

KEDA CERAMIC TANZANIA COMPANY LIMITED .



## EXECUTIVE SUMMARY

Company & Project concept

**KEDA CERAMIC TANZANIA COMPANY LIMITED** is a Chinese limited Multinational Company incorporated in Tanzania under the Company act of 2002, under Cap. 212 of the law of Tanzania. The company has obtained a large scale industrial status in the country with a respective reputation of producing high quality standards tiles that are competent in both internal and external markets, moreover the company has been extended in manufacturing business by opening another larger float glass factory in east Africa that located in Mkuranga same region in Tanzania, here now the Company is intend to implements another project which is under investment of industrial park of leasing.

**The New extensive project Investment of Industrial Park of Leasing** will be located at Mkuranga District Coast Region. The outreach Office will be located at Plot 13 block B and Plot 19-21 Mkiu Mkuranga Pwani Region. The proposed business involves the development and leasing of industrial parks in Tanzania. With the country's growing economy and emphasis on industrialization under initiatives like the Tanzania Development Vision 2025, there is a significant demand for well-equipped industrial spaces. Our venture will provide modern facilities for manufacturing, logistics, and warehousing businesses, along with ancillary services such as office spaces, utilities, and transportation infrastructure.

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.

The implementation period of the project is estimated to be more than twenty(20) years depending on the progress, development and permits to facilitate.

**Business Objectives:** By developing an industrial park Business in Tanzania may lead a results to; -

- ◆ Develop state of the art industrial parks in key economic zones in Tanzania.
- ◆ Achieve 80% occupancy within the first year of operations.
- ◆ Generate a 20% return on investment (ROI) within the first three years.
- ◆ Contribute to Tanzania's industrialization agenda by attracting both local and foreign investors.

**Market Analysis:**

- ◆ **Economic Overview:** Tanzania's economy is projected to grow at a steady rate, driven by investments in industrialization and infrastructure.

- ◆ **Target Market:** Manufacturing firms, logistics companies, warehousing businesses, and small-to-medium enterprises (SMEs).
- ◆ **Competitive Landscape:** While there are existing industrial parks, demand often exceeds supply, particularly for high quality, well-located facilities.
- ◆ **Key Drivers:** Government incentives for industrial development, improving transportation infrastructure, and the growing middle class driving domestic demand.

#### **Business Model:**

- ◆ **Leasing:** Rent industrial spaces to businesses on long-term and short-term contracts.
- ◆ **Value-Added Services:** Offer facility management, security, utilities, and customization office spaces.
- ◆ **Partnerships:** Collaborate with local and international investors, and partner with government bodies to secure tax incentives and grants.

#### **Site Selection and Infrastructure**

**Site Locations:** Priority regions Pwani.

#### **Features:**

- ◆ Flexible modular units for different industries.
- ◆ Advanced utilities (electricity, water, internet).
- ◆ On-site logistics services (loading docks, warehousing).
- ◆ Environmentally sustainable designs.

#### **Company Goals and Objectives:**

##### **In Summary the company objectives are;**

- ◆ Manage **KEDA CERAMIC TANZANIA COMPANY LIMITED** by human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involve
- ◆ Build relationships with investors industrial park of leasing
- ◆ Achieve levels of profit sufficient to provide for reinvestment and suitable returns to shareholders and investors
- ◆ Seek to comply with all statutory legislation and other external relevant authorities. Define and keep under review Company policy, allowing flexibility for local requirements.
- ◆ Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contact
- ◆ Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts.

The project will be managed and operated by **KEDA CERAMIC TANZANIA COMPANY LIMITED** is owned by Chinese citizens from China with the following share distribution;

### **Purpose of the Business Plan**

This document is prepared to serve the purpose as a Pre-feasibility study report for **KEDA CERAMIC TANZANIA COMPANY LIMITED** for investment industrial park. In addition, 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: -

- ◆ Construction of a warehouses, office and production buildings, which will accommodate Installation of Machines and Equipment, administration and storage for this project.
- ◆ Procurement Machinery and Equipment's for this project.
- ◆ Equipping the project will all necessary modern furniture and facilities

The products of the company will be conducted from sustainable sources, ensuring environmental sustainability and social responsibility. The company will target both domestic and international markets.

### **Risk Analysis:**

- ◆ **Market Risk:** Changes in industrial demand can affect occupancy rates.
- ◆ **Mitigation:** Diversify tenant base and provide flexible leasing terms.
- ◆ **Regulatory Risk:** Changes in government policies may impact operations.
- ◆ **Mitigation:** Maintain active communication with regulatory bodies and adapt quickly.
- ◆ **Financial Risk:** High initial investment.
- ◆ **Mitigation:** Secure funding from diverse sources, including equity investors and bank loans.

## **INDUSTRY OVERVIEW:**

**KEDA CERAMIC TANZANIA COMPANY LIMITED** will be dealing with establishing and operating the following facilities;

In the first phase of the implementation of this project, the Company shall construct warehouses, administration buildings that shall be used to accommodate installation of Machinery and Equipment's, administration offices and accommodation.

This consists of the Apartment Building, Commercial offices and Factories, which will be allocated on plots number 19,20,21; Block A, Plot 13, Block B located at Mkiu, Mkuranga District, Coastal Region for the usage of General and Special industry purposes in the name of GOODWILL (TANZANIA) CERAMIC COMPANY LIMITED., administration and residence blocks as well.

Alternative building materials are being explored as a way to deliver these houses on a rapid scale, according to the Centre for Affordable Housing Finance in Africa (CAHF). The Tanzanian housing demand has been boosted by easier access to mortgages, with the number of mortgage lenders in the market increasing from 3 in 2009 to 21 in 2015. The average mortgage interest rate in Tanzania fell from 22% to 16% during the same period.

Tanzania Housing Properties Rentals Property rentals in Tanzania are higher than those founding Kenya's capital, Nairobi for example where a one-bedroom apartment in the city center could be rent at around USD 444.5 a month while in Dar es Salaam it is at an average of USD 775.3 a month. Out of the Dar es Salaam city center, to rent a one-bedroom apartment can cost up to USD 514.34 a month. Tanzania Housing Properties Price Housing price per square meter averages USD 1,200.

## **MARKET ANALYSIS:**

Providing high tech products, providing friendly service and employing an aggressive marketing plan to build customer traffic, will achieve the success of. **KEDA CERAMIC TANZANIA COMPANY LIMITED** the market requires more than just products and service to make **KEDA CERAMIC TANZANIA COMPANY LIMITED** successful. **KEDA CERAMIC TANZANIA COMPANY LIMITED** will constantly strive to enthusiastically win more customers by being proactive rather than reactive in our marketing efforts.

The kind of commercial buildings we have can be used for Commercial and industrial lease for office building, Apartment and many other sectors of investment. With the advancement of science and technology, the development of the national economy and the improvement of people's living standards.

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.

### **INVESTMENT OBJECTIVE:**

The primary investment objective of the business is to import and sale of manufacturing of furniture in Dar es Salaam, Tanzania with a mission of establishing world-class manufacturing of furniture that will make a wide range availability from top manufacturing brands at affordable prices. The structural of manufacturing of furniture's account for more than 42.3 percent of sales, its types include glue-lam, laminated veneer, floor and roof trusses, connectors, joist hangers, tie-downs and framed wall panels.

### **PRODUCTS:**

The proposed business will establish the following Real Estate Sector:

Real estate is defined as the land and any permanent structures, like a home, or improvements attached to the land, whether natural or man-made. Real estate is a form of real property. It differs from personal property, which is not permanently attached to the land, such as vehicles, boats, jewelry, furniture, and farm equipment.

Real estate encompasses the land, plus any permanent man-made additions, such as houses and other buildings. Any additions or changes to the land that affects the property's value are called an improvement

Once land is improved, the total capital and labor used to build the improvement represent a sizable fixed investment. Though a building can be razed, improvements like drainage, electricity, water and sewer systems tend to be permanent.

Real property includes the land and additions to the land plus the rights inherent to its ownership and usage

**The following are types of real Estate:**

**Residential real estate:** Any property used for residential purposes. Examples include single-family homes, condos, cooperatives, duplexes, townhouses, and multifamily residences.

**Commercial real estate:** Any property used exclusively for business purposes, such as apartment complexes, gas stations, grocery stores, hospitals, hotels, offices, parking facilities, restaurants, shopping centers, stores, and theaters.

**Industrial real estate:** Any property used for manufacturing, production, distribution, storage, and research and development. Land: Includes undeveloped property, vacant land, and agricultural lands such as farms, orchards, ranches, and timberland.

Special purpose: Property used by the public, such as cemeteries, government buildings, libraries, parks, places of worship, and schools. The Economics of Real Estate

Investors and analysts keep a close eye on housing starts because the numbers can provide a general sense of economic direction. Moreover, the types of new housing start can give clues about how the economy is developing.



**Investment Costs and Sources of Finances:**

The total investment required for the project is estimated around \$3 million. The funding will be an equity financing from shareholders.

**JOB CREATION:**

The proposed business of import and sale of manufacturing of furniture plant is expected to create over 150 direct jobs and an additional 300 indirect jobs in the supply chain and related industries. The business will employ skilled and experienced personnel, including engineers, technicians, economist, production staff and local people to ensure smooth operations and adherence to quality standards. Additionally, indirect employment opportunities will be created in the supply chain, including transportation, raw material suppliers, and other support service

### Investment Funds Expenditure Breakdown:

The funds raised from the equity will be utilized as follows (USD):

Import:	\$400,000.00
Materials:	\$200,000.00
Vehicles:	\$200,000.00
Furniture & Fittings:	\$100,000.00
Pre-expenses:	\$100,000.00
Others:	\$100,000.00
Working capital:	\$100,000.00

### OPERATIONS PLAN:

**Location:** **KEDA CERAMIC TANZANIA COMPANY LIMITED** will be headquartered in a strategic urban location that offers easy access to construction sites and client meetings.

**Premises:** Our office space will be designed with sustainability in mind, incorporating energy-efficient features and eco-friendly materials.

**Equipment:** We will invest in state-of-the-art construction equipment to ensure efficient project execution and maintain high standards of quality.

**Staffing:** Our team will consist of experienced architects, engineers, project managers and skilled laborers who share our passion for innovation and sustainability.

## **MARKETING PLAN:**

The marketing plan for the import and sale of manufacturing of furniture will focus on the following strategies: Use word of mouth marketing: This marketing strategy is quite common and simple however; besides the influence-rs, customers also depend on hear-say when making their decisions on where to purchase materials, therefore, it is essential to control what is said by other customers, employees and even the influence-rs thus market share will definitely decrease. One effective way of controlling word of mouth is by maintaining close follow up with the customers.

Impress the Influence: Influence include architects, contractors and builders while the consumers are your actual customers having the influence at your corner. This is because most of the time, actual customers depend on the influence's to decide on their behalf or advise them on which materials to use therefore, demonstrating the quality and affordability of the Real estate.

Building a business name: This is the most significant bit of marketing, as far as manufacturing of furniture are concerned. While customers depend hugely on influence's and word of mouth, it is also essential to build a reputable name so that it can speak for itself because of the good quality and reasonable pricing.

Utilize online marketing: The internet has become the core of everything, under the construction industry it has no exception. Building material retailers are also adapting to these changes. In order to keep up, we are active in social media platforms like Facebook, Twitter, Instagram, LinkedIn, Email and YouTube.

## **IMPLEMENTATION SCHEDULE:**

The implementation schedule for the Real estate is estimated to be 15 months, as follows:

Pre-construction phase: 2 months. This will involve site selection, land acquisition, and obtaining necessary permits and approvals.

Design and engineering phase: 2 months. This phase will involve the design and engineering of the materials, including the layout, equipment and machinery selection, and other technical aspects.

Construction phase: 10 months. This phase will involve the construction of the materials and installation of equipment and machinery.

Testing and commissioning phase: 1 months. This phase will involve testing and commissioning of the material and equipment to ensure proper functioning before the start of production

## FINANCIAL PROJECTION: TABLE 1 FINANCING

TABLE 2

<i>Financing</i>	Dollars
<b>Owner's equity</b>	
Cash	\$1,000,000
Contributed asset value	\$380,000
<b>Total</b>	<b>\$1,380,000</b>

## INVESTMENT COST PLAN

<i>COST INVESTMENT STRUCTURE</i>	Dollars
<b>Current assets</b>	
Working capital	\$200,000
Opening inventory	\$100,000
Other	\$38,000
<b>Property and equipment</b>	
Land	\$200,000
Building	\$300,000
Equipment	\$150,000
Furniture and fixtures	\$100,000
Leasehold improvements	\$50,000
Plant	\$100,000
Motor Vehicles	\$50,000
Installation	\$50,000
<b>Total assets</b>	<b>\$1,380,000</b>

**The financial projections for the Furniture manufacturing primary input are as follows:**

As shown in the cash flow statement, we expect to have a steady inflow of cash from sales in the next three years. Our outflow will mainly consist of inventory costs, employee salaries, rent and utilities and marketing and advertising expenses. The net cash flow and cumulative net cash flow are expected to increase annually due to the growth in sales and efficient operation of the business. We aim to achieve profitability within the first five years of operations and this projected cash flow statement shows that we are on track to achieving

These projections assume that the company will gradually increase production capacity and expand its customer base over the years. It also assumes that the cost of raw materials and operating expenses might have slightly variation.

It is important to note that these projections are only estimates and are subject to change based on market conditions, operating costs, and other factors.

**CAPACITY OF THE PROJECT:**

The proposed investment industrial park for leasing will have a production capacity of 60000 tons per annum. This will be achieved through the installation of modern machinery and equipment, utilizing the latest technology in the investment industrial park for leasing the plant will operate 24 hours a day, seven days a week, ensuring efficient building processes and meeting the growing demand for Real Estate in Tanzania and the East African region.

## **CONCLUSION:**

Sustainable manufacturing of furniture's is those which are produced or sourced locally, these materials are containing recycled & industrial waste materials and by-products, sustainable materials have a lower impact on the environment & are thermally efficient. The production of these manufacturing of furniture requires considerably less amount of energy in production when compared to modern or traditional construction materials. The advantages in the selection of sustainable manufacturing of furniture lie in the fact that they are not only economically viable but also reduce toxic emissions thereby reducing overall environmental impact.

Sustainable construction should be considered as an important component in creating a sustainable development to the country. Therefore, a need to make a proper selection of construction materials, which have minimum environmental burdens, is of great significance in order to boost a building environmental performance. One important consideration is to integrate building design and manufacturing of furniture from the design process stage.

As the business grows, we intend to hire knowledgeable and experienced staff that can provide exceptional customer service and technical advice. We will offer competitive hourly wages and benefits that include health and dental insurance, paid time off and retirement plans. Our employees will be an integral part of our business operations, working together to provide a seamless shopping experience for our customers.

**KEDA TANZANIA COMPANY LIMITED**

**CASH FLOWS PROJECTION FOR FIVE YEARS FROM 2025 TO 2029**

	Pre-Startup EST	2025	2026	2027	2028	2029	Total
<b>Cash on Hand</b>		\$1,380,000	\$1,380,000	\$2,400,000	\$3,840,000	\$5,424,000	\$13,664,000
(beginning of month)							
<b>CASH RECEIPTS</b>							
Cash Sales			\$1,380,000	\$1,380,000	\$1,100,000	\$1,210,000	\$4,310,000
Collections from CR accounts			\$400,000	\$440,000	\$484,000	\$532,400	\$500,000
Estimated Capital for startup	\$500,000	\$1,856,400	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Loan	\$880,000						
<b>TOTAL CASH RECEIPTS</b>	\$1,380,000		\$1,780,000	\$1,440,000	\$1,584,000	\$1,742,400	\$7,166,400
<b>Total Cash Available</b> (before cash out)	\$1,380,000	\$1,380,000	\$27,800,000	\$3,840,000	\$5,424,000	\$7,166,400	\$20,830,400

<b>CASH PAID OUT</b>							
Purchases other fixed			\$7,200	\$7,920	\$8,712	\$9,583	\$33,415
Purchases vehicles		\$80,000		\$41,000			\$121,000
Gross wages (exact withdrawal)		\$15,000	\$60,000	\$60,000	\$60,000	\$60,000	\$255,000
Payroll expenses (taxes,		\$4,500	\$20,400	\$20,400	\$20,400	\$20,400	\$86,100
Supplies (office & operation.)		\$1,000	\$1,100	\$1,210	\$1,331	\$1,464	\$6,105
Repairs & maintenance		\$1,250	\$1,37 5	\$1,513	\$1,664	\$1,830	\$7,631
Advertising		\$150	\$165	\$182	\$200	\$220	\$916
Car, delivery & travel		\$1,800	\$1,980	\$2,178	\$2,396	\$2,635	\$10,989
Accounting & legal		\$4,500	\$4,950	\$5,445	\$5,990	\$6,588	\$27,473
Rent		\$36,000	\$36,000	\$36,000	\$36,000	\$36,000	\$180,000
Telephone & internet		\$120	\$132	\$145	\$160	\$176	\$733
Utilities		\$150	\$165	\$182	\$200	\$220	\$916

Insurance		\$21,200	\$21,412	\$21,626	\$21,842	\$22,061	\$108,141
Taxes (real estate, etc.)		\$240	\$240	\$240	\$240	\$240	\$1,200
Interest		\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$375,000
Miscellaneous		\$200	\$220	\$242	\$266	\$293	\$1,221
<b>SUBTOTAL</b>		\$241,110	\$230,339	\$273,282	\$234,400	\$236,710	\$1,215,840
Loan principal payment		\$750,000	\$750,000	\$750,000	\$750,000	\$750,000	\$2,431,681
Capital purchase (land)		\$100,000					\$4,829,946
Capital purchase (excavators)			\$1,000,000	\$100,000			\$9,538,892
Owners' Withdrawal					\$10,000,000	\$12,500,000	\$18,736,684
<b>TOTAL CASH PAID OUT</b>		\$1,091,110	\$1,980,339	\$1,123,282	\$10,984,400	\$13,486,710	\$36,753,042
<b>Cash Position (end of month)</b>	<b>\$1,380,000</b>	<b>(\$91,110)</b>	<b>\$419,661</b>	<b>\$2,716,718</b>	<b>(\$5,560,400)</b>	<b>(\$6,320,310)</b>	<b>(\$15,922,642)</b>