

JAMROSE PACKAGING COMPANY LIMITED

BUSINESS PLAN

FOR

ESTABLISHMENT OF A PACKAGING BAGS MANUFACTURING PROJECT

1.0. Executive Summary

1.1 Project Concept

This project proposes a project for manufacturing of packaging bags of estimated value of US\$ 2m. The project will be engaged in manufacturing Industrial Packaging Products:

- Polypropylene (PP) woven bags
- Polyethylene (PE) shopping bags
- Laminated and printed bags
- Agricultural and industrial packaging (for maize, rice, fertilizer, sugar, cement, etc.).

The total project investment is USD 2 million, funded through a combination of equity (60%) and debt (40%).

2.2 Company Overview

JAMROSE PACKAGING COMPANY LIMITED, a registered Limited company incorporated under the Companies Act, 2002 on the 19th December, 2024 with registration No.180594434 registered under BRELA, planning to set up a modern Warehouses

2.3 Vision

To be Tanzania's most reliable and technologically advanced in manufacturing of packaging bags.

2.3 Mission

To deliver high-quality packaging bags.

2.4 Objectives

Establishment of packaging bags manufacturing facility and achieve operational profitability by Year 3.

2.5 Location

The project will be located at an surveyed area located at Kichangani, Visiga Ward, Kibaha District, Coast Region

2.6 The Sponsors

JAMROSE PACKAGING COMPANY LIMITED is being sponsoring this project. The Company is jointly owned by three shareholders

Share Holders	% of Share	Nationality
James Paradiso Kimaro	68.75	Tanzania
Mohamed Jumanne Mfinanga	3.48	Tanzania
Antojam Technical & Supply Company Limited	27.77	Tanzania

3.0 Project Summary

The project involves establishing a modern manufacturing plant for packaging bags using polypropylene (PP) and polyethylene (PE) materials. The plant will produce durable, customizable, and environmentally friendly packaging solutions to serve Tanzania's fast-growing agricultural and

industrial sectors., the estimated annual revenue at full capacity is USD 3.5 – 4.0 million

3.1 Project Rationale

- **High local demand:** Tanzania imports a large share of packaging materials for agriculture and consumer goods.
- **Government support:** The industrialization agenda and “Made in Tanzania” initiative encourage local manufacturing.
- **Rapid growth sectors:** Agriculture, construction, and FMCG sectors are expanding fast, driving demand for packaging.
- **Environmental shift:** Tanzania is phasing out single-use plastics, creating demand for reusable woven PP bags.
- **Export opportunity:** Neighboring landlocked countries depend on Tanzanian ports and are potential clients.

4.0 Market Analysis

4.1 Industry Overview

- Tanzania’s packaging market is valued at **over USD 250 million** annually and growing at **8–10%** per year.
- Imports mainly come from China, Kenya, and India.

- Government industrialization policies aim to reduce imports through local production.

4.2 Target Customers

- **Agricultural sector:** Fertilizer, animal feed, maize, rice, sugar, and seed processors.
- **Industrial sector:** Cement, salt, charcoal briquettes, and detergent manufacturers.
- **Retail sector:** Shopping and grocery bags for supermarkets and wholesalers.
- **Export market:** Zambia, Malawi, and DRC import large volumes via Dar es Salaam.

4.3 Competitors

- Local competitors: Azania Packaging, Polyflex Industries, and Motisun Packaging.
- Competitive advantage: lower transport costs, flexible production, custom printing, and quality assurance.

5.0 Technical Plan

5.1 Plant Capacity

Product Type	Annual Capacity	Unit	Share of Output
PP Woven Bags	12 million	pcs	60%
Laminated Bags	4 million	pcs	20%
PE Shopping Bags	8 million	pcs	20%

5.2 Production Process

- **Extrusion** – Melting and stretching polypropylene into tapes.
- **Weaving** – Producing woven fabric using circular looms.
- **Lamination** – Adding protective film or coating.
- **Cutting & Printing** – Custom sizing and branding.
- **Stitching** – Final bag assembly and packaging.

5.3 Machinery and Equipment

Equipment	Quantity	Estimated Cost (USD)
Extrusion Line	1	300,000
Circular Looms	8	200,000
Lamination Machine	1	120,000
Printing Machine (2-color)	1	150,000
Cutting & Stitching Machines	20	100,000
Air Compressor, Chillers, Mixers	–	80,000

Equipment	Quantity	Estimated Cost (USD)
Quality Testing & Packaging Line	–	50,000
Installation, Training, Freight	–	100,000
Total Machinery Cost		1,100,000

5.4 Infrastructure Requirements

Item	Description	Cost (USD)
Land (1–2 acres, lease)	Industrial zone	100,000
Factory Building	1,200 m ²	300,000
Office & Utilities	Admin, store, canteen	100,000
Power & Water Installation	3–phase + borehole	50,000
Vehicles (Truck + Pickups)	Logistics	100,000
Total Infrastructure Cost		650,000

5.5 Working Capital

- Raw materials, wages, utilities, marketing, and buffer stock:
USD 250,000
- Total Project Cost: USD 2,000,000

6.0 Organization and Management

Position	Responsibility
Managing Director	Overall management and strategy
Production Manager	Oversee production and maintenance
Quality Controller	Ensure product standards
Finance Manager	Accounting and cash flow
Sales & Marketing Manager	Customer relations and market expansion
HR/Admin Officer	Personnel and compliance
Technicians & Operators	40 skilled and semi–skilled workers

Total Employment: ~60 workers (direct) and ~25 (indirect)

7.0 Financial Plan

7.1 Key Assumptions

- Annual production: 80% capacity from Year 2.
- Average selling price: USD 0.25 per bag.
- Raw material cost: 40% of revenue.
- Operating margin: 25%.
- Depreciation: 10% on machinery and buildings.
- Tax rate: 30%.

7.2 Projected Financial Summary (USD)

Year	Revenue	Operating Cost	Net Profit	Cumulative Cash Flow
1	1,200,000	1,050,000	50,000	(1,950,000)
2	2,800,000	2,000,000	400,000	(1,550,000)
3	3,600,000	2,400,000	750,000	(800,000)
4	3,800,000	2,600,000	850,000	50,000
5	4,000,000	2,700,000	900,000	950,000

8.0 Environmental & Regulatory Compliance

- Compliance with the **National Environment Management Council (NEMC)** regulations.
- Adoption of **eco-friendly materials** (recyclable PP and PE).
- Industrial license from **Ministry of Industry and Trade**.
- TISEZA Certificate for investment incentives.

9.0 Implementation Schedule

Phase	Activity	Duration
Phase 1	Land acquisition, design, permits	3 months
Phase 2	Machinery procurement & shipping	3 months
Phase 3	Construction & installation	4 months
Phase 4	Recruitment & training	1 month
Phase 5	Trial production & marketing	1 month
Total Project Period		12 months

9.1 Risk Analysis and Mitigation

Risk	Mitigation
Raw material price fluctuation	Long-term supplier contracts
Power interruptions	Backup generator and solar hybrid
Import delays	Partner with local logistics firms
Competition	Focus on quality, customization, branding
Environmental regulations	Use recyclable materials

9.2 Monitoring and Evaluation

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

9.3 Aspect of Project Sustainability

The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project

will be able to operate undisturbed. The growing of Tanzania economy and increase of economic activities in Kibaha gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

10.0 Financing Pattern

The project will be financed by equity by US\$ 800,000 and loan US\$1,200,000

10.1 Project Operating Costs

In order to realize its intended objective, the project will have to meet operating costs which will constitute 20% of total revenue.

10.2 Projected Profit and Loss Statement

The Income and Expenditure Statement show the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US \$ 353,492 in first year to US \$ 2,140,096 in the 5th year.

10.3 Projected Cash Flows

This is shown in the financial statements. The project has a positive accumulated cash flow, accumulated cashflows

grows from 1st year US\$ 495,992 to the US \$ 2,660,596 in 5th year.

10.4 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Shareholder's equity increases from US\$ 800,000 in the first year of operation to US \$ 2,940,096 in the 5th year.

10.5 Projected payback period

Total investment is US \$ 2,000,000 cash accumulation in 4th year is US\$ 2,089,968 which is more than the initial investment, the project payback Period is exactly 4 years, only

11.0 Economic Aspects

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization of available investment opportunities
- The project will increase number of quality packaging bags and affordable
- The project will create employment for 60 people on permanent contract basis as well as on temporary basis and indirect 100+)

- It will create more business opportunities to local suppliers.
- It will generate substantial revenue to the government in the form of corporate tax; value added tax and pay as you earn.
- The project will transfer of knowledge and skills to other manufacturing in the country.
- Increased efficiency in supply chains
- Support for export

12.0 Conclusion and Recommendations

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TISEZA Certificate of Incentives with its associated privileges and benefits as provided.

APPENDIX I

JAMROSE PACKAGING COMPANY LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5
Revenue –Industrial textiles	809,360	849,828	892,319	936,935	983,782
Total Revenue	161,872	169,966	178,464	187,387	196,756
Profit before Depreciation &Interest					
Interest	96,000	76,800	57,600	38,400	19,200
Depreciation	46,500	46,500	46,500	46,500	46,500
Gross Profit	504,988	556,562	609,756	664,648	721,326
Tax (30%)	151,496	166,969	182,927	199,394	216,398
Profit After Tax	353,492	389,594	426,829	465,254	504,928
Accumulated Profit	353,492	743,086	1,169,915	1,635,168	2,140,096

APPENDIX II

JAMROSE PACKAGING COMPANY LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5
Profit before interest and depreciation	–	647,488	679,862	713,856	749,548	787,026
Equity	800,000					
Loan	1,200,000					
Total Sources	2,000,000	647,488	679,862	713,856	749,548	787,026
Applications:						
Capital expenditure	1,855,000	–	–	–	–	–
working Capital & Others	145,000					
Cash	–	495,992	512,894	530,929	550,154	570,628
Tax	–	151,496	166,969	182,927	199,394	216,398
Sub total	2,000,000	647,488	679,862	713,856	749,548	787,026
Total applications	2,000,000	647,488	679,862	713,856	749,548	787,026
Accumulated cash		495,992	1,008,886	1,539,815	2,089,968	2,660,596

APPENDIX III

JAMROSE PACKAGING COMPANY LIMITED PROJECTED BALANCE SHEET US\$

Fixed Assets		1	2	3	4	5
Opening balance	–	1,855,000	1,808,500	1,762,000	1,715,500	1,669,000
Total Long-term Assets	–	1,855,000	1,808,500	1,762,000	1,715,500	1,669,000
Less depreciation	–	46,500	46,500	46,500	46,500	46,500
Closing balance	–	1,808,500	1,762,000	1,715,500	1,669,000	1,622,500
Working capital	145,000	145,000	145,000	145,000	145,000	145,000
Accumulated cash	–	495,992	1,008,886	1,539,815	2,089,968	2,660,596
Total assets	145,000	2,449,492	2,915,886	3,400,315	3,903,968	4,428,096
Financed by						
Equity	800,000	800,000	800,000	800,000	800,000	800,000
Accumulated profit	–	353,492	743,086	1,169,915	1,635,168	2,140,096
Total equity	800,000	1,153,492	1,543,086	1,969,915	2,435,168	2,940,096
Long term loan	1,200,000	960,000	720,000	480,000	240,000	–
Total debts	1,200,000	960,000	720,000	480,000	240,000	–
Total equity and debts	2,000,000	2,113,492	2,263,086	2,449,915	2,675,168	2,940,096

JAMROSE PACKAGING COMPANY LIMITED FIXED ASSETS US\$

NAME OF ASSETS	1	2	3	4	5
Land And Buildings	1,400,000	1,372,000	1,344,000	1,316,000	1,288,000
Machinery, Tools & Equipment	300,000	297,000	294,000	291,000	288,000
Motor Vehicles	150,000	135,000	120,000	105,000	90,000
Furniture & Fixtures	5,000	4,500	4,000	3,500	3,000
Total	1,855,000	1,808,500	1,762,000	1,715,500	1,669,000
DEPRECIATION	1	2	3	4	5
Land and buildings	28,000	28,000	28,000	28,000	28,000
Machinery tools & Equipment	3,000	3,000	3,000	3,000	3,000
Motor Vehicles	15,000	15,000	15,000	15,000	1,500
Furniture & Fixtures	500	500	500	500	500
ANNUAL DEPRECIATION	46,500	46,500	46,500	46,500	33,000

JAMROSE PACKAGING COMPANY LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	240,000	96,000.00	336,000.00	1,200,000.00
2	240,000	76,800.00	316,800.00	960,000.00
3	240,000	57,600.00	297,600.00	720,000.00
4	240,000	38,400.00	278,400.00	480,000.00
5	240,000	19,200.00	259,200.00	240,000.00