

TUNAVE TANZANIA LIMITED

BUSINESS PLAN

FOR

MANUFACTURING OF BABY DIAPERS SANITARY PADS

1.0 INTRODUCTION

This report has been prepared for **TUNAVE TANZANIA LIMITED** a local registered company under Companies Act, 2002 with certificate of incorporation No. 184644738 issued on 5th May, 2025 by BRELA. The project intends to engage in the business of manufacturing of baby diapers sanitary pods and related products.

1.2 THE PROJECT CONCEPT

Most of Tanzania families can't imagine living without baby diapers. To meet the rising demand for accessible baby hygiene solutions in Tanzania, **TUNAVE TANZANIA LIMITED** propose launching a line of high-quality, affordable diapers designed for local needs. The product will prioritize super absorbency and leak-proof protection while using gentle materials suitable for infants' skin. Cost-effectiveness will be central-offering bulk purchase discounts and smaller trial packs to encourage adoption among price-sensitive households.

Ladies sanitary and maternity pads are the most essential items women cannot do without when the timings are bad. It is one of product that has a perfect inelastic demand.

The machines are planned to be installed at Plot No. 655 Tamco Industry area Kibaha Costal region. This location is ideal for this

kind of business as it easily accessible for delivering raw material to the factory and products to the market. And the location is situated as it is in the business area for the targeted market.

This business plan determines the benefits that will be derived from the proposed business plan. And also shows the promoter's capacity and commitment in financing and developing this proposal.

This document will guide the promoter on how to develop the project and shows his commitment and the benefit to be gained by the TIC accepting this proposal.

1.3 **LOCATION**

The manufacturing facilities will be located at Plot No. 655 Tamco Industry area Kibaha Coastal region. This location is suitable for this business. The location is suitable for this kind of production as the machines are environmentally friendly and the infrastructure for new factory and roads are good to connect to other areas of the city and upcountry.

The communications on the area are quite good to support the development of the business as the factory is close to the main road, spacious that it can accommodate large fleet of Lorries for deliveries of raw materials from the port and the delivery

van. Its strategic location within the consumers' area increases the marketability of the products.

The plant will be powered by TANESCO and a 20 kVa stand by generator will be in place to support the erratic power supply from the giant utility supplier.

The Area is the most accessible area to locate a new factory. The growth of the city of the region over the last decade has created a reliable road network to most major cities and towns in the northern and central parts of Tanzania (in fact, Dar es salaam is known as the Gate Way to all regions and neighbouring countries. In addition, it should be noted that the location of the company allows for a strong penetration strategy due to its close proximity the other regions and neighbouring countries.

The project will acquire some trucks and for the transportation of the raw materials to the factory and finished products to the markets.

The major products will be:

- Baby Diapers
- Sanitary Pods

The project promoter expects to serve domestic market and later will enter into export markets where they anticipate

selling produced products in Malawi, Zambia and in other foreign markets.

1.4 THE SPONSORS

TUNAVE TANZANIA LIMITED will be sponsoring this project.

The Company is owned by Tanzanians.

TUNAVE TANZANIA LIMITED is promoted by two shareholders.

The share capital of the company is Tanzania shillings fifty Million (50,000,000/=),

Name of shareholders	% of shares	Nationality
TUNAVE TRADING LIMITED	99.99	Hongkong, China, Company
DAQIANG MA	0.01	Chinese

1.5 PROJECT MANAGEMENT

TUNAVE TANZANIA LIMITED will be under the Management of Managing Director, the Managing Director who has experience in managing various businesses over 10 years, under this management which are well qualified individuals in their area of specialization, **TUNAVE TANZANIA LIMITED** is expected to reach highest heights as per planned development proposal.

Total 150 people will be employed

1.6 **PRODUCT AND RAW MATERIAL BASE**

Since the sustainability and productivity of the project will highly depend on availability of raw materials, **TUNAVE TANZANIA LIMITED** will be manufacturing Baby diapers and Sanitary Pads. These raw materials are processed by machine to be able to produce the high-quality products.

Advantages:

- Lower cost
- Flexible and high strength
- Can make different size depending on the moulding
- Can be stored for long time
- Long life due to durability
- Can be recycled so as to prevent environmental degradation
- The machines can work for long hours (24 hours nonstop)

The raw materials and machines for baby diapers and sanitary pods are readily available in China, USA and Turkey etc. This material is of very superior quality that fits well with the kind of machine being used for production.

This raw material is prepared to fit into machines specifications and this make them to reduce production costs.

2.0 **AN OVERVIEW OF BABY DIAPERS PRODUCTS INDUSTRY IN TANZANIA.**

Tanzania in general is in many aspects in short supply hygienic and sanitary products especially in the low-end street markets where most of the urban and rural dwellers reside. Baby diapers significantly improve infant health and quality of life in Tanzania by enhancing hygiene, reducing infections, and easing childcare burdens. Traditional cloth alternatives often require frequent washing with limited clean water, increasing risks of skin irritation and other diseases. Disposable diapers especially affordable, locally made options will help prevent these issues while saving time for caregivers. They also support infant comfort and better sleep, contributing to early development. For working parents, diapers are a practical solution that aligns with Tanzania's growing health awareness and economic needs.

2.1 **SANITARY PADS**

One of a very essential products a lady cannot miss is the pad. Pads have no substitute and lady cannot do without when the timings are bad. Any ladies at the age of puberty need pads to control menstruation period monthly and delivering period. The age group is between 13-55 years. Hence the product is one of much sought at product in the shops around the world. Economies can go up or down but will never affect their sales.

3.0 TRADING CONDITIONS AND LICENSE PROCEDURES FOR MANUFACTURING BUSINESS.

The Government of Tanzania has simplified procedures for trading and manufacturing to encourage manufacturing sector.

Any trader basically is expected to have a business licence obtained from Ministry of Industry, Trade and Marketing, Tax Identification Number (TIN) from Tanzania Revenue Authority, Industrial Licence from BRELA, etc

4.0 MARKETING ASPECTS

4.1 THE PRODUCTS

The main products of the proposed project mainly involve different categories of hygienic products such as:

- Baby diapers
- Sanitary pads

4.2 SUPPLY POSITION AND COMPETITION

For a country whose economy is heavily reliant on importation of industrial products from abroad developing an industry that deal with hygienic products does not only add to the economic development of the country but also create employment and reduce dependence on importation and create a chance also for export markets baby diapers and sanitary pads help a great deal to household healthy improvement and businesses alike. As lack of

cleanliness pose a great danger of one's health also pose a great danger of losing clients in hospitality industry for lack of having these papers. Currently, there are two main producers of baby diapers and sanitary pods in Tanzania (soft care, kiss kids for baby diapers and soft care, my girl for sanitary pads) which serve almost the country of Tanzania.

There are two main manufacturers of baby diapers and sanitary pods in Tanzania Soft care and Kiss kids/ my girl. These are the main manufacturer of baby diapers and sanitary pods in the market and there are other brands from South Africa, China and Kenya. **TUNAVE TANZANIA LIMITED** going to be producing **branded** products

In short, our proximity and new technology will enable us to provide a better service to our potential customers: high quality baby diapers and sanitary pods delivered cheaply and faster due to the decrease in transport costs. This is a strong incentive for buyers to switch to our product.

Due to the limited availability of high-quality hygiene products, no stiff competition is foreseen. However, it must be cautioned that the targeted market is very conscious regarding quality. Hence, production of sub-standard products or selling at prohibitive prices will immediately shift customers to competitors.

4.3 DISTRIBUTION

A well-coordinated supply chain will be put in place to make sure all the products are pushed to the market once the production has taken place. The target customers are wholesalers, distributors and retailers. The company is planning to put in place delivery vans that will shuttle through the three municipalities of Dar es Salaam –Kinondoni, Ilala and Temeke. As the product is not seasonal and being used across the demographic setting then all the small shops and kiosk will be directly served as per their needs.

For up country market arrangement is in place to have their orders fulfilled once the payment has been received to our respective bank account. And in turn shipment will be delivery to their preferred logistic company's same day.

4.4 DISTRIBUTION PLAN

- Distribution will be done into 5 stages
- Direct Distribution to retailers in Dar es Salaam that will be accompanied by vigorous advertisement and marketing.
- Distribution to major cities and municipalities (Zanzibar, Arusha, Mwanza, Tanga, Morogoro, Moshi, Dodoma, Mbeya and Iringa).

- Rest of the major towns and municipals (Lindi, Mtwara, Songea, Sumbawanga, Kigoma, Musoma, Bukoba, Singida, Shinyanga, Tabora,
- Districts towns across the country
- Neighbouring countries

4.5 PROMOTION

Appropriate promotion means will be employed after consultations with promotion experts to enable the company properly promote its products to the target market. Generally, the company will put more efforts in promotion by participating in different trade fairs like Sabasaba, Nanenane and any other, **TUNAVE TANZANIA LIMITED** will be sponsoring some activities as promotion strategy.

4.6 COSTING AND PRICING

From the survey made in different supermarkets, wholesalers and retailers' shops, there are differences in pricing depending on quality of the product, since the company will be using new technology; **TUNAVE TANZANIA LIMITED** products will be market based priced after taking into consideration cost of production, the emphases will be on quality and customized services

4.7 ADVERTISING

The company will be using Fm radio and other radio, Television, billboard, Posters, T-shirt etc to promote company's products.

4.8 PACKAGES

The baby diapers, and sanitary pads will be produced and packed into different size and packages depending on the pre determine customer needs and requirements. The machines have the capability of producing on different size and packing them to different quantities.

5.0 MANAGEMENT AND MANPOWER REQUIREMENTS

5.1 MANAGEMENT

A Board of Directors will closely supervising the proposed project as it has been mentioned above. The General Manager will be assisted by properly trained managers in areas of Sales and Marketing, Finance and Administration and Production, who will together comprise the management team.

5.2 MANPOWER REQUIREMENTS.

The management team will be supported by a team of **150** permanent staff in various capacities. Casual laborers will also be employed on a daily or weekly payment basis.

6.0 ASPECTS OF PROJECT SUSTAINABILITY

The project sponsors having studied market environment and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed taking into consideration that, the management has got vast knowledge and experiences in this sector. The growing demand for quality hygienic products gives them assurance of a steady market. The peace and tranquillity that exist in Tanzania is another aspect of assured business sustainability.

7.0 MONITORING AND EVALUATION

The monitoring and evaluation tools that have been successful in various hygiene industry will be applied in this project expanded as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

8.0 PROJECT INVESTMENT COST

The estimated capital investment cost of the project is US \$ 10m

TUNAVE TANZANIA LIMITEDCOST STRUCTURE

PARTICULAR	US\$
Land and Buildings	1,500,000.00
Machinery & Equipment	6,000,000.00
Motor Vehicles	320,000.00
Furniture & Fixtures	10,000.00
Pre exp	0.00
Others	170,000.00

Working Capital	2,000,000.00
TOTAL	10,000,000.00

For the project to be a reality a total investment amounting to US \$10m is needed.

(i) Land and Building: US \$1,500,000

The project area is estimated to be 4,500 square meter of warehouse and budgeted as above, the board of directors has planned to construct a building and warehouse

(ii) Machinery and Equipment: US\$ 6,000,000

US \$6,000,000 is anticipated to be spent on the purchase of various factory tools and equipment which will accommodate new technology.

(iii) Motor Vehicles: US\$320,000

The project will need 2 heavy trucks, 2 light trucks and 1 double cabin pick. These vehicles will be used in transportation of final products and double cabin pick up for administrative purposes.

(iv) Office Furniture and Equipment: US \$10,000

This investment cost item has been estimated to cost US \$10,000. It will consist of office tables, chairs, telephone, fax, machines, file cabinets, sofa chairs etc.

(v) Working Capital: US\$2,000,000

Calculations as well as assumptions for working capital requirements, it is estimated that it will cost US \$ 2,000,000.

9.0 CONSIDERATIONS AND ASSUMPTIONS

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

9.1 PROJECTED PROFIT AND LOSS STATEMENT

The Income and Expenditure Statement shows the projected income for the 8 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US \$ 1,720,180 in** first year to **US \$ 18,582,569 in** the 8th year

9.2 PROJECTED CASH FLOWS

This is shown in the financial statements. The project has a positive end of year cash flow from 1st year **US\$ 2,262,780** of operation to the 8th year **U S \$ 20,683,369.**

9.3 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\$ 4,000,000** in the first year of operation to **US \$ 22,582,569** in the 8th year.

9.4 PROJECT PROJECTED PAYBACK PERIOD

The projected Investment Cost is **US\$10,000,000**, Accumulated cash flow in year 5th is **US\$ 10,577,726**, which is greater than initial investment cost, therefore project payback period is within five years.

10.0 ECONOMIC ASPECTS

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

- The project is an ideal option for import substitution project
- The project will create employment for **150 people**.
- It will create more business opportunities to local suppliers which will also have a trickledown effect in the environmental issues.
- 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 have transfer of knowledge and skills to manufacturing sector
- The project will generate foreign earnings.

10.1 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that renovation and installation of machines will be completed within one year:

Implementation

S/N	ACTIVITY	PERIOD
1	Processing TIC industrial license	May 2025
2	Placing order of machines	September-October 2025
3	Installing machines	October-November 2025
4	Recruitment	September-October 2025
5	In house training	October-Novemberr 2025
4	Testing production	Novemberr 2025
6	Commercial operations	December 2025

11.0 CONCLUSION & 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 issued with industrial license with its associated privileges and benefits.

TUNAVE TANZANIA LIMITED PROJECTED INCOME & EXPENDITURE STATEMENT

	1	2	3	4	5	6	7	8
Revenue	12,000,000	12,600,000	13,230,000	13,891,500	14,586,075	15,315,379	16,081,148	16,885,205
Operating Expenses:	9,000,000	9,450,000	9,922,500	10,418,625	10,939,556	11,486,534	12,060,861	12,663,904
Profit before Depreciation &Interest	3,000,000	3,150,000	3,307,500	3,472,875	3,646,519	3,828,845	4,020,287	4,221,301
Interest	480,000	400,000	320,000	240,000	160,000	0	0	0
Depreciation	62,600	62,600	62,600	62,600	62,600	62,600	62,600	62,600
Gross Profit	2,457,400	2,687,400	2,924,900	3,170,275	3,423,919	3,766,245	3,957,687	4,158,701
Tax (30%)	737,220	806,220	877,470	951,083	1,027,176	1,129,873	1,187,306	1,247,610
Profit After Tax	1,720,180	1,881,180	2,047,430	2,219,193	2,396,743	2,636,371	2,770,381	2,911,091
Accumulated Profit	1,720,180	3,601,360	5,648,790	7,867,983	10,264,726	12,901,097	15,671,478	18,582,569

TUNAVE TANZANIA LIMITED PROJECTED CASH FLOW US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	3,000,000	3,150,000	3,307,500	3,472,875	3,646,519	3,828,845	4,020,287	4,221,301
Equity	4,000,000								
Loan	6,000,000								
Total Sources	10,000,000	3,000,000	3,150,000	3,307,500	3,472,875	3,646,519	3,828,845	4,020,287	4,221,301
Applications:									
Capital expenditure	2,430,000	-	-	-	-	-			
working Capital & Others	7,570,000								
Cash	-	2,262,780	2,343,780	2,430,030	2,521,793	2,619,343	2,698,971	2,832,981	2,973,691
Tax	-	737,220	806,220	877,470	951,083	1,027,176	1129873.406	1187306.077	1247610.38
Sub total	10,000,000	3,000,000	3,150,000	3,307,500	3,472,875	3,646,519	3,828,845	4,020,287	4,221,301
Total applications	10,000,000	3,000,000	3,150,000	3,307,500	3,472,875	3,646,519	3,828,845	4,020,287	4,221,301
Accumulated cash		2,262,780	4,606,560	7,036,590	9,558,383	12,177,726	14,876,697	17,709,678	20,683,369

TUNAVE TANZANIA LIMITED PROJECTED BALANCE SHEET USD

<u>Fixed Assets</u>	-	1	2	3	4	5	6	7	8
Opening balance	-	2,430,000	2,367,400	2,304,800	2,242,200	2,179,600	2,117,000	2,054,400	1,991,800
Total Long-term Assets	-	2,430,000	2,367,400	2,304,800	2,242,200	2,179,600	2,117,000	2,054,400	1,991,800
Less depreciation	-	62,600	62,600	62,600	62,600	62,600	62,600	62,600	62,600
Closing balance	-	2,367,400	2,304,800	2,242,200	2,179,600	2,117,000	2,054,400	1,991,800	1,929,200
Working capital	7,570,000	7,570,000	7,570,000	7,570,000	7,570,000	7,570,000	7,570,000	7,570,000	7,570,000
Accumulated cash	-	2,262,780	4,606,560	7,036,590	9,558,383	12,177,726	14,876,697	17,709,678	20,683,369
Total assets	7,570,000	12,200,180	14,481,360	16,848,790	19,307,983	21,864,726	24,501,097	27,271,478	30,182,569
Financed by									
Equity	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Accumulated profit	-	1,720,180	3,601,360	5,648,790	7,867,983	10,264,726	12,901,097	15,671,478	18,582,569
Total equity	4,000,000	5,720,180	7,601,360	9,648,790	11,867,983	14,264,726	16,901,097	19,671,478	22,582,569
Long term loan	6,000,000	5,000,000	4,000,000	3,000,000	2,000,000	1,000,000	-	0	0
Total equity and debts	10,000,000	10,720,180	11,601,360	12,648,790	13,867,983	15,264,726	16,901,097	19,671,478	22,582,569

TUNAVE TANZANIA LIMITED PROJECTED LONG TERM LOAN REPAYMENT US\$

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	1,000,000.00	480,000.00	1,480,000.00	6,000,000.00
2	1,000,000.00	400,000.00	1,400,000.00	5,000,000.00
3	1,000,000.00	320,000.00	1,320,000.00	4,000,000.00
4	1,000,000.00	240,000.00	1,240,000.00	3,000,000.00
5	1,000,000.00	160,000.00	1,160,000.00	2,000,000.00
6	1,000,000.00	80,000.00	1,080,000.00	1,000,000.00

TUNAVE TANZANIA LIMITED PROJECT PROJECTED PAYBACK PERIOD US\$

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulatated Cash Flow
1	1,720,180	62,600	1,782,780	1,782,780
2	1,881,180	62,600	1,943,780	3,726,560
3	2,047,430	62,600	2,110,030	5,836,590
4	2,219,193	62,600	2,281,793	8,118,383
5	2,396,743	62,600	2,459,343	10,577,726
6	2636371.281	62,600	2,698,971	13,276,697
7	2911090.888	62,600	2,973,691	16,250,388

TUNAVE TANZANIA LIMITED COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	1,500,000.00
Machinery & Equipment	6,000,000.00
Motor Vehicles	320,000.00
Furniture & Fixtures	10,000.00
Pre exp	0.00
Others	170,000.00
Working Capital	2,000,000.00
TOTAL	10,000,000.00

