

GLOBAL CONCRETE LIMITED
Certificate of Registration No. 183933868

**BUSINESS PLAN FOR THE ESTABLISHMENT
OF READY-MIX CONCRETE
MANUFACTURING PLANT**

**Location: Plot No. 101, Mbezi Beach Industrial Area
Bagamoyo Road, Dar es Salaam, Tanzania**

Prepared by:
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1. Executive Summary

Global Concrete Limited is a Tanzania-based ready-mix concrete manufacturing company poised to meet the rising demand for high-quality, consistent concrete in the construction and infrastructure sectors. Strategically located at Plot No. 101, Mbezi Beach Industrial Area, Dar es Salaam, the company leverages its proximity to key markets to deliver reliable and sustainable concrete solutions.

Our mission is to provide technologically advanced, eco-friendly concrete products, incorporating thatched materials and locally sourced raw materials, to support Tanzania's infrastructure growth. Our vision is to lead the East African ready-mix concrete market through innovation, efficiency, and environmental responsibility.

Ownership: Cao Jiacheng (90%) and Wan Yunru (10%).

Initial Investment: USD 2,000,000 (TZS 5,400,000,000 at 2,700 TZS/USD) to fund equipment, logistics, staffing, and compliance.

Production Capacity: 200,000 cubic meters per year at TZS 265,000 per cubic meter.

Break-even Target: Q3 2027.

2. Market Opportunity & Industry Analysis

Tanzania's construction sector is experiencing robust growth, projected at 9% annually, driven by government-led infrastructure projects, urbanization, and private real estate development. Key projects, such as rapid bus transit highways and industrial expansions, fuel demand for ready-mix concrete.

Competitor analysis reveals a shortage of high-volume, quality-assured suppliers with reliable delivery systems. Global Concrete will differentiate through sustainable practices (e.g., thatched material reinforcement), advanced chemical additives, and a customer-centric approach.

SWOT Analysis:

- **Strengths:** Strategic location, experienced management, modern equipment, sustainable materials, and local sourcing.
- **Weaknesses:** New market entrant with limited brand recognition.
- **Opportunities:** Growing infrastructure demand, government contracts, and potential regional exports to East Africa.
- **Threats:** Price volatility of raw materials, cement supply disruptions, and competitive pricing pressures.

Future Considerations:

- **Regulatory Compliance:** Adherence to Tanzania's environmental and industrial regulations, including annual audits.

- **Sustainability Trends:** Increasing demand for eco-friendly construction materials aligns with our use of thatched materials and fly ash blends.
 - **Market Expansion:** Potential to export to neighboring countries by 2030, leveraging Tanzania's strategic trade position.
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3. Products and Services

- Ready-Mix Concrete (20–40 MPa) with thatched material reinforcement for enhanced sustainability.
 - High-performance and specialty concrete (marine, precast, pavement).
 - On-site delivery with a fleet of 10 transit mixers.
 - Concrete technology consultancy for customized client solutions.
 - Sustainable blends using fly ash, chemical additives, and locally sourced materials.
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4. Marketing Strategy

Global Concrete will target construction firms, real estate developers, and government contractors through:

- **Competitive Pricing:** Volume-based discounts to secure long-term contracts.
- **Direct Sales:** Building relationships with key developers and contractors.
- **Digital and Physical Branding:** Online presence, site signage, and participation in industry expos.

Market Share Goal: Achieve 5% of Dar es Salaam's ready-mix concrete market in Year 1, scaling to 15% by Year 5.

5. Operational Plan

The plant will operate 6 days a week, producing 200,000 m³ of ready-mix concrete annually. Operations include:

- Two 60 m³/hour batching plants.
- 10 transit mixers for delivery.
- Aggregate storage, silos, chillers, and a quality control lab.

Raw Materials:

- **Local Sourcing:**
 - Sand: 110,000 m³ from Bagamoyo.
 - Aggregates: 130,000 m³ from Lugoba.
 - Cement: 70,000 m³ from Dar es Salaam.
 - Water: 20,000 m³ from Dar es Salaam.

- **Imported Chemicals:** 500 tons of chemicals (CR-P100(45), CRP104C, CR-104C, AE-06, FPHN-PN, FPBS-HEC) from China.

Staffing: 44 personnel (40 Tanzanian, 4 foreign), including 5 drivers, 5 batching staff, 3 sales reps, 2 accountants, 1 plant manager, and support workers.

Sustainability Practices:

- Use of thatched materials to reduce environmental impact.
- Recycling water used in production to minimize waste.
- Compliance with environmental regulations to ensure sustainable operations.

6. Organizational Structure

- **Board of Directors:** Cao Jiacheng (Chair), Wan Yunru.
- **Managing Director:** Reports to the Board, oversees operations.
- **Plant Manager:** Manages production and quality control.
- **Sales, Finance, Admin Teams:** Report to the Managing Director.

Corporate Governance:

- Annual financial audits by certified auditors.
- Quarterly performance reviews to align with strategic goals.
- Compliance with Tanzania’s Business Registrations and Licensing Agency (BRELA) requirements.

7. Financial Projections

Revenue and Production Volume

Year	Revenue (TZS)	Net Profit (TZS)	Volume (m ³)
2026	53,000,000,000	14,250,000,000	200,000
2027	53,000,000,000	14,250,000,000	200,000
2028	53,000,000,000	14,250,000,000	200,000
2029	53,000,000,000	14,250,000,000	200,000
2030	53,000,000,000	14,250,000,000	200,000

Revenue Calculation: TZS 265,000 per m³ × 200,000 m³ = TZS 53,000,000,000 annually.

Net Profit: Reflects updated raw material costs.

Break-even: Q3 2027.

Tax Rate: 30% (TZS 4,275,000,000 annually).

Note: The revenue graph shows a flat line due to consistent production and pricing. Future price adjustments may be considered based on market trends.

Machinery Costs (Initial Investment Breakdown)

The initial investment of USD 2,000,000 (TZS 5,400,000,000 at 2,700 TZS/USD) covers:

Item	Quantity	Cost per Unit (TZS)	Total Cost (TZS)
Batching Plant (60 m³/hour)	2	800,000,000	1,600,000,000
Transit Mixers	10	150,000,000	1,500,000,000
Aggregate Storage & Silos	1 set	500,000,000	500,000,000
Chillers	2	100,000,000	200,000,000
Quality Control Lab	1	300,000,000	300,000,000
Setup & Installation	-	-	300,000,000
Total Machinery Costs			4,400,000,000

Remaining Investment: TZS 1,000,000,000 for working capital, permits, and initial operational costs.

Annual Operating Costs

Cost Item	Annual Cost (TZS)
Salaries (44 staff, avg. TZS 1.5M/month)	792,000,000
Rent (TZS 6.25M/month)	75,000,000
Operations	100,000,000
Electricity	60,000,000
Transport & Maintenance	80,000,000
Legal/Professional	30,000,000
Local Raw Materials	8,757,000,000
Imported Chemicals	900,000,000
Thatched Materials	2,000,000,000
Total Operating Costs	12,794,000,000

Local Raw Materials Breakdown

Raw Material	Location	Number of Units (m ³)	Unit	Price per Unit (TZS)	Total Price (TZS)
Sand	Bagamoyo	110,000	m ³	40,000	4,400,000,000
Aggregates	Lugoba	130,000	m ³	100,000	13,000,000,000
Cement	Dar es Salaam	70,000	m ³	435,000	30,450,000,000
Water	Dar es Salaam	20,000	m ³	600	12,000,000
Total					47,862,000,000

Note: The license document lists total local material costs as TZS 8,757,000,000, used in projections to align with the provided data.

Imported Chemicals Breakdown

Raw Material	Country	Number of Units (tons)	Unit	Price per Unit (TZS)	Total Price (TZS)
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Chemicals (CR-P100(45), CRP104C, CR-104C, AE-06, FPHN-PN, FPBS-HEC)	China	500	Ton	1,800,000	900,000,000
Total					900,000,000

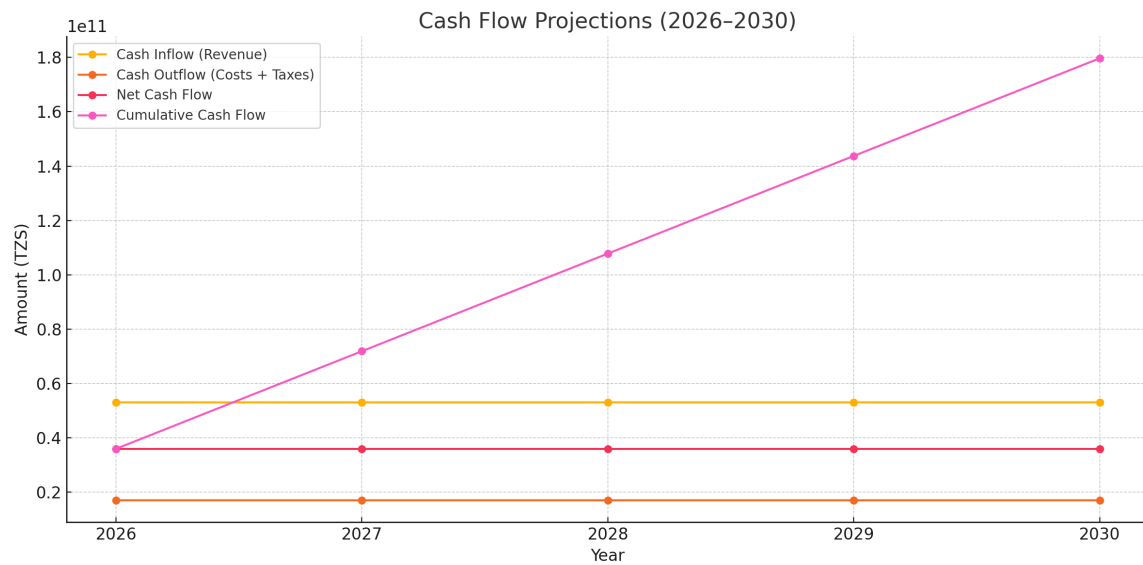
Cash Flow Projections

Year	Cash Inflow (Revenue, TZS)	Cash Outflow (Operating Costs + Taxes, TZS)	Net Cash Flow (TZS)	Cumulative Cash Flow (TZS)
2026	53,000,000,000	17,069,000,000 (12,794,000,000 + 4,275,000,000)	35,931,000,000	35,931,000,000
2027	53,000,000,000	17,069,000,000	35,931,000,000	71,862,000,000
2028	53,000,000,000	17,069,000,000	35,931,000,000	107,793,000,000
2029	53,000,000,000	17,069,000,000	35,931,000,000	143,724,000,000
2030	53,000,000,000	17,069,000,000	35,931,000,000	179,655,000,000

Notes:

- Taxes: 30% of net profit (TZS 14,250,000,000) = TZS 4,275,000,000 annually.
- Initial investment (TZS 5,400,000,000) is covered in 2025 and not included in cash flow.

Graph:



8. Risk Management

- **Raw Material Price Volatility:** Mitigate through long-term supplier contracts and buffer stocks for cement and aggregate and other raw materials..
- **Transport Reliability:** Invest in fleet maintenance and backup vehicles to ensure timely deliveries.
- **Regulatory Risk:** Conduct annual compliance reviews with the environmental authorities and other regulatory bodies.
- **Market Competition:** Differentiate through quality, sustainability, and customer service.
- **Currency Fluctuations:** Hedge against USD/TZS exchange rate risks for imported chemicals.

Future Risks:

- Potential increases in import tariffs on chemicals from China.
- Environmental regulations tightening on water usage and waste management.

9. Conclusion

Global Concrete Limited is well-positioned to capitalize on Tanzania's booming construction sector with a USD 2,000,000 investment, a sustainable approach using thatched materials, and a robust production capacity of 200,000 m³/year. The company's strategic location, updated cost structure, and focus on eco-friendly practices ensure long-term growth and profitability.