

YUNWEI NTERNATIONAL LIMITED

BUSINESSPLAN

FOR

MANUFACTURING OF PLASTIC

PRODUCT

EXECUTIVE SUMMARY.

YUNWEI PLASTIC CO LIMITED is a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No.171230314 issued on 06TH JANUARY 2024.

The proposed business plan is of manufacturing of plastic product at **Region Dar es salaam, District kigamboni, Ward kisarawe, Postal code 17104, Street kisarawe,Road kibada road,plot number 194,block number A,House number 23.**

The proposed new project shall cost 200,000,000TZS and creating new employment of 500 local people and 100 foreign people.

LEGAL STATUS AND COMPANY BACKGROUND BRIEF

YUNWEI PLASTIC CO LIMITED bears the certificate No. 171230314 issued in 2024 by BRELA.

The shareholders of **YUNWEI PLASTIC CO LIMITED**, the shareholders of this newly formed company are YANG XUEWEN, and LIN XUANZHU, both are people registered in China.

The company is owned by two shareholders, namely:-

Name	%of Shares	Nationality
YANG XUEWEN	70%	China
LIN XUANZHU	30%	China

LOCATION.

Region Dar es salaam , District Kigamboni, Ward Kisarawe, Postal code 17104, **Street kisarawe,Road kibada road,plot number 194,block number A and house number 23** Contacts: Email: xueweny12@gmail.com, Mob no/Tel no: **07100406001, P.O.Box 116568.**

MISSION

Prompt and professionally high-quality service delivery to customers, aimed at ensuring that they realize the highest value for money, thereby increasing the market share and seizure of every available opportunity for the company's growth.

Core Values

Service provision with commitment, integrity and creativity while treating each customer as if they were the company's only customer

BANKERS

The company is currently maintaining bank account of the following bank.

NMBBANK

AUDITED REPORTS

YUNWEI will maintain good financial reports which will be audited by reputable auditor firm

BASIS OF THE BUSINESS PLAN

A study based on rapid appraisal surveys was conducted prior to, and as the basis of preparation of this plan, the surveys were based on the following objectives and approach:

Study Objectives:

- a) To analyze the relevant market and other factors impacting up on the manufacturing of plastic product. .

- b) To examine the physical and operational characteristics of the existing market in order to determine the positioning of the proposed company's business in the market place.
- c) To conceptualize the proposed company's production and business operations, assess their economic viability, commercial profitability, social feasibility and provide a vision as to how the planned objectives should be realized.
- d) To provide supporting documentation required for manufacturing of plastic product and also in accessing credit facilities required in the financing of the investment capital.

Study Approach:

- a) Participatory: Semi- structured interview and discussion were held with the Company's Directors, stakeholders in packaging works and related businesses
- b) Physical visits to the company's main business premises
- c) Conduction of profitability/viability test of the investment, using the appropriate financial projections for the initial period of five years proposed for the business operations.

THE PROJECT

Project Concept

The project involves establishing a new MANUFACTURING OF PLASTIC PRODUCT, this will include construction of and installations of modern machines, purchasing vehicles, new generator etc.

The planned production capacity is 9000 metrictons per year.

Project planned business project will entail the following main activities:

- Making shopping visit to Tanzania, China and other supplier countries to identify the suitable and appropriate machinery for the planned project.
- Ordering of the manufacturing material, motor vehicles and their assorted and equipment from China and other overseas suppliers and entering into agreements for the purchase/ acquisition of those assets.
- Consigning the purchased machinery and motor vehicles including all the equipment and accessories from countries of their origin to Tanzania
- Installation of the machinery, registration, insuring and licensing of the vehicles ready for deployment in the company's business.

Project Objectives

Development Objectives:

YUNWEI PLASTIC COMPANY LTD aims at playing a significant role in the participation of the company in the efforts to maximize exploitation of the largely existing business potential in manufacturing industry particularly in plastic product.

Immediate Objectives:

- a) To carry on the business of manufacturing and production of plastic especially product, woven product.
- b) Manufacture of other rubber product
- c) Reading employment opportunities to skilled and semi-skilled Tanzanians in industrial operations, including their supplies and distribution in the company's business.

Over view of the Manufacturing Sector and Plastic material industry in Tanzania

The economy

The plastics manufacturing industry in Tanzania has experienced remarkable growth, fueled by increasing demand from various sectors such as packaging, construction, automotive, and consumer goods

The plastics industry manufactures polymer materials—commonly called plastics—and offers services in plastics important to a range of industries, including packaging, building and construction, electronics, aerospace, manufacturing and transportation. It is part of the chemical industry.

Manufacturing Industry

Tanzania manufacturing sector contributes 5.6% to the country GDP in 2014 with \$2.69bn compared to \$1.47bn in 2009, representing an increase of 82%. Tanzania's manufactured goods imports tripled over the past 5 years increasing from US\$497.7m in 2010 to US\$1.4billion in 2015 accounting for 25% of Tanzania's total exports value.

YUNWEI PLASTIC CO LTD is poised to exploit to the maximum, the anticipated development in this Sector for its own enhanced growth.

BUSINESS ENVIRONMENT ANALYSIS;

Internal Approach;

Management:

YUNWEI PLASTIC CO LTD as a corporate entity is managed under the Board of Directors. Day to day management of its conducted under the company's Managing Director who will be as sited by directors, Managers, senior officers etc.

The Managing Director will be closely as sited by well qualified professionals in the manufacturing of plastic product, industrial management and operations. The company managers, heads of departments and operational staff for the production machines will be recruited for their competence, experience and good track record in their respective fields and in previous employments.

External Environment:

The market:

YUNWEI PLASTIC CO LTD policy aim at two objectives:

- Further penetration/entrench mention to the market's main Segments to increase and retain larger market share.
- Early investment cost recovery to enhance economic viability Of the company's business and expedite its growth.

The policy will be hinged on continual conduction of market surveys As a way of establishing current market situations and also as the means of enabling the company to develop marketing strategies which will facilitate achievement of set out sales goals, on monthly and annual basis .Surveys will enable the company to identify the potential market forintsThe plastic products market situation in the country Products and plan strategies for its penetration.

The global plastic market size was estimated at **USD 609.01 billion in 2022 and is expected to reach USD 627.29 billion in 2023**. What is the plastic market growth? b. The global plastic market is expected to grow at a compound annual growth rate of 3.9% from 2023 to 2030 to reach **USD 824.46 billion by 2030**.

The market surveys conducted during feasibility study for this projected established that, demand for building materials in the country is growing with each passing year.

Market Potential

As explained in the topic above, the demand for plastic products on the rise, while the consumer goods manufacturing sector is one of fastest growing sectors in the country, with new rise consumer goods industries and products every day .

Competition:

YUNWEI PLASTIC CO LTD is expecting to face competition from existing manufacturing of plastic product industry industries which controls a size able market share of paper products in Tanzania, the company plan to increase market share by investing in a new and bigger plastic product with production capacity of 9000 metric tons per year.

6.0 PROJECT OPERATING COSTS

In order to realize its intended objective, the project operating costs will vary based on total revenue.

REVENUE ASSUMPTIONS

- For the purpose of this project all revenue will come from Plastic product produced at the factory.
- The annual revenue to grow by different percentages depending on market demand annually.
- Revenue projections are based on experiences gained by the firm for being in the market for five years now.

CONCLUSION AND RECOMMENDATION

Conclusion

The project is viable and profitable throughout the project period, after the foregoing economic and financial evaluation of the project; we strongly recommend that YUNWEI PLASTIC CO LTD Board of Directors approval and accept the business proposal. The new project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

YUNWEI LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	250,000.00
Machinery & Equipment	200,000.00
Motor Vehicles	15,000.00
Furniture & Fixtures	10,000.00
Preexp	10,000.00
Others	15,000.00
Working Capital	500,000.00
TOTAL	1,000,000.00

PROJECTIONS

YUNWEI PLASTIC CO LIMITED
 FINANCIAL PROJECTIONS SUMMARY FROM 2024 TO 2028
 PROJECTED STATEMENT OF FINANCIAL POSITION FOR 5 YEARS FROM 2023-2027

DETAILS	2024	2025	2026	2027	2028
CURRENCY	USD	USD	USD	USD	USD
ASSETS					
NON-CURRENT ASSETS					
PPE	453,000	465,240	470,665	490,288	502,400
TOTAL NON-CURRENT ASSET	453,000	465,240	470,665	490,288	502,400
CURRENT ASSET					
Inventory	8,055,560	8,245,340	8,509,802	8,697,998	8,889,958
Trade Receivables	402,000	485,900	540,235	566,700	570,847
Working Capital	500,000	500,000	500,000	500,000	500,000
Cash and Cash Equivalent	312,700	315,890	316,548	316,548	316,864
TOTAL CURRENT ASSET	9,270,260	9,517,130	9,866,269	10,081,246	10,277,669
TOTAL ASSETS	9,723,260	10,012,370	10,336,934	10,571,534	10,780,069
EQUITY AND LIABILITIES					
EQUITY					
Share Capital	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retained Earnings	2,899,120	918,700	1,589,207	2,775,630	2,890,018
TOTAL EQUITY	3,899,120	1,918,700	2,589,207	3,775,630	3,890,018
LIABILITIES					
Trade Payables	3,880,045	2,798,746	2,737,263	2,941,830	2,950,885
Other Payables	1,944,095	5,294,924	5,010,464	3,854,074	3,939,166
TOTAL LIABILITIES	5,824,140	8,093,670	7,747,727	6,795,904	6,890,051
TOTAL EQUITY AND LIABILITIES	9,723,260	10,012,370	10,336,934	10,571,534	10,780,069

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

DETAILS	2023	2024	2025	2026	2027
CURRENCY	USD	USD	USD	USD	USD
SALES	12,960,655	15,338,700	16,730,900	17,870,430	18,945,735
TOTAL INFLOW	12,960,655	15,338,700	16,730,900	17,870,430	18,945,735
COST OF SALES					
Opening Inventory	0	8,050,800	9,020,051	9,230,296	9,340,800
Add: Production Cost	14,045,720	10,150,000	11,120,504	11,230,000	11,340,115
Less: Closing Inventory	(8,050,800)	(9,020,051)	(9,230,000)	(9,340,800)	(9,530,000)
	5,994,920	9,180,749	10,910,259	11,119,496	11,150,915
GROSS PROFIT	6,965,735	6,157,951	5,820,641	6,670,934	7,794,820
OPERATING EXPENSES					
Administration Expenses	2,660,130	2,491,832	2,536,172	2,635,300	2,736,800
Sales and Distribution Expenses	1,330,935	1,435,930	1,696,069	2,030,075	2,150,700
Finance Cost	40,200	42,520	43,227	44,300	45,800
Depreciation Expense	18,100	18,330	18,730	19,201	19,380
-	0	0	0	0	0
TOTAL OPERATING EXPENSES	4,049,365	3,988,612	4,294,198	4,728,876	4,952,680
PROFIT FOR THE YEAR	2,916,370	2,169,339	1,526,339	1,942,050	2,842,140

YUNWEI PLASTIC CO LIMITED
FINANCIAL PROJECTIONS SUMMARY FROM 2023 TO 2027

Cost of Sales Analysis				
Cost of Raw Material Produced				
Particular	Units(TONES)/MONTH	Cost per Unit in USD per month	Total Cost of production in USD per month	Total Cost of production in USD Annually
PLASTIC MATERIAL	550	2,250.12	1,237,566	14,850,792
Total Cost of Raw material produced		2,250.12	1,237,566	14,850,792

Labour Cost					
Particular	Rate per day per labour USD\$	Rate per month per Labour in USD\$	No of Labours	Total Cost per month in USD\$	Total Cost Annually in USD\$
Foreign employees	132.08	3,434.08	100	343,408.01	4,120,896.00
Direct and Indirect Labours	62.25	1,695.65	500	809,250.00	9,711,000.00
					13,831,896.00

Closing Stock

	Year1
Particular	Amount in USD\$
Opening Stock	-
Add: Production Cost	14,850,792
Less: Cost of Sales	28,682,688
Closing Stock	8,050,800

