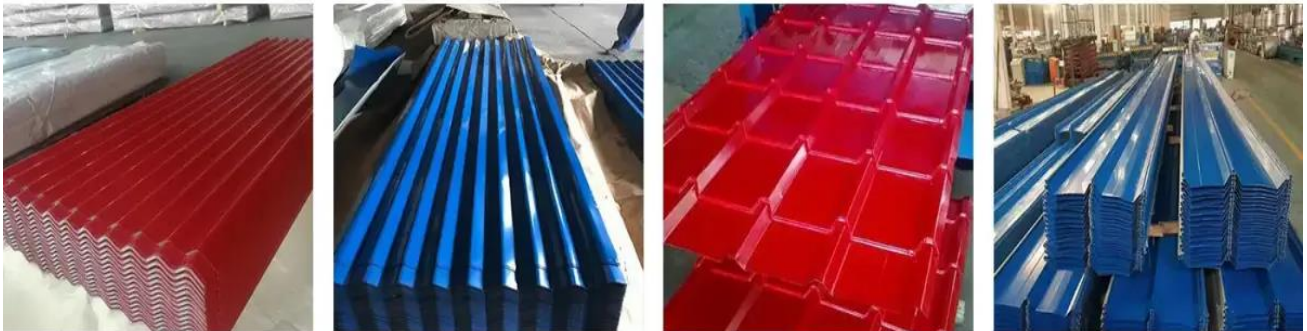
The table below provides details of the products, their categories and examples BCMIE steel factory intends to produce once in full operations

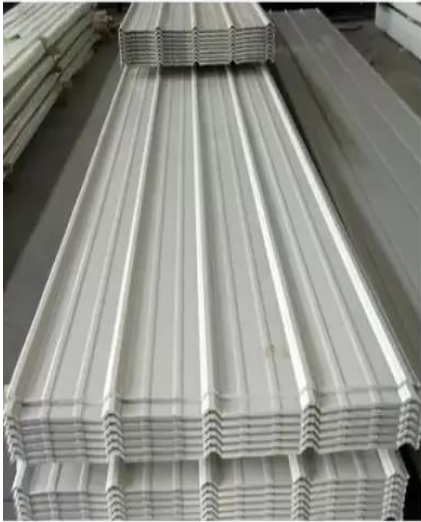
No	Types of Steel Products	Examples
1	Flat Steel Products	Sheet metals, plate Hot rolled coil, cold rolled coil, Galvanized sheets, stainless steel among others

2	Long Steel Products	Wire Products, Pipes and Tubes, Merchant bars Structural steel in form of Angle bars and Tees, Rails Wire Rods and Re-bars
3	Structural Steel Products	Universal Beams, Wide Flange Beams, Channels, Angles Tubes and Pipes, Columns and Tension Rods and Bars
4	Building and construction steel products	Steel Joists and Trusses Steel fasteners and connectors, steel Purlins and Girts, Steel wire mesh, steel decking, steel pipes and tubes, steel plates, steel columns, Rebars etc.
5	Electrical Appliances	Refrigerators, Washing Machines Electric Ovens and Stoves, Dishwashers, Microwave Ovens, Toasters and Toaster Ovens, Electric Kettles, Electric Grills and Griddles, Electric Fans and Heaters, Electric Irons

2.11.1. BCMIE Products Samples

Zion sheets samples





Zion plates and Nails



Zion pipes and bibbed wires



2.11.2. Product Pricing System

BCMIE factory product pricing system will be comprehensive and will consider an interplay of forces such as

1. Raw material costs
2. Production costs
3. Operational costs
4. Administrative costs
5. Market forces
6. Product specific factors

To ensure the right prices, the company will use the following steps or approaches to develop the pricing system

1. The company will gather data on costs from suppliers, internal accounting and marketing forces and trends
2. The company will conduct a cost analysis to break all costs into categories
3. The company will conduct extensive market research to understand competitors pricing and market demands
4. The company will then adopt a pricing strategy; either cost pricing system, competitive pricing and or value based pricing
5. BCMIE will then make constant reviews to determine the required adjustments

THE STEEL INDUSTRY

3.0. Overview

Tanzania steel industry can effectively be analyzed by examining its domestic production, raw material dependence, government initiatives, steel infrastructure development, market competition, employment opportunities and challenges

3.1. Domestic production

The domestic steel production facilities in Tanzania are not enough and indeed countable and most of which are located in Dar es Salaam. For some time, these steel industries have played a significant role in the production and supply of steel products to the local market but even then, their supply efforts have over time been below the demand for steel products due to the intensive and ongoing efforts to urbanize and develop Tanzania specifically in the sectors of construction automotive, manufacturing and infrastructure leading to increased importation of steel products from foreign markets. One underlying feature that needs improvement however, is the concentration of the steel industries in a few leading cities of Tanzania specifically Dar es Salaam, Mwanza, and Arusha and Mbeya

3.2. Raw material dependence

The industry at the moment over depends on foreign suppliers from mainly South Africa, China, Turkey, Egypt and Japan and these materials are in form of iron ore, coal and scrap metal and indeed steel factories in Tanzania do not own their own raw material sources and indeed these sources are limited in the country

3.3. Government initiatives

The Tanzanian government has come all out to support the growth of the industry through the implementation of supportive policies that promote local steel production as a move to reduce dependence on steel products from foreign markets. These efforts include among others extending Tax exemption practices, encouraging investment through the Tanzanian Investment Center (TIC) and

adoption of attractive practices of pulling direct foreign investors to Tanzania by extending to them support services to enhance investment in the steel industrial sector such as infrastructural development; capacity building efforts; initiation of regulatory reviews and reforms to enhance a conducive business environment in the Steel industry in the country by simplifying the licensing processes; reducing the bureaucratic hurdles and improvement of the business processes. In addition, the government is supporting resource development of own iron ore mines to reduce the raw material dependence culture and its impact on local steel production; encouragement of technology transfers and collaborations between local and foreign companies for efficiency, productivity and growth All these efforts in place aim at making the steel sector competitive while supporting its growth and development, increasing employment opportunities and ensuring general economic development and the country's GDP

3.4. Infrastructural development in Tanzania

The demand for steel products much depends on the infrastructural projects a country undertakes and examples of projects these projects include; construction of roads, bridges, buildings, and other private and public works in the country. Tanzanians ongoing infrastructural development plans and urbanization efforts are a bonus to the steel business in the country and thus our business forecast is positive and offers a bright and sustainable business for BCMIE steel factory

3.5. Steel Market competitiveness

The steel industry is competitive in nature from both the local and international markets and thus, all actors in the industry need to perform at their very best to ensure quality and quality controls, innovations, and cost efficiency and these elements serve as a motivation for BCMIE to serve Tanzania at the very best and this competitive culture serve as a stimulus to creativity and innovation for better product quality, delivery and customer service

3.6. Employment opportunities

The industry is another reliable source of employment to the local population and the newer industries are set up, the more the job opportunities increase and the more the negative impact of unemployment is lessened. The industry has many different job creation sections such as transport and logistics,

manufacturing, administration and construction among others and besides, steel supply chain outlets are capable of employing many people as independent private business operators across the country. Tanzania as of today is still experiencing critical unemployment challenges with far reaching impact and the BCMIE Steel Factory will be a new solution outlet as a job provide

3.7. Challenges

Despite the significant growth and support extended to the industry, there are still some challenges encountered and these relate to the inadequate infrastructure, high production costs especially due to costly production inputs some of which are imported, energy shortages, and limited skilled labor among others. All these challenges at times combine to hamper the smooth growth and sustainability of the steel industry in Tanzania

THE MARKET ANALYSIS

4.0. Market overview

Tanzania steel market has been experiencing growing due to a number of an interplay factors related to infrastructure development, urbanization and industrialization. Tanzania's growing economy has been growing due to increased investment in infrastructure related projects like roads, bridges, buildings, industries and railway project works and thus pushing the demand for steel products to upscale.

The production of steel products however, has primarily been under relatively small steel mills and mainly for domestic consumption. These industries however, for some times have not been able to meet the up-scaling demand for steel products and as a result Tanzania has been forced for decades to import steel products from outside markets and thus placing the country at a risk of imported inflation. Tanzania apparently is importing a lot from China, India, South Africa and United Arab Emirates and some products are being imported from Uganda to serve western Tanzania especially the regions of Kigoma, Tabora Rukwa, Katavi, Mbeya and Ruvuma among others

Tanzania of recent has instituted reforms and policies to regulate and support steel production and these policies aimed at offering incentives and a conducive investment environment to favor trade promotions and growth of the steel production and marketing

Like all markets in the world, the steel market in Tanzania has some challenges arising from inadequate infrastructure, limited access to finance for steel industrial development, inconsistent energy supplies, and competition from within and from out. These challenges however, are not permanent and a lot of efforts are in place to address them and the steel market in Tanzania has enormous opportunities and a bright future

4.2. Target market segments in Tanzania

No	Market segment	Description	Comment
1	Construction segment	This is a major consuming segment of steel products in Tanzania and include a number of projects like building projects, bridge constructions, roads, dams and other infrastructures that include construction	Many current and future projects in this segment and expanded markets for steel products forecast
2	Manufacturing and industrial segment	Steel products are key inputs in the manufacturing and industrial sector especially for machinery, equipment, tools, and other industrial components	Many current and future projects in this segment and expanded markets for steel products forecast
3	Transportation and infrastructure	Steel products are key inputs and are used for developing ports, airports, tracks, terminals, vessels and vehicles	Many current and future projects in this segment and expanded markets for steel products forecast
4	Consumer goods and Appliances segment	Steel is used for developing and fixing appliances such as household appliances like stoves, washing machines and refrigerators, furniture, electronic devices, utensils among others	Many current and future projects in this segment and expanded markets for steel products forecast
5	Energy and power segment	Steel products are key inputs for in the energy and power segment especially in the construction of dams, transmission towers, pipelines, renewable energy infrastructure (turbines and solar panels) and production of machinery for oil and gas, extraction and processing	Many current and future projects in this segment and expanded markets for steel products forecast

6	Agriculture and Rural infrastructure segment	Steel products are used in agriculture and rural development efforts like in developing agricultural machinery, irrigation systems, storage facilities, fencing and developing rural infrastructure such as schools, hospitals and water supply systems among others	Many current and future projects in this segment and expanded markets for steel products forecast
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4.3. Market needs and problems

The steel industry in Tanzania is influenced by a number of factors and conditions in the economic development, infrastructure and industrialization. These key factors directly impact market needs and demands for example,

The infrastructure sector includes many projects in road, railway, bridges, airports, ports constructions; the construction sector includes constructions of residential buildings, commercial buildings and industrial facilities.

The energy sector involves the construction of power dams, oil and gas facilities and while the manufacturing sectors includes activities aimed at causing growth in machinery and equipment and automotive works.

The mining sector is another drive to steel demands in order to have mining equipment and mining infrastructure

To stabilize the market, there is need for government to make supportive reforms that encourage investment and production of steel products, technology development, capacity building and empowerment programs and above all technological advancements, the government however need in place industries to serve as bases of production, training, technological advancement among others if the market steel demands are to be met. BCMIE is aware of the critical needs and challenges facing the steel industrial sector in Tanzania and the company is ready to work with stakeholders to provide market solutions. More so, BCMIE intends to provide inputs at lower price rates to support roads, bridges, ports, railways and buildings constructions.

In addition, the company intends to adopt and use pro- active and collaborative strategies to facilitate business -to- business strategies to boost business operation scope while at the same time engaging financial institutions to finance the company's development efforts since steel plants need significant capital which no single individuals or company can raise. BCMIE also intends to acquire strong energy supplementary generators to ensure constant power supplies during production. Conduct staff capacity building trainings to aid workers performance and personality improvements on top of enabling the country obtain foreign earnings to support development. Thus BCMIE shall adopt and use supportive and constructive frameworks to enhance problem solving initiatives to ensure sustainable market growth oriented solutions

4.4. The Competitive analysis

The steel industry in Tanzania is competitive and to be abreast with the market competitiveness and its features, BCMIE conducted a comprehensive study to understand and determine the different approaches the company can adopt to penetrate and remain relevant in the market. The study aimed at;

1. Determining the strength and weaknesses of the key actors in the steel sector
2. Identifying the different elements that influence the steel market in Tanzania
3. Establishing workable approaches BCMIE can adopt to such a competitive steel market

To that effect, the company intends to design its own market competitive analysis framework to inform its actions and responses, priority selections and decisions in the midst of its competitors. These decisions shall focus on; ongoing trends within the steel market, Customer profiles and preferences, available market opportunities and anticipated threats and their impact to company business In addition, the company shall use different market intelligence techniques; use demographic and psychographic data to ensure effective marketing campaigns with realistic product prices and intelligent options for product distribution and risk mitigation and management. In addition, BCMIE shall also develop strong and well-constructed market information systems to ensure its business and marketing successes. Furthermore, the company shall design detailed and enriching marketing Mix, the PEST and SWOT tools together with a Strength- Opportunity- Aspiration - Result (SOAR) tools to ensure its overall success in Tanzania steel market

4.5. BCMIE's Marketing Mix strategy

BCMIE steel industry intends to design comprehensive market management mix approach in order

1. To increase the company's overall market performances,
2. To integrate all marketing strategies and align business strategies to company goals
3. To ensure customer oriented approaches that focus on customer needs to ensure their satisfaction, loyalty and retention
4. To ensure BCMIE's competitiveness on the market in order to gain fair position on the market
5. Enable BCMIE steel factory offer customized services and products to specific targeted customer segments effectively
6. To enable BCMIE to differentiate its products and services from others businesses and competitors and thereby create unique value propositions and boost company sales and growth

4.5.1. How BCMIE intends to use the mix?

4.5.1.1. Product

BCMIE will continuously focus on the product, its development, features, quality specifications, product customization and diversification

4.5.1.2. Price

BCMIE intends to use competitive and value based pricing approaches, strategically apply price discounts and promotions, offer pricing tiers for different product features and services

4.5.1.3. Place

BCMIE intends to works on product and service place locations to ensure customer convenience, choose effective distribution channels to reach out to the market and customers on time and directly. Besides, the company will ensure online presence by designing friendly website and e-commerce possibilities. In addition, the company will optimize logistics and supply chain networks to ensure

effective low cost delivery services possible and also have in place strategies to expand its geographical presence in new markets

4.5.1.4. Promotion

The company intends to adopt holistic marketing communications approaches that will include; advertisement, public relations, sales promotion, and personal selling methods. The company will also adopt digital marketing, context marketing and trade shows and events among others

4.5.1.5. People

The company will fully focus on customer services characterized by excellent support and customer relationships, promote employee engagements in a conducive working environment to improve production and efficiency; conduct continuous sales trainings and in general create a business oriented mind across all its stakeholders

4.5.1.6. Process

BCMIE industry will streamline operations, optimize production and business processes, improve efficiency and reduce costs. In addition, the company intends to conduct customer journey mapping to understand the real issues and areas to improve per customer requirements and lastly but not least, integrate technology in all company processes by implementing customer relationship management systems among others

4.5.1.7. Physical evidence

The company intends to brand and package its products (Zion Products), maintain clean and visible facilities and record customer feedback. The company in addition will use access control systems and standard Tanzania Tax management control systems

To ensure effective implementation of the mix, the company will seriously conduct and analyze data arising from; Market research, Market segmentation, Features of the targeted markets, Positioning

statements, Overall market strategies and their functionality, The implementation plans and actions, Monitoring indicators and Quality of adjustments needed and method of their implementation

4.6. Management of steel market forces / dynamics

To effectively deal with the market forces and dynamics, BCMIE intends to design its own approach to complement government fiscal, monetary and regulative interventions. BCMIE will adopt the under-listed methods

BCMIE market based approaches for managing market dynamics shall among others include; Pricing strategies that influence demand, Innovation and research and development, Marketing and advertisement, Inventory control, Logistics and distribution, Supplier relations, Differentiation, Cost Leadership, Focus strategy, Customer behavior analysis through research and customer feedback analysis, Technology integration, Global thinking minds and approaches and Sustainability practices

4.7. BCMIE use of the PEST Tool

In addition to the above strategies, BCMIE intends to use the PEST based approach to effectively deal with steel market dynamics in Tanzanian in order to remain Competitive in the Market The company will design clear responses and actions to address the steel market dynamics in Tanzania by examining four key aspects namely the Political, Economic, Social and Technological

4.7.1. BCMIE actions and Response to Political Issues

1. The company intends to build and maintain positive relationships with government, policymakers and the Regulatory bodies to enhance its operations
2. Participation in the Steel Industry Association
3. Seeking continuous information about the regulatory changes
4. Spread business operations to all regions of the country
5. BCMIE will approach the industry with flexibility while ready at the same time to adapt to the dynamic political environments
6. BCMIE shall at all times demonstrate commitment to social and environmental issues as a corporate social responsibility

7. BCMIE shall use transparency and compliance of its operations to relevant laws and regulations by building a reputation for ethical conduct and fostering trust among its stakeholders
8. Build and maintain positive relationships with government , policymakers and the Regulatory bodies
9. The company will always Seek continuous information about the regulatory changes
10. Spread business operations to all regions of the country
11. BCMIE intends to demonstrate commitment to social and environmental issues as a corporate responsibility

4.7.2. Response to Economic Issues

1. BCMIE intends to use cost Optimization strategies to review its cost structures and maintain competitiveness by streamlining operations, negotiating better terms with suppliers and leveraging economies of scale
2. The company will adopt market diversification strategies involving diversified customer bases and revenue streams to reduce reliance on one market or market segment, explore and penetrate new markets domestically and within the region of EAC
3. BCMIE intends to offer diversified steel Products that are unique products in a more customer oriented approach
4. The company will focus on innovation and creativity; ensure Total quality management of the product, process and customer management
5. The company will always make market price reviews to ensure flexibility and effectively respond to changes in market conditions
6. The company will make continuous reviews to ensure effective financial planning and Risk Management processes
7. The company will develop a customer focused approach that prioritizes the customer and customer services, develop and maintain customer loyalty programs retention and customer networks

8. BCMIE shall construct strategic partnerships in order to compliment and strengthen collaborations and resources management, initiate joint ventures and co-marketing efforts, conduct mergers or acquisition to ensue market dominance and competitiveness
9. BCMIE to continuously pay attention to key economic indicators in the economic cycle and system in order to plan effectively for ongoing trends while remain competitive

4.7.3. Response to Social Issues

1. BCMIE intends to develop constructive stakeholder engagements with customers, employees, communities, organizations and government agencies to understand and address key concerns while using participatory techniques
2. BCMIE intends to develop strong corporate social responsibility culture to support and fit in the society social issues and remain relevant
3. BCMIE intends to be responsive to different social issues with transparency and accountability
4. BCMIE shall conduct business in an ethical manner and in consideration to social requirements
5. BCMIE steel factory shall be inclusiveness, respect diversity and equal employment opportunities for the benefit of all people
6. BCMIE intends to support community social projects so that both the company and society grow together and as a strategy to upscale its market positioning
7. BCMIE will always make an evaluation of the impact of its business operations for the overall social development of the local people and area
8. BCMIE shall stick to the process of continuous improvement so as to stay agile and responsive to emerging social trends and changing expectations

4.7.4. Response to Technological trends

1. BCMIE intends to adopt and maintain an innovative culture characterized by continuous innovation, creativity drives, experimentation, knowledge sharing, Research and development as a means to stay abreast to the emerging technological trends
2. BCMIE shall forge partnerships and collaborations with technology industrial experts to fill noticeable technological gaps and to enhance solutions

3. BCMIE to embrace digital transformation to optimize business processes and operations, and customer experiences to unlock new revenue streams
4. BCMIE shall adopt and use cyber security to guard the company's data, systems, intellectual property against cyber threats
5. BCMIE shall adopt and use agile development methodologies such as scrum or Kanban to encourage product development cycles and to effectively respond to changing market trends, break and operationalize company projects and programs and empower cross functional teams to collaborate effectively
6. BCMIE shall train its staff skills in software management to promote a digital culture at the company
7. BCMIE shall use technological tools and thinking as one critical approach to identify technological risks and then design mitigation and management strategies relevant to the company business
8. Invest in talent development, make workers attain basic technological skills and knowledges and in doing so the company will have staff of the 21st century technological era

4.8. BCMIE SWOT

BCMIE intends to use the SWOT analysis to examine its own internal strength and weakness visa-vie that of our competitors in order to fully be abreast with the entire steel market and all its features. Some of the issues the company shall focus on are illustrated below

SWOT ANALYSIS			
Strength	Weakness	Opportunities	Threats
Brand Reputation	Maintenance and upgrade of products and machinery	Expansion into emerging markets opportunities	Intense competition both domestically and internationally
Legal Registration	Environmental and regulatory compliance	Possibility of Strategic partnerships with	Economic downturns that impact the overall

		suppliers, distributors and customers	demand for steel products in key sectors
Pro-active Leadership	High capital for investment,	Research, development for innovations in steel production	Trade barriers and tariffs in export trade
Skilled and specialized staff	Labor disputes and workforce shortages	Opportunity for mergers and acquisition	Geographical tensions and trade disputes
Diversified product portfolio	Differentiation of steel products		Technology disruptions and shifts
New and quality machinery with high production output	Emissions and waste management		
Business Location	Over dependence on transport networks for product distributions		
Comprehensive Marketing Mix strategy	Vulnerability to fluctuations in raw material prices and market demand		
Holistic business philosophy			

Adoption Monitoring Evaluation	of and			
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4.9. BCMIE’s Strength, Opportunity, Aspiration and Results Analysis (SOAR)

In addition to the above aforementioned approaches, BCMIE intends to use an additional approach and that’s the Strength, Opportunity, Aspiration and Results Analysis (**SOAR**) as a more positive and forward thinking and strategic planning tool to enable BCMIE steel factory focus on its strength, identification of opportunities in the steel sector, define aspirations and measure results.

4.9.1. Strength

BCMIE intends to use its core competencies to identify and build its core strength and utilization of resources to spearhead its growth as a company. In addition, the company shall use the strength as a reinforcements to inculcate a positive staff mindset, morale and motivation. This will help the company attain competitive edge easily.

4.9.2. Opportunities

BCMIE Company intends to base on the existing opportunities in the steel market to grow and the company will fully identify customer segments to determine the appropriate product innovations needed to meet market standards. In addition the company intends to use proactive approaches to take hold of the changing and dynamic market and foster a culture of innovation by focusing on opportunities for improvement and growth.

4.9.3. Aspirations

BCMIE Company intends to align all its activities and actions towards the company vision by defining its ideas as a means of defining the company purpose goals and directions. Enhance employee engagements to inculcate a shared vision, raise the level of commitment and enthusiasm and above all facilitating team and activity objectives and goal setting exercises

4.9.4. Results

The tool will enhance BCMIE steel factory to measure and evaluate itself while using clear performance and progress metrics, enable the company track performance against goals, ensure accountability, and continuous improvements

To fully implement the SOAR Tool, BCMIE Steel Industry intends to use the under under-listed methods

1. BCMIE will conduct Internal Audits to identify its strength, competencies and unique capabilities
2. Develop a feedback mechanisms from employees, customers and other stakeholders to validate and redefine company strength
3. The company intends to conduct market studies and analysis to identify and determine opportunities in the steel sector of Tanzania and align such opportunities to company strength
4. In addition, the company will carry out Trend analysis to analyze and determine industrial trends, technological advancements and emerging market needs and how such needs can translate into opportunities for growth
5. For aspirations the company will hold Vision workshops and make Strategic alignments
6. For Results, the company will focus on KPI (Key Performance Indicators) and make regular reviews

All these efforts will combine to ensure BCMIE uniqueness in approach to business, product development, employee and customer managements, development of company aspirations and results

4.10. Market trends

Available online information about Tanzania's steel market (2020 to 2026) provided a good opportunity for BCMIE to understand more about ongoing market trends in the steel industry in respect to Revenue from sales of steel products, Market shares, manufacturing Companies, the industry its size and outlook. In addition, these publications go ahead to make market projections and forecasts for steel products in Tanzania and all the information point to the availability of an all-year-round-demand for steel products in Tanzania and the EAC region. Growth in revenue and market shares shall always serve as an incentive for the industrial growth and improvement of its general outlook and size day after day

Besides, increasing urbanization and use of steel in domestically manufactured appliances coupled with up-scaling activities and projects in the construction, automotive, manufacturing and

infrastructure sectors are likely to accelerate positive trends in the steel market increased use of domestic appliances that use steel and urbanization

The Table below further demonstrates and affirms the current and future market potential and positive outlook of the steel industry

No	Types of Steel Products	Examples	Market Trend
	Flat Steel Products	Sheet metals, plate Hot rolled coil, cold rolled coil, Galvanized sheets, stainless steel among others	Improving market trend due to increased activities in Automotive industry, trade engagements, technology, urbanization and construction and infrastructure development and
	Long Steel Products	Wire Products, Pipes and Tubes, Merchant bars Structural steel in form of Angle bars and Tees, Rails Wire Rods and Re-bars	Increasing demand for steel products across different industries and use
	Structural Steel Products	Universal Beams, Wide Flange Beams, Channels, Angles Tubes and Pipes, Columns and Tension Rods and Bars	Upward market Trends due to increased activities in the construction and infrastructure sectors across the country
	Building and construction steel products	Steel Joists and Trusses Steel fasteners and connectors, steel Purlins and Girts, Steel wire mesh, steel decking, steel pipes and tubes, steel plates, steel columns, Rebars etc.	Upward market Trends due to increased activities in the construction and infrastructure sectors across the country

	Electrical Appliances	Refrigerators, Washing Machines, Electric Ovens and Stoves, Dishwashers, Microwave Ovens, Toasters and Toaster Ovens, Electric Kettles, Electric Grills and Griddles, Electric Fans and Heaters, Electric Irons	Upward market trends, the demand for these products cuts across the year and increase as population grow. Remember these products serve domestic use
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Source BCMIE 2024

4.11. Market entry barriers

All markets have conditions and factors that influence entrance, participation and exits and Tanzania’s steel market is no exceptional. Entry into the Tanzanian steel industry and market is being simplified by the ongoing government reforms and policies under implementation. These reforms offer a lot of incentives for entrance into the steel industry and these reforms and factors includes among others, Tax exemptions, Investment guarantees, customs duty waivers, Land allocation, infrastructure support, streamlined licensing procedures, investment promotion agencies and for BCMIE, the creation of a special economic zones (SEZ) at Kigoma city serves as a plus for the establishment of the ultra-modern steel factory at Kigoma.

However, some challenges still exist and limit entrance such as high investment required in terms of money, machinery, human resources and technology, construction and scarcity of raw materials and the stiff competition tend to stand in the way for would be investors in the steel sector. BCMIE envisaged the same challenges and is moving on to secure funding for investment. Once the funding is secured and it will combine with the existing and favorable conditions to enable BCMIE realize its business planned outcome

4.12. Market growth

There is high and real potential for business growth and development in Tanzania and EAC region and a number of supportive factors are likely to combine to ensure growth of the steel market especially in Tanzania. These factors relate with the ongoing infrastructure developments across Tanzania which in turn shall offer a lot of opportunities for steel market growth. In addition, the ongoing Urbanization, Industrialization and Foreign Direct Investment (FDI) inflows into Tanzania is likely to spur this

growth. Furthermore, Tanzania's involvement in economic blocks such as EAC and COMESA is playing a hand in increasing the market scope for steel products domestically and regionally.

The Tanzanian government move to put in place 'Enabler' is serving a critical role to encourage the growth and stability of the steel market and this coupled with the increasing population growth that inevitably push the continuous demand for steel products to be high is another motivator for the steel market growth and BCMIE is fully determined to exploit these opportunities to grow its business as the steel market is also growing

4.13. Market research

Before making the decision of entry in the steel industry, BCMIE undertook considerable efforts to study the market holistically mainly to understand the customer profiles and potentials, their needs and preferences; to examine the ongoing market trends of steel products in Tanzania; to assess the steel market competitiveness while at the same time evaluating the company's own strategies and now BCMIE is ready and equipped to handle all market forces from an informed point of view

4.13.1. Research approach

BCMIE research team utilized a combination of methods to obtain a lot of information and to be abreast with the Tanzanian steel market. Such methods were either Qualitative in nature and aimed at gathering information about the company's focused groups (of sellers and buyers) and used tools like interviews and observations generate information and fully understand the prospective customers, their buying behaviors and potentials and Quantitative Methods for numerical data through surveys in order to make statistical analysis to measure and quantify trends, preferences and market dynamics on a large scale

4.13.2. Valuable Information sources and tools used by Research Team

BCMIE research team investigated and reviewed various documents and tools to extract additional data to inform the findings and decision making. These useful sources included among others the following

1. Public information (Annual Reports about the steel industrial sector in Tanzania)
2. Company internal marketing information,
3. On-Line research including third party references
4. Trade Associations, Directories and Publications on steel products, performance and market trends in Tanzania

5. Various private industrial sources from key players in the steel sector in Tanzania

In addition, BCMIE research team adopted different tools during information gathering such as

1. Interviews with different members of the society(BCMIE Prospective customers)
2. Discussions
3. Gender role
4. Questionnaires
5. Transect walks especially in Kigoma Region
6. Various private industrial sources from key players in the steel sector in Tanzania

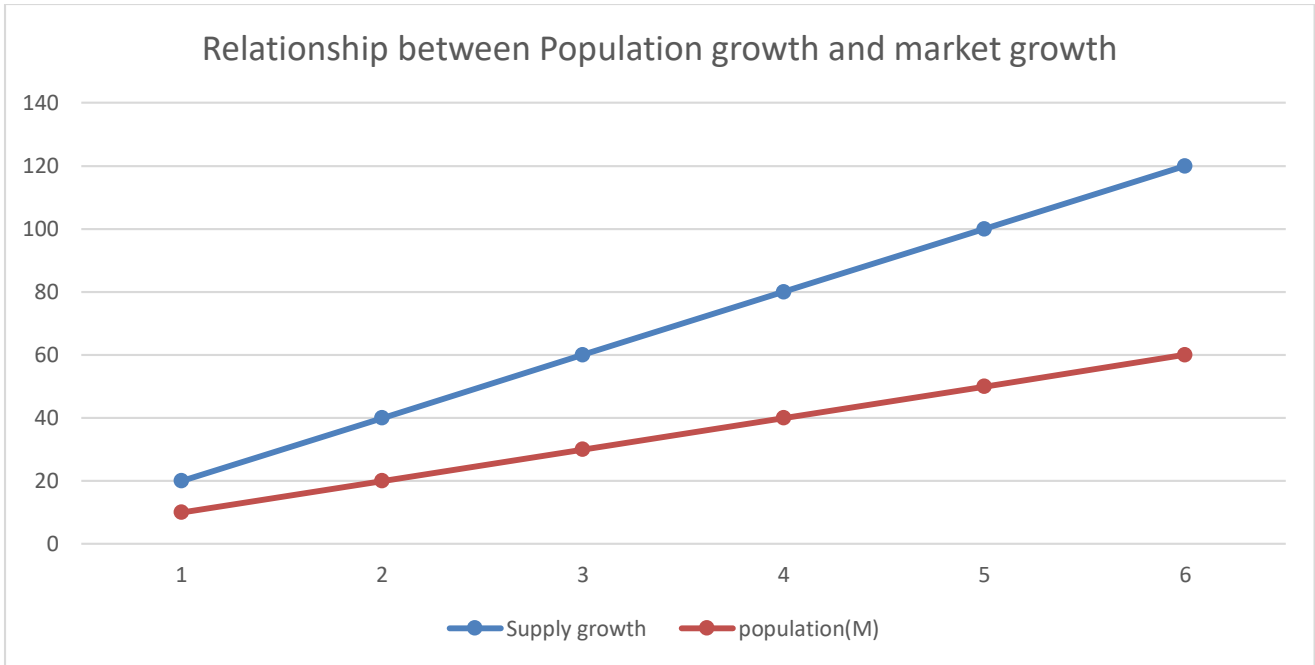
4.13.3. Steel production

Available information points to 173.42% growth rate for steel products in Tanzania. 6Wresearch (2022, June 2023 and updated 2024) and the demand forecasts is estimated to grow at a Compound Annual Growth Rate (CAGR) of 2.9% between 2020 to 2026 due to the rising activities in the different sectors that heavily use steel products such as construction, manufacturing, automobile and infrastructure plus increasing use of technology and energy

In addition, the publication entitled ‘production volume of rolled steel in Tanzania’ by Natalie cowlng (2024) that studied and analyzed steel production between 2014 and 2020 has been fluctuating. For example 2018 (215,800 metric tons), 2019 (203,000 metric tons) and 191,365 metric tons in 2020.

4.14. Population as a drive to Market growth potential

There is a serious relationship between Population growth and market growth potential and this relationship is influenced by a number of factors such as urbanization and increasing economic activities and industrialization due to population growth pressures. In addition, population growth exerts pressure on infrastructural growth and expansion in housing construction. Population growth also pushes forward the need for additional investment in the country. The relationship can be demonstrated through the rise in population data showing a 3.05% growth rate per United Nations projection and available information points to 173.42% growth rate for steel products in Tanzania. The demand forecasts is estimated to grow at a Compound Annual Growth Rate (CAGR) of 2.9% between 2020 and 2026 (6Wresearch (2022, June 2023 and updated 2024). The solution therefore lies in additional steel production and BCMIE project is up to the task



In addition, the table below shows population figures for selected regions within the proximity of Kigoma region which are witnessing increased activities in construction, infrastructure, and manufacturing no matter the scale and or scope. The prediction is that over the next 10 years the population at 3.05% will have added more pressures on the demand side of steel products. BCMIE project is a proactive step in addressing the steel demand problem before it escalates

Template Showing the Market Potential of Kigoma visa-vie nearby Regions

NO	Geographical Market Area	Market Size in Terms of Population	Implication
1	Kigoma Region	24,709,672	High Market Potential
2	Tabora Region	3,391,679	High Market Potential
3	Kagera Region	2,989,299	High Market Potential
4	Rukwa Region	1,540,519	High Market Potential
5	Shinyanga Region	2,241,299	High Market Potential

Source population statistics census 2022 Tanzania

4.14.1. Implications

1. BCMIE steel factory should be prepared to produce enough quality and durable steel to help Tanzania address the fluctuations in steel production, availability and pricing
2. BCMIE should not work in isolation but collaborate with different stakeholders and actors within the steel sector
3. BCMIE should enormously contribute in resolving unsolved problems within the Tanzanian steel market as a means of eliminating the gaps and challenges
4. BCMIE should study population trends to get abreast with the direction of steel products demand while at the same time prioritizing the customer and customer unique demands
5. Irrespective of the challenges, BCMIE should be ready and prepared to navigate all the challenges for the betterment of the customers and demand
6. The table below shows the sampled population sizes of Kigoma and other nearby regions and that of Tanzania to prove the case

4.15. Steel Customer profiles and business implications

After conducting successful studies and observation of the Tanzanian steel market BCMIE was able to profile steel customers and their needs and preferences BCMIE Factory categorized customers per and segment as below

Table below profiles the different steel customer in Tanzania

Category of customers	Customer Behavior and implications on demand for steel
Manufacturers	Use steel as raw materials in their production process and are indeed scattered in different sectors within Tanzania but most especially construction, automotive, machinery and appliances and they possess a consistent buying behavior year in and out
Distributors	These make bulk buys of the steel products from producers and break them into smaller units for small businesses and end users and offer value addition services such as cutting, bending, or coating

	and are scattered across Tanzania and indeed make steel business volume and attractive
Construction companies	As per the United Republic of Tanzania Contractors Registration Board, (CRB) Tanzania has over 300 operating construction companies and these companies use steel products for many applications especially in building projects for example structural frameworks, reinforcements and roofing among others and their behavior shoots the demand high since they need and use all steel products
Automotive industries	These are automotive manufacturers and use steel to make vehicle bodies, chassis and various automotive components and the more the need for vehicles grow in Tanzania, the more the impact on demand for steel. Available data at the Tanzania Registered Motor Vehicles indicate an increase per year of registered vehicles from December 2015 to date and this increase has over time been a serious factor behind up scaling steel product demand in Tanzania
Infrastructure project planners and implementers	These customers plan small and large projects like bridges (Mwanza bridge across Lake Victoria as case example), Railway and Tanzania is engaged in constructions of the standard gauge railway, the central line rehabilitation and the Mwanza line all of which are big projects and makes all actors in the infrastructure sector to demand for steel throughout the year
Energy sector customers	A lot is ongoing in the oil and gas exploitation, refining and transportation infrastructure in form of the pipeline construction , storage tanks constructions and offshore platforms and all these projects require steel and customers in this sector demand steel throughout the year
Fabricators	Fabricators as customers use steel to make many but specific components to satisfy the needs of their customers and they are

	everywhere in Tanzania and thus steel market is a possibility across the country
Equipment's manufacturers	These customers engage in making original machinery equipment and appliances which equally use steel
Ship builders and mechanics	These customers either use steel to build or repair ships and Tanzania having a big sea port and Dar es salaam which anchor ship throughout the year creates a consistent situation for steel products in Tanzania
Aerospace industrial customers	These customers use steel to make aircraft components and repairs of the planes and airfields and Tanzania has about 29 recognized by Tanzania airport Authority including Kigoma Airport. Such customers and their actions cause forced demand for steel products

4.16. BCMIE Market Positioning Strategies

BCMIE intends to use comprehensive strategies to gain and uphold itself as a company to the extent that the company is within the right position to influence customers in the Tanzanian steel market, make itself a unique and differentiated company in terms of product development, process and service management, value proposition and continuous adoption to trends and market forces. The company intends to use a combination of strategies to this effect such as;

1. Systematic and detailed Market analysis
2. Develop a clear and compelling value proposition to set its services, products, and brand image high
3. BCMIE intends to communicate and target the right market audiences for each product under their production
4. Ensure brand identity that reflect the overall vision , mission and goals
5. BCMIE intends to ensure Product differentiation and production of the right product for the right customer.

6. BCMIE intends to fully focus on the customer with the aim of enhancing customer experiences as a means to gaining the right positioning
7. Effective Marketing communication that enhance customer education and attraction to our products
8. BCMIE intends to use a comprehensive marketing mix to spur its positioning
9. Building customer networks to support the company's supply chain
10. BCMIE intends to ensure consistent production and product availability

4.17. Sales forecasts

To arrive at reliable sales forecasts in the steel business, BCMIE conducted extensive researches and studies about the steel sector in Tanzania and the forecasts are based on data collected from a stretched period dating from pre colonialism, colonialism and post colonialism and the statistics in sale date published on Tanzania steel sector 2015 to 2024. This was supported further by the competitive market analysis, correlative analysis to show correlations in time sales, regressive analysis to understand sales in relation to other variables, quantitative methods to highlight opinions and ongoing market insights, scenario analysis and case scenarios to assume optimal conditions, worst case scenarios to understand business performance during depressions, validity and adjustments to validate accuracy and presentations. All these approaches guided BCMIE to forecast steel business and to determine its future outlook

4.18. Implementation Plan

BCMIE approach to the construction of an ultra-modern steel factory is detailed and involves critical phases, each critical in ensuring that the project is completed on time and within the allocated budget and to the required quality standards.

The table below illustrate BCMIE implementation approach

Implementation Plan		
No	Phase	Activities Involved
1	Feasibility study and planning	<ul style="list-style-type: none"> • Site selection • Market research and Analysis

		<ul style="list-style-type: none"> • Technical Feasibility, Machinery, Technology And Labor • Financial Feasibility and analysis, cost estimates and Budgeting, funding sources and ROI • Risk Assessment, Potential Risks And Mitigation Strategies
2	Design and Engineering	<ul style="list-style-type: none"> • Conceptual design and plant layout • Detailed Engineering that includes structural, mechanical, electrical and civil engineering • Environmental Assessments • Permits and Approvals
3	Procurement planning	<ul style="list-style-type: none"> • Determining procurement sources • Drafting and issuing of tenders and contracts to suppliers • Logistical planning, transport, storage
4	Construction	<ul style="list-style-type: none"> • Site preparation • Civil works • Mechanical and electrical Installation • Utility Connections
5	Commissioning and Start-up	<ul style="list-style-type: none"> • Testing and calibration-all machines and systems are tested to ensure their functionality • Training of staff on the operations, maintenance of machinery and systems • Trial runs, trial production

		<ul style="list-style-type: none"> • Final inspection and certification
6	Operation and Maintenance	<ul style="list-style-type: none"> • Full scale production • Maintenance Plans • Continuous Improvements
7	Closure	<ul style="list-style-type: none"> • Final handover • Performance Review

BCMIE MANAGEMENT

5.0. Introduction

BCMIE Steel factory will adopt a have four layer management approach. Layer one will be Board of Directors, layer two will include the Top Management, Layer three to comprise Middle Management and layer four will be for lower level management, The structure shall however encourage flexibility and adaptation in managing trends and change and shall embrace a result oriented management culture focused on the attainment of specific and measurable process outcomes and shall look beyond the company processes.

5.2. BCMIE management Approach

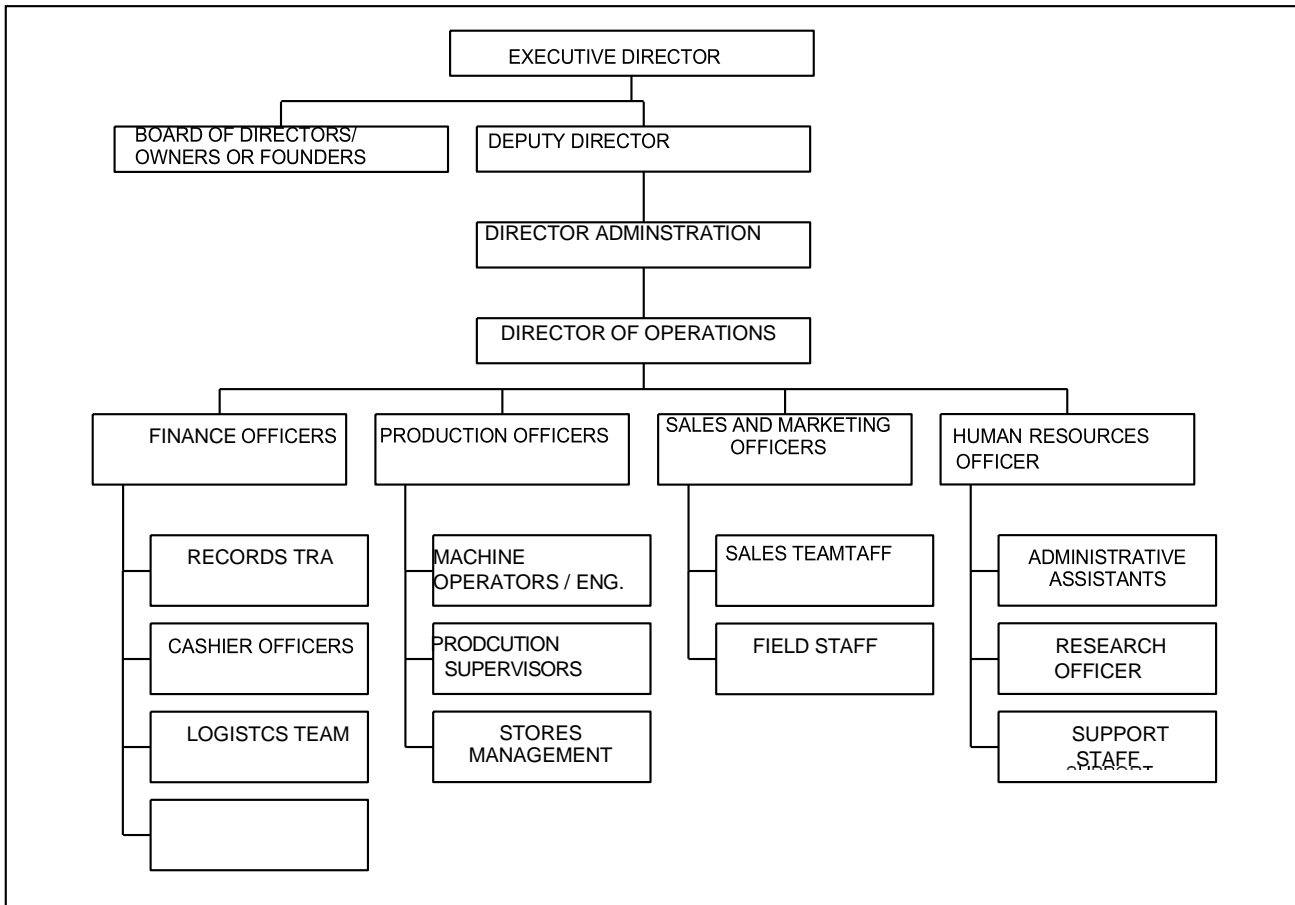
BCMIE Company intends to adopt a specialized approach to management in order to ensure efficiency, productivity, safety and profitability. The intention is to streamline operational, supply chain, technological innovation, financial, human resources, environmental sustainability and quality management processes In addition, the company will practice and adopt ethical principles of accountability, performance, and continuous improvements, Adopt and stick to the formulation of clear goals and objectives to guide and link processes to results in a more smart way, Formulation of and use of Key performance Indicators (KPI) to evaluate processes and inform results, develop comprehensive frameworks such as stakeholder’s analysis frameworks, task/ activity scheduling

frameworks, work break down charts with clear and detailed staff roles in order to include and engage effectively all staff at the company disposal, Use a participatory and engagement approaches in handling company issues at all levels to ensure and customize solutions and enhance team works, develop data driven decision making processes and Staff Empowerment programs

The factory will have the following sections

1. Production section for construction roofing sheets
2. Production unit for Tubes and wire products
3. Healthy facility section
4. Transport and logistics
5. Marketing and research section

5.3. BCMIE Management structure



BCMIE 2024

5.3.1. Functions, Duties and Responsibilities

5.3.1.1. Board of Directors;

1. Strategic direction and planning through the formulation of clear Vision-Mission-Values-Goals and competence/ performance standards
2. Corporate governance through formulation of policies and procedures
3. Inculcate sound financial management cultures within the company; make budget approvals, monitor financial statements, initiate audit and internal financial controls

4. Enhance executive leadership in respect to selection of top management, staff compensations and succession planning
5. Adoption of Performance monitoring within the company business life
6. Ensuring stakeholder relations, communications and engagement
7. Enhancing the culture of corporate social responsibility and ethics within the company operational life cycle
8. Offer advisory services to top management and other stakeholders through systematic guidance and problem solving mechanisms
9. Ensure board effectiveness through effective evaluations and director's development
1. Perform any other task deemed necessary for the overall growth of the company

5.3.1.2. Top Management;

1. Conduct Strategic planning to develop functional strategies and plans
2. Link strategy to company Vision, Mission Values and Goals
3. Set the tune for company leadership, culture, and employee motivation
4. Make high level decisions that improve the entire organization , effectively solve simple and complex problems and issues and decisions that move the company forward
5. Oversee financial planning , budgeting and resources allocation
6. Monitor financial performances to ensure fiscal responsibility, company stability and growth
7. Implement corporate governance, legal and regulatory compliances, policies and procedures while maintaining ethical standards and professional internal controls
8. Determine performance standards at both staff and company levels in relation to established standards and where necessary implement corrective actions to improve performance
9. Establish strategic external relations and collaborations to support the company business growth

10. Foster innovative practices to enhance and manage change systematically and innovation that encourage technological growth and advancements
11. Implement strategic programs to tap, develop and involve all human talents at company disposal for the overall benefit of the company and employees

5.3.1.3. Middle Management;

1. Translate Top Management's strategic plans and goals into operational plans and activities with a tactical mindset
2. Supervise activities and lead Teams through constructive guidance, support and motivation
3. Set performance targets and monitor progress in line with the overall company vision and goals
4. Conduct performance appraisals and provide feedbacks
5. Identify and address performance issues proactively
6. Support and practice procedures that enhance strategic resources allocation in form of personnel, budget and equipment
7. Optimize the use of resources to achieve departmental goals efficiently
8. Resolve operational problems and challenges at department levels by making sound decisions and decisions which are within the scope of authority to ensure smooth operations, positive results, Team collaborations and Win-Win situations beneficial to all parties and the company
9. Serve as a communication link between top management and operational staff by effectively communicating company policies, changes, and strategic goals to employees
10. Identify knowledge and skills gaps within the workforce, determine training needs and scope to facilitate employee development and their career growth.
11. Track department performance and report to Top management
12. Maintain operational efficiency at all times

5.3.1.4. Lower Management

1. Supervise and directly oversee day to-day operations of non-managerial employees
2. Ensure that daily company activities are carried out as planned and scheduled in a more effective and efficient manner
3. Execute all operational plans and activities as set by middle management to enhance the company realize its V-M-V-C plans
4. Develop work schedules and assign tasks and responsibilities to employees as planned with due fairness
5. Track performance during process implementation and evaluate outcomes per planned task
6. Ensure general discipline and ethical conduct of lower level staff during operational hours and whenever need arises, intervene and solve employee differences for the common good of the team and company
7. Support, guide and train new staff and orient them into the working system and life of the company
8. Ensure that the staff are assigned tasks where they are most qualified and comfortable in order to get the best performance output from them
9. Ensure quality and safety of staff at all times and report emergencies to the rightful offices

ENVIRONMENTAL AND WASTE MANAGEMENT

6.0. Introduction

Management of the environmental impact of a steel factory requires a comprehensive approach that is capable of addressing different aspects of production, waste management, energy consumption and regulatory compliance. Therefore, BCMIE Factory will develop its environmental policy and plans in accordance to established national and global environmental management systems in place. The company will also ensure resource use efficiency; pollution controls and sustainable practices on top of adhering to compliance standards and reports. The company shall also conduct regular environmental impact assessments, employee training and engagements and initiate procedures for continuous improvements and stakeholder's engagements together with emergency preparedness

6.1.1 Environmental policy and planning

The company intends to establish clear environmental policy to outline demonstrate the company's commitment to sustainable pollution prevention and compliance and also implement a detailed environmental management system in order to implement and promote better and improving environment control initiatives with clear SMART objectives

6.1.2. Resource efficiency

The company shall ensure efficient raw material use in order to improve efficiency and reduce wastage at the same time and this will involve holistic waste management processes and efforts such as recycling and re-use and energy controls such as Air emissions,, waste treatment solid management efforts

6.1.3. Pollution controls

Extensive research and environmental studies have been conducted to ensure that the plant is not a pollution threat to the local area and health and therefore safeguards on noise and air pollution have been sought through the importation and installation of modern machinery

6.1.4. Global warming

The industry shall carefully address global warming threat by adopting anti global warming efforts that shall among others include

1. The use of compact fluorescent light bulb that saves 150 pounds of carbon dioxide a year check
2. Manage inflated tires properly, avoid mass drives, recycling,
3. Use less hot water often,
4. Avoid products with a lot of packaging and
5. Plant trees among others

6.2. Waste Management

A waste management plan in to be drafted to ensure that waste is effectively managed and doesn't cause any harm to the population and the environment, Waste management techniques such as

1. Refuse,
2. Reduce,
3. Reuse,
4. Repurpose,
5. Recycle shall carefully be used for the common good

7.0. FUNDING REQUEST

BCMIE steel factory was founded and registered as a company in Tanzania in 2023 and with a physical address at Kigoma city intends to engage in steel business and specifically in the production of steel products and services varieties that will include Re-bars, steel coils and structured steel. It also intends to conduct services such as cutting and sitting, galvanizing and coating, fabrications and distribution or logistical related services in order to maintenance its supply chains stable as a means of supporting other sectors such as construction, manufacturing, infrastructure and automation.

The company intends to construct state-of the –art steel manufacturing facility leveraging the latest advancements in industrial technologies in order; to achieve the production of 44, 100 metric ton in the first year of steel production and with 12% increase per year as a means of meeting and addressing the surging demand for steel products in the construction, manufacturing, automotive and other sectors that primarily use steel products and the company is dedicated to its vision of the leading steel manufacturers , recognized for our commitment to innovation, sustainability, excellence and superior steel products that drive infrastructure, economic development and quality of life and its mission of producing high quality steel products that meet the evolving needs of our customers while fostering a culture of innovation, safety and environmental responsibility as we attempt to create one staff one customer and one product On a positive note, the company has so far registered serious milestones such as acquiring and fencing 30 acres of land, installation of utilities, performing engineering works on the lane to level the surface and making it ready for structural constructions, laying of blocks to be used in construction, identifying resource inputs sources and development of a detailed business plan to guide the business operations

The company shareholders despite their commitment and financial discipline are not able on their own to raise money solely for a high capital investment and for that reason, the company is seeking 65,620,321USD to ensure project completion. These monies will enable the construction and engineering works, purchase of machinery and other capital resources, initiate production efforts, hire and maintain quality human resources, purchase the raw materials, conduct research and related studies for continuous improvements, distribution and promotion of products and management of the supply chains and other operations requirements

Expected outcomes from the loan money among others shall include having a fully constructed facility, installation of top quality machines, Quality products supply chain networks in place, streamlined

operations, Quality and reliable staff, Trucks and vehicles for logistical coordination and transport duties. Work schedules plans, Strong monitoring and evaluation system and Risk management plan among others

We firmly believe that the funds will translate the project to reality and BCMIE steel factory implementers and administrators promise and pledge to utilize the money according to plan and budget and to pay back the loan within the agreed structure and time

7.1. Breakdown table

Table showing the summary of item, total fund allocated and the objective or purpose

PARTICULAR	USD
Land and Buildings	7,012,785
Vehicles	13,188,190
Insurance coverage	1,336,800
Furniture, Machines and Equipment	27,784,868.75
Working Capital	16,297,677.36
TOTAL	65,620,321

Purpose

1. Enhance the construction of the infrastructure (state-of-the-art facility)
2. Enhance other key constructions needed for operational purposes and storage
3. Procure and ship the machinery to the site
4. Enhance company product or offerings through the addition of features to make products unique on the market
5. Conduct Effective and aggressive entrance to the market and Increase brand awareness of company products and Boast sales and profitability business growth and stability
6. Procure company vehicles and trucks to transport product items to different supply chain warehouses

7. Funds for monitoring and evaluation during to ensure Performance outcomes, accountability and transparency Facilitate learning and continuous improvement, Support decision making , Ensure resources efficiency, Measure impact and success, Promote sustainability distribution of products

FINANCIAL SECTION

8.0. Introduction

This section of the business plan outlines the financial projections and strategies of BCMIE steel factory. The company needs to source substantial funding for the purchase of machinery and other capital resources, implement the construction, hire the needed human resources, meet the production costs and administrative and operational costs among others. The overall aim is to secure the business and reach breakeven within the first 5 years of operation (other factors remaining constant) and profitability. Our revenue model is based on product sales and the projections indicate a quick return to investment for all stakeholders.

8.1. Resources required

1. Machinery
2. Logistical resources
3. Engineering and construction resources
4. Raw materials
5. Human resources
6. Finance resources
7. Land
8. Utilities
9. Stationary
10. Technologies and software

8.2. Initial financing plan

BCMIE has in place a clear financial plan and therefore the company is aware of the possible sources of funding. The company intends to obtain funding from two distinctive sources

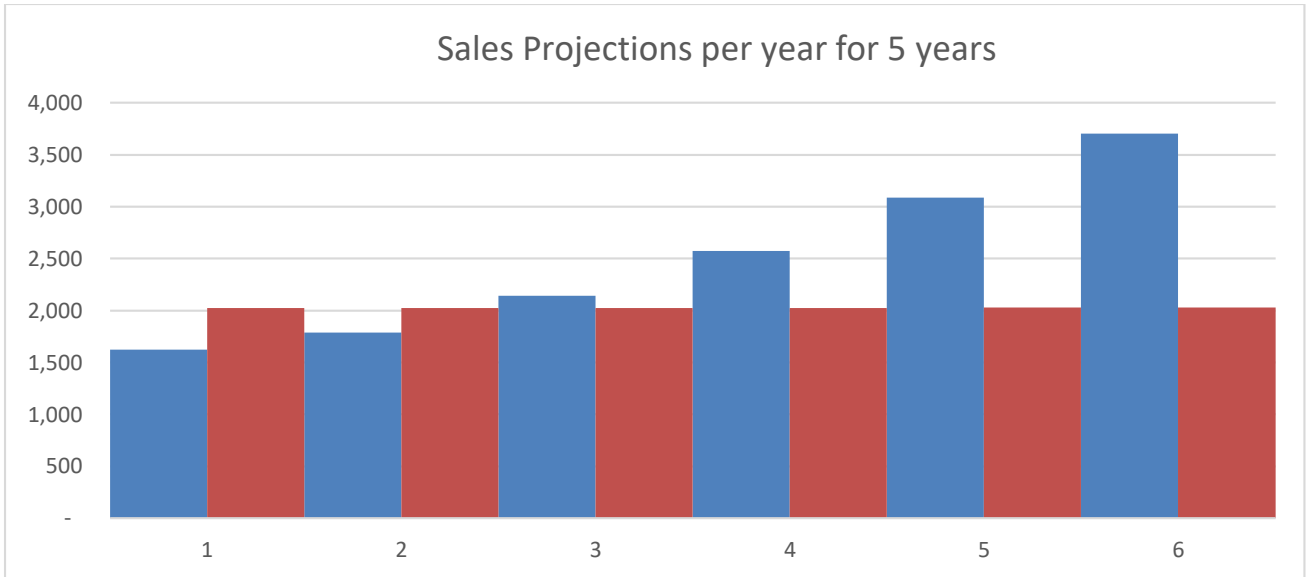
1. Contributions from shareholders
2. Loan funding from the Bank

8.3. Projected Sales

This part explains BCMIE projected sales for the next five years and it's based on the extensive market research about the market, the market size, potential new markets, analysis of the sales strategy, pricing strategy, sales channels, historical sales data realistic assumption; and sales forecasts

BCMIE approach for making realistic projected sales will follow a systematic approach that will involve;

1. Analysis of the product per product,
2. Description of the expected sales,
3. Designing of framework to show clear breakdown of the projected quantities to be sold per day-month-year and the implications
4. Scenario analysis to determine best case scenarios and most likely scenarios
5. Visual representations
6. Reviews and adjustments



8.4. Break-Even Analysis

BCMIE will use the break-even analysis to determine the production level in order to inform the time the company will take to cover all its startup costs and liabilities before it can start making profits. BCMIE factory will approach it by

1. Making constant review about the fixed and variable costs,
2. Determine selling price per unit
3. Calculation of total fixed costs and variable costs, selling price per unit, development of a break-even formula

Break-even point formula

Total fixed costs

Selling price per unit - Variable cost

4. Analysis of results
5. Making strategic decisions

In addition BCMIE factory will employ four key outputs to make its financial forecast for the steel manufacturing business at Kigoma. These shall include the projected P&L Analysis, Balance sheet, the cash flow and the financial statement and budget

8.5. Projected P&L Analysis

BCMIE intends to use the projected P&L analysis as a critical tool to evaluate the company's financial performance and will involve trend analysis, variance analysis, ratio analysis, break-even analysis, segment analysis, common size analysis, scenario analysis and year over year analysis. Therefore, BMCIE steel factory P& L will always show;

1. Sales growth at (minimum) or above (better) inflation
2. Stable (minimum) or expanding (better) profit margins
3. A healthy level of net profitability

8.5.1. The P&L framework

P&L	Dec-24	Dec-25	Dec-26	Dec-27	Dec-28
Revenues	23,137,925	25,451,718	27,996,890	30,796,579	33,876,237
Cost of goods sold	16,297,677	17,927,445	18,823,817	19,765,008	20,753,259
Gross Profit	6,840,248	7,524,273	9,173,072	11,031,570	13,122,978
% of Sales	41.97	46.17	50.78	55.86	61.45
Capitalized Expenses	0	0	0	-	-
SG&A	6,897,600	6,897,600	6,897,600	6,897,600	6,897,600
Subsidiaries	0	0	0	-	-
Lease	0	0	0	-	-
Other operating income	0	0	0	-	-
other operating Expenses	0	0	0	-	-
Total	(57,352)	626,673	2,275,472	4,133,970	6,225,378
% os sales	100.84	91.67	75.19	62.53	52.56
D&A	1,569,140	1,569,140	1,569,140	1,569,140	1,569,140
Operating income	(1,626,492)	(942,467)	706,332	2,564,830	4,656,238
% of Sales	-2735.98	250.39	68.96	37.96	25.21
Financial Income	0	0	0	-	-
financial Expenses	1,336,800	1,323,564	1,203,240	1,323,564	1,455,921
Profit / Loss or disposal	0	0	0	-	-
Exemotional income	0	0	0	-	-
exemotional Expenses	0	0	0	-	-
Profit before Tax	(2,963,292)	(2,266,032)	(496,908)	1,241,266	3,200,317
% of sales	-82.19	-140.44	170.35	51.60	31.27
Corporation Tax	(1,037,152)	(793,111)	(173,918)	(191,310)	(210,441)
Net income	(1,926,140)	(1,472,921)	(322,990)	1,432,576	3,410,758
% of Sales	(28.16)	(19.58)	(3.52)	12.99	25.99

8.6. Balance sheet

BCMIE steel industry will use the projected balance sheet to estimate the company's assets, liabilities and equity at a future date and for planning, securing financing and assessment of the company's healthy

BCMIE steel facility will also use the projected balanced sheet to analyze and assess the company's liquidity and solvency: The projected balanced sheet will focus on the Company assets, the Company Liabilities and Equity and BCMIE Company will use it in;

1. Forecasting production and sales
2. Cost management
3. Investment in fixed assets

4. Working capital management
5. Financing

8.6.1. BCMIE steel factory Balanced Sheet

PROJECTED BALANCE SHEET					
ITEM/YEAR	1	2	3	4	5
FY Ended 31 DEC	2024	2025	2026	2027	2028
ASSETS	Actual				
Gross Fixed Assets	20,366,773	20,466,773	20,466,773	20,466,773	20,466,773
Cumulative Depreciation	-	5,849,188	9,653,202	13,457,216	10,667,134
Normal Capital Expenditure		-	-	-	
Net Fixed Assets	20,366,773	14,617,585	10,813,571	7,009,557	9,799,639
Bank/Cash Balances	21,630,000	2,163,000	2,379,300	2,617,230	2,878,953
Working Capital	16,297,677	17,927,445	19,720,190	21,692,209	23,861,429
TOTAL ASSETS	58,294,450	34,708,030	32,913,061	31,318,996	36,540,021
LIABILITIES AND EQUITY					
Share Capital	21,630,000				
Retained Earnings	23,137,925	21,543,418	23,697,760	26,067,536	28,674,289
Local Loan	10,509,848	11,125,841	8,150,886	5,161,402	6,717,630
ShareHolder Loan	-				
TOTAL LIABILITY AND EQUITY	55,277,773	32,669,259	31,848,646	31,228,937	35,391,919
	3,016,677	2,038,771	1,064,415	90,059	1,148,102

8.7. Cash flow forecast

BCMIE Steel factory intends to use the cash flow forecast tool to project the company's inflows and outflows of cash over a specific period of time BCMIE being a steel facility will seriously employ this tool

Monitoring future cash flows is the key to success and the only way of ensuring that is by having enough cash to operate. And BCMIE intends to understand these areas below very well

1. Cash flow generation from operations in order to understand how much cash is generated or consumed by the business's commercial activities
2. Cash flow from investing activities in order to show how much cash is being invested in capital expenditure (equipment, real estate, etc.) either to maintain the business's equipment or to expand its capabilities
3. Cash flow from financing activities in order to understand how much cash is raised or distributed to financiers

8.7.2. Cash flow statement

Cash Flow statement	DEC.2024	DEC.2025	DEC.2026	DEC.2027	DEC.2028
EBITDA	(1,626,492)	(942,467)	706,332	2,564,830	4,656,238
Change in Inventory	(16,297,677)	(1,629,768)	(1,792,745)	(1,972,019)	(2,169,221)
Change in account receivables	-	-	-		
Change in account Payables					
Change in Fiscal and Social Debits					
Other operating Items					
Financial Items (Excl. intrests)					
Exemptional Items					
Gross operating cash flow	(17,924,169)	(2,572,235)	(1,086,412)	592,811	2,487,017
Intrest paid on borrowings	(640,000)	(640,000)	(640,000)	(640,000)	(640,000)
Corporate tax	1,037,152	793,111	173,918	191,310	210,441
Net Operating cash flow	(17,527,017)	(2,419,124)	(1,552,494)	144,121	2,057,458
Capex (Net)	(20,366,773)	(14,617,585)	(10,813,571)	(7,009,557)	(9,799,639)
Grants					
Investing Cash flow	(37,893,790)	(17,036,709)	(12,366,066)	(6,865,437)	(7,742,181)
Borrowings	11,125,841	1,112,584			
Change in share capital	21,630,000				
change in shareholder loans	8,652,000	14,059,500	14,059,500	14,059,500	14,059,500
change in other Equity					
Dividend					
Financing cash Flow	41,407,841	15,172,084	14,059,500	14,059,500	14,059,500
Change in cash	3,514,050	(1,864,625)	1,693,434	7,194,063	6,317,319
Cash position - start					
change in cash					
Cash position - end	-	-	-	-	-

8.9. Exit strategy

BCMIE's exit strategy will involve careful and systematic planning for the eventual closure divestment of business in a manner the values and respects all stakeholders to the extent that negative consequences are seriously minimized. BCMIE Steel industry's exit plan will include the following;

1. Careful assessment and planning that will include detailed evaluation of the market conditions in respect to the market demand of steel products, competitive landscape and potential buyers
2. Detailed financial reviews of company assets, liabilities and financial health
3. Careful planning of exit timelines
4. Stakeholder communication (both internal and external stakeholders)
5. Valuation and preparation
6. Establishment of exit options
7. Implementation of the exit process
8. Transition and support
9. Post exit considerations or implications in respect to Taxation, financial distribution, legacy and reputation
10. Contingency planning

8.10. Assumptions and risk management

BCMIE steel factory project assumptions focus on estimating various costs, resources, and financial aspects that have the ability to impact the project's feasibility and profitability and among others include;

1. Capital expenditures such as land acquisition, construction costs, equipment and machinery costs and infrastructure development costs

2. Operational costs such as raw material costs, labor costs, maintenance costs, utilities and logistical and transport costs
3. Revenue assumptions that includes product pricing, sales volume, market demands and contractual agreement expenses
4. Financial metrics such as revenue growth rates, cost of goods sold, gross margins, operating margins and net profits margins
5. Investment and financing assumptions such as initial investment, interest rates, debt –to-equity ratios, and payback periods
6. Depreciation and amortization which includes, depreciation methods, asset lifespan and amortization of intangible assets
7. Taxation assumptions involving corporate tax rates and tax incentives
8. Risk and contingency assumptions such as contingency reserves, market risks and regulatory risks
9. Economic assumptions that includes inflationary rates, exchange rates and economic growth
10. Break-even analysis assumptions that include break-even point, and sensitivity analysis

8.10.1. Risk Management

BCMIE shall give substantial importance to potential business risks and the risk assessment and analysis process shall include Identification of potential risks, their possible causes and consequences, Risk assessment and analysis to evaluates the possible risk frequency, risk intensity, risk cost in case of occurrence in comparison with the cost of transfer or avoidance, the risk treatment duration in case it happens and the impact it can cause to the entire business operations and life and Risk recording for effective risk reviews and management planning . All the processes and efforts are intended to inform and guide management on the different steps to be taken to and determine the risk grades, and possible cost effective risk management plans and actions the company can undertake.

9.0. Conclusion

The proposed steel business facility presents a compelling opportunity for investment and robust industrial growth. The company's strategic focus is on innovation, sustainability and customer-centric solutions that can specifically positions and drive the company business forward. The comprehensive analysis of the market trends, competitive landscape, and financial projections underscores the validity and potentiality of this venture. We are also confident that with the right blend of human resources, advanced technologies, strategic partnerships and our steel business will not only meet but also exceed industrial standards and customer expectations. The detailed implementation plan will ensure that all our processes and procedures are carried out in accordance to the set goals and BCMIE is well prepared and placed to navigate the challenges and capitalize on the opportunities in the dynamic steel sector market. We seriously invite investors and other stakeholders to support the project as a means of ensuring and securing a desire able end in this noble effort of constructing an ultra-modern steel factory and together we can build a stronger tomorrow

APPENDICES

1. The Budget
2. List of exemption
3. Company certificate of registration
4. Articles of Association
5. Supply Invoices attaches in a separate booklet