

UNCLE GEORGE'S BOTTLING COMPANY LIMITED (UGBCL)

BOTTLING AND DISTRIBUTION OF DRINKING WATER PROJECT

10147 CHEKA

KIGAMBONI DISTRICT

DAR ES SALAAM REGION

TANZANIA

BUSINESS PLAN

Prepared by: Uncle George's Bottling Company Limited

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EXECUTIVE SUMMARY

Company Name: Uncle George's Bottling Company Limited

Project Description: Bottling Operation and Distribution of Pure Drinking Water

Product: Drinking water

Package Size: 0.5Ltr, 1Ltr and 1.5Ltrs

Sector: Food and Beverage Industry

Target Market: Thirsty hard working urban residents, and general public

Route To Market: i). Factory owned depots
ii) Appointed Distributors and whole Sellers
iv). Direct Route Trucks Distribution

Distribution Channels: UGBCL Bottled Water will be distributed to our consumers can buy from all traditional and non-traditional channels as follows:

- i). Shops and Kiosks
- ii). Supermarkets and Grocery Stores
- iii). Hotels, Canteens, Bars, Restaurants and Food mats
- iv). Hospitals and Pharmacy
- v). Education: Colleges, Secondary Schools and Primary Schools
- vi). On The Go: Street Vendors, On Transit – Buses, Train, Ships, airplanes, Bus and Train Stations, Airports and Harbors
- vii). Religious Channel: Churches and Mosques
- viii). Events and Gatherings: Venues and Halls, Meetings, outdoors gatherings
- ix). Institutions: Banks, Government and Corporate Offices
- x). Sport Centers, Gym and Health Clubs
- xi) House holds
- xii). Military

Target Regions: Initial Distribution will be in Dar Es Salaam City and Coast Regions, eventual to the rest of the country and export market.

Ownership: UGBCL is owned by a Tanzania diaspora -Taiwan

Project Location: Amani Gomvu – Cheka Kigamboni District Dar Es salaam Tanzania.

Total Project Cost: 20 billion Tanzanian Shilling

Financial Requirements: Foreign Direct Investment, Foreign Bank Loan and Directors Equity

ROI: 5 Years

Internal Rate of Return:

Net Present Value:

Installed Capacity: 65,000 cubic meters per year (65 million liters per year)

Project Justification: Continuous growth of commercial bottled water demand caused by increasing urban population coupled with poor water supply and particularly availability of clean, safe and quality water for drinking in Tanzania at large, fueled by growing awareness of health sensitivity and quality status has justified putting up this Project.

2:0 COMPANY BACKGROUND AND REVIEW

Uncle George's Bottling Company Limited (UGBCL) is a Tanzania Mainland Company, registered on 16th September 2024 under the Tanzania Companies Act No: 12 of 2002 to do Investment activities which includes manufacturing, bottling and distribution of mineral water, juices, carbonated soft drinks, alcoholic and other non-alcoholic drinks.

The authorized share Capital of UGBCL is Tanzanian shilling 50,000,000,000/= subscribed by two companies as follows

- 51% TANCHIN Investment Group (owned by Abraham Rumishaeli Merishani, a Tanzanian diaspora in Mainland China, and
- 49% FENG-HUNG YANG (Taiwan China)

The UGBCL Mineral Water Project is being developed at Amani Gomvu – Cheka Kigamboni District in Dar Es Salaam Region Tanzania. The Project will involve bore holes drilling work, erection of factory building to accommodate automated production machines, warehouse and office facilities. The Project will source to acquire machinery and technology from China, also distribution trucks from China.

The first phase of UGBCL Mineral Water Project will have a borehole facility to obstruct 50,000 to 60,000 liters of water per hour and bottling plant to produce three main packages of artesian mineral drinking water as follows: 600ml; 1000ml and 1600ml

The second phase will be addition of bore hole facility with the same capacity to make other profitable drinking water packages and also other beverages for health human consumption and promote entrepreneurship in Tanzania. This will put UGBCL in a good position to compete in this highly competitive beverage industry in Tanzania. UGBCL will also embark in high level recruitment process so as to get highly qualified, motivated and can-do personnel that will bring competitive edge. Initially at least 18 Tanzanian young people will be employed in the manufacturing department and more in sales and marketing, Finance and HR department. The overall Organization Performance will be driven by rich organization culture with Vision, Purpose and Values defined and entrenched to all stake holders.

UGBCL will employ world class HR policies which will ensure coherent organization culture with high retention and productivity.

2:1 Purpose, Vision, Mission and Values of the Company

Our Purpose

To provide Pure and Reliable Hydration Solutions that enhance health and wellbeing, while championing sustainability and creating a last positive impact on people and the planet.

Our Vision

To be the most trusted and environmentally friendly provider of pure, sustainable, and innovative hydration solutions, fostering health and wellness of people in Tanzania and across borders.

Mission Statement

Our Mission is to provide high quality and affordable pure bottled water by sophisticated water purification technologies that enhances health and wellness while leading the way in reducing carbon footprints.

Our Core Values

- I. Purity and Quality
 - ✓ Ensuring every bottle delivers the highest standard of cleanliness, safety and exceptional taste
- II. Sustainability
 - ✓ Embracing eco-friendly practices, such as low energy manufacturing technologies, promoting recycling, and conserving natural resources.
- III. Innovation
 - ✓ Continuously improving process, products, and packaging to meet consumer and customer need and environmental challenges.
 - ✓ We use less energy in our water extraction, bottling and distribution overall saving about 20% energy comparative to other factory of similar capacity
- IV. Health and Wellness
 - ✓ Promoting the importance of hydration and health lifestyle through premium products.
- V. Integrity
 - ✓ Operating transparently and ethically in all stake holders' aspects of business, from sourcing to customer Service.
- VI. Customer Focus
 - ✓ Focusing on delivering exceptional service to our customers and understanding the evolving needs of our consumers.
- VII. Community Engagement
 - ✓ Supporting initiatives that provide clean water access and empower local communities
- VIII. Environment Stewardship
 - ✓ Taking responsibility for minimizing the company's environmental footprint and advocating for sustainability in the industry.

- ✓ Develop a bottle-return program to encourage reuse and minimize environmental impact

IX. Teamwork Excellence

- ✓ Fostering a collaborative and innovative workplace culture that empowers employees to excel.

2:2 UGBCL SWOT ANALYSIS

- Strengths
- Weaknesses
- Opportunities
- Threats

<p>STRENGTHS (Internal Factors)</p> <ul style="list-style-type: none"> • Brand Reputation- <ul style="list-style-type: none"> ✓ Rufiji basin has strong affiliation to Tanzanians ✓ The branding and color are unique ✓ The unique and attractive bottle design ✓ The taste of water is cool, artesian • Product Quality <ul style="list-style-type: none"> ✓ High standards in water purification, Taste, and safety ✓ The taste of water is cool, artesian • Innovation <ul style="list-style-type: none"> ✓ Advance technology in bottling, packaging, and sustainable practices. • Sustainability Initiatives <ul style="list-style-type: none"> ✓ Commitment to eco-friendly packing and carbon neutrality <p>The branding</p> <ul style="list-style-type: none"> • Health and Wellness Trend Alignment <ul style="list-style-type: none"> ✓ Positioning as a health-conscious product aligns with increasing consumer demand for healthy beverages 	<p>WEAKNESSES (internal factors)</p> <ul style="list-style-type: none"> • New to the Market <ul style="list-style-type: none"> ✓ Starting distribution networks and partnerships with retailers • Financial Capability <ul style="list-style-type: none"> ✓ Can not compare to the existing giant competitors • Distribution Infrastructure <ul style="list-style-type: none"> ✓ Can not compare to the existing giant competitors. Depots, Truck Fleet, Discounts • Environmental Criticism <ul style="list-style-type: none"> ✓ Association with Plastic waste and the carbon footprint of bottled water. • Dependence on External Factors <ul style="list-style-type: none"> ✓ Reliance on favorable supply chain logistics and weather -driven demand • Market Saturation <ul style="list-style-type: none"> ✓ Stiff competition from already established bottled water brands
<p>OPPORTUNITIES (External)</p> <ul style="list-style-type: none"> • Growing health awareness <ul style="list-style-type: none"> ✓ Rising trends in health-conscious consumption favor bottled water over sugary beverages • Sustainable Packaging <ul style="list-style-type: none"> ✓ Introducing reusable packaging can appeal to environmentally conscious consumer • Premium Markets <ul style="list-style-type: none"> ✓ The demand for luxury or flavored water offers a profitable niche • Global Expansion <ul style="list-style-type: none"> ✓ Opportunities exists to export water to regions with poor water quality ort limited availability • Technological Advancements <ul style="list-style-type: none"> ✓ Innovation in filtration, flavoring, or bottle design can be leveraged for differentiation 	<p>THREATS (external)</p> <ul style="list-style-type: none"> • Environmental Concerns: <ul style="list-style-type: none"> ✓ Increasing criticism of single-use plastics and regulatory changes can affect the business • Competition <ul style="list-style-type: none"> ✓ Dominance by giant players already established can limit entry efforts • Regulatory Risks <ul style="list-style-type: none"> ✓ Stricter water extraction or packaging regulations could increase operational costs. • Substitute Products <ul style="list-style-type: none"> ✓ Alternatives like water filters or street dispensers, reusable bottlers and municipal tap water campaigns pose a threat. ✓ Economic changes like Inflation, Exchange Rates and Taxes can affect consumer purchase power

3.1 INDUSTRY OVER VIEW

Water is a source of life used for domestic, commercial, agricultural and animal husbandry. Tanzania faces several challenges in ensuring access to clean and safe water for its population. Studies shows that only 60% of Tanzanians have access to clean water, though not safe. According to Dar Es Salaam Master Plan data 2016 to 2036, the demand for water in 2016 with the population of 5.4million was 500 million liters per day while supply capacity was 300 million liters only. The trend shows in 2032 the demand will be 955million liters per day. Most of water supply in the country being it tap water, rivers or boreholes may seem clean but not safe and quality for drinking due to number of factors including natural contamination causing high levels of Fluoride, arsenic, and salinity; water pollution caused by industrial waste, agricultural runoff with pesticides, rapid urbanization and erratic rainfall patterns that makes water dirty and muddy. Tanzania has Insufficient infrastructure, limited water treatment facilities with only 30% of household using safe water treatment methods. This and poor sanitation facilities contribute to health issues and waterborne diseases health such as diarrhea. The use of commercially available bottled or treated drinking water has grown, especially in urban centers, to bridge the gap in safe water supply, rising health awareness, and limited access to reliable tap water. The market for bottled water in Dar Es salaam is substantial and growing at a high compound annual growth rate (CAGR) of approximately 10.45%, with a focus on still water dominating the bottled water category.

Many companies bottling and distributing bottled water have mushroomed in different urban cities in Tanzania, with Dar Es Saam City leading, enjoying good profits and returns every year. Many water brands names available with differentiation offering and pack size. This includes spring water, mineral water, artesian water, sparkling water and flavored water in ranges of sizes and prices according to specialization. Many water bottling companies are also involved in other linked business-like soft drinks, food and confectionaries, transportation and other businesses so as to enjoy the economies of scale and mitigate operation costs. However, bottled water business is commercially viable as it is profitable and growing.

3.2 VIABILITY OF BOTTLED WATER BUSINESS IN TANZANIA

There is a high potential for bottled water business in Tanzania especially in the major cities like Dar Es salaam. The following factors indicate the viability and potentiality of commercial bottled water business:

i). Tanzanian Economic Growth Rate.

GDP growth rate in 2024 is 5.6% compared to 5.1% in 2023. Key sectors contributing to the GDP growth include agriculture, manufacturing, construction, tourism, and financial services. The steady economic performance is complemented by low inflation rates at 3%, fiscal discipline, narrowing current account deficits. This attracts investments.

II). Increasing Travelers due to improved road and railways infrastructure especially in Dar Es salaam. When people travel, they can only access bottled water for drinking.

iii) Increased working class, education and business, thus elite class. People can only carry and drink bottled water to drink given the hot temperatures causing demand for drinking water. Only bottled water preferred.

iii). Growing Tourism Industry in Tanzania increasing people's income and demand for safe water.

iv). The influx of foreigners and investors in the country who are health conscious and would only demand health and safe water for drinking.

v). Insufficiency of clean and safe water for drinking in Tanzania.

3.3 Competitive Analysis

There are many players in this commercial bottled water business in Tanzania operating in different regions, more of them located in Dar Es Salaam City with population of 8.2 million people. Each player possesses a certain market share depending on the scale and nature of Capital investment and Infrastructure, however, all making profitable business. See below the different water bottling operations according to size. (Figures estimated)

Brand Name	Owners	Location	Estimated Monthly Volume in cartons	Estimated Market Share
Afya	WaterCom	Kigamboni	16,843,000	50%
Kilimanjaro	Bonite Bottlers Ltd	Moshi	6,800,000	20%
Uhai	Azam	Mkuranga	3,466,000	10%
Hill	Hill Group	Mapinga	1,570,000	5%
Kisima	Aqua Cool Comapany	Chang'ombe	1,160,000	3%
Cool Blue	Super Meals Limited	Mikocheni	834,000	2%
GSM	GSM Group of Companies	Kigamboni	830,000	4%
Pangani	JKT	Pangani Tanga	460,000	1%
Dew Drop	Dew Drop Drink Co Ltd	Sumbawanga	320,000	1%
Others			1,200,000	4%

The market is so competitive, and hence, scale, product quality, marketing and sales strategies, Route To Market, Customer Service and speed determines who takes more share to the market. There is also other water brands imported from outside the country and still find position in the trade for them to be sold though at high price. For example, Evian, Kiringeti, Fiji, and many others. The main competitor in this industry is tap water which is 13 shilling per liter from DAWASCO, however, commercially sold at 1,000 per 20 liters. Another competition which is emerging in part of cities like Dar Es Salaam is Reverse Osmosis Dispensing machine which are fixed in different kiosks for home consumptions. People go with 5liter, 10 liters or 20 liters gallon and pay for dispensing water at 100 to 200 Tsh per Liter. Irrespective of this infrastructure emerging in the cities, still demand for bottled water is huge and the business is profitable.

3:4 Alternative Beverages as Competitors

Beverage Industry in Tanzania

The beverage industry in Tanzania is vibrant and highly competitive, driven by factors such as a growing population, urbanization, increasing disposable incomes, and evolving consumer preferences. The sector encompasses a broad range of products, including alcoholic beverages, non-alcoholic beverages, bottled water, and traditional drinks. Here's an analysis of its competitive nature:

Key Segments

Alcoholic Beverages

Beer: Dominated by large companies such as Tanzania Breweries Limited (TBL, part of AB InBev) and Serengeti Breweries Limited (a Diageo subsidiary). These players have a competitive edge due to strong distribution networks and brand loyalty.

Spirits and Wines: Increasingly popular, especially among middle and upper-class consumers. Imported brands face competition from local and regional distilleries.

Traditional Brews: Local brews like Konyagi and Chibuku maintain a niche, especially in rural areas.

Non-Alcoholic Beverages

Carbonated Drinks: Coca-Cola Kwanza (part of Coca-Cola Africa) operating in Dar Es Salaam, Zanzibar, Coast Region, Mtwara, Lindi, Mbeya, Rukwa, Ruvuma, Dodoma, Morogoro and Tanga; Bonite Bottlers operating in North Regions, Nyanza Bottling operating in Lake Regions. There are other local soft drinks from Azam, Mohamed Enterprises, Sayona, and other imported soft drink brands.

Juices: Rising health consciousness has driven demand for natural and fruit-based beverages, with both local companies and imports vying for market share.

Energy Drinks

Popular among younger consumers and urban dwellers. Global brands like Red Bull compete with regional players like Azam, offering affordable alternatives.

3:5 Competitive Dynamics

Market Players

Large multinational companies dominate due to their economies of scale, branding, and distribution strength.

Local and regional companies leverage affordability and familiarity with local tastes to carve niches.

Regulatory Environment

The Tanzanian government enforces strict quality and safety standards. Taxes and excise duties significantly affect pricing, especially for alcoholic beverages.

Consumer Preferences

Urban consumers favor branded and premium products, while rural populations often choose traditional or affordable options.

Increasing health awareness boosts demand for low-sugar drinks, juices, and bottled water.

Distribution Channels

Urban areas: Supermarkets, convenience stores, Bars, hotel and Restaurants, shops and online platforms dominate.

Rural areas: Informal markets, whole sellers and local shops are critical for reaching consumers.

Price Sensitivity

A large portion of the Tanzanian population is price-sensitive, leading to intense competition on pricing and promotions.

Challenges

High operational costs, including import tariffs on raw materials.

Counterfeit products affecting brand reputation and revenue.

Limited infrastructure, particularly in rural areas, impacts distribution efficiency.

Environmental concerns, especially related to plastic packaging.

Opportunities

Innovation: Developing healthier options and eco-friendly packaging can cater to emerging trends.

Export Markets: Regional and international markets offer growth potential for Tanzanian brands.

Local Ingredients: Using locally sourced materials can reduce costs and enhance brand appeal.

Conclusion

The beverage industry in Tanzania is poised for growth but remains competitive due to the interplay of large multinational corporations, dynamic local players, and changing consumer behaviors. Success in this market hinges on strong branding, effective distribution strategies, and the ability to adapt to regulatory and consumer trends.

4: 1 Market Analysis

4:1 Packaging and Available Pack Sizes

Each Player in Commercial Bottled Water Business has initiated different packaging strategies based on scale, Financial and Technical Capabilities and Targeted Market Segment in Focus. However, the following are different pack sizes available in the Trade and their respective pack reposition.

Sn:	Pack Size	Package Strategic Reasons	Companies
1	250ml	Ideal for sampling and funeral functions	WaterCom
2	300ml	Ideal for penetration, sampling, functions	WaterCom
3	350ml	Ideal for on-the-go consumption.	Uhai
4	500ml	ideal for individual and on-the-go use	WaterCom/Kilimanjaro/Uhai/Hill/GSM/Uhai
5	600ml	Competitive, for individual and on-the go-use	WaterCom/Uhai/Dew Point/GSM
6	1Ltr	suitable for more extended hydration needs	WaterCom/Kilimanjaro/Hill/Uhai
7	1.5Ltrs	convenient for sharing - families/group use	WaterCom/Uhai
8	1.6Lts	Competitive, for sharing - families/group use	WaterCom/GSM/Dew Point/Uhai
9	3Ltrs	ideal for household	WaterCom
10	5Ltrs	Ideal for household	Kilimanjaro/Hill
11	6Ltrs	Perfect for small households or shared use	Uhai
12	7Ltrs	ideal for household	WaterCom
13	10Ltrs	Ideal for household/Office dispensers	Kilimanjaro
14	13Lts	A bulk option ideal for household/functions	WaterCom/Uhai
15	15Ltrs	Ideal for household/picnics/Office dispensers	Dew Point/Cool Blue
16	16Ltrs	Ideal and most compatible to many dispensers	Kisima
17	18.9Ltrs	Ideal for household/Office dispensers	Kilimanjaro
18	19Ltrs	ideal for household/Office dispensers	Dew Point,
19	20Ltrs	Typically used for dispensers/Reuseable	Kisima/Cool Blue/Hill

4.2 Current Prices

Sn:	Pack Size	Bottles/Box	Cartons/Pallet	W/S Price	Retail Price	Profit	Mark Up
1	250ml	12	290	2400	3000	600	25.0%
2	350ml	12	192	2600	3600	1000	38.5%
3	500ml/600ml	12	154	3100	6000	1800	80.6%
4	1Ltr	6	160	2800	3600	800	28.6%
5	1.5Ltrs/1.6Ltrs	6	110	3200	4800	1700	50.0%
6	3Ltrs	1		2000	2500	500	25.0%
7	13Ltrs	1		3500	4000	500	16.7%
8	16Ltrs	1		5500	6500	1000	18.2%
9	18.9Lts	1		7000	8000	1000	14.3%

4.3 Route To Market

Carefully planning the distribution and sales pathways to maximize reach, efficiency, and profitability would be an ideal Route To Market (RTM) strategy for any beverage company. The following components are key to consider:

4:3i. Identify Target Market Segments

Urban Areas: Focus on convenience stores, supermarkets, and vending machines. Urban consumers often value convenience and premium options.

Rural Areas: Leverage local distributors and retail shops. Affordability and accessibility are critical.

Institutions: Colleges, schools, hospitals, religious, offices.

Events and Hospitality: Build partnerships with event organizers, restaurants, canteens, bars and hotels.

4:3ii. Distribution Channels

Direct Distribution:

Deliver products directly to large clients (e.g., supermarkets, hotels, and institutions). This method ensures better margins and control over brand image.

Distributors: Use distributors to reach clustered areas, smaller retailers, remote or rural areas. Distributors will have small trucks, tri cycles, push trolleys for distribution in the assigned territory.

Retail Networks: Partner with convenience stores, bus stops, kiosks, and petrol stations and street vendors for on-the-go consumers.

E-Commerce/Tele Sell: Offer direct online sales with delivery services to meet the growing demand for convenience. Position a sales service center with customer service personnel who will address all customers calls, orders and manage dispatches.

4:3iii. Partnerships

Collaborate with logistics providers to ensure efficient and cost-effective transportation.

Establish exclusive agreements with distributors to stock and distribute our water to their assigned territories and establish exclusive agreements with premium and top end outlets to secure shelf space in competitive markets.

5. 1 Marketing and Brand Visibility

Point-of-Sale Marketing: Use attractive displays, gondola ends, in store promotions, and branding in retail outlets.

Promote Brand Visibility through ATL and BTL locating strategic locations and Traffic

Community Engagement: Sponsor local events or partner with NGOs to increase visibility and goodwill.

Digital Presence: Utilize social media and e-commerce platforms for targeted campaigns.

* **Experiential Marketing:** Use sampling techniques to create brand awareness and loyalty through tasting, hearing and seeing.

* **Penetration Strategy:** Ensure and monitor listing of our water into every convenient outlet where beverage is sold. Product Availability survey to be conducted monthly streetwise, to ensure at least a carton available in each outlet.

- * Link In outlet Execution Performance which is Product Availability, Product Display, Recommended Retail Price Compliance (RRP) and Customer Service to sales force appraisal and incentive schemes.

5.2 Pricing Strategy

Offer competitive pricing tailored to market segments:

- * Embark on Geographical Pricing to manage distribution cost and profitability.
- * Embark on Tear Pricing for Distribution Partnership Loyalty Program
- * Ensure RRP as follows: 600ml at 500/-; 1Litre at 600/- and 1.6Litre at 800/- in all general trade.

6. Sustainability

- * Ensure continuous improvement for sustainable production to maintain 5 days stock levels of all SKUs (pack sizes) all the time
- * Ensure all our distributors maintain at least 3 days stock levels of all SKUs
- * Ensure at least 1 carton of our water brand available in every outlet, with first position display
- * Safety and quality of our products, displays and point of sale materials (POS) all the time
- * Sales Team trained on customer service and In store execution techniques.

7. Continuous Improvement

Leverage customer feedback and sales data to refine routes and optimize efficiency.

Monitor competitors to adjust strategies as needed. We are researching on affordable non-plastic water bottles.

Conclusion

We will build an effective RTM for UGBCL which involves a hybrid approach, balancing direct sales, partnerships, and technology. It is crucial to adapt this strategy based on our current market trends, consumer behavior, and geographic considerations.

8. Current Route To Market Situation Review in Dar Es Salaam City.

The Market leader in bottled Water Industry is using Hybrid Approach Technique, using both Direct Route Distribution and Distributors Partnership. Dar Es Salaam City is segmented in clusters where there are distributors and Route Truck Distribution System. Apart from having a big warehouse at the main factory, they have the following facilities:

Huge Company own depots: Temeke, Segera Tanga, Arusha, Morogoro, Dodoma, Mbeya, Masasi Mtwara and Mwanza

Company Mobile Depots in remote places where a truck just arrives and whole sellers come to collect.

Outsource Depots (Super Dealers): Iringa, Tunduma, Sumbawanga, Tanga, Lindi, Songea, Moshi Police barracks and Monduli Army barracks.

8:1 Qualification for Partnership:

Apart from Company depots and Distribution trucks, there is a loyalty partnership program through Super Dealers, Distributors, Whole Sellers and Stockists which is built through discount system in Tears:

- a). Super Dealers are operating in areas where Company has no depot
- b). Distributors are many in every big town and qualify for T1 discount of 300Tsh per carton. Their minimum truck order must be 500 cartons. They have trucks or try cycles for distribution. They must employ enough delivery sales persons and a store keeper.
- c). Whole sellers/Stockists. They are located everywhere and qualify for Tear 2 and T3 discount based on the number of cartons they buy. T2 discount is 200Tsh per carton for minimum order quantity from 200 to 499 cartons. T3 discount is 100Tsh per carton for a minimum order of 100 to 199 cartons. Below 100 cartons is normal price.
- d). Direct Route Distribution System. This system operates in all areas where there are no distributors, however, a sales supervisor can send a route truck to a distributor area where the distributor is operating below standards. Meaning to say Direct Route Distribution system is also there to check and balance efficiency in the market.

See the following T1 to T3 Partners

Tears	Numbers of cases	Discount per carton	Eligibility of Purchase	Distribution
T1	500+	300Tsh	Direct from the Company	Distribution Facilities
T2	200 – 499	200Tsh	From Company/Distributor	Not obliged
T3	100 – 199	100Tsh	From Company/Distributor	Not obliged

9 Launching Strategy

Employ a Proper and Professional Marketing Company to prepare a launching script which includes the following:

- Staff Launch:
 - Will be done at the Factory Bottling Hall
 - Hall branding and Displays
 - Point of sale Material available (Tear banners, A Shape banners, fliers and posters)
 - Sales Team recruited
 - Every employee present and branded in T shirt and cap
 - CEO addressing
- Media Launch:
 - As above
 - Media invited

- Customers invited (Appointed Area Distributors, selected whole sellers/stockists from different locations, few selected premium customers from different channels, few brand ambassadors)
- Trade Launch:
 - There will be branded trucks with products, motorcycles, branded rig truck with music and dancers followed by sampling truck with brand ambassadors giving away water to people to drink as the process goes around the busy streets and townships of Dar Es Salaam city.
 - Media will cover the event for social media
 - Branded Sales team ready with stock to list and building displays in strategic traffic outlets
 - Continue selling, order creation and branding the city through Market Impact Team (MIT).

10. TECHNICAL ASPECTS

Water Manufacturing Process

The bottling plant process involves several key stages, each critical to ensuring the quality and safety of the final product. From water treatment and purification to the actual bottling process, every step is carefully controlled and monitored by automated electronic system. Our bottling process flow chart illustrates the journey of water through various bottled water machines, including filtration systems, filling equipment, and packaging lines.

- Raw water sourcing from two boreholes 130meters and 200meters underground under pressure causing the water to flow to treatment chambers ready for filtration process.
- Filtration process goes through three main steps
 - Mechanical Filtration where impurities such as manganese, iron, and suspended particles larger than 20 microns are removed.
 - Carbon Filtration where carbon filter further purifies the water by removing organic compounds, chlorine, and other contaminants so as to improve the taste and odor of the water.
 - Reverse Osmosis (RO) where dissolved salts, minerals, and microorganisms are removed, producing high-purity water to meet the required standards.
- Bottle Blowing and manufacturing. UGBCL water bottling machine contain her own high tech inhouse machine to manufacture PET bottle containers.
 - The PET preforms are heated and then blown into the desired bottle shape using a blow molding machine.
 - The blow molding machine combines preform heating and bottle blowing in an automated process.
 - Precise control of parameters like stretching speed, pressure, and timing ensures proper material distribution and bottle quality.
 - The bottles are cleaned and disinfected before filling to ensure they are free from any contaminants.
- Bottling and Capping:

- The bottles are automatically filled and capped to maintain the integrity of the product.
- The filled bottles are inspected for any defects through Electronic Eye Detectors
- The approved bottles are then packaged and palletized by automated system ready for stocking and distribution.

Machinery and capital Investment:

SN:	ITEM	INVESTMENT CAPITAL IN TSH
1	Initial land 2 acres	700,000,000
2	Future land addition	400,000,000
3	Initial Drilling of 12 inches Bore hole 130meters down	65,000,000
4	Additional Drilling of 12 inches Bore hole 20meters down	85,000,000
5	Factory buildings – production hall, warehouse, offices	1,500,000,000
	Plant and Machinery	4,500,000,000
6	Installation of Machinery - cost	200,000,000
7	Furniture and Fittings	100,000,000
8	Motor Vehicles – Distribution and Office cars	3,000,000,000
9	Working Capital	3,000,000,000
	TOTAL CAPITAL OUTLEY	

TECHNOLOGY

UGBCL has sourced technology and Machinery from Taiwan China with the capacity of 36,000 bottles of one liter per hour. This interprets to 576,000 bottles of 1 Liter per day in two shifts. The Technology is mostly automated, thus requiring a smaller number of operators in each section, starting from filtration, bottling, capping and palletizing. The maximum number of operators required is 18

FINANCING PLAN

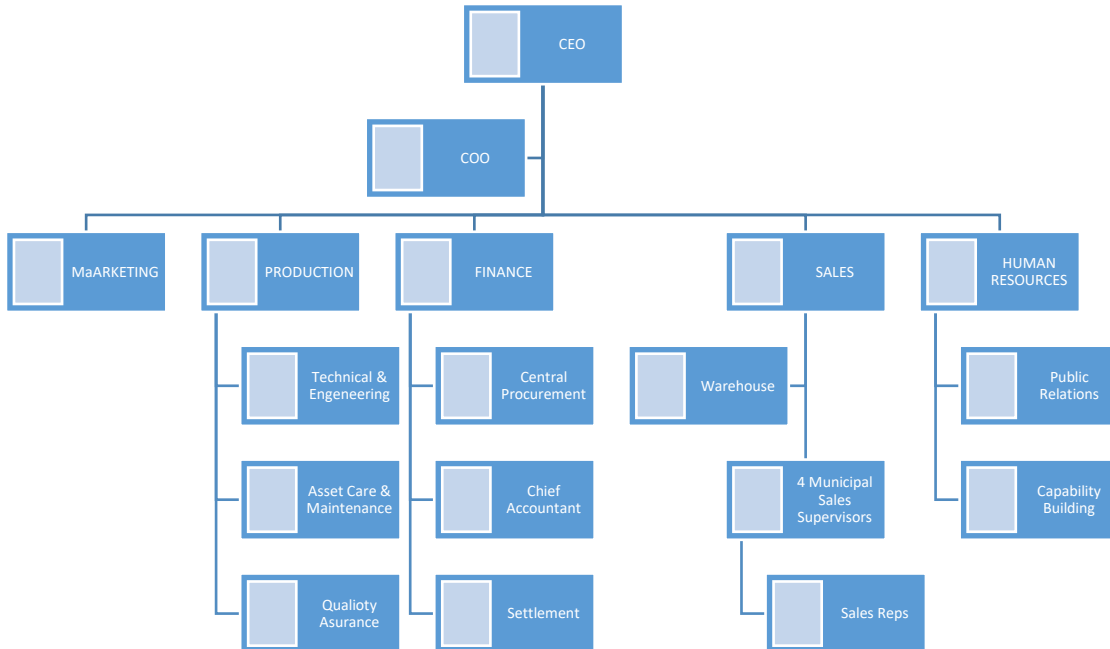
SN:	ITEM	EQUITY (TSH)	LOAN (TSH)	TOTAL (TSH)
1	Land	700,000,000	400,000,000	
	Borehole Drilling			
2	Building and Construction			
3	Plant, Machinery and Installation			
4	Furniture and Fittings			
	Motor vehicles			
	Working Capital			
	TOTAL			

The project will be financed by equity % and by Loan%

11. RAW MATERIAL

The main raw material for water production is raw water which will be locally supplied through two boreholes with capacity of 62,000 liters of water extraction per hour. Other raw materials will be PET and preforms to blow bottle containers, caps and labels which will be locally supplied and partly imported.

13. ORGANISATION STRUCTURE



14. PROJECT IMPLEMENTATION CHECK LIST

To set up and operate water bottling project requires the following permits,

Certification and licenses

- a. National Environment Certificate from NEMC
- b. OSHA
- c. TBS/ISO
- d. Industrial licenses
- e. TIC Certificates
- f. TMDA licenses
- g. Business licenses
- h. Local Government Authority

The company has liaised with relevant authorities (i.e. NEMC, TMDA, and Ministry of Health) who are responsible for issuing permits, approval and certificates and already got guidance for obtaining those permits and approval in order to comply with implementation and operation of the project successfully.

15. PROJECT EXECUTION ROAD MAP

S N	PROCESS	Activities Detail	Time Frame
1	Project Planning, Evaluation and Financing	<ul style="list-style-type: none"> ✓ Business Plan Preparation ✓ Business Plan Evaluation ✓ Identification and Selection of Suppliers ✓ Project Engineering and Design ✓ Identification, Application and Approval of funds 	1. months
2	Site Clearance and Drilling of Boreholes	<ul style="list-style-type: none"> Due Diligence Drilling of Boreholes 	1 month
3	Project Implementation	<ul style="list-style-type: none"> ✓ Draw up legal contracts <ul style="list-style-type: none"> • Contractors • Suppliers • Financiers ✓ Construction Work <ul style="list-style-type: none"> • Site Preparation • Procurement of building materials • Hiring and Training workers • Construction of building • Installation of Machinery 	2 months

4	Commissioning	Recruitment and Training of staffs Plant commissioning Set Maintenance Policies Set Operation KPIs	1 month
	Full Operating	Start Bottling Process Product Launch Quality Control in Place Each Department in place	1 month

16. UTILITIES

The project location is near National Grid TANESCO KV 33line. It is easier to connect T3 line after applying to TANESCO. The Project will use its own water from drilled bore holes.

The site is just one km away from the main road – TAN ROAD with tarmac. UGBCL will always put the 1 km in good conditions for Company truck to pass all the time and weather. This will also support the nearby people for road purposes.

17. PROJECT SALES, REVENUES AND FINANCIAL PROJECTIONS

Five Years Sales Projection

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Growth	NA	120%	130%	140%	145%	
600ml	1,084,600	1,301,520	1,409,980	1,518,440	1,572,670	6,887,210
1000ml	2,358,553	2,830,264	3,066,119	3,301,974	3,419,902	14,976,812
1500ml	1,273,953	1,528,744	1,656,139	1,783,534	1,847,232	8,089,602
Total	4,717,106	5,660,527	6,132,238	6,603,948	6,839,804	29,953,623

Five Years Revenue Projection

Pack Size	Year 1	Year 2	Year 3	Year 4	Year 5	Total
600ml	2,490,241,600	2,988,289,920	3,468,550,800	3,735,362,400	4,120,238,133	16,802,682,853
1000ml	4,641,632,304	5,569,958,765	6,285,543,745	6,769,047,110	7,420,229,442	30,686,411,366
1500ml	3,029,460,234	3,635,352,281	4,306,325,491	4,637,581,298	4,922,872,880	20,531,592,183
Total	10,161,334,138	12,193,600,966	14,060,420,036	15,141,990,808	16,463,340,455	68,020,686,402

Five Years Operations Cost Projection

600ml	1,040,304,936	1,248,365,923	1,352,396,417	1,456,426,910	1,508,442,157	6,605,936,344
1000ml	1,652,873,942	1,983,448,731	2,148,736,125	2,314,023,519	2,396,667,216	10,495,749,534
1500ml	1,098,402,277	1,318,082,732	1,427,922,960	1,537,763,187	1,592,683,301	6,974,854,456
Total	3,791,581,155	4,549,897,386	4,929,055,502	5,308,213,617	5,497,792,675	24,076,540,334

Five Years Gross Profit Projection

Pack Size	Year 1	Year 2	Year 3	Year 4	Year 5	Total
600ml	1,449,936,664	1,739,923,997	2,116,154,383	2,278,935,490	2,611,795,976	10,196,746,509
1000ml	2,988,758,362	3,586,510,034	4,136,807,620	4,455,023,591	5,023,562,226	20,190,661,832
1500ml	1,931,057,957	2,317,269,549	2,878,402,531	3,099,818,110	3,330,189,579	13,556,737,727
Total	6,369,752,983	7,643,703,580	9,131,364,534	9,833,777,191	10,965,547,780	43,944,146,068

Five Years Government Taxes Projection at 30%

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Tax	3,048,400,241	3,658,080,290	4,218,126,011	4,542,597,242	4,939,002,137	20,406,205,921

Five Years Financial Costs (Interest Rates)

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Loan						
Interest						

Five Years Plant and Machinery Depreciation Costs

Year	Year 1	Year 2	Year 3	Year 4	Year 5	Total
P& M Inv						
Depr						