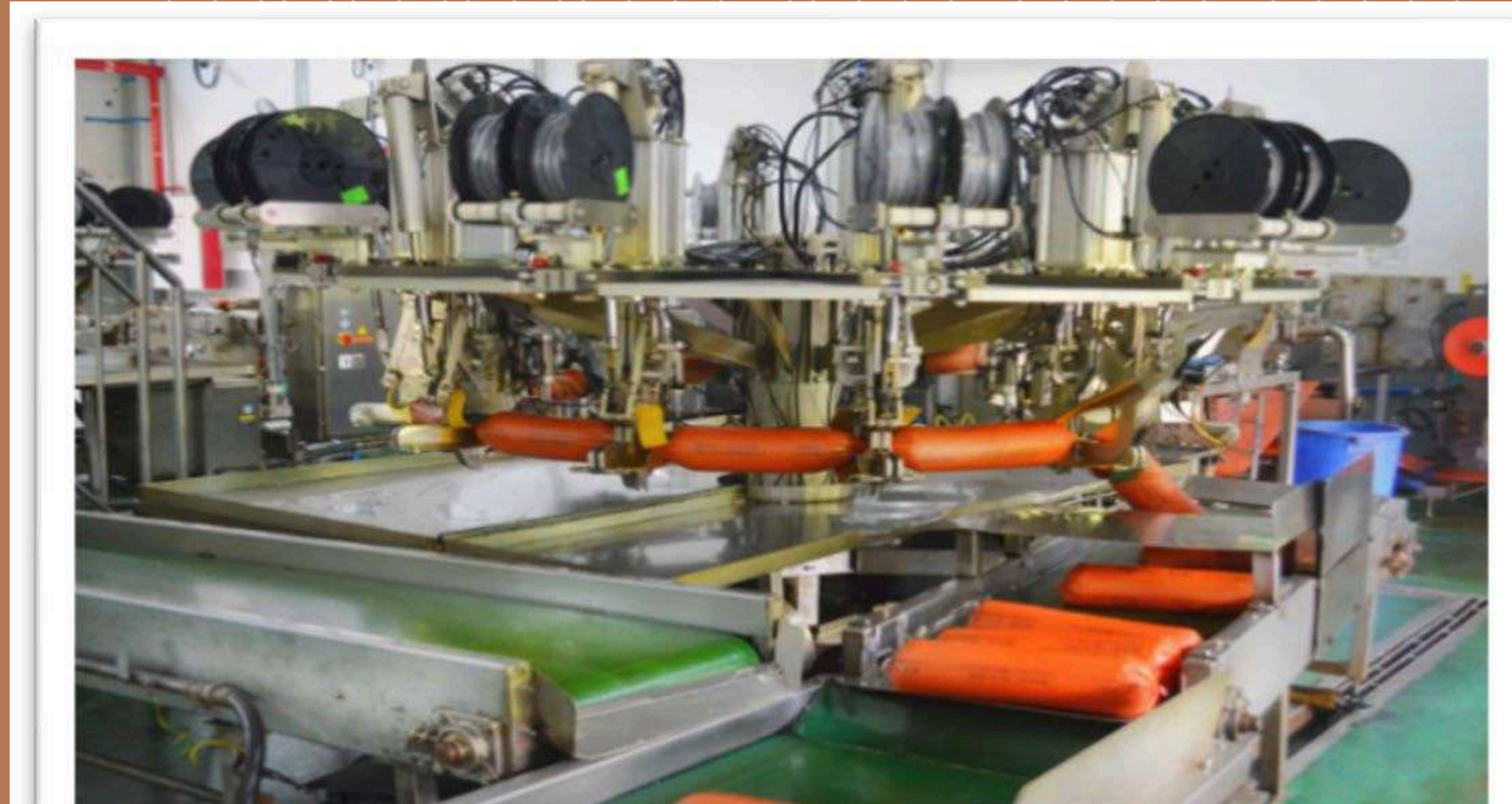


# TANZANIA HONGDA CIVIL EXPLOSIVES COMPANY LIMITED



## BUSINESS PLAN

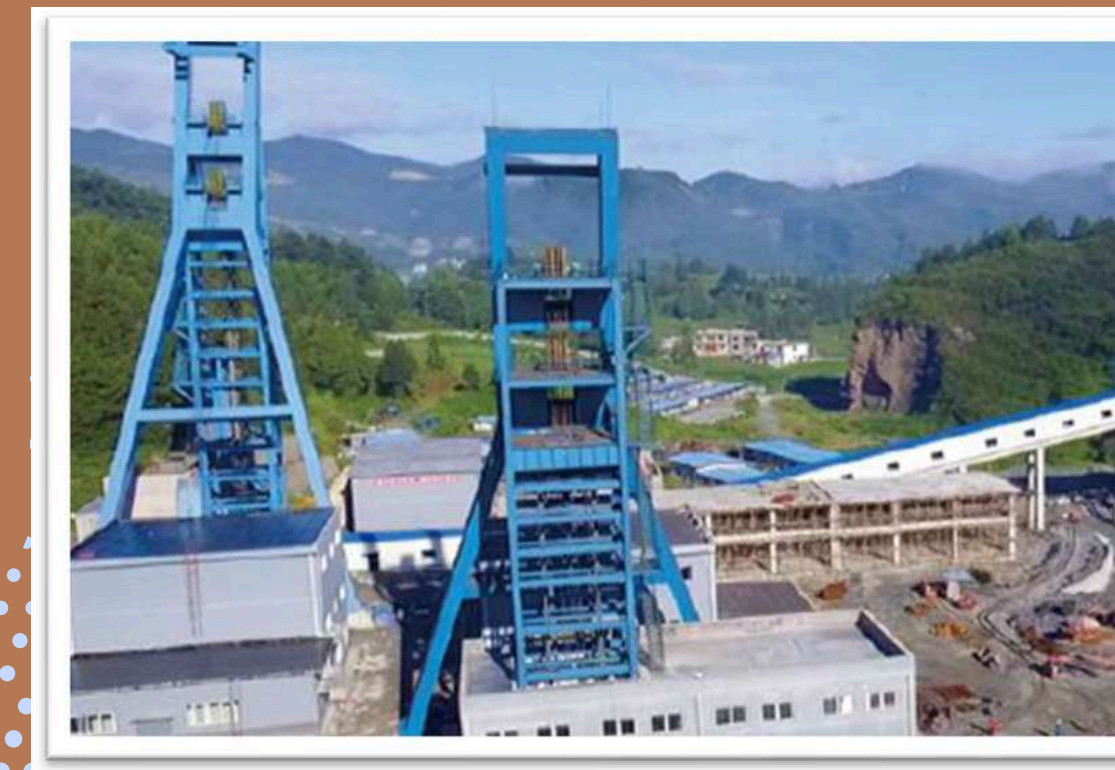
# Executive Summary

1

Tanzania Hongda Civil Explosives Company Limited, a registered limited liability company, seeks to establish a state-of-the-art industrial explosives supply chain in Tanzania. The project comprises two key phases: the construction of ammonium nitrate and civil explosives storage warehouses, followed by the establishment of a manufacturing plant for detonators and industrial explosives. This investment is positioned to support Tanzania's rapidly expanding mining and infrastructure development sectors by offering a reliable, safe, and cost-effective local alternative to imported explosives.

2

With a registered capital of approximately USD 6.2 million and additional foreign direct investment (FDI) commitments, this project will deliver long-term strategic value to Tanzania's economy. It will enhance industrial safety, improve supply chain efficiency, and create significant employment opportunities while contributing to the country's industrialization agenda.



# COMPANY OVERVIEW

**Company Name:** Tanzania Hongda Civil Explosives Company Limited

**Legal Structure:** Limited Liability Company

**Registered Capital:** Approx. USD 6.2 Million

**Industry Sector:** Mining and Industrial Explosives



Tanzania Hongda Civil Explosives Company Limited is an industrial investment entity focused on improving Tanzania's self-sufficiency in critical mining inputs. The company brings international expertise, capital investment, and a firm commitment to compliance with all Tanzanian laws and global best practices.



# PROJECT OVERVIEW

**Project Name:** Development of Explosives Warehousing and Manufacturing Plant

**Project Duration:** 3 to 5 years (phased implementation)



- 1 Phase 1:** Construction of high-security warehouses for storage and controlled distribution of ammonium nitrate and civil explosives. This phase is essential for supporting immediate market demand and aligning with regulatory requirements under the Explosives Act.
- 2 Phase 2:** Development of an industrial manufacturing plant for detonators and bulk explosives, aimed at reducing dependency on imports and improving local availability and cost efficiency.

## Project Objectives:

- Localize production of essential mining inputs.
- Ensure timely supply and safety in explosives handling.
- Enhance Tanzania's competitive edge in mining and construction.
- Build institutional capacity and transfer skills.



# PROJECT COMPONENTS

## Land Acquisition:

150–200 acres to accommodate warehouse facilities, production units, safety zones, and logistics infrastructure.



## Infrastructure Development:

- Modernized warehouses with 24/7 surveillance
- Explosives manufacturing plant with strict safety controls
- Waste treatment systems and environmental buffers
- Emergency and fire response infrastructure



## Equipment and Technology:

Explosives blending and assembly machinery  
Automated safety systems  
Compliance monitoring tools (aligned with ISO 9001 and ISO 45001)



## Certifications:

Adherence to Tanzanian regulatory standards, plus certification to ISO 9001 (Quality Management Systems) and ISO 45001 (Occupational Health & Safety Management Systems).



# MARKET ANALYSIS & BUSINESS STRATEGY

## Market Demand:

The demand for civil explosives in Tanzania continues to grow with the expansion of gold, coal, and rare earth mineral extraction, as well as large-scale infrastructure projects. Currently, the market is heavily reliant on imports, which are costly and logistically complex.

## Target Clients:

- Large-scale mining operators (e.g., Geita Gold Mine, Barrick, Twiga Minerals)
- Government-led construction and infrastructure projects (e.g., SGR, Mwalimu Nyerere Dam)
- Regional distributors in East and Southern Africa

## Core Products & Services:

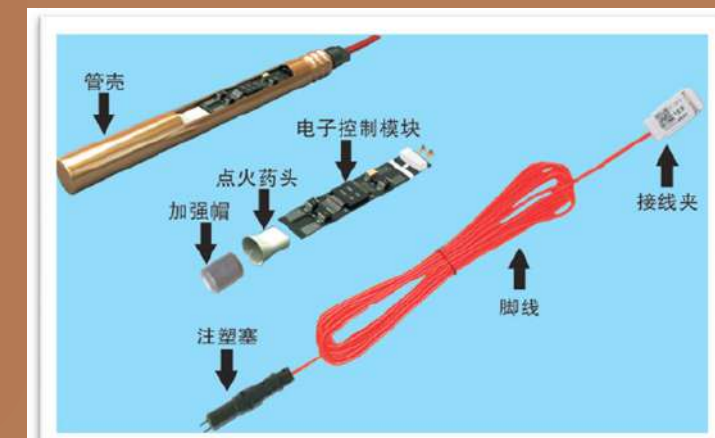
- Ammonium nitrate storage and controlled distribution
- Locally manufactured detonators and industrial explosives
- Technical advisory and on-site handling support

## Sales Strategy:

- Direct contracts with mines and construction companies
- Strategic partnerships with logistics and distribution firms
- Participation in government tenders and framework agreements

## Competitive Advantages:

- Significant cost reduction from local production
- Proximity to clients reduces lead times
- High compliance and safety reputation
- Strategic alignment with Tanzania's local content policy



# Financial Plan

**Land and Infrastructure**

**30%**

**Machinery and Equipment**

**35%**

**Licensing, Permits, and Compliance**

**5%**

**Staffing and Capacity Building**

**10%**

**Working Capital and Contingencies**

**20%**

Initial Capital Injection: Approx. USD 6.2 Million (Equity)

Additional Financing Needs: via FDI, debt or strategic partnerships

Breakdown of Fund Utilization:

Revenue Forecast (5-Year Outlook):

- Year 1-2: Approx. USD 2 Million (warehousing and distribution services)
- Year 3-5: USD 8–12 Million annually (full-scale manufacturing operations)

# EMPLOYMENT & TRAINING



## **Direct Employment:**

50+ full-time positions in engineering, plant operation, logistics, and administration

## **Indirect Employment:**

Over 100 jobs in logistics, raw materials, facility maintenance, and support services

## **Skills Transfer:**

- Explosives handling training
- In-house safety certification programs
- Exchange programs with international technical experts

# ENVIRONMENTAL & SAFETY CONSIDERATIONS



The project integrates robust environmental and safety protocols from inception

- **Environmental Protection:**

- Environmental Impact Assessments (EIA)
- Wastewater and air emissions treatment systems
- Safe disposal of chemical residues and packaging

- **Safety Management:**

- Compliance with national Explosives Act regulations
- International certifications (ISO 45001)
- Firefighting systems and trained emergency personnel
- Access control and round-the-clock monitoring