

BUSINESS PLAN FOR MANUFACTURING

AND

SALES OF BOILER OIL, ENGINEERING OIL,

INDUSTRIAL OIL, EQUIPMENT OIL, WHOLESALE

AND

RETAIL OF PETROLEUM PRODUCTS

EXECUTIVE SUMMARY

GUO MEI COMPANY LIMITED a private business company incorporated in the United Republic of Tanzania with Certificate of incorporation No. 177 755 583 issued on 06 September 2024. The proposed business plan is of manufacturing of manufacturing And Sales of boiler oil, engineering oil, industrial oil, equipment oil, wholesale and retail of petroleum products . at The new project is located at Region: **IRINGA** , **District Iringa CBD** ,**Ward Kitwiru , Kibwabwa ,plot 201 , ,block INDUSTRY.**

The proposed new project shall cost US\$ 600,000 and creating new employment of 40 local people and 3 foreign people.

LEGAL STATUS AND COMPANY BACKGROUND BRIEF

GUO MEI COMPANY LIMITED bears the certificate No. 171 755 583 issued in 2002 by BRELA.

The shareholders of **GUO MEI COMPANY LIMITED**, the shareholders of this newly formed company are , **GUO MEI** ,and **LI YUAN**.

The company is owned by two shareholders,namely:-

Name	%of Shares	Nationality
GUO MEI	99	China
LI YUAN	01	China

LOCATION.

The new project is located at Region: **Iringa** , District **Iringa CBD** ,Ward **Kitwiru** , Village **Kibwabwa** ,plot no **201**, Block **Industry**.

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.

CRDBBANK

AUDITED REPORTS

GUO MEI COMPANY LIMITED 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 production and sale of boiler oil,engineering oil,industrial oil,equipment oil,wholesale and retail of petroleum products.
- b) To carry on the business of selling boiler oil.
- c) To carry on the business of engineering oil and industrial oil..
- d) To carry on the business of equipment oil,wholesale and Retail of petroleum products.
- e) Design and installation services for comprehensive product technical solution, local production and assembly of our product
- f) To provide supporting documentation required for manufacturing of and sale of boiler oil,engineering oil,industrial oil,equipment oil,wholesale and retail of petroleum product.

Study Approach:

- a) Participatory: Semi- structured interview and discussion were held with the Company's Directors, stakeholders in packaging works and related businesses
- b) Physical visits to the company's main business premises
- c) A brief market survey on different industries in Tanzania, who produce the same product like the one we produce.
- d) Conduction of profitability/viability test of the investment, using the appropriate financial projections for the initial period of five years proposed for the business operations.

THE PROJECT

Project Concept

The project involves establishing a new MANUFACTURING AND SALE OF BOILER OIL, ENGINEERING OIL, INDUSTRIAL OIL, EQUIPMENT OIL, WHOLE SALE AND RETAIL OF PETROLEUM PRODUCT. industry; this will include construction of and installations of modern machines, purchasing vehicles, new generator etc.

The planned production capacity is 1,300,000 liters..

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 materials production machinery, motor vehicles and their assorted and equipment from China and other overseas suppliers and entering into agreements for the purchase/ acquisition of those assets.
- Consigning the purchased machinery and motor vehicles including all the equipment and accessories from countries of their origin to Tanzania

Clearing of all the purchased goods from the ports of entry and transporting them to the company's premises at **Region Iringa , District Iringa CBD ,Ward Kitwiru , Village Kibwabwa ,plot no 201, Block Industry.**

- Installation of the machinery, registration, insuring and licensing of the vehicles ready for deployment in the company's business

PROJECT OBJECTIVES

Development Objectives:

GUO MEI COMPANY LIMITED V 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 construction materials.

Immediate Objectives:

- a) To manufacture and sale of boiler oil, engineering oil, industrial oil ,equipment oil wholesale and retail of petroleum products 1,300,000/= per year.
 - b) Creating employment opportunities to skilled and semi-skilled Tanzanians in industrial operations, including their supplies and distribution in the company's business.
- C)To carry on the business of sale of boiler oil, engineering oil, industrial oil ,equipment oil wholesale and retail of petroleum products .

OVERVIEW OF THE MANUFACTURING

- **The economy**

Tanzania is one of the fastest growing economies in Africa, thanks to the sustained economic reforms which are being undertaken since the late 1980's.

The country's economy has been constantly growing since mid-1990 by average of 5.9%, and now growing at average of 7% which make Tanzania economy to be among the fastest growing economy in Africa and world at large. The overall vision is to transform the sector of the economy from the present level of per capital GDP of about US\$867 to medium developed country with an average per capital GDP of around US\$2,500 (National Development Vision 2025), the GDP from manufacturing 926,333 TZS million.

- **Manufacturing Industry**

Tanzania manufacturing sector contributes 5.6% to the country GDP in 2014 with \$2.69bn compared to \$1.47bn in 2009, representing an increase of 82%.

Tanzania's manufactured goods imports tripled over the past 5 years increasing from US\$497.7m in 2010 to US\$1.4 billion in 2015 accounting for 25% of Tanzania's total exports value

BOILER OIL,ENGINEERING OIL,INDUSTRIAL OIL,EQUIPMENT OIL,WHOLESALE AND RETAIL OF PETROLEUM PRODUCTS.

Boiler Control Market by Boiler Type (Water tube boiler and Fire tube boiler), Control Ty (Modulating control and On/Off control), Component (Hardware and Software), End-Use (Industrial and Commercial), and Region - Global Forecast to 2023.

The global boiler control market was valued at USD 1.71 billion in 2017, it is projected to reach US by 2023, at a CAGR of 6.09%, during the forecast period. Increasing need for minimizing carbon footprint and improving efficiency through the implementation of artificial intelligence, increasing investments in renewable power generation p integration of burner management system for optimization of the boiler process, and need for replacing aging power p developing regions of Asia Pacific and the Middle East & Africa are the driving factors of the boilers control market.

The global industrial oils market size was valued at \$62.4 billion in 2021, and industrial oils industry is projected to reach \$85.9 billion by 2031, growing at a CAGR of 3.3% from 2022 to 2031.

Industrial Oils Market by Source (Soybean, Rapeseed, Sunflower, Cottonseed, Corn, Palm), Type (Grade I, Grade II, Grade III), End Use (Bio fuel, Paints and Coatings, Cosmetics and Personal Care Products, Pharmaceuticals), Region - Global Forecast to 2025

The industrial oils market was estimated to account for a value of USD 60.2 billion in 2019 and is projected to grow at a CAGR of 5.0% from 2019, to reach a value of USD 80.7 billion by 2025.

The bio-diesel industry is projected to be a major revenue generator for industrial oils manufacturers in the coming years due to its reduced environmental impact. In addition, the industrial sector in the emerging countries of the Asia Pacific region is growing with countries such as China and India, which are the hub of industrial oils, due to the expanding chemical, bio-diesel, and cosmetics industries Attractive Opportunities in the Industrial Oils Market CAGR 5.0%

Global Oilfield Equipment Market size was valued at USD 118.04 Billion in 2022 and is poised to grow from USD 125.01 Billion in 2023 to USD 169.26 Billion by 2031, growing at a CAGR of 3.9% in the forecast period (2024-2031)

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

BUSINESS ENVIRONMENT ANALYSIS;

Management:

GUO MEI COMPANY LIMITED as a corporate entity is managed under the Board of Directors. Day to day management of its conducted under the company's Managing Director who will be assisted by directors, Managers, senior officers etc.

The Managing Director will be closely assisted by well qualified professionals in the manufacturing of of this products, 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:

GUO MEI COMPANY LIMITED policy aim at two objectives:

- Further penetration/entrenchment into 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 for its products and plan strategies for its penetration

GUO MEI COMPANY LIMITED is expecting to face competition from existing industries which controls a sizeable market .

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 product produced

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 profit able throughout the project period, after the foregoing economic and financial evaluation of the project; we strongly recommend that

GUO MEI COMPANY LIMITED Board of Directors approval and accept the business proposal. The new project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

GUO MEI COMPANY LIMITED

	<i>US\$</i>
<i>PARTICULAR</i>	
<i>Land and Buildings</i>	<i>100,000.00</i>
<i>Machinery & Equipment</i>	<i>300,000.00</i>
<i>Motor Vehicles</i>	<i>40,000.00</i>
<i>Furniture & Fixtures</i>	<i>10,000.00</i>
<i>Pre exp</i>	<i>10,000.00</i>
<i>Others</i>	<i>10,000.00</i>
<i>Working Capital</i>	<i>130,000.00</i>
<i>TOTAL</i>	<i>600,000.00</i>

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

<i>DETAILS</i>					
<i>CURRENCY</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
<i>SALES</i>	780,000	965,700	995,000	996,700	998,700
<i>TOTAL INFLOW</i>	780,000	965,700	998,000	999,700	1,000,000
<i>COST OF SALES</i>					
<i>Opening Inventory</i>	0	330,260	350,689	356,000	299,990
<i>Add: Production Cost</i>	620,000	500,000	499,000	496,000	495,000
<i>Less: Closing Inventory</i>	-330,260	-350,689	-356,000	-299,990	-370,000
	289,740	479,571	493,689	552,010	424,990
<i>GROSS PROFIT</i>	490,260	486,129	504,311	447,690	575,010
<i>OPERATING EXPENSES</i>					
<i>Administration Expenses</i>	100,200	90,400	90,500	90,600	100,000
<i>Sales and Distribution Expenses</i>	100,100	92,300	90,200	90,300	102,000
<i>Finance Cost</i>	100,100	92,300	90,400	90,500	90,900
<i>Depreciation Expense</i>	8,000	8,000	8,000	8,000	8,000
	0	0	0	0	0
<i>TOTAL OPERATING EXPENSES</i>	308,400	283,000	279,100	279,400	300,900
<i>PROFIT FOR THE YEAR</i>	181,860	203,129	225,211	168,290	274,110

GUO MEI COMPANY LIMITED
PROJECTED STATEMENT OF FINANCIAL POSITION FOR 5 YEARS FROM 2024 - 2028

	2024	2025	2026	2027	2028
<i>DETAILS</i>					
<i>CURRENCY</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>	<i>USD</i>
<i>ASSETS</i>					
<i>NON-CURRENT ASSETS</i>					
<i>PPE</i>	74,000	75,000	76,000	79,000	80,000
<i>TOTAL NON-CURRENT ASSET</i>	74,000	75,000	76,000	79,900	80,000
<i>CURRENT ASSET</i>					
<i>Inventory</i>	330,460	350,989	356,000	299,690	370,000
<i>Trade Receivables</i>	50,000	54,000	54,000	105,900	57,500
<i>Working Capital</i>	130,000	130,000	130,000	130,000	130,000
<i>Cash and Cash Equivalent</i>	30,000	35,600	35,800	36,900	37,000
<i>TOTAL CURRENT ASSET</i>	540,460	570,589	575,800	572,490	594,500
<i>TOTAL ASSETS</i>	614,460	645,589	651,800	652,390	674,500
<i>EQUITY AND LIABILITIES</i>					
<i>EQUITY</i>					
<i>Share Capital</i>	280,000	280,000	280,000	280,000	280,000
<i>Retained Earnings</i>	90,909	91,455	92,100	93,000	126,800
<i>TOTAL EQUITY</i>	370,909	371,455	372,100	373,000	406,800
<i>LIABILITIES</i>					
<i>Trade Payables</i>	130,551	145,589	148,260	146,900	133,900
<i>Other Payables</i>	113,000	128,545	131,440	132,490	133,800
<i>TOTAL LIABILITIES</i>	243,551	274,134	279,700	279,390	267,700
<i>TOTAL EQUITY AND LIABILITIES</i>	614,460	645,589	651,800	652,390	674,500