

BUSINESS PLAN

For

Importation of Machineries & Equipment in the establishment of Motor Vehicle Assembly Plant

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Prepared by

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1.0 EXECUTIVE SUMMARY

FUTURELOOM COMPANY LIMITED is a limited liability company incorporated on 8th January 2025 under the laws of the United Republic of Tanzania and issued with Certificate of Incorporation No. 181-007-656. The company is owned by LI YOUZHOU (20%), WANG JIANXIANG (7%), and ZHU HAIBIN (73%). FUTURELOOM was formed to develop and operate a new plant at Mkuranga District, Coast Region of Tanzania where there will be assembling of motor vehicles. All the parts will be imported from China and the plant will have capacity to assembly 2,000 of brand new motor vehicles per month.

The project entails construction of factory building, purchase and installation of plant and machinery, acquiring supporting equipment, acquiring motor vehicle parts as raw materials requirements and working capital to finance the purchases and importation. The total project cost is estimated at **USD 3.995 million** and will be funded by shareholders themselves.

The company will be assembling brand new motor vehicles for local market only. The company has established strategies to get into the market and ready to compete with the rival distributors.

They are going to commence the project in the next 30 days from now and all necessary infrastructures are ready and still others will be imported from time to time.

2.0 INTRODUCTION OF THE BUSINESS PLAN.

2.1 Overview of This Business Plan.

This business plan has been written to FUTURELOOM COMPANY LIMITED with two main objectives;

2.1.1 To be used as a guiding tool to support the inauguration and operation of the new plant based on the financial and human resources the company have and what are aspirations in the coming 5 years of business operations.

2.1.2 To serve as the basis to assess company`s need of receiving tax incentive from **Tanzania Investment Centre (TIC)** based on the financial resources to support the project which will eventually attract revenue generation and employment creation.

Research and market analysis have been conducted to assess the viability and applicability of the nature of this business, the outcome of the research provided concrete evidence to support this line of business. Furthermore, the preliminary financial and investment projections demonstrate the business will generate substantial income from this project because of having reliable markets to sell the products.

2.2 Purposes of the Proposal

The specific purposes of this proposal are:

- Assess the viability of proposed line of business.
- Review general viability of the proposed business, the supply and demand situation in the market, and the amount of financing required as additional working capital.
- Discuss the technical, management, and operational options of the business.
- Analysis the operational and management aspects of the company to determine its capability by considering the industry challenges and overall growth of the company.

3.0 COMPANY BACKGROUND

3.1 Ownership

FUTURELOOM COMPANY LIMITED was registered one month ago with certificate of incorporation number 181007656 dated 8th January 2025 by Business Registration & Licensing Authority (BRELA) in Dar es Salaam, Tanzania under the Directorship of:

(1) LI YOUZHOU (20%), a mechanical expert and industries operators with 15 years of field experience and unmatched experience in management of reputed businesses.

(2) WANG JIANXIANG (7%), who has 10 years of unmatched experience in management of various reputed businesses.

3.2 Location and Facilities

The Company's site is located in the plot number 11 block D, Mkuranga Industrial Area, Mkuranga District in Coast Region. This location is strategic for the company's management and future expansion.

3.3 Mission

Become the largest supplier of high quality brand new motor vehicles in Tanzania for local market with the highest standards of industrial practices, creating sustainable value to shareholders, employees, suppliers, customers, business partners, host communities and environment sustainability by optimizing the company's resources.

3.4 Vision

To become the largest supplier of high quality brand new motor vehicles to Tanzania and East and Central African Countries.

3.5 Business Strategy

To set up a plant for motor vehicles assembly at Mkuranga District in Coast Region which is considered as strategic location and proximity to Dar es Salaam, Morogoro, Tanga and Dodoma Regions.

3.6 Strategic Objectives

1. To be a respectable and reliable company in the fields of motor vehicles assembling industry, which has been making progress continuously in the world and our country.
2. To develop continuously with principle of quality management services quality that provided by considering the competition, productivity, and profitability with values which requires high responsibility ,discipline and with our competent manpower.

3.7 Keys to Success

The Company has been promoted by Directors who command a wide network of contacts and clientele in transportation industry and its businesses operational area:

- Seasoned management with over 15 years of business experience in production and trading of vehicles industry.
- Focused and well-defined long-range goals for longevity. Our plan has been developed to allow flexibility and growth.
- Strong marketing goals with niche products and services; targeted services and products delivered with unique marketing approaches.

4.0. BUSINESS OPERATIONS AND PRODUCT DESCRIPTION

The project will be implemented at Mkuranga District in Coast Region which is known area for industries. The parts will be packaged in small boxes which will be imported from China, then will be assembled them at the factory as state-of-the-art assembly plant. The plant provides employment and technical expertise to local Tanzanians, employing 52 technicians who assemble up to 2,000 motorcycles per month. Motorcycle taxis, commonly known as "boda-bodas," are a popular mode of transportation in urban areas, offering quick and convenient rides to commuters. Local special circumstances, such as the geography and road conditions in Tanzania, also influence the Motorcycles market. The country has diverse terrains, including rural areas with poor road infrastructure. This

creates a demand for motorcycles that are suitable for off-road travel and can withstand challenging conditions.

Additionally, the high population density in urban areas contributes to the demand for motor vehicles as a means of navigating through traffic congestion.



5.0 INDUSTRY AND MARKET ANALYSIS

5.1 Industry Analysis

Underlying macroeconomic factors play a crucial role in the development of the Motorcycles market in Tanzania. The country's economic growth and rising disposable incomes have increased the purchasing power of consumers, enabling them to afford motorcycles. Additionally, the government has implemented policies to promote the growth of the transportation sector, including the reduction of import duties on motorcycles. These factors have created a favourable environment for the expansion of the Motorcycles market in Tanzania. In conclusion, the Motorcycles market in Tanzania is experiencing significant growth due to changing customer preferences, market trends, local special circumstances, and underlying macroeconomic factors. The shift towards more affordable and fuel-efficient models, the rise of Chinese motorcycle brands, the increasing demand for motorcycles for commercial purposes, and the influence of local geography and road conditions are all contributing to the development of the market.

The country's economic growth and government policies also play a vital role in driving the growth of the Motorcycles market in Tanzania.

The Motorcycles market in Tanzania has been experiencing significant growth in recent years, driven by various factors such as changing customer preferences, market trends, local special circumstances, and underlying macroeconomic factors. Customer preferences in the Motorcycles market in Tanzania have been shifting towards more affordable and fuel-efficient models. This is primarily due to the increasing cost of living and the need for cost-effective transportation options. Customers are also looking for motorcycles that are durable and require minimal maintenance, as well as those that offer good value for money. Additionally, there is a growing demand for motorcycles with higher engine capacities, as they are perceived to be more powerful and suitable for long-distance travel. One of the key trends in the Motorcycles market in Tanzania is the rise of Chinese motorcycle brands. These brands have gained popularity due to their affordability and reliability. Chinese motorcycles are often priced lower than their counterparts from other countries, making them more accessible to a wider range of customers. The availability of spare parts and after-sales service for Chinese motorcycles has also improved, further contributing to their popularity in the market. Another trend in the market is the increasing demand for motorcycles for commercial purposes. Many individuals and businesses in Tanzania rely on motorcycles for transportation and delivery services. This demand is driven by the need for efficient and cost-effective solutions in the transportation sector.

5.2 Market and Demand Outlook

In Tanzania, the demand for motor vehicles , particularly their three-wheeled "Bajaj is," is high, with Bajaj being a dominant player in the market due to their affordability and widespread use as public transportation, commonly referred to as "bodabodas" in the country; this demand is further fuelled by the ease of access to spare parts and service centers across Tanzania.

- In 2025, the revenue in the Motorcycles market in Tanzania is projected to reach US\$264.10m.
- It is expected to show an annual growth rate (CAGR 2025-2029) of 0.19%, resulting in a projected market volume of US\$266.10m by 2029.
- The largest segment in the market is On-road Motorcycles, with a projected market volume of US\$125.60m in 2025.
- The unit sales of Motorcycles market in Tanzania are expected to reach 127.30k motorcycles by 2029.
- The volume weighted average price of Motorcycles market in the country in 2025 is expected to amount to US\$2.06k.
- In terms of market share, Bajaj Motorcycles is expected to have the highest share in the selected region, with a motorcycle unit sales share of 0.0% in 2025.
- The value market share of Bajaj Motorcycles in Tanzania is expected to stand at 0.0% in 2025.
- From an international perspective, it is shown that the most revenue will be generated India, with a projected revenue of US\$33,470.00m in 2025.
- Tanzania's motorcycle market is experiencing a surge in demand due to the country's growing population and the need for affordable transportation.

6.0 Implementation schedule

The project implementation schedules cover the activities starting from the project planning, evaluation, approval, testing, trial-run and commissioning. The implementation program requires a total of 10 months starting from the project approval up to plant commissioning and starts commercial production.

The cost for project implementation shall include project management, project design, detail engineering, procurement of plant and machinery, erection and commissioning, consultancy services and personnel training. The table below indicates processes, activities and time frame for project implementation.

Start- up Schedule	Particular/Activity	Time frame (Months)
1	Ordering of equipment/machineries	2 Months
2	Supplier to prepare the ordered equipment /machineries	1 Month
3	Shipping	3 Month
4	Importation and Installation plant and supporting equipment	1 Months
5	Trial running and Commissioning	1 Month
7	Starting assembling	2 Months
Total		10 Months

The Company will be staffed with eligible personnel with corresponding authority and responsibility for achievement goals and objectives of the company. The highest body of company will be Board of Directors responsible for handling policy issues, approving strategic plan and follow up activities of General Manager.

7. ENVIRONMENT AND SOCIAL IMPACT

In adherence to regulations, the company obtained environment guidelines from National Environment Management Council regarding milling project. The following environment factors have been considered in order to protect environment as well as to comply with other regulatory bodies including OSHA, TBS.

a. Factory Design

The factory designs are planned properly in a way that not only is environmentally friendly but also aesthetically appealing. The facility will comprise of the processing plant, office space, warehouse, an open and a reserve water tank which will be designed to allow adequate ventilation and lightning to minimize energy consumption.

b. Plants, Machinery and Equipment

The equipment designs make and capacity ratings have been carefully selected based on their suitability and minimal environmental emissions as advised by industrial experts.

8.0 ORGANIZATION STRUCTURE AND MANAGEMENT

8.1 Organization Structure

The organization structure will be staffed with eligible personnel with corresponding authority and responsibility for achievement goals and objectives of the company. The highest body of the company is Board of Directors responsible for handling policy issues, approving strategic plan and follow up activities of the General Manager.

The General Manager is accountable to the Board of Directors and responsible for planning, executing, monitoring and controlling whole activities of the company. Further to that, General Manager will be responsible for management of day to day business operations and will lead five departments as follows:

a. Human Resource and Administration Department

This is the main department which will handles all matters of the company. It will be responsible for rules and regulations, security of the employees and other facilities to workers. This department also encircles quality control, production, security and information technology departments.

b. Commercial Department

This will be the most important department of the company. It is responsible for management of finance, sales and marketing activities of the company.

c. Procurement, Stores and Logistics Department

This is the most important department of the factory. The function of this department is to deal with raw materials procurement and logistics as well as handling store goods.

d. Production Department

The main function of production department is to produce maximum high quality of products. The department has to maintain a quality standard for products and their raw materials which are being tested with different laboratory. The department will also handle the equipment in the process and packing house.

e. Mechanical Department

The mechanical department is merged with electrical department and has mechanical workshop that provides all equipment for smooth running of the plant. In case of failure of machine or any part this department is responsible for repair. The operation activity of mechanical department is to provide mechanical and electrical maintenance and repair.

8.2 Governance Structure

The company will operate as a motor vehicles assembling project. Since the scale of operation is relative medium, there will be a diversified Board of Directors with Board Charter will be formed to manage the project. The Board of Directors will be involved with numerous responsibilities among others including:

- Oversee management, finances, and quality;
- Set strategic direction of the company;
- Build community relationships;
- Establish ethical standards, values, and compliance; and
- Select General Manager and monitor his or her progress.

8.3 Staff Plan

The total manpower required for the project is 57 people for production operations, marketing and administration with a total wage bill of USD 38,400 per month. The table below indicates staff plan for the project.

- Shareholders
- Board of Directors
- General Manager
- Commercial Manager Procurement & Logistics Manager
- Production Manager Human Resource and Administration Manager
- Technical Manager.

Details of Human Resource Title	Number of Employee	Monthly Salary (USD)	Total Monthly Salary (USD)
General Manager	1	3,500	3,500
Commercial Manager	1	2,500	3,500
Procurement and Logistics Manager	1	2,500	2,500

Production Manager	1	3,000	3,000
Technical Manager/Quality Controller	1	3,000	3,000
Accountant	2	650	1,300
Marketing Officer	2	650	1,300
Procurement Officer	2	650	1,300
IT Officer	1	700	700
Supervisor	3	1,000	3,000
Maintenance Technician	2	650	1,300
Workers - Adm & Operations	40	350	14,000
Total	57	38,400	

9. INVESTMENT COST AND FINANCING PLAN

9.1 INVESTMENT COST

The total project cost is estimated at **USD 3.995 million** made up of the following items

a. Plant & Machinery:

b. Supporting equipment (Generator, weighbridge, Tanks and transformers)

c. Furniture and Fittings

d. Motor vehicles

e. Pre-operation Expenses

h. Initial Working capital to cater for raw material, electricity, water, salaries, packing materials and marketing and distribution expenses. The table below indicated details of estimated investment cost.

	Items	Amount-USD
1	Supporting Equipment	445,000
2	Plant & Machinery	2,000,000
3	Furniture, Fittings and Fittings	30,000
4	Motor Vehicle	250,000
5	Pre-operation Expenses	20,000
6	Initial Working Capital	1,250,000
Total		3,995,000

9.2 FINANCIAL ASSUMPTIONS BEHIND THE PROJECT TO BE IMPLEMENTED

	PROJECT DESCRIPTIONS
a	The project will be the assembling of motor vehicles
b	The first year capacity of the plant is 5,000 units and will be growing by 1,000 year on year based on the demand
c	The direct costs will take up to 45% of the total revenue
d	Since there will be various products to be produced each with different prices, the prices are estimated at the current market trend and will be growing by inflation rate at 5% year on year.

9.3 SALES FORECAST / REVENUE PROJECTIONS

The Project has much expectation on having great sales as the number of clients are expected to be high due to growing on demand for motor vehicles growing year on year. And these sales will be increasingly based on the current and future demand.

We have depicted the financial highlights and analysis for the projected 5 years of operations.

Revenue Projections									
"USD"	Year 1			Year 2			Year 3		
	Unit	Price/Unit	Total Annual Sales	Unit	Price/Unit	Total Annual Sales	Unit	Price/Unit	Total Annual Sales
SALES OF ASSEMBLED VEHICLES									
Electric Tri - Cycle	2,500	2,150	5,375,000	3,000	2,258	6,772,500	3,500	2,370	8,296,313
Bajaj	2,500	2,740	6,850,000	3,000	2,877	8,631,000	3,500	3,021	10,572,975
Net Revenue			12,225,000			15,403,500			18,869,288

Year 4			Year 5		
Unit	Price/Unit	Total Annual Sales	Unit	Price/Unit	Total Annual Sales
4,000	2,489	9,955,575	4,500	2,613	11,760,023
4,000	3,172	12,687,570	4,500	3,330	14,987,192
		22,643,145			26,747,215

The reason behind the growth of revenue is supported by the fact that the un limited demand for assembled motor vehicles taking into the level of massive investment in the operational efficiency of the project to curb all the opportunities as market potentials.

9.4 PERSONNEL PLAN ANALYSIS

"USD"	Qt	Year 1	Year 2	Year 3	Year 4	Year 5	
Net Revenues		12,225,000	15,403,500	18,869,288	22,643,145	26,747,215	
Staff Salaries	Monthly Income						
General Manager	1	3,500	42,000	43,050	44,126	45,229	46,360
Commercial Manager	1	2,500	30,000	30,750	31,519	32,307	33,114
Procurement & Logistics Mngr	1	2,500	30,000	30,750	31,519	32,307	33,114
Production Manager	1	3,000	36,000	36,900	37,823	38,768	39,737
Technical Manager	1	3,000	36,000	36,900	37,823	38,768	39,737
Accountants	2	650	15,600	15,990	16,390	16,799	17,219
Marketing Officer	2	650	15,600	15,990	16,390	16,799	17,219
Procurement Officer	2	650	15,600	15,990	16,390	16,799	17,219
IT Officer	1	700	8,400	8,610	8,825	9,046	9,272
Supervisor	3	1,000	36,000	36,900	37,823	38,768	39,737
Maintenance Technician	2	650	15,600	15,990	16,390	16,799	17,219
Workers - Admin & Operations	40	350	168,000	172,200	176,505	180,918	185,441
Total Salary	57		448,800	460,020	471,521	483,309	495,391
Benefits							
Percent (%)			10%	10%	10%	10%	10%
Total benefit costs			44,880	46,002	47,152	48,331	49,539
Total S & M Compensation			493,680	506,022	518,673	531,639	544,930
% of Revenue			4.0%	3.3%	2.7%	2.3%	2.0%

The projected staff costs are in consideration from the investment in the newly expansion phase of the project with experienced staff team which will yield the maximum output in the coming phases of productions. The staff budget is in line with the expected levels of operating income and we are comfortable.

At full capacity the plant will have a total of 57 staff with different disciplines with vast experiences in the manufacturing, finance and marketing and strategic business experts.

9.5 DIRECT COSTS ANALYSIS

"USD"	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	12,225,000	15,403,500	18,869,288	22,643,145	26,747,215
Cost of Revenue					
Spare & parts	5,501,250	6,931,575	8,491,179	10,189,415	12,036,247
Other materials	90,000	94,500	99,225	104,186	109,396
Other overhead costs	50,000	52,500	55,125	57,881	60,775
Total Direct Costs at 100% capacity	5,641,250	7,078,575	8,645,529	10,351,483	12,206,418
Gross Profit					
	6,583,750	8,324,925	10,223,758	12,291,662	14,540,797
% of Revenue	53.85%	54.05%	54.18%	54.28%	54.36%
Salaries and wages	448,800	460,020	471,521	483,309	495,391
Insurance	10,000	11,000	12,100	13,310	14,641
Utilities	3,000	3,300	3,630	3,993	4,392
Miscellaneous expenses	7,500	8,250	9,075	9,983	10,981
Total Administrative and Operating costs	469,300	482,570	496,326	510,594	525,405
Other Expenses					
Loan repayments	-	-	-	-	-
Depreciation	397,476	437,224	480,946	529,041	581,945
Total Cost of Revenues	866,776	919,794	977,271	1,039,635	1,107,350
% of Revenue	7.1%	6.0%	5.2%	4.6%	4.1%
Allocation of Cost of Revenue between:					
Variable	5,641,250	7,078,575	8,645,529	10,351,483	12,206,418
Fixed	469,300	482,570	496,326	510,594	525,405
Total	6,110,550	7,561,145	9,141,855	10,862,077	12,731,823

The components of direct costs (costs of revenue) are in line with the targeted levels of production revenue which give us comfort in the generation of strong operating income which will lead to sustainable profitability. The projected operating income are promising which will be able to cover both short-term and long-term obligations on time without delay.

9.6 INCOME STATEMENT ANALYSIS

"USD"	Year 1	Year 2	Year 3	Year 4	Year 5
NET REVENUES	12,225,000	15,403,500	18,869,288	22,643,145	26,747,215
DIRECT COSTS	5,641,250	7,078,575	8,645,529	10,351,483	12,206,418
% of Revenues	46%	46%	46%	46%	46%
EARNINGS FROM OPERATION	6,583,750	8,324,925	10,223,758	12,291,662	14,540,797
% of Revenues	54%	54%	54%	54%	54%
ADMINISTRATIVE AND OPERATING COSTS	866,776	919,794	977,271	1,039,635	1,107,350
% of Revenues	7%	6%	5%	5%	4%
PROFIT BEFORE TAX	5,716,974	7,405,131	9,246,487	11,252,028	13,433,448
% of Revenues	0%	0%	0%	0%	0%
TAXES	1,715,092	2,221,539	2,773,946	3,375,608	4,030,034
NET EARNINGS	4,001,882	5,183,592	6,472,541	7,876,419	9,403,413
% of Revenues	33%	34%	34%	35%	35%
<i>Cumulative Earnings</i>	4,001,882	9,185,474	15,658,014	23,534,434	32,937,847

The Comprehensive Income analysis of the project is one among the things showing the going concern of this business and likelihood survival in next three decades. The Company's projected numbers are showing consistency in the making profitability. This will be tremendous increasing a year to year thus showing business efficiency and prosperity in the coming phases of production.

10.0 CONCLUSION AND RECOMMENDATIONS

The Company is planning to open plant for assemblies of brand new motor vehicles in Mkuranga District, Coast Region, Tanzania. The promoters are confident that the project will operate successfully of which investors are assured their return of capital to be invested due to the following reasons;

- a. The company will recruit competent management team to run the project.
- b. The project will be implemented under turnkey contract and hence implementation, completion and operation risks will be mitigated.
- d. The project is located in Coast Region where the availability of proper infrastructure is not a problem.
- f. The infrastructure to facilitate production is available at the project site.
- g. The project is technically, financially and commercially feasible and hence worth for implementation and hence it worth for implementing.