

GIANT GROUP TANZANIA ELECTRIC COMPANY

BUSINESS PLAN

ELECTRIC EQUIPMENT MANUFACTURING PLANT

Presented To:
TANZANIA INVESTMENT CENTRE
Shaban Robert Street
P. O. Box 938
Dar es Salaam

Prepared by:
XINZHI CAO and ZHAOYANG CAO
DAR ES SALAAM, TANZANIA

JULY, 2025

GIANT GROUP TANZANIA ELECTRIC COMPANY

PREAMBLE

This document is confidential and has been made available to the TANZANIA INVESTMENT CENTRE to which the address is shown in the cover page and it is addressed strictly on the understanding that its contents will not be disclosed or discussed with any third parties except for TANZANIA INVESTMENT CENTRE professional advisers.

*This profile is strictly for information only and projections in the Business plan have been compiled by the consultant with close cooperation of the Promoters of the Business the **GIANT GROUP TANZANIA ELECTRIC COMPANY** and Sector Experts for illustrative purposes and do not constitute actual forecasts.*

GIANT GROUP TANZANIA ELECTRIC COMPANY

Business Profile:

Table of Contents

1.0 EXECUTIVE SUMMARY

2.0 STATEMENT OF PURPOSE

2.1. Purpose of Investment

2.2 Investment Financing Plan

2.3 Summary of the Expected Results

3.0 BUSINESS DESCRIPTION

3.1. Background of the Company

- 3.1.1. Legal Status
- 3.1.2. Operations
- 3.1.3. Project Promoters
- 3.1.4. Project location
- 3.1.5. Postal Address

4.0 Core Business of the Company

- 4.1 Electric Equipment Manufacturing

5.0. MANUFACTURING INDUSTRY

5.1. Manufacturing Sector in Tanzania

- 5.1.1. Importance of Manufacturing Sector in Tanzania
- 5.1.2. Manufacturing of Electric Equipments in Tanzania
- 5.1.3. Justification of the project
- 5.1.4. Impact of the project
- 5.1.5. Opportunity drivers

6.0 ANALYSIS OF STRENGTHS, WEAKNESSES, OPPORTUNITY AND THREATS

7.0 MARKETING INFORMATION

7.1. Marketing Strategy

- 7.1.1. Overview
- 7.1.2. Customer Database
- 7.1.3. Advertising
- 7.1.4. Costing and Pricing
- 7.1.5. Customers
- 7.1.6. Products

7.2. Marketing Plan

8. MANAGEMENT & ADMINISTRATION

8.1. Management

9. FINANCIAL PROJECTIONS

10. CONCLUSION

LIST OF APPENDICES

1. Certificate of Incorporation
2. Tax Payer Identification Certificate
3. Memorandum and Articles of Association
4. Bank Reference Letter.
5. Evidence of Land

1. Executive Summary

Company & Project concept

GIANT GROUP TANZANIA ELECTRIC (GGTE) COMPANY is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 16th January 2025, Registration number is 181267569. Company implements project which is under manufacturing sector.

Company now is located in Kerege Street, Bagamoyo, Coastal region; workshop and warehouse are located at Bagamoyo, more details refer to the letter from Bagamoyo district council.

Vision

To become a leading provider of innovative, reliable, and sustainable electrical equipment solutions in both domestic and international markets.

Mission

To design, manufacture, and distribute high-quality electrical equipment that powers industries, homes, and infrastructures while embracing energy efficiency and safety.

Purpose of Business Plan

This document is prepared to serve the purpose as a Business Plan for Giant Group Tanzania Electrical Company for **Electrical Equipment Manufacturing** plant. But also the Business Plan shall be submitted to TIC for an award of Certificate of Incentives. The implementation of this project will compromise the following activities:-

- Procurements Machineries and Equipments for assembling plant.
- Equipping the project with all necessary modern furniture and facilities

The project promoter, the project will be managed and operated by Giant Group Tanzania Electrical (GGTE) Company is owned by a Chinese entrepreneurs with the following share distribution.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES
XINZHI CAO	Chinese	90,000
ZHAOYANG CAO	Chinese	10,000

Company Legality, the legal certificates and documents such as Memorandum and Article of Association, certificate of incorporation, Tax Identification Number, and value added Tax certificates Justify that GGTE Company is operating within the ambit of the law.

Project Organization Structure, the management of GGTE company constituted by the following organization set up:- Board of Directors, General Manger who is responsible on the supervision on the entire operations of the Company, a company accountant, a Production Manager who will be directly responsible for all matters pertaining manufacturing of the products.

Investment Structure, the project is estimated to cost 6,500,000 \$ the money covers Machineries and Equipments, furniture and fittings, pre expenses and working Capital. The equity contributed by the shareholders is 6,500,000 \$ 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 GGTE company is projected within five years. The company projected Profit and Loss Account show a respectable turnover of more than 1,334,400 \$ in the second year. The profits gained on fifth year are projected to be 55,896 \$. The projected balance sheet, shows the net worth increase of more than 5,262,046 \$ in the 4th year of operation and more than 5,893,491 \$ in the 5th year of the usefully lifetime of the implementation during which the business will be evaluated again. The financial documents show that the business has a positive net cash flow.

2. Statement of Purpose

Business Plan is drawn for the purpose of seeking CERTIFICATE OF INCENTIVES from the TANZANIA INVESTMENT CENTRE and to establish a plant for electrical equipment manufacturing & distribution.

2.1 Purpose of Investment

This document is prepared to serve the purpose as a feasibility study for GIANT GROUP TANZANIA ELECTRICAL COMPANY for establishment of plant for electrical equipment manufacturing & distribution

- Buying of Industrial plot for this purpose.
- Developing workshop and installation Machineries and Equipments for this project.
- Equipping the project will all necessary modern furniture and facilities
- Procurements semi -processed raw materials
- Employing more than 26 people.

2.2. Investment financing plan

The company expect to invest 6.5 million USD from shareholders' funds and Profits generated from business operation will be re-invested. Table below show

COST INVESTMENT STRUCTURE	\$
Current assets	
Working capital	1,000,000
Pre- Operation Exp	275,000
Other	
Sub total	1,275,000
Property and equipment	
Land	800,000
Building	1,200,000
Equipment	265,000
Furniture and fixtures	50,000
Leasehold improvements	-
Plant	2,800,000
Motor Vehicles	110,000
Other	
Sub total	5,225,000
Total assets	6,500,000

Financing	\$
Long-term liabilities	
Long-term loan	3,500,000
Owner's equity	
Cash	2,200,000
Contributed asset value	800,000
Total	6,500,000

2.3 Summary of the Expected Results

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

- Provide an opportunity for availability of electrical plastic Equipments
- Increase 26 direct employment opportunities.
- Direct Domestic investment of more than 6.5 million USD within 2025 -2029.
- Increase tax contributed to the government
- Generate foreign currency.

3. BUSINESS DESCRIPTION

3.1 Background of the Company

Our business, Giant Group Tanzania Electrical Company Limited, is a distribution company that specializes in the importation, storage, and wholesale/retail distribution of electric equipment and components throughout Tanzania. We aim to meet the growing demand for quality and affordable electric equipment across residential, commercial, and industrial sectors. Our product range includes circuit breakers, switches, wires and cables, transformers, lighting systems, control panels, meters, solar components, and other electrical installation materials.

With Tanzania's increasing electricity access rates, urbanization, industrialization, and rural electrification initiatives led by the government and private sector, the market for electric equipment is expanding rapidly. Our company positions itself to be a leading distributor that ensures consistent availability, quality assurance, and excellent customer service.

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 GGTE Company is operating within the ambit of the law of the Land.

3.1.2. Operations

The project will be managed and operated by GGTE Company. When the company being normally operated, both of the shareholders shall increase investing capitals, where as to strengthen power of the company. Furthermore, company will provide more work opportunities for the local people when more Tanzanians will be hired by the company. Management will establish sound operating guidelines to conduct the day to day operations of this project.

3.1.3. Project Promoters

The project will be managed and operated by GGTE Company. The Company is owned by Local Chinese entrepreneurs with diverse business in Tanzania and China. Current shareholding status is hereby shown below.

NAME OF SHAREHOLDERS	NATIONALITY	SHARES
XINZHI CAO	Chinese	90,000
ZHAOYANG CAO	Chinese	10,000

3.1.4. Project Location

Currently the project is being implemented at Kerege Street, Bagamoyo, Coastal

3.1.5. Postal Address

The current Postal Address of the project is P. O. Box 5916, Bagamoyo

4. CORE BUSINESS OF THE COMPANY

GGTE Company will be dealing with establishing and operating the following facilities;

4.1 Installation of Electrical Equipment Manufacturing & Distribution plant

In the first phase of the implementation of this project, the Company has rented a warehouse which is being used to accommodate installation of Machineries and Equipments.

4.2 Technical requirements of the project

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

- For the beginning electrical equipment manufacturing & distribution, it is needed to hire 30 workers for production and 5 workers for management positions. Other 15 worker will be hired for branches as salesman and branches managers. At the later period, the amount of local people hiring will reach 100 to 200 if accessories production localized.

5 MANUFACTURING INDUSTRY

5.1 Manufacturing Sector in Tanzania

In the last 10 years, manufacturing activities in Tanzania have taken a steady growth, registering average annual growth of over 4 percent, with 10% contribution to GDP. Most activities concentrate on manufacture of simple consumer goods such as food, beverages, tobacco, textiles, furniture and wood allied products. After economic liberalisation in the mid-1980s, many erstwhile public enterprises could not withstand free market competition. Some died and others underwent privatisation. These measures helped enhance competitiveness of local industries and readied them for venturing into export markets. On the other hand, the sector is not a big employer (145,000 employees), compared to agriculture for example, but it is the most reliable source of government revenue in form of import, sales, corporate and income taxes, accounting for over half of government annual revenue collection. Manufacturing earns the country a fifth of total foreign exchange earnings, thus ranking third after agriculture and tourism. Most production is however concentrated in the Dar es Salaam region.

Great prospects are pinned on development of a robust SME sector, whose promotion, as government has already realized, still lacks appropriate policy backing. A strong and productive industrial structure can only be achieved where SMEs and large enterprises not only coexist but also function in a symbiotic relationship. In this regard, successful promotion of agro-businesses can be considered in the SME development context.

Among the comparative advantages of Tanzania's manufacturing sector are the availability of a potentially large domestic market and Tanzania's adhesion to the EAC and the SADC organization, as they are potentially important market destinations. But Kenya is proving to be competing better in the region.

5.1.1. Importance of Manufacturing Sector in Tanzania

The reason why Tanzania needs a vibrant manufacturing sector today is to ensure economic independence in the long-run. This can be achieved because of different advantages attached to the manufacturing sector which include: Firstly, it helps to diversify the economy away from primary sector towards manufacturing and hence reduce risks and vulnerability to the long-term deteriorating commodity terms of trade and the associated loss in the real income. Secondly, the sector has substantial forward and backward linkages with other sectors of the economy, especially agriculture. Thirdly, with proper choice of technology, the sector can create significant employment. Fourthly, large manufacturing sector can enable export diversification that is necessary to reduce Tanzania's vulnerability to external shocks. Fifthly, the sector provides opportunity to transfer and adapt and create new technology. Sixthly, a large manufacturing sector can enable income smoothing at the household level through the creation of non-farm jobs that are more stable and fetch higher incomes. On average, the monthly income from a manufacturing job is Tshs. 103,407 compared to 76,277 in mining, 49,693 in construction, 31,301 in trade and only 15,234 in agriculture, presently the largest source of livelihood for Tanzanians.

5.1.2. Electric Equipment Manufacturing Industry in Tanzania

1. Industry Overview:

Tanzania's electric equipment manufacturing sector is in its early stages, with most products imported from China, India, South Africa, and Europe. The growing demand for electrical infrastructure—driven by urbanization, rural electrification, and energy projects—creates a strong case for local manufacturing.

2. Market Opportunity:

- **Growing Demand:** Driven by national electrification goals (75% access by 2030), construction growth, and major energy projects like the Julius Nyerere Hydropower Project.
- **Import Substitution:** Local manufacturing can reduce costs and improve delivery times.
- **Government Support:** Vision 2025 promotes industrialization, supported by incentives in SEZs.

3. Target Markets:

- Utility companies (e.g., TANESCO), construction firms, industrial clients, solar integrators, and retail distributors in Tanzania and neighboring countries.

4. Competitive Landscape:

- **Local Players:** Limited—mostly small-scale or cable manufacturers.
- **International Brands:** Dominant but costly.
- **Market Gap:** High demand for affordable, quality-compliant local alternatives.

5. Regulations:

- Products must meet TBS and EWURA standards.

-
- SEZ incentives include tax holidays, duty exemptions, and VAT relief.

6. Operations Strategy:

- **Location:** Preferably Dar es Salaam or Dodoma, within SEZs.
- **Products:** Low-voltage switchgear, control panels, solar components, industrial plugs, and transformers.
- **Technology:** Semi-automated lines, OEM partnerships, and ISO-compliant systems.
- **Workforce:** Skilled technicians trained through VETA and similar institutions.

7. Financial Outlook:

- **Investment:** \$2.5-\$5 million for setup and operations.
- **Revenue:** From B2B sales, retail distribution, and custom manufacturing.
- **Break-even:** In 3-4 years with a 20-25% projected ROI.

8. Risks & Mitigation:

- **Capital cost:** Offset by incentives and financing.
- **Cheap imports:** Countered by warranties and local service.
- **Skill gaps:** Addressed via training and expert hiring.
- **Regulation:** Early engagement with authorities.

5.1.3 Project Justification

The proposed project is under management of GGTE company is in line with Tanzania Government efforts in attempt to revamp the Manufacturing Sector. This has also been noted of recent drive of attracting investors in Tanzania in order to maximize her annual earnings from investment and also compete effectively with regional competitors. This also has been complemented by following measures

- i. 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, tourism sector is inclusive.
- ii. In 2007/2008 the Government reviewed the existing Industry and trade Policy, taking into consideration the social economic base and the dynamism of Manufacturing industry in Tanzania.
- iii. In depth studies have been carried out in the following area
 - SMEs development study
 - Trade Integration Strategy, 2009-2013

Regarding the initiative undertaken by GGTE company sponsors, is justified by the following facts.

- The sponsors have a special invested interest in electric equipment manufacturing and have been importing electric equipments for several years now.

Therefore, the establishment and operation of electric equipment manufacturing plant facility will boost and at the same time strength manufacturing sector in the Tanzania. The Company's marketing strategy and intention is to have a wide products base which focuses both to Ordinary consumers and Industrial use.

5.1.4 Social and Economic Impact of the Project

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

1. Economic Impact

a. Industrial Growth and Job Creation:

The increased availability and use of electrical equipment, such as motors, transformers, and generators, significantly boost industrial productivity across sectors like agriculture, mining, and manufacturing. Electrified operations reduce dependency on manual labor and enable 24/7 production cycles, leading to greater output and efficiency. This growth translates directly into job creation, both in technical roles (e.g., electricians, technicians, engineers) and in value-added services such as maintenance and logistics.

b. SME Empowerment:

Access to reliable and affordable electrical equipment empowers small and medium enterprises (SMEs) by automating operations and lowering production costs. This creates opportunities for business expansion and entrepreneurship, especially in rural and peri-urban areas.

c. Infrastructure Development:

Increased demand for electrical equipment drives investments in infrastructure, including power generation, transmission, and distribution networks. This contributes to broader national development goals, including improved energy access under Tanzania's Power System Master Plan.

2. Social Impact

a. Rural Electrification and Quality of Life:

Electrical equipment plays a key role in rural electrification programs, enabling communities to access lighting, water pumping, refrigeration, and communication technologies. This enhances quality of life, improves safety, and supports essential services such as healthcare and education.

b. Educational Opportunities:

Electrification enables schools to use digital learning tools, computers, and internet access, contributing to improved learning outcomes and bridging the urban-rural education gap.

c. Gender Inclusion:

Electrification helps reduce the time women and girls spend on manual tasks (e.g., fetching water or grinding grain), allowing more time for education and income-generating activities. Women-led enterprises also benefit from electrical tools that enable productivity and scalability.

5.1.5. Opportunity Drivers

Increased demand of electrical equipment in Tanzania

The growing demand for electrical equipment in Tanzania is largely driven by:

- **Infrastructure Development:** Government-led construction projects in roads, housing, and commercial buildings require extensive electrical installations.
- **Rural Electrification Initiatives:** Under the National Rural Electrification Program (managed by REA - Rural Energy Agency), thousands of rural homes and businesses are being connected to the grid, increasing demand for transformers, meters, cables, etc.
- **Manufacturing Sector Growth:** As local industries grow, there's increased need for industrial-grade electrical machinery and automation equipment.
- **Renewable Energy Push:** Tanzania's commitment to solar and hydropower increases the demand for solar panels, batteries, inverters, and control systems.
- **Telecommunications and ICT Expansion:** Data centers, telecom towers, and ICT infrastructure require high-grade electrical power management systems.

Government Policy

The Government of Tanzania has made the policy that intends to improve and promote Manufacturing Industry. This sector employs many people and it is a key driver towards transforming and developing the national economy.

Government Incentives package

In 1997 Tanzania Government enacted Investment law that offers and guaranteed reasonable incentives to both local and foreign investors.

Strengths (Internal Positive Factors)

1. **Growing Demand**
 - Expansion of electrification projects (e.g., rural electrification, national grid extensions) is driving demand for electrical equipment.
2. **Strategic Geographic Location**
 - Proximity to neighboring landlocked countries (e.g., Rwanda, Burundi, Uganda, Zambia) offers export potential.
3. **Young and Trainable Workforce**
 - Tanzania has a large, youthful labor pool that can be trained for manufacturing, assembly, and technical roles.
4. **Government Incentives**
 - Industrial development policies and tax incentives under Tanzania Investment Centre (TIC) encourage local manufacturing.
5. **Import Substitution Potential**
 - Local manufacturing can replace expensive imports, improving supply chain efficiency and reducing costs.

Weaknesses (Internal Negative Factors)

1. **Inadequate Technical Skills**
 - Shortage of experienced engineers, technicians, and quality control experts in high-precision manufacturing.
2. **Limited Industrial Infrastructure**
 - Power reliability, transport logistics, and access to industrial zones may be inconsistent in certain areas.
3. **High Initial Capital Requirement**
 - Establishing manufacturing facilities for electrical equipment involves significant upfront investment in machinery and tooling.
4. **Dependence on Imported Raw Materials**
 - Many raw materials and components must still be sourced internationally, exposing the business to currency and shipping risks.
5. **Weak Local Supply Chain Ecosystem**
 - Limited availability of local suppliers for components, tools, and calibration services affects production efficiency.

Opportunities (External Positive Factors)

1. **National Development Projects**
 - Ongoing infrastructure, energy, and housing projects (e.g., REA, Julius Nyerere Hydropower Project) demand significant electrical hardware and systems.
2. **Regional Trade Agreements**
 - Access to EAC and SADC markets facilitates expansion and export of locally manufactured goods.
3. **Urbanization and Industrialization**
 - Rapid urban growth and investment in industrial parks (e.g., Benjamin William Mkapa SEZ) will spur further electrical equipment needs.
4. **Technology Transfer & Partnerships**
 - Opportunities to collaborate with international manufacturers for joint ventures, franchising, or technical licensing.
5. **Growing Awareness of Quality Standards**
 - Rising demand for certified, high-quality electrical equipment boosts market space for trusted manufacturers.

Challenges (External Negative Factors)

1. **Intense Competition from Imports**
 - Cheap products (mainly from China and India) dominate the market, often undercutting local manufacturers on price.
2. **Regulatory & Standards Compliance**
 - Navigating certification, TBS (Tanzania Bureau of Standards), and EWURA regulations can be time-consuming.
3. **Access to Financing**
 - Limited availability of long-term, low-interest financing options for capital-heavy industries.
4. **Fluctuating Exchange Rates and Inflation**
 - Volatility in the Tanzanian Shilling impacts import costs, operating margins, and pricing.
5. **Counterfeit & Substandard Goods**
 - Prevalence of counterfeit electrical items creates distrust in the market and challenges for legitimate players

7 MARKETING INFORMATION

7.1 Marketing Strategy

7.1.1 Overview

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

Management will endeavour 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.

7.1.2 Customer Database

GGTE Company will aggressively seek to build a database of Customers. Customers will have an opportunity to be included in the database so they can participate in sales promotions such as birthday or anniversary cards; email notification of upcoming specials; coupons; etc. The database will be gathered and maintained on special software GGTE COMPANY will gather names in a variety of manners including staff requests; business card drop for free lunch; guests' sign up book with promotional signage; menu insert promotion; etc

7.1.3 Advertising

GGTE Company will adopt an aggressive advertising strategy. Outdoor signage for GGTE Co. Ltd will describe outdoor and changeable copy advertisement and elaborate design signage depends upon lease space restrictions; designed within allowable limits to achieve maximum exposure.

GGTE Company will utilize both traditional non-traditional methods of advertising. Management's viewpoint on advertising is state in your own words, the philosophy GGTE COMPANY will adopt towards the use of traditional advertising such as radio, newspaper, billboards or television.

7.1.4 Costing and Pricing

The costing and pricing is done by the management of GGTE Company. The costing takes into consideration various aspects depending on the cost which has already been incurred, inflation factor and Operating costs. The project promoters of the company are in business for long time i.e. they are business oriented personnel.

7.1.5 Customers

GIANT GROUP TANZANIA ELECTRICAL COMPANY is targeting to all regions in Tanzania. Sales team of the company is being formed and it is planned to set up branches in some relatively large cities such as Moshi, Arusha, Mwanza, Mbeya and so on. With efforts to be taken, company will develop more agents all around Tanzania

7.1.6 Products

As it has been explained in preamble chapters, GGTE Company will set project which will be electric equipment manufacturing. The business model provided is to be wholesale and retailing on the competitive manner.

7.2 Marketing Plan

The company has both short term and long-term marketing plan:

The short term marketing plan includes:

- Participating in business show case exhibitions
- Building sustainable long-term relationship with client
- Training of sales staff sales and Marketing.

Long Term Plans includes:

- Join to the network of assembling companies to market to exploit more business opportunities
- Investing Market Research and Development

8 MANAGEMENT & ADMINISTRATION

8.1 Management

The management team of GIANT GROUP TANZANIA ELECTRIC COMPANY planned to be constituted by the following management team:-

8.1.1 Board of Directors

GGTE Company shall 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 GGTE Company, The Company which shall manage this project.

8.1.2 General Manager

Immediate after Board of Director the 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.

8.1.3 Production Manager

Production Manager will be employed who expected to have an extensive background in the electricity manufacturing industry. As the production Manager will be directly responsible for all production functions including manufacturing all types of electricity plastics related products, maintenance of quality standards of the products; training of employees in methods of producing these products, etc.

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

8.1.4 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 GGTE Company but also keeping books of accounts properly.

8.1.5 Management Agreements

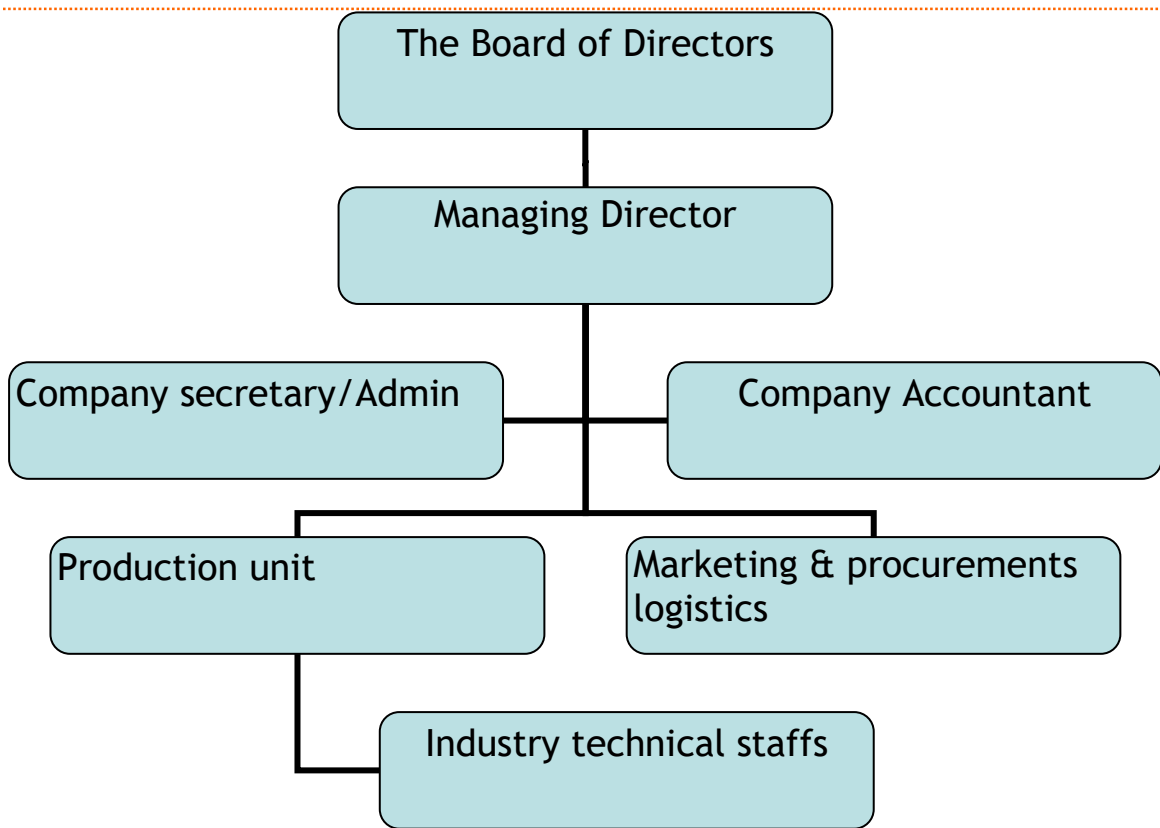
Management Agreements will be executed between GGTE Company and other team managers. The purpose of these agreements is to define the expectations of both parties, establish an incentive structure, and define the grounds under which the agreement may be terminated.

8.1.6 Confidentiality Agreements

GGTE Company 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 a confidentiality agreement in place is essential to protect the company's trade secrets, and show our employees that we take our business seriously.

8.1.7 Organization Structure

The management of GGTE company is planning to have the following organization structure.



GIANT GROUP TANZANIA ELECTRIC COMPANY
FINANCIAL STATEMENTS PROJECTION

GIANT GROUP TANZANIA ELECTRICAL CO. LTD					
PROJECTED INCOME STATEMENT					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	\$	\$	\$	\$	\$
SALES	1,161,600	1,334,400	1,560,000	1,747,200	1,956,864
				-	-
COST OF SALES	259,820	294,380	334,100	374,192	419,095
				-	-
GROSS MARGIN	901,780	1,040,020	1,225,900	1,373,008	1,537,769
				-	-
OPERATING COSTS				-	-
Advertising	7,000	7,700	8,470	9,486	10,625
Automotive	8,000	8,800	9,680	10,842	12,143
Bank charges	7,000	7,700	8,470	9,486	10,625
Business taxes	12,000	13,200	14,520	16,262	18,214
Casual wages	3,000	3,300	3,630	4,066	4,553
Depreciation	716,000	716,000	716,000	801,920	898,150
Dues, licenses and fees	5,000	5,500	6,050	6,776	7,589
Insurance	8,000	8,800	9,680	10,842	12,143
Interest on long-term debt	130,414	108,956	86,624	97,019	108,661
Management salaries	1,070	1,070	1,070	1,198	1,342
Misellaneous expenses	6,000	6,600	7,260	8,131	9,107
Office costs	5,000	5,500	6,050	6,776	7,589
Postage	3,000	3,300	3,630	4,066	4,553
Professional fees	8,000	8,800	9,680	10,842	12,143
Property taxes	8,000	8,800	9,680	10,842	12,143
Repairs and maintenance	6,000	6,600	7,260	8,131	9,107
Rent	4,000	4,400	4,840	5,421	6,071
Salaries and benefits	231,000	235,620	240,332	269,172	301,473
Telephone	3,200	3,520	3,872	4,337	4,857
Utilities	4,500	4,950	5,445	6,098	6,830
Total operating costs	1,176,184	1,169,116	1,162,243	1,301,712	1,457,918
				-	-
INCOME BEFORE TAXES	(274,404)	(129,096)	63,657	71,296	79,851
				-	-
INCOME TAXES	82,321	38,729	(19,097)	(21,389)	(23,955)
				-	-
NET INCOME	(192,083)	(90,367)	44,560	49,907	55,896

GIANT GROUP TANZANIA ELECTRICAL CO. LTD						
PROJECTED BALANCE SHEET						
	Opening	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	\$	\$	\$	\$	\$	\$
ASSETS						
CURRENT						
Cash	1,000,000	926,346	1,041,375	1,281,255	1,435,006	1,607,206
Accounts receivable	-	48,400	55,600	65,000	72,800	81,536
Inventory	275,000	275,000	275,000	275,000	308,000	344,960
Other assets	-	-	-	-	-	-
Total	1,275,000	1,249,746	1,371,975	1,621,255	1,815,806	2,033,702
					-	-
CAPITAL ASSETS						
Land	800,000	800,000	800,000	800,000	896,000	1,003,520
Building	1,200,000	1,200,000	1,200,000	1,200,000	1,344,000	1,505,280
Equipment	265,000	265,000	265,000	265,000	296,800	332,416
Furniture and fixtures	50,000	50,000	50,000	50,000	56,000	62,720
Leasehold improvements	-	-	-	-	-	-
Computer equipment	2,800,000	2,800,000	2,800,000	2,800,000	3,136,000	3,512,320
Automotive equipment	110,000	110,000	110,000	110,000	123,200	137,984
Other	-	-	-	-	-	-
	5,225,000	5,225,000	5,225,000	5,225,000	5,852,000	6,554,240
Accumulated depreciation	-	(716,000)	(1,432,000)	(2,148,000)	(2,405,760)	(2,694,451)
	5,225,000	4,509,000	3,793,000	3,077,000	3,446,240	3,859,789
					-	-
Total	6,500,000	5,758,746	5,164,975	4,698,255	5,262,046	5,893,491
					-	-
LIABILITIES						
CURRENT						
Accounts payable	-	59,833	60,979	62,348	69,829	78,209
Income taxes payable	-	(82,321)	(38,729)	19,097	21,389	23,955
Current portion of long-term	526,684	548,142	570,474	593,716	664,962	744,757
Total	526,684	525,654	592,724	675,161	756,180	846,922
					-	-
LONG-TERM DEBT						
Long-term loan	3,500,000	2,973,316	2,425,174	1,854,700	2,077,264	2,326,536
Less current portion	(526,684)	(548,142)	(570,474)	(593,716)	(664,962)	(744,757)
	2,973,316	2,425,174	1,854,700	1,260,984	1,412,302	1,581,779
Total	3,500,000	2,950,828	2,447,424	1,936,145	2,168,482	2,428,700
					-	-
OWNER'S EQUITY						
Cash	2,200,000	2,200,000	2,200,000	2,200,000	2,464,000	2,759,680
Contributed asset value	800,000	800,000	800,000	800,000	896,000	1,003,520
Accumulated earnings	-	(192,083)	(282,450)	(237,890)	(266,437)	(298,409)
	3,000,000	2,807,917	2,717,550	2,762,110	3,093,563	3,464,791
					-	-
Total	6,500,000	5,758,746	5,164,975	4,698,255	5,262,046	5,893,491

GIANT GROUP TANZANIA ELECTRICAL CO. LTD					
PROJECTED STATEMENT OF CASH FLOWS					
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	\$	\$	\$	\$	\$
CASH PROVIDED BY THE FOLLOWING ACTIVITIES					
OPERATING					
Net earnings	(192,083)	(90,367)	44,560	49,907.02	55,895.86
Depreciation	716,000	716,000	716,000	801,920.00	898,150.40
	523,917	625,633	760,560	851,827.02	954,046.26
Changes in working capital accounts				-	-
Accounts receivable	(48,400)	(7,200)	(9,400)	(10,528.00)	(11,791.36)
Inventory	-	-	-	-	-
Other assets	-	-	-	-	-
Accounts payable	59,833	1,146	1,369	1,532.87	1,716.82
Income taxes payable	(82,321)	43,592	57,826	64,764.92	72,536.71
Total	453,030	663,171	810,354	907,596.82	1,016,508.43
FINANCING					
Repayment of long-term loan	(526,684)	(548,142)	(570,474)	(638,930.88)	(715,602.59)
				-	-
CHANGE IN CASH	(73,654)	115,029	239,880	268,665.93	300,905.84
CASH, BEGINNING OF YEAR	1,000,000	926,346	1,041,375	1,166,339.71	1,306,300.47
				-	-
CASH, END OF YEAR	926,346	1,041,375	1,281,255	1,435,005.64	1,607,206.32
GIANT GROUP TANZANIA ELECTRICAL CO. LTD					
PROJECTED OPERATING COST					
	Year 1	Year 2	Year 3	Year 4	Year 5
	\$	\$	\$	\$	\$
Advertising	7,000	7,700	8,470	9,486	10,625
Automotive	8,000	8,800	9,680	10,842	12,143
Bank charges	7,000	7,700	8,470	9,486	10,625
Business taxes	12,000	13,200	14,520	16,262	18,214
Casual wages	3,000	3,300	3,630	4,066	4,553
Dues, licenses and fees	5,000	5,500	6,050	6,776	7,589
Insurance	8,000	8,800	9,680	10,842	12,143
Misellaneous expenses	6,000	6,600	7,260	8,131	9,107
Office costs	5,000	5,500	6,050	6,776	7,589
Postage	3,000	3,300	3,630	4,066	4,553
Professional fees	8,000	8,800	9,680	10,842	12,143
Property taxes	8,000	8,800	9,680	10,842	12,143
Repairs and maintenance	6,000	6,600	7,260	8,131	9,107
Rent	4,000	4,400	4,840	5,421	6,071
Telephone	3,200	3,520	3,872	4,337	4,857
Utilities	4,500	4,950	5,445	6,098	6,830
Total	97,700	107,470	118,217	132,403	148,291

GIANT GROUP TANZANIA ELECTRICAL CO. LTD						
PROJECTED SALARIES AND WAGES						
		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
General salaries and benefits:						
<u>Position:</u>	<u>Number</u>					
<u>Directors</u>	2	28,800	29,376	29,964	30,563	31,174
<u>Mangers</u>	2	19,200	19,584	19,976	20,375	20,783
<u>Operational Staffs</u>	60	144,000	146,880	149,818	152,814	155,870
<u>Clerck</u>	3	10,800	11,016	11,236	11,461	11,690
<u>watchmen</u>	4	7,200	7,344	7,491	7,641	7,794
Sub total		210,000	214,200	218,484	222,854	227,311
Allowable increament 10%		21,000	21,420	21,848	22,285	22,731
Total salaries and benefits	71	231,000	235,620	240,332	245,139	250,042
					-	-
<u>Project Manager</u>	1	1,000	1,000	1,000	1,020	1,040
<u>Technical Supervisor</u>	1	1,000	1,000	1,000	1,020	1,040
Estimated benefits (7%)		70	70	70	71	73
Total management salaries		1,070	1,070	1,070	1,091	1,113
Total salaries		232,070	236,690	241,402	246,230	251,155
Financial Projections - Loan Analysis						
				Amount financed		3,500,000.00
				Annual interest (e.g., 8.25)		4
				Duration of loan (in years)		6
				Start date of loan		Month 1
				Monthly payments		54,758.14
				Total number of payments		72
				Yearly principal + interest		657,097.69
				Principal amount		3,500,000.00
				Finance charges		442,586.13
				Total cost		3,942,586.13

PAYMENT MONTH	BEGINNING BALANCE	INTEREST	PRINCIPAL	BALANCE	ACCUMULATIVE INTEREST	ACCUMULATIVE PRINCIPAL
1	3,500,000.00	11,666.67	43,091.47	3,456,908.53	11,666.67	43,091.47
2	3,456,908.53	11,523.03	43,235.11	3,413,673.41	23,189.70	86,326.59
3	3,413,673.41	11,378.91	43,379.23	3,370,294.18	34,568.61	129,705.82
4	3,370,294.18	11,234.31	43,523.83	3,326,770.36	45,802.92	173,229.64
5	3,326,770.36	11,089.23	43,668.91	3,283,101.45	56,892.15	216,898.55
6	3,283,101.45	10,943.67	43,814.47	3,239,286.98	67,835.83	260,713.02
7	3,239,286.98	10,797.62	43,960.52	3,195,326.46	78,633.45	304,673.54
8	3,195,326.46	10,651.09	44,107.05	3,151,219.41	89,284.54	348,780.59
9	3,151,219.41	10,504.06	44,254.08	3,106,965.34	99,788.60	393,034.66
10	3,106,965.34	10,356.55	44,401.59	3,062,563.75	110,145.15	437,436.25
11	3,062,563.75	10,208.55	44,549.59	3,018,014.15	120,353.70	481,985.85
12	3,018,014.15	10,060.05	44,698.09	2,973,316.06	130,413.75	526,683.94
13	2,973,316.06	9,911.05	44,847.09	2,928,468.97	140,324.80	571,531.03
14	2,928,468.97	9,761.56	44,996.58	2,883,472.39	150,086.36	616,527.61
15	2,883,472.39	9,611.57	45,146.57	2,838,325.83	159,697.94	661,674.17
16	2,838,325.83	9,461.09	45,297.05	2,793,028.77	169,159.02	706,971.23
17	2,793,028.77	9,310.10	45,448.04	2,747,580.73	178,469.12	752,419.27
18	2,747,580.73	9,158.60	45,599.54	2,701,981.19	187,627.72	798,018.81
19	2,701,981.19	9,006.60	45,751.54	2,656,229.65	196,634.33	843,770.35
20	2,656,229.65	8,854.10	45,904.04	2,610,325.61	205,488.43	889,674.39
21	2,610,325.61	8,701.09	46,057.06	2,564,268.55	214,189.51	935,731.45
22	2,564,268.55	8,547.56	46,210.58	2,518,057.98	222,737.07	981,942.02
23	2,518,057.98	8,393.53	46,364.61	2,471,693.36	231,130.60	1,028,306.64
24	2,471,693.36	8,238.98	46,519.16	2,425,174.20	239,369.58	1,074,825.80
25	2,425,174.20	8,083.91	46,674.23	2,378,499.97	247,453.49	1,121,500.03
26	2,378,499.97	7,928.33	46,829.81	2,331,670.16	255,381.82	1,168,329.84
27	2,331,670.16	7,772.23	46,985.91	2,284,684.26	263,154.06	1,215,315.74
28	2,284,684.26	7,615.61	47,142.53	2,237,541.73	270,769.67	1,262,458.27
29	2,237,541.73	7,458.47	47,299.67	2,190,242.06	278,228.14	1,309,757.94
30	2,190,242.06	7,300.81	47,457.33	2,142,784.73	285,528.95	1,357,215.27
31	2,142,784.73	7,142.62	47,615.52	2,095,169.20	292,671.57	1,404,830.80
32	2,095,169.20	6,983.90	47,774.24	2,047,394.96	299,655.46	1,452,605.04
33	2,047,394.96	6,824.65	47,933.49	1,999,461.47	306,480.11	1,500,538.53
34	1,999,461.47	6,664.87	48,093.27	1,951,368.20	313,144.99	1,548,631.80
35	1,951,368.20	6,504.56	48,253.58	1,903,114.62	319,649.55	1,596,885.38
36	1,903,114.62	6,343.72	48,414.43	1,854,700.20	325,993.26	1,645,299.80
37	1,854,700.20	6,182.33	48,575.81	1,806,124.39	332,175.60	1,693,875.61
38	1,806,124.39	6,020.41	48,737.73	1,757,386.66	338,196.01	1,742,613.34
39	1,757,386.66	5,857.96	48,900.19	1,708,486.48	344,053.97	1,791,513.52
40	1,708,486.48	5,694.95	49,063.19	1,659,423.29	349,748.92	1,840,576.71
41	1,659,423.29	5,531.41	49,226.73	1,610,196.56	355,280.33	1,889,803.44
42	1,610,196.56	5,367.32	49,390.82	1,560,805.74	360,647.65	1,939,194.26
43	1,560,805.74	5,202.69	49,555.45	1,511,250.29	365,850.34	1,988,749.71
44	1,511,250.29	5,037.50	49,720.64	1,461,529.65	370,887.84	2,038,470.35
45	1,461,529.65	4,871.77	49,886.38	1,411,643.27	375,759.61	2,088,356.73
46	1,411,643.27	4,705.48	50,052.66	1,361,590.61	380,465.08	2,138,409.39
47	1,361,590.61	4,538.64	50,219.51	1,311,371.10	385,003.72	2,188,628.90
48	1,311,371.10	4,371.24	50,386.90	1,260,984.20	389,374.96	2,239,015.80
49	1,260,984.20	4,203.28	50,554.86	1,210,429.34	393,578.24	2,289,570.66
50	1,210,429.34	4,034.76	50,723.38	1,159,705.96	397,613.00	2,340,294.04
51	1,159,705.96	3,865.69	50,892.45	1,108,813.51	401,478.69	2,391,186.49
52	1,108,813.51	3,696.05	51,062.10	1,057,751.41	405,174.73	2,442,248.59
53	1,057,751.41	3,525.84	51,232.30	1,006,519.11	408,700.57	2,493,480.89
54	1,006,519.11	3,355.06	51,403.08	955,116.03	412,055.63	2,544,883.97
55	955,116.03	3,183.72	51,574.42	903,541.61	415,239.36	2,596,458.39
56	903,541.61	3,011.81	51,746.34	851,795.28	418,251.16	2,648,204.72
57	851,795.28	2,839.32	51,918.82	799,876.46	421,090.48	2,700,123.54
58	799,876.46	2,666.25	52,091.89	747,784.57	423,756.73	2,752,215.43
59	747,784.57	2,492.62	52,265.53	695,519.04	426,249.35	2,804,480.96
60	695,519.04	2,318.40	52,439.74	643,079.30	428,567.74	2,856,920.70
61	643,079.30	2,143.60	52,614.54	590,464.76	430,711.34	2,909,535.24
62	590,464.76	1,968.22	52,789.92	537,674.83	432,679.56	2,962,325.17
63	537,674.83	1,792.25	52,965.89	484,708.94	434,471.81	3,015,291.06
64	484,708.94	1,615.70	53,142.44	431,566.50	436,087.50	3,068,433.50
65	431,566.50	1,438.55	53,319.59	378,246.91	437,526.06	3,121,753.09
66	378,246.91	1,260.82	53,497.32	324,749.59	438,786.88	3,175,250.41
67	324,749.59	1,082.50	53,675.64	271,073.95	439,869.38	3,228,926.05
68	271,073.95	902.58	53,854.56	217,219.39	440,772.96	3,282,780.61
69	217,219.39	724.06	54,034.08	163,185.31	441,497.03	3,336,814.69
70	163,185.31	543.95	54,214.19	108,971.12	442,040.98	3,391,028.88
71	108,971.12	363.24	54,394.90	54,576.22	442,404.21	3,445,423.78
72	54,576.22	181.92	54,576.22	0.00	442,586.13	3,500,000.00
73	0.00	0.00	0.00		442,586.13	

Business Plan

COST INVESTMENT STRUCTURE	\$
Current assets	
Working capital	1,000,000
Pre- Operation Exp	275,000
Other	
Sub total	1,275,000
Property and equipment	
Land	800,000
Building	1,200,000
Equipment	265,000
Furniture and fixtures	50,000
Leasehold improvements	-
Plant	2,800,000
Motor Vehicles	110,000
Other	
Sub total	5,225,000
Total assets	6,500,000

Financing	\$
Long-term liabilities	
Long-term loan	3,500,000
Owner's equity	
Cash	2,200,000
Contributed asset value	800,000
Total	6,500,000

10 CONCLUSION

Giant Group Tanzania Electrical Co. Ltd is positioned to become a leading supplier of high-quality electrical cables in Tanzania. With the increasing demand for electrical infrastructure, the company is set for rapid growth. By leveraging strong industry partnerships, advanced production technology, and a focus on quality assurance, the business will establish itself as a trusted name in the industry.

With a well-structured financial plan, a clear market strategy, and a robust risk management framework, the factory is expected to achieve sustainable profitability and long-term success. The investment in local manufacturing will not only generate employment opportunities but also support Tanzania's industrialization and electrification goals.