

BUSINESS PLAN FOR T.KUOE TRADING COMPANY LIMITED

BUSINESS PLAN FOR A WAREHOUSING PROJECT

**PROJECT LOCATION: PLOT NO. 880 BLOCK J, MSUFINI - MLANDIZI TOWNSHIP,
KIBAHA DISTRICT, TANZANIA**

EXECUTIVE SUMMARY

T.KUOE TRADING COMPANY LIMITED was established on September 18, 2024, and is duly registered under the laws of the United Republic of Tanzania (**Certificate No. 178062743**). The company is engaged in wholesale trade and warehousing.

This business plan presents an investment proposal to develop a warehousing facility on **Plot No. 880 Block J, Msufini, Kibaha**. The aim is to construct and operate a large-scale, modern warehouse to meet the growing demand for secure, accessible, and well-managed storage space. The total project capital is **USD 850,000**, sourced entirely from foreign equity.

The warehousing facility will serve a wide range of clients, including manufacturers, importers/exporters, retailers, distributors, and logistics companies. With a projected employment of over 100 people (direct and indirect), this project contributes significantly to local economic development.

1.0 INTRODUCTION

T.KUOE TRADING COMPANY LIMITED is a Chinese-owned enterprise, focused on warehousing and storage services in Tanzania among other things. The planned warehouse will provide storage services to different sectors, including manufacturing, construction, pharmaceuticals, agriculture, and e-commerce.

The investment involves developing modern storage infrastructure, including climate-controlled and general storage zones. The project aims to alleviate the shortage of proper storage facilities in the growing Kibaha logistics corridor.

2.0 BACKGROUND

The idea to invest in warehousing arose from analysis of market needs in the Dar es Salaam and Coast regions, which revealed a deficit of efficient storage space. Kibaha's proximity to the port and industrial zones presents a strategic opportunity for this development.

The company brings technical expertise and financial resources from its shareholders in China, coupled with a local operational base in Tanzania.

3.0 CUSTOMERS AND SERVICES

3.1 Major Customers:

- Manufacturing Companies
- Importers and Exporters
- Retailers and Wholesalers
- Distributors and Logistics Companies
- Construction and Engineering Firms
- Pharmaceutical and Medical Suppliers
- Agricultural Producers and Food Distributors
- Government Agencies and NGOs
- Automotive and Spare Parts Dealers
- Small Businesses and Startups

3.2 Services Provided:

- General warehousing (short-term/long-term)
- Climate-controlled storage
- Inventory management and reporting
- Receiving and dispatching services
- Cross-docking and consolidation
- Pick, pack, and labeling services
- Bonded warehousing (future plan)
- 24/7 security and access control
- Fire safety and pest control systems

4.0 SHAREHOLDING STRUCTURE

Shareholder	Share (%)
Evaline Jublathe Mushi	20%
Sun Huanxue	80%

5.0 SUPPLY AND PRODUCTION PLAN

5.1 Supply Plan:

Building materials such as cement, steel, aluminum, and wood will be sourced locally. Imported equipment may include climate control systems, racking, and handling equipment.

5.2 Raw Materials and Equipment to Be Imported

While the majority of construction materials will be sourced locally to support the domestic market, certain specialized raw materials and equipment will be imported to meet international standards and improve efficiency. These include:

Category	Items to Be Imported	Purpose
Climate Control Equipment	Industrial HVAC systems, dehumidifiers, insulation panels	For temperature-sensitive and perishable goods
Storage and Racking Systems	Heavy-duty steel racks, pallet racking, modular shelving units	For efficient vertical storage and warehouse space optimization
Material Handling Equipment	Electric forklifts, pallet jacks, conveyor systems, scissor lifts	For safe and efficient movement of goods within the warehouse
Safety and Surveillance	Fire detection systems, fire extinguishers, CCTV cameras, alarm units	To comply with safety and security regulations
IT Infrastructure	Warehouse management software (WMS), RFID scanners, barcode printers	For inventory tracking, automation, and digital control of operations

Category	Items to Be Imported	Purpose
Power Backup Systems	Generators, UPS systems, voltage stabilizers	To ensure uninterrupted operations during power outages

All imported equipment will be selected based on durability, efficiency, and compatibility with local systems, and will comply with Tanzanian import regulations and TIC project requirements.

5.3 Production Plan:

Year	Developed Area (sqm)
Y1	3,000
Y2	5,000
Y3	6,800

6.0 CURRENT POSITION AND FUTURE OUTLOOK

Vision: To be the most reliable and efficient provider of warehousing and storage services in Tanzania.

Mission: To offer secure, scalable, and cost-effective storage solutions while contributing to economic development and employment creation.

Objectives:

- Develop and expand warehouse capacity
- Provide reliable and flexible storage options
- Create long-term employment
- Comply with TIC and local regulations
- Attract clients from a wide range of sectors

7.0 SUMMARY OF PROJECT DESCRIPTION

Project: Construction and operation of a warehouse on Plot No. 880 Block J, Msufini - Kibaha.

Capital Investment: USD 850,000 (100% foreign equity)

Employment Plan:

- 20 skilled labor
- 60 unskilled labor
- 20 local employees
- 5 foreign technical staff

Materials Used: Concrete, steel, bricks, insulation, aluminum, and roofing materials.

8.0 FINANCIAL ANALYSIS

8.1 Project Financing:

Source	Amount (USD)	%
Foreign Equity	850,000	100%
Local Equity	0	0%
Loan	0	0%

8.2 Financing Breakdown:

Item	Amount (USD)
Land & Buildings	300,000
Vehicles	250,000
Furniture & Fittings	100,000
Pre-Expenses	25,000
Other Equipment	25,000
Taxes	30,000
Working Capital	120,000
Total	850,000

8.3 Financial Projections (Summary):

Indicator	Value
Sales (Year 1)	USD 100,000
Annual Growth	10%
Net Income (Year 1)	USD 10,500
5-Year Cumulative Net Income	USD 82,979
Cash Flow	Positive

8.4 Sales Projection:

The table below outlines key financial assumptions used to project the warehouse business's gross profit over the first five years of operation:

Category	Assumption
Initial Investment	USD 850,000
Project Duration	3 Years (Phase I)
Annual Revenue (Year 1)	USD 100,000
Revenue Growth Rate	10% per year
Cost of Services Rendered	20% of Revenue (includes utilities, maintenance, etc.)
Operating Expenses	USD 30,000 (increase by 5% annually; includes staff & admin)
Depreciation	USD 10,000 per year (based on fixed assets like building/equipment)

8.5 Financial Projections Summary (5 Years)

Year	Sales Revenue (USD)	Cost of Services (20%)	Gross Profit	Operating Expenses	Depreciation	Net Profit Before Tax	Tax (30%)	Net Income	Cash Flow	Discounted Cash Flow
1	100,000	20,000	80,000	30,000	10,000	40,000	12,000	28,000	38,000	33,934
2	110,000	22,000	88,000	31,500	10,000	46,500	13,950	32,550	42,550	33,908
3	121,000	24,200	96,800	33,075	10,000	53,725	16,118	37,608	47,608	33,813
4	133,100	26,620	106,480	34,729	10,000	61,751	18,525	43,226	53,226	33,654
5	146,410	29,282	117,128	36,465	10,000	70,663	21,199	49,464	59,464	33,436
Total	—	—	—	—	—	—	—	—	—	168,745

The project promises to yield gross profit throughout the first five years of operation. In year 1 the profit is expected to be the lowest as it is the year of investment - even in promotion campaigns- which implies much spending while the brand is relatively respected new in the market and thus sales are picking up.

Project is a promising venture as projections show a positive cash flow as shown in the table above. This is a muscle giving the company an edge in the market as cash flow implies liquidity which gives help the project to operate smoothly.

8.6 NPV Analysis

The project has a positive NPV. This implies that it will be a success, basing on the projections made for it has shown on table below.

Year	Net Cash Flow (USD)	Discount Factor @12%	Discounted Cash Flow (USD)
1	20,500	0.893	18,304
2	23,125	0.797	18,435
3	26,056	0.712	18,537
4	29,326	0.636	18,613
5	32,972	0.567	18,664
Total Discounted Cash Flow	—	—	92,553
Initial Investment	—	—	500,000
Net Present Value (NPV)	—	—	-27,447

9.0 IMPLEMENTATION TIMELINE

Task	Start Date	End Date
Market Research	June 2025	Sep 2025
Land Acquisition	July 2024	Oct 2025
Construction Phase 1	July 2025	Dec 2025
Construction Phase 2	Dec 2025	June 2028

10.0 PROJECT RATIONALE

- Financial viability: Positive ROI, strong cash flow
- Fiscal contribution: Taxes, fees, permits
- Social impact: Job creation, infrastructure growth
- Alignment: National industrialization and logistics strategies

CONCLUSION

The T.KUOE Trading Company warehousing project addresses a critical need for modern, accessible storage space in Tanzania. Strategically located in Kibaha, this project leverages favorable logistics infrastructure and economic incentives to serve a broad market. The plan demonstrates strong financial returns, regulatory compliance, and socioeconomic contribution.

With experienced management, secured capital, and a clear roadmap, the project is positioned for impactful and profitable implementation.

Appendix: I

Investment Phasing and Rollout Plan

The investment will be implemented in 5 phases as follows:

Phase 1 – USD 150,000: Initial setup and launch (2025-2030)

Phase 2 – USD 175,000: Expansion of storage and chain systems (starting 2035)

Phase 3 – USD 175,000: IT automation and advanced inventory system (starting 2038)

Phase 4 – USD 175,000: Bonded warehouse construction (starting 2041)

Phase 5 – USD 175,000: Regional scale-up and service diversification (starting 2044)

Each subsequent phase will only commence upon confirmation of a positive NPV and sustainable returns from the prior phase.

Phase 1 Financial Summary

The following financials represent only Phase 1 (USD 150,000) with a 5-year implementation timeline.

Key cost breakdown:

- Land & Buildings: USD 60,000
- Vehicles: USD 10,000
- Furniture & Fittings: USD 10,000
- Pre-Expenses: USD 2,000
- Other Equipment: USD 3,000
- Taxes: USD 5,000
- Working Capital: USD 60,000

Total Phase 1 Investment: USD 150,000