

HOOTA CO. LIMITED

BUSINESS PLAN

FOR

ESTABLISHMENT OF

PLASTIC RECYCLING INDUSTRY

HOOTA CO. LIMITED

SETTING UP MANUFACTURING SECTOR

1. INVESTMENT PLAN

The Business Plan was prepared by **HOOTA CO. LIMITED** for setting up a manufacturing industry in **PLASTIC RECYCLING**. is a private company limited by shares. It is registered in the United Republic of Tanzania and issued with Certificate of Incorporation Number **177272884** dated **20/08/2024**.The company is expected to commence business as soon as possible in line with the requirements of CAP 432 of the Company Act.

The investment proposal was prepared to show clearly an analysis of the financial, human resource, technical and other resources required for the project and also assess its economic viability and commercial viability in order to allocate funds for the **RECYCLING** sector.

The TIC certificate of incentives will enable the project to qualify for duty exemption for capital goods, deemed capital Goods and VAT Deferral on Capital Goods such as Plant and machinery. The machinery such as Plastic recycling plants, Deemed Capital Goods such as importation of vehicles trucks, etc relieved corporate tax, withholding tax on dividends 10%, Withholding tax on interest. and enjoy services under one stop shop at Tanzania Investment Centre services under one stop shop such as approvals, license and permits such as residence and work permits, Business License, Protection of investment, Arbitration and transfer of foreign currency etc.

2. COMPANY BACKGROUND

HOOTA CO. LIMITED is a private company based in **DAR ES SALAAM**, The Company shareholders are **SHUHUA YANG** and **LINGLING LIN**, with 70% to 30% ownership of shares, **SHUHUA YANG** together with **LINGLING LIN** are the first directors of the company, who oversee its day-to-day operations. Currently the company intends to apply for TIC certificate of incentive in order to be qualify for exemptions provided in **Recycling industry**.

The main purpose of the proposed project is to undertake, operate and manage the recycling industry of plastics goods, correspond with the clients of demand both local, regional and foreign market in the recycling sector. Products especially in this competitive market, the quality of company business will guarantee clients satisfaction in proposed programme.

The recycling sector is becoming the most needed project as it is the major component in the country, regional wide and the world. There is a very high demand for such commencement in all around the country.

HOOTA CO. LIMITED will be one of the only few major industry company's in the country. It is on the basis of the above reasons that the management resolved to invest in establishing and operating a project of recycling business as a business. In setting up the facility, the intended project will be established in three years in setting up facilities for the project and is estimated to be at a cost of **TSHS 5,000,000,000/=**. as capital investment.

3. ECONOMIC GROWTH

The economic growth influenced such movement of plastic recycling growth especially industries and businessmen as the demand is growing everyday for the increased plastics goods usage in Africa and the world.

HOOTA CO. LIMITED intends to maximise the plastic recycling. The project promoters are well established business persons who are to carry out various businesses majoring in recycling sector projects. Having seen the opportunity of exercising in this business the directors are now prepared to establish this project.

4. RECYCLING INDUSTRY FACILITIES;

- Plastic recycling plants
- Plastic auxiliary machine
- Plastic washing line
- Plastic pelletizing line
- Excavators
- Bulldozers
- Compactors
- Skip buckets
- Road sweeping trucks
- Waste weigh bridge
- Cesspit empties
- Supporting vehicles such as pick ups,
- Communication equipment; machines, generators etc

5. THE COMPANYS OBJECTIVES

HOOTA CO. LIMITED is a project for manufacturing Sector established in Tanzania Mainland.

The mission of a proposed project is basically aimed at **plastic recycling marketing** or promotion of the project in order to increase customers need in Tanzania and around the world to achieve the following objective of reducing amount of waste in the environment.

6. PLAN OR PROSPECTS

- (a) Smooth running of the **HOOTA CO. LIMITED** sector plastic recycling business.
- (b) For efficient and effectiveness in operation.
- (c) To increase more facilities for the project i.e work machines with introduction of new technology.
- (d) To increase the volume of the project or capacity of the project to be processed in the oil transportation sector.

The investment proposal was prepared to show clearly an analysis of the financial, human, technical and other resources required for the project and also assess its economic visibility and commercial visibility in order to allocate funds for plastic recycling sector.

The document has been prepared to serve as a business plan for **HOOTA CO. LIMITED** for a project specializing in plastic recycling as a project. The implementation of the project will comprise on the following activities:

- Construction or Setting up of Site with enough space for the operation of industry.
- The Setting up of a modern office and
- Purchasing **CCTV** and communication equipment at the Site.
- Equipping the company with relevant facilities.

The proposed project is estimated to cost about **TZS 5,000,000,000/=**, the project sponsors will provide full funding amounting **TZS 5,000,000,000/=** the terms of equity contribution while the rest **TZS 5,000, 000, 000 / =** will be re investment of cash generated from operations.

7. THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 2 shareholders, namely;

Name	Shares%	Nationality
SHUHUA YANG	70	CHINESE
LINGLING LIN	30	CHINESE

8. LOCATION:

The project head quarter will be In **DAR ES SALAAM**.

9. COMPANYS IMPLEMENTATION SCHEDULE

9.1 JANUARY- FEBRUARY - 2025

- Preparing feasibility study for the land space and the project area at the sited places.
- Registration of the project with Tanzania Investment Centre i.e Application for the Certificate of Incentives.
- Getting the Certificate of Incentives.
- Application for import Duty exemption on machinery, supporting vehicles, workshop equipment, communication equipment, equipment after being awarded certificate of incentives in the establishment programme.
- Purchasing land for industry
- Recruiting new employees, mechanics and other administration staff.

9.2 MARCH- APRIL -2025

- Other neccessary buildings.
- Fully commencement of the plastic recycling business.
- Marketing and selling of the products

10. CAPITAL INVESTMENT COST

1 COSTS AND ESTIMATE VALUE

1.1 Investment costs and estimate value

SN	Item	Description	Amount (In USD)
1	Investment Costs	Investment Cost	2,000,000
		Working Capital	2,000,000
		Total	4,000,000
2	Cost & Estimate Revenue Loss	Estimate of total annual revenue	1,000,000.00
		Total Operational Expenses of Project (Annual)	1,100,000.00
		Interest of bankFacilities	8%
		Commissioning cost 10% material Total annual depreciation expenses	
		Annual Income Tax 30%	
		Total Profit & Loss: (Annual)	
3.	Project Fixed Capital	The costs before commissioning	1,000,000.00
		Land & Landscaping	1,000,000.00
		Civil & Building Implement	1,000,000.00
		Machinery, Office, Workshop & Lab Supplies	1,000,000.00
		Total	5,100,000.00
4.	The costs before commissioning	Costs before commissioning including feasibility study, periodical visits, acquiring investment permits, technology, TIC License of Incentive, Environment License, EWURA, Port Authority (TPA), Municipality, Road Administrative etc	1,000,000.00
		Training Before Commissioning	170,000.00
		Total	1,175,000.00

6.	Transport, Work place & LSupplies	Truck	500,000.00
		Electricity	50,000.00
		Total	550,000.00
7.	Salary and Wages	Staff	100,000
		Operators	100,000
		Other Staffs	50,000
		Total	250,000.00

1.2 Fixed capital depreciation

S/N	Description	Production (Estimated)	Unit Price (USD)	Amount (USD)
1.	Production Average	1500 T per year	2000	3,000,000
Total Cash Income				3,000,000
Deduction (Current Costs)				1,660,000
Deduction (Depreciation Costs)				462,000
Deduction (Banking Fees 12%)				40,000
Net Profit (USD):				838,000

1.3 Period of Investment & Capital Return

1.	Period of Investment & Capital Return	Purchase of machinery, equipment, transport, set-up and putting into operation	1 year
		Commissioning, trial operation, financing & administrative affairs	1 year
		Settling the principal with interest	1 year
		Capital Annual Rate	1 year

2 COMPANY FINANCING

Description	Total (USD)	Banking Loan	Customer Share
Fixed Costs of Project	4,550,000.00	0	10000
Cost of Circulating Capital 15% of Current Expenses	-	-	-
Total	4,550,000.00	0	10000

The intended project is to be implemented within 1 years. The company promoters (shareholders) have resorted to register the project with Tanzania Investment Center (TIC) and securing the certificate of incentives.

11.FINANCIAL PLAN (SOURCE OF FUNDS)

HOOTA CO. LIMITED has firmed up finances for the implementation programme by its fund and Loan.

Foreign equity	<u>USD \$ 6,550,000.00</u>
TOTAL	USD \$ 6,550,000.00

12.GRAPHITE PROJECT RECYCLING

- (i) Plastic recycling plants
- (ii) - Plastic auxiliary machine
- (iii) - Plastic washing line
- (iv) - Plastic pelletizing line
- (v) - Excavators
- (vi) - Bulldozers
- (vii) - Compactors
- (viii) - Skip buckets
- (ix) - Road sweeping trucks
- (x) -Waste weigh bridge
- (xi) - Cesspit empties
- (xii) -Supporting vehicles such as pick ups,
- (xiii) -Communication equipment; machines, generators etc
- (xiv) Generators
- (xv) pipelines
- (xvi) Pickups
- (xvii) workshops.

13. SUBMISSION

HOOTA CO. LIMITED submits the investment proposal and it's application to the Tanzania Investment Centre (TIC) for registration and award of certificate of Incentives for the commencement of the processing project.

The project will soon commence after the company is registered under Tanzania Investment Centre (TIC) and being issued the Certificate of Incentives. Thereafter the company will import the project facilities such as; trucks and spare parts.

14.ECONOMIC GROWTH

The current economic growth which had been registered in Tanzania, as the result of investment, business, constructing have attracted more investments as well as processing and business in the Tanzania such as the intended recycling sector project. The economic growth influenced such movement of goods especially business are in demand and are growing day by day for the increased production plastic goods and products.

15.SALES AND MARKETING STRATEGIES

Strong demand for recycled plastics is working in the industry's favor. Major users of plastic packaging, apparently responding to consumer desires, have begun incorporating at least some recycled plastic content in their products as part of the growing interest in recycling. Recycled resin demand is on the rise as prices for the two major recycled resins, PET and HDPE, continue to hold value or appreciate,

In volume, PET is currently the number one recycled resin. Supply of recycled PET is in excess of two million tones per year. This figure is expected to grow, reaching over twenty million tones during the next few years. The plastics industry has developed new markets and applications for recycled resins from both post-consumer and post-industrial sources. **HOOTA CO. LIMITED** wants to take this opportunity in investing in this sector for the benefits of the company, and country's economy.

In our sales strategies we will use the below mentioned strategies to attract and retain your clients.

- (i) **Unique Selling Proposition (USP):**
The Company will use comprehensive recycling solutions and new advanced recycling technologies.
- (ii) **Pricing Strategy:** The company will offer discounts to attract new customers.
- (iii) **Marketing Strategies: advertisement**
Advertisement which forms part of the marketing strategy, will be embarked upon in the newspapers, street banners, social media marketing, google ads, brochures, content marketing and later on in the televisions in a manner benefiting the promotional role of any company products.
- (iv) **Sales Strategies:** sales strategies to be used will include direct sales calls.
- (v) **Customer Retention:** The company will introduce loyalty programs, discounts& offers, personalized service, etc.

16 .BUSINESS STRATEGY

Inorder to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets.

- (i) Advertisement and Promotion,
- (ii) Employing qualified and experienced operators at the site,
- (iii) On job training,
- (iv) Business Discipline.

17. COMPETITION

Despite there being a numbers of recycling companies in Tanzania, still the comodity is not enough compared to the level of demand. Our main competitors are established plastic recycling business companies who have been in the business for many years and established monopoly and dominance of the market share in this line of business in the country. However, our products will be of new design and high quality.

18. ENVIRONMENTAL ISSUE

The **HOOTA CO. LIMITED** project and implementation is enviromental friendly. The workshop activities of services will not cause any harm to living things.

19. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors **SHUHUA YANG** together with **LINGLING LIN** are the directors of the company, who oversee its day to day operations and they are well versed in distribution of the business.

20. MANPOWER AND TRANSFER OF TECHNOLOGY

HOOTA CO. LIMITED being a recycling sector/ project will base in the using of modern teachings or workshop activities. The advantages to the country are quite significant, and will get the advantage of value addition due to such a natural sources in the country.

The proposed project will cause more people to be employed in, different types of personnels, operators, security guards, accountants, and about 1000 local people and foreigners will increase their income, improve their social welfare and pay taxes; it is poverty alleviation programme to them. Local employees will get on job training in a long run will improve the technical competence in the project.

21. CONCLUSION AND RECOMMENDATION

The financial evaluation of the project done so far indicates that this project will be profitable both economically and financially viable venture. There are many other benefits directs and indirect of this project.

The management being experienced businessmen possesses ample managerial capabilities in various business disciplines.

Based on the above factors, it is recommended that the company should be granted the certificate of incentives for the implementation of the project so that the project will operate and enjoy tax exemption on capital and deemed goods and increase its production capacity.

22. FINANCIAL AND ECONOMIC ANALYSIS

a. Projected Profit and Loss Account

The company envisages generating a profit of USD \$ 838,000 this operating year. The profit amount is expected to remain steadily for the consecutive years up to years 5. The expectation is that the company will start its operations with full capacity and remain stable throughout, as it shown on the table Appendix 1

b. Projected cash flows

The projected cash flows for the next five years indicate that the company will have enough funds to service and repay the loan and interest payments. Hence the financial obligations will be met in a timely fashion, as it is shown on the table of Appendix 2

23.3 Proposed Balanced Sheet

The projected balance sheet shows healthy financial situation. Short term liabilities are all times covered by fixed assets. Also current liabilities are adequately covered by current assets.

Appendix 1

HOOTA CO. LIMITED

PROJECTED INCOME STATEMENT

(Fig. USD \$ '000')

	FY	FY	FY	FY	FY
	2026	2027	2028	2029	2030
Particulars					
Turnover	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Cost of Sales	500.00	500.00	500.00	500.00	500.00
Gross Profit	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00
Overheads	840.00	840.00	840.00	840.00	840.00
Interest Cost	360.00	360.00	360.00	360.00	360.00
Depreciation	462.00	462.00	462.00	462.00	462.00
Total	1,662.00	1,662.00	1,662.00	1,662.00	1,662.00
Profit before tax	838.00	838.00	838.00	838.00	838.00
Less: Corporate tax	251.40	251.40	251.40	251.40	251.40
Net Profit after tax	586.60	586.60	586.60	586.60	586.60

Appendix 2

HOOTA CO. LIMITED

PROJECTED CASHFLOW

(Fig. USD \$ '000')

	FY	FY	FY	FY	FY	FY
	2025	2026	2027	2028	2029	2030
Particulars						
Opening Balance	0.00	775.00	975.00	1,175.00	1,375.00	1,575.00
Share	2,000.00					
Loan	4,500.00					
Revenue		3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Total Inflow	6,500.00	3,775.00	3,975.00	4,175.00	4,375.00	4,575.00
Investment	4,550.00					
Cost before commissioning	1,175.00					
Salary		250.00	250.00	250.00	250.00	250.00
Transport		550.00	550.00	550.00	550.00	550.00
Operational Expenses		1,100.00	1,100.00	1,100.00	1,100.00	1,100.00
Other current costs		500.00	500.00	500.00	500.00	500.00
Banking Fees		40.00	40.00	40.00	40.00	40.00
Loan Interest		360.00	360.00	360.00	360.00	360.00
Total Expenditure	5,725.00	2,800.00	2,800.00	2,800.00	2,800.00	2,800.00
Balance c/f	775.00	975.00	1,175.00	1,375.00	1,575.00	1,775.00

Appendix 3

HOOTA CO. LIMITED

PROJECTED BALANCE SHEET

(Fig. USD \$ '000')

	FY	FY	FY	FY	FY
	2026	2027	2028	2029	2030
Assets					
Net Fixed Assets	4,550	4,088	4,088	4,088	4,088
Net Current Assets					
Current Assets	2,587	3,635	4,222	4,808	5,395
Less: Current Liabilities					
Net Current Assets	2,587	3,635	4,222	4,808	5,395
Total Assets	7,137	7,723	8,310	8,896	9,483
Share Capital, Reserves and Loan					
Share Capital	2,000	2,000	2,000	2,000	2,000
Directors Current A/c	0	0	0	0	0
Reserves	587	1,173	1,760	2,346	2,933
Total	2,587	3,173	3,760	4,346	4,933
Loan	4,550	4,550	4,550	4,550	4,550
Total Reserve & Loan	7,137	7,723	8,310	8,896	9,483