

BUSSINESS PLAN

FOR

MANUFACTURING OF WOOD PRODUCTS

{MEDIUM DENSITY FIBERBOARD (GLOSSY AND VENEERED)}

Prepared by:

**NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED
P.O.BOX 25630
DAR ES SALAAM, TANZANIA**

1. Executive Summary

Company & Project concept

NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 27th February, 2025 and bears Certificate of Incorporation 182700614. Company implements project in Wood Industry.

NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED will be located in Iringa Region, Mufindi District, Kinyanambo Ward.

Our goals and objectives are straightforward and seek to ensure we run a professional, profitable and ethical company, building relationships with customers, suppliers and investors.

Company Goals and Objectives:

In Summary NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED aims to;

- To carry on the business of tree felling and log acquisition.
- To carry on the business of manufacturing furniture wooden flooring.
- To carry on the business of wooden furniture and other finished or semifinished products.
- To carry on the business of sale of timber and products.
- To carry on the business of import and export trade of timber and products.

Purpose of Business Plan

This document is prepared to serve the purpose as a Pre-feasibility study report for NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED for investment in Wood Industry/sector in Iringa Region. But also, the Pre-feasibility study report shall be submitted to TIC for an award of Certificate of Incentives. The implementation of this project will comprise the following activities: -

- To carry on the business of tree felling and log acquisition.
- To carry on the business of manufacturing furniture wooden flooring.
- To carry on the business of wooden furniture and other finished or semifinished products.
- To carry on the business of sale of timber and products.
- To carry on the business of import and export trade of timber and products.

The project promoter, the project will be managed and operated by NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED which is owned by Chinese nationals from China with the following share distribution.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
SHI JIANDONG	CHINESE	25
ZHU TIANRUI	CHINESE	15
ZHANG JIAN	CHINESE	12
XU HONGXING	CHINESE	11
XUE JINYANG	CHINESE	10
YU LIANG	CHINESE	10
CHEN KUI	CHINESE	17

Company Legality, the legal certificates and documents such as Memorandum and Articles of Association, Certificate of Incorporation, Tax Identification Number. Justify that NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED is operating within the ambit of the law of the Land.

Investment Structure, the project is estimated to cost \$500,000, the money covers building structures but also allocated fund include investment in, building structure, Machineries and Equipment, furniture and fittings, pre-expenses and working Capital. The equity contributed by the shareholders is \$500,000 equivalent to 100%. However, a financial policy of the Company state that the profits generated will be re-invested

Forecasted financial Information, Financial information of NATURE ZAWADI WOOD MANUFACTURING COMPANY LIMITED is projected within three years. The company projected profit and loss account show a respectable turnover (for refence you shall see on the last page

Purpose of Project

This document is prepared to serve the purpose as a feasibility study for NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED for establishment of the wood Industry Company. The implementation of the project will comprise of the following: -

- Procurements and installation Machineries and Equipment for this project.
- Equipping the project with all necessary modern furniture and facilities
- Procurement semi-processed raw materials
- Employing more than 20 people.

2.3 Summary of the Expected Results

At the end, the project is expected to achieve the following: -

- Import modern machine in warehouses to accommodate manufacturing process and introduce new technology in Tanzania
- Increase 20 direct employment opportunities.
- Increase tax contributed to the government
- Generate foreign currency.

3. BUSINESS DESCRIPTION

NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 27th February, 2025 and bears Certificate of Incorporate # 182700614. Company implements project which is under Manufacturing sector.

3.1.1. Legal Status

Legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, business license, Tax Identification Number, and value added Tax certificates Justify that NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED is operating within the ambit of the law of the Land.

3.1.2. Mission and Vision

The company vision is to be one of the leading companies in Manufacturing Industry (Primary and Secondary sector).

The current mission of the company is to penetrate the markets within Primary and Secondary sector, particularly wood in Tanzania. The company can achieve this through

- Establishing sustainable business relationship all business sectors in Tanzania.
- Proper and reasonable remuneration of the personnel
- Continuing networking with our esteemed clients.

3.1.3. Project Promoters

The project promoter, the project will be managed and operated by NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED. Current shareholding status is hereby shown below.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
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3.1.4. Operations

The project will be managed and operated by NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED. The Company is finalizing acquisition of operation permits and Tax exemption clearance for machineries and equipment to start the implementation of the project. Management will establish sound operating guidelines to conduct the day-to-day operations of this project.

3.1.5. Project Location

The project shall be implemented at constructed warehouses, administration block which will be spacious to accommodate project of this nature. The project shall be located in IRINGA-TANZANIA

3.1.6. Postal Address

NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED
P. O. BOX 25630
DAR ES SALAAM, TANZANIA

4. Core Activities of the company

NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED will be dealing with establishing and operating the following facilities;

4.1.1. Landscaping of the Area for Investment

In the first phase of the implementation of this project, the Company shall lease a warehouse, import machines, spare parts and equipment.

4.1.2. Installation of Machines.

In this stage the company shall install machines and equipment imported from China.

4.2. Technical requirements of the project

The project implementation shall require some of technical facilities among others include: -

- Installation of Machinery
- Installation of Furniture.

5. WOOD INDUSTRY

5.1 WOOD INDUSTRY IN TANZANIA

The wood industry in Tanzania is a significant sector, particularly for sawmilling and related wood-based products. It's dominated by sawmills producing sawn wood for both domestic use and export, along with smaller-scale wood-based panel industries like plywood, particleboard, and fiberboard. While there's no pulp and paper industry in Tanzania, a small corrugated box plant exists in Dar es Salaam, and there are plans for a larger pulp and paper complex in the future.

The wood and furniture industry in Tanzania plays a pivotal role in the nation's economy, contributing significantly to employment, industrial output, and the livelihoods of many Tanzanians.

In 2015, the forest sector contributed approximately 4.26% to Tanzania's Gross Value Added, equating to about USD 1.7 billion. This underscores its importance in the national economic landscape.

The industry employed around **8,000 individuals** in 2016, representing **6%** of total manufacturing employment. This figure has grown 2.5 times since 2008, indicating a positive trend in job creation within the sector.

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5:2 IMPORTANCE OF THE WOOD INDUSTRY IN TANZANIA

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5.3 WOOD INDUSTRY IN TANZANIA

The wood industry is a key part of Tanzania's economy, contributing significantly to national income and employment. It spans forestry, logging, timber processing, and furniture manufacturing. Tanzania has around 48.1 million hectares of forests and woodlands, offering abundant raw materials. The Southern Highlands region is the main hub for plantation forestry and wood processing. The industry contributes about 4.26% to the country's Gross Value Added (GVA).

It generated approximately USD 1.7 billion in economic output as of recent estimates. Over 8,000 people are formally employed in the wood and furniture sectors. Many more work informally in rural logging, sawmilling, carpentry, and furniture-making. The sector is dominated by small and medium-sized enterprises (SMEs). Most SMEs operate with outdated equipment and limited access to finance. Urban centers like Dar es Salaam host major furniture production clusters such as Keko and Buguruni-Malapa.

Tanzania banned raw log exports in 2006 to promote local processing and value addition. Despite this, the country still faces a trade deficit in wood products due to limited export of finished goods. The furniture market alone is projected to reach USD 606 million in 2025. There is growing domestic demand for furniture driven by urbanization and infrastructure development. Environmental concerns persist, especially due to overuse of wood for fuel and charcoal production. Around 65 million m³ of wood is consumed annually for energy, contributing to deforestation.

Sustainable forestry practices and plantation investments are being encouraged to reduce pressure on natural forests. The sector has strong potential for growth through modernization, skills development, and export-oriented production. With supportive policies and sustainable practices, Tanzania's wood industry can become a major driver of inclusive economic growth.

5.4 PROJECT JUSTIFICATION

The proposed project is under management of NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED is in line with Tanzania Government efforts in accordance to support investment. This has also been noted of recent drive of attracting investors in Tanzania in order to maximize annual earnings from investment and also compete effectively with regional competitors. This also has been complemented by following measures

The government is making a critical review of all existing laws and regulations, taxation and policies with ultimate aim of improving and creating conducive environment for private sector Investment.

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5:5 SOCIAL AND ECONOMIC IMPACT OF THE PROJECT

The proposed project will result into the following social and economic impacts:

- Improvement of the wood and furniture industry in Tanzania
- Increased competitiveness among the wood and Furniture industry in Tanzania
- The project will provide employment for more than 20 people
- The Government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury etc. by this Company.

6. OPPORTUNITY DRIVERS

1.1 Uniqueness location of the project.

Iringa Region in Tanzania is unique in the wood industry due to its large-scale forestry plantations, which contribute significantly to the country's overall forestry sector. It's a major center for forestry plantations, processing, and trade, with a significant portion of Tanzania's plantation forests located in this region. Iringa's location also provides access to markets within Tanzania, regionally, and internationally, making it a hub for forestry activities.

1.2 Government Policy.

The Tanzanian government has implemented several policies and initiatives to promote the development of the wood and furniture industry, aiming to enhance economic growth, job creation, and sustainable resource management.

8. Marketing Information

8.1. Marketing Strategy

8.1.1. Overview

The success of NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED will be achieved by providing high tech products, providing friendly service and employing an aggressive marketing plan to build customer traffic. Today's market requires more than just products and services to make a NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED successful. NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts.

Management will endeavor to create and maintain a positive, appealing image for the customers. This image will be consistently portrayed throughout all marketing channels and sales promotions. The following exemplifies some of the tactics we will use to drive more sales.

9. Management & Administration

9.1. Management

The management team of NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED planned to be constituted by the following management team: -

9.1.1. Board of Directors

NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED be managed by the board of Directors which is the apex body for strategic decision making of the project. Directors of the Company are the ones who having shares in NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED, The Company which shall manage this project.

9.1.2. General Manager

Immediate after Board of Director they shall be a General Manager who will be responsible to take care of mater pertaining operation and managing daily activities of the project as well as other staffs' welfares and report them to the board of directors.

9.1.3. Production Manager

Production Manager will be employed who expected to have an extensive background in the Poultry processing industry. As the production Manager will be directly responsible for all processing functions including processing of poultry and related products.

Under production manager there shall be reasonable number of technical staffs who will be involved in daily processing within this project.

9.1.4. Accountant/cash

An accountant will be employed who expected to have good experience in accounting system as well as he will be responsible in managing cash of NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED but also keeping books of accounts properly.

9.1.5. Management Agreements

Management Agreements will be executed between NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

9.1.6. Confidentiality Agreements

NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED will enforce that all employees sign a confidentiality agreement. Confidentiality agreements with our employees and partners will protect our products, operating systems, policies and procedures. Having confidentiality agreement in place is essential to protect the company's trade secrets, and show our employees that we take our business seriously.

10. Conclusion

- Revenue will be contributed to the Government through various taxes.
- The project will offer continuous direct employment to almost 20 people and create other indirect employment to other people.
- The company looks technically feasible and financially viable. It is therefore recommended that the project be supported.

**NATURE ZAWADI WOOD INDUSTRY
COMPANY LIMITED
INVESTMENT COST PLAN**

<i>COST INVESTMENT STRUCTURE</i>	\$
Current assets	
Working capital	100,000
Opening inventory	80,000
Other	5,000
Property and equipment	
Land	100,000
Building	50,000
Equipment	20,000
Furniture and fixtures	15,000
Plant/Machines	100,000
Motor Vehicles	10,000
Other _____	20,000
Total assets	500,000

NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED
FINANCIAL PROJECTION SUMMARY FROM 2025 TO 2028
PROJECTED STATEMENT OF FINANCIAL POSITION FOR 3 YEARS FROM 2025 - 2028

DETAILS	2025	2026	2027	2028
CURRENCY	USD	USD	USD	USD
ASSETS				
NON-CURRENT ASSETS				
PPE	85,000	86,000	89,000	90,000
TOTAL NON-CURRENT ASSET	85,000	86,000	89,000	90,000
CURRENT ASSET				
Inventory	350,689	356,000	299,690	370,000
Trade Receivables	54,000	54,000	106,800	57,500
Working Capital	130,000	130,000	130,000	130,000
Cash and Cash Equivalent	25,600	25,800	26,900	27,000
TOTAL CURRENT ASSET	560,589	565,800	563,390	584,500
TOTAL ASSETS	645,589	651,800	652,390	674,500
EQUITY AND LIABILITIES				
EQUITY				
Share Capital	280,000	280,000	280,000	280,000
Retained Earnings	91,455	92,100	93,000	126,800
TOTAL EQUITY	371,455	372,100	373,000	406,800
LIABILITIES				
Trade Payables	145,589	148,260	146,900	133,900
Other Payables	128,545	131,440	132,490	133,800
TOTAL LIABILITIES	274,134	279,700	279,390	267,700
TOTAL EQUITY AND LIABILITIES	645,589	651,800	652,390	674,500

NATURE ZAWADI WOOD INDUSTRY COMPANY LIMITED

FINANCIAL PROJECTION SUMMARY FROM 2025 TO 2028

PROJECTED STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME FOR 3 YEARS

DETAILS	2025	2026	2027	2028
CURRENCY	USD	USD	USD	USD
SALES	880,000	898,000	986,000	900,000
TOTAL INFLOW	880,000	898,000	986,700	900,000
COST OF SALES				
Opening Inventory	330,260	350,689	356,000	299,990
Add: Production Cost	498,000	499,000	496,000	495,000
Less: Closing Inventory	-350,689	-356,000	-299,990	-370,000
	477,571	493,689	552,010	424,990
GROSS PROFIT	402,429	404,311	434,690	475,010
OPERATING EXPENSES				
Administration Expenses	90,400	90,500	90,600	100,000
Sales and Distribution Expenses	92,300	90,200	90,300	102,000
Finance Cost	92,300	90,400	90,500	90,900
Depreciation Expense	8,000	8,000	8,000	8,000
-	0	0	0	0
TOTAL OPERATING EXPENSES	283,000	279,100	279,400	300,900
PROFIT FOR THE YEAR	119,429	125,211	155,290	174,110

