

**UTRUST CLOTHING TANZANIA LIMITED**

**BUSINESS PLAN  
FOR  
TEXTILES MANUFACTURING**

**FIVE YEARS: 2025 – 2029**



**APRIL 2025**

## CORPORATE INFORMATION

**Date of Incorporation** : 14<sup>th</sup> April, 2025

### Company Registration

**Number** : 184033860

**TIN** : 184-033-860

**Project Activity** : To operate a textile manufacturing factory

### Shareholders:

Name	Address	Number of shares
1. Tingting Zhou	Dar es Salaam, Tanzania	99
2. Yongcheng Zhou	China	1

### Registered Office & Address:

Plot No. 24804 Kisarawe II, Kigamboni District, Dar es Salaam

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## **LIST OF ABBREVIATIONS**

AfCFTA	-	African Continental Free Trade Area
CEO	-	Chief Executive Officer
CIF	-	Cost Insurance and Freight
EAC	-	East African Community
SADC	-	Southern African Development Community
SWOT/SWOC-		Strengths, Weaknesses, Opportunities and Threats/Challenges
TIN	-	Taxpayer Identification Number
US\$	-	United Stated Dollar

## 1.0 EXECUTIVE SUMMARY

Textile industries have repeatedly been engines for development, kickstarting periods of rapid job creation and economic growth across the globe. Wages in textiles sectors worldwide were rising and predicted to shed millions of labor-intensive manufacturing jobs in the coming years. This presents a huge - albeit short-term - opportunity for countries with competitive labour costs and other conducive conditions to attract new investment, transfer in technology, and create hundreds and thousands of jobs.

Importantly, there is an increasing global focus on ethical and sustainable textiles and garments, meaning countries have an opportunity to become destinations for responsible investment that generates decent jobs. This creates a compelling opportunity for Tanzania, where the cotton & textiles sector has further poverty-reducing potential, given that more than 500,000 smallholders - concentrated in some of the poorest and least fertile regions of Tanzania - grow cotton.

**Utrust Clothing Tanzania Limited** is a private company limited by shares registered in Tanzania with the main purpose of engaging in textiles manufacturing that involves printing, dyeing and finishing of textile products for local as well as foreign markets. **The expected production capacity per annum (quantity)** is 1'300'000 Linear Meters (One Million, Three Hundred Thousand, Linear Meters) per annum.

The company is owned and managed by experienced persons in the manufacturing sector. The project is expected to be financed both through owners' equity and external financing through bank loans, where the total project requirement amounts to **US\$ 10,000,000 (United States Dollar Ten Million only)**. During the first year of operations, the project intends to employ at least 8 locals and 2 foreigners, making a total of 10 direct employment with potentials to generate more than 1,000 indirect jobs.

## 1.1 Company Vision, Mission, and Core Values

**Our Vision:** Our vision is to emerge as the best practitioner in the production and distribution of garments and textile products for the local and foreign markets.

**Our Mission:** Our mission is to provide value addition to locally manufactured textile products by embarking on printing, dyeing, and manufacturing of textile-related products through modern facilities and a clean environment for the production of high-quality products.

**Our Belief:** That, success depends entirely on our exceptional teamwork approach, while constantly striving to leave our clients with an everlasting positive customer experience.

**Core Values:** Through our dedicated, competent, professional, and motivated organization, modernized, and experienced personnel, we are committed to the following principles:

- We ensure total continual customer satisfaction and optimum returns.
- We are committed to listening and responding to the needs of the community we serve;
- We are by international standards and a system that is uncompromised quality, achieved by individuals and as a team.
- To inspire and connect with our community to put their best selves forward every day.

## 1.2 Project Objectives

The main objective of our project is to increase our operational capability of textiles products and buy products that can be used to manufacture other textile related products. The project intends to invest highly in the textile sector in which we operate by providing best practices for the production of high-quality products. The project shall also support various community development aspects including supporting education and health care.

Specifically, the project aims to achieve the following objectives;

- To ensure the availability and reliability of high-quality textiles and other related products.
- To utilize the available local material to meet the growing demand in the country.
- To generate employment and improve the livelihood of the community and join hands with the government efforts in job creation.
- To improve the linkages among producers, suppliers, and consumers of textile products across the country.
- Stimulate the production of cotton and other raw materials in various places of the country by utilizing the available raw materials in the production of textile products.

### **1.3 Project components and costs**

The project is expected to commence its activities on 1<sup>st</sup> June 2025 after all the preliminary arrangements and permits are obtained. The project office and some office equipment have already been prepared. The project shall be implemented in two phases. Phase one shall include preliminary stages such as site preparations, construction, office installation procurement, and installation of types of machinery and equipment for textile production.

Phase two shall include activities for project expansion such as the construction of more production facilities, new equipment purchases, and the installation of a new plant. The activities in phase two shall commence in January 2026 throughout the rest of the project.

**Table 1.1: Project Requirements (Cost in US\$)**

<b>ITEM</b>	<b>AMOUNT IN USD</b>
Land & Buildings	1,450,000
Plant Machinery	5,600,000
Vehicles	640,000
Furniture & Fittings	30,000
Pre Expenses	100,000
Others	120,000
Working Capital	2,060,000
<b>TOTAL</b>	<b>10,000,000</b>

The project requirement amounts to **US\$ 10,000,000 (United States Dollar Ten Million only)** which covers the cost of land, buildings, plant and equipment and working capital required at the commencement of the project.

#### **1.4 Implementation Plan**

The envisaged project is expected to be implemented from 1<sup>st</sup> June, 2025 beginning with preliminary activities including site preparations, construction and acquiring relevant permits and other requirements of the project. The implementation programme is well described in the Table 1.2

**Table 1.2: Implementation Schedule**

No.	DESCRIPTION Activities	PHASE I				PHASE II
		April 2025	December 2025	Jan-March 2026	April-Dec,2026	Jan 2026-Dec 2029
1	Permits acquisition, Site preparations, and mobilization of resources.					
2	Purchase of machinery, equipment					
3	Installation of the Plant					
4	Procurement of materials, Recruitment of Staff, engagements					
5	Commencement of Production					
6	Project Expansion, setting up the New Processing Plant					

Upon completion of site preparations, construction, and installation of the Plant, machinery and equipment, and other facilities, the process of hiring and engaging qualified personnel shall follow. The project shall pay attention to expertise in the sector. Then the production of fabrics shall commence. The project shall conduct a periodical assessment of its machinery and equipment and replace obsolete ones through disposal and procurement of new equipment. Project monitoring and evaluation shall be maintained throughout the duration of five years.

## **1.5. Project Benefits**

The Implementation of this project will have economic and social benefits to the community and the country at large notably:

- The project will help the community access the best, safest yet affordable textile products in the country;
- The project will support the industrialization campaign by setting up a textile manufacturing plant and promoting the sector in the country.
- The project will increase employment opportunities in the community;
- The project will increase social services to the community;
- The project will increase tax revenue to the government.

## **2.0 PROJECT DESCRIPTION**

The project intends to utilise the prevailing opportunity due to the unlimited demand for textile products in the country as well as in foreign markets. Tanzania has an availability of ample land that can be used to grow cotton and other raw materials for textile products. Thus, the project will also help to fill the gap in utilizing locally available raw materials.

### **2.1 Key Success Factors**

Provision of high-quality products to meet the local and foreign markets demands is our core competency. The project is designed to have modern, decent, well-managed facilities with immaculately humanitarian services during service delivery. We will ensure we have enough materials and equipment's that are operated by highly professional persons, who are ready to produce high quality products of nearly any requirement.

## **2.2 Our Staff**

### **Utrust Clothing Tanzania Limited**

is well placed to implement its policy of “safety-first” that guarantees safe handling and delivery of our clients' requirements. The project shall maintain its policy to hire staff who have years of experience in the extraction sectors. The hired staff shall comprise both Tanzanians and foreigners, creating opportunity for hundreds of jobs, providing fair pay in an excellent work environment. We will conduct periodical orientations and team building seminars so that our staff continue to be on the same page and properly trained to meet our objectives.

## **2.3 Machinery and Equipment**

The project will ensure that appropriate machinery and equipment are installed and modern technology is in place for textile manufacturing. The project shall ensure procurement of best Textile machines that are used to process natural fibers such as silk, wool, and cotton, or with artificial fibers such as polyester, nylon, and polypropylene.

With \$5.6 million allocated to equipment, the plant will be fitted with:

- Knitting and weaving machines for both circular and flat knitting
- Jet dyeing machines for uniform and high-speed coloring
- Rotary and sublimation printing machines for customized design work
- Fabric cutting and inspection lines
- Conveyor-fed sewing lines for garments
- Effluent treatment and recycling systems for environmental compliance
- Enterprise Resource Planning (ERP) systems for real-time production and inventory management

## **2.4 Products**

The projects engage in procurement of fabrics and printing and dyeing to make final products depending on the market requirements. The company initial plan is to produce underwear for both men and women. The company will also offer a wide product range categorized into:

- **Basic Fabrics:** Cotton, polyester, and blended fabrics (knitted & woven)
- **Processed Fabrics:** Dyed, printed, and chemically treated textiles
- **Finished Products:** such as under wears, School and corporate uniforms, Branded apparel (e.g., sportswear), Bedsheets and curtains, Custom-made institutional fabrics

Product development will be market-led, with dedicated R&D working on durability, dye-fastness, eco-friendly finishes, and trend alignment.

### **3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS**

#### **3.1 Business environment**

Businesses may be affected by factors beyond the owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise out of the expected changes. Thus, analysis of the business environment's key factors is paramount to this plan in order to determine external factors and how they are likely to affect the project.

*Economically;* Tanzania is now experiencing economic growth whereby the purchasing power of people is increasing and people's interactions are increasing as trade grows in the East African Region, SADC, and AfCFTA. This has called for a lot of business opportunities in the regions. The burning issue currently is the rate of inflation and continuous fall in the domestic currency this would lead to increased cost of operations as the price of materials is rising.

*Politically;* Tanzania has enjoyed political stability since it gained its independence in 1961, which has allowed for a degree of continuity and coherence in the organisation of both the state and the private sector. The country retains a strong national unit with an engaged civil society and private sector. The government of Tanzania is in support of investments through several policies and strategies that aim at making the business environment more conducive.

*Social-Cultural:* The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and

revenues earned. There is no doubt that the society is continually changing. The tastes and preferences are a great example of this change for the Tanzanian culture. Most of Tanzanians currently are willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population where currently the country is estimated to have over 61 million people. The increase in population necessitates increase in demand of goods and services.

*Technological factors:* Technological factors are one of various external environment factors that affect businesses greatly and are also an integral component of the **environmental analysis**. Our project considers technology as an integral part and an important tool for improving operations and functions. In the present scenario, utmost dependence on equipment, and technological factors can have more effect on business operation and success globally than ever before. Furthermore, the development of technology has also introduced digital marketing strategies through which companies can sell their products and services. Even the research and development (R&D) divisions in most companies have changed their ways of functioning and more advanced techniques in the development of products and services have been introduced only through technological advancements. We will ensure we keep up the pace of technology to suit the needs of our customers.

#### **4.0 MARKETING PLAN**

There is a growing population in the country, where current statistics show that the population trend grows by 3% annually with a current population of 61 million in 2022.<sup>1</sup> Dar es Salaam being the largest commercial city has been one of the fastest-growing cities in terms of population with more than 6 million people. The pace of regional integration within EAC and SADC blocs with the recent ratification of AfCFTA paves the way for more trade in the region. Our motive is to cater to this need, especially through providing high-quality textile products and related products that will be sold locally and at international markets.

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<sup>1</sup> National Bureau of Statistics, 2022: Population and Housing Census

## 4.1 Marketing Strategies

### 4.1.1 SWOT/SWOC Analysis

The SWOT analysis is conducted in order to assess our internal strengths and drawbacks that we need to improve. We have also analyzed external factors which may provide opportunities or pose threats to our project. Finally, we have indicated how we can best utilize the available opportunities and mitigate potential threats and overcome our weaknesses.

**Table 4.1: SWOT Analysis**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"><li>• Ability of the project implementers to solicit required funds for the project.</li><li>• Modern equipment and facilities and a safe environment for the production of high-quality textiles and fabrics from local resources.</li><li>• Excellence in service from highly skilled management and staff.</li><li>• Affordable prices will give options for customers to prefer our products.</li></ul>	<ul style="list-style-type: none"><li>• Sourcing of required resources including finances may cause delay in starting operations on time.</li><li>• No appropriate data on the current and projected market demand.</li></ul>
<b>OPPORTUNITIES</b>	<b>THREATS/CHALLENGES</b>
<ul style="list-style-type: none"><li>• Growing demand for textiles and related products due to an increase in population and regional integration.</li><li>• Government commitment to support industries.</li><li>• Economic growth and the rising purchasing power of individuals provide opportunities for the project.</li></ul>	<ul style="list-style-type: none"><li>• High expectations of customers and changing customer preferences.</li><li>• Ensuring punctuality in delivery, maintaining safety and standards during production.</li><li>• Stiff competition in the sector.</li></ul>

From the SWOT analysis, we have been able to identify our strengths, weaknesses, opportunities and threats. The project will capitalize on the key strengths to provide best products and services to customers. The available opportunities create a room for business expansion and the company sees that this prevailing opportunity cannot be left in vain. The project shall make use of the marketing mix in making sure that high quality product is maintained in the market, our products reach to high demand

locations (place), reasonable price is charged to our clients and appropriate promotional tools are employed to increase awareness of our products and services.

**Product:** Uniqueness in production through modern facilities shall be an added advantage to compete in the market through determination to provide high quality products and services. A sufficient budget shall be allocated for repair and maintenance of machineries and equipment to ensure a good quality and optimum production all the time and to maintain products of high quality. The brand name “Hamari Fabrics” shall be used to sell companies products throughout the project.

**Pricing:** The objectives of price strategy depend on a number of factors such as business economic and marketing objectives. Price setting can be based on cost or market based. With demand and completions orientation concepts, a fair price will be set which customers are willing to pay at the same time covers operational costs with some profit margin. In this regard, price setting shall be based on demand, and competition but also cost of operation.

**Place:** The project shall invest in modern and sophisticated technology and facilities and conducive environment. The project has arranged to start operations by looking at the most convenient market segment.

**Promotion:** Branding and Media advertisements both digital and print media shall be widely employed by the project. We will engage in positive promotion of the project through developing appropriate marketing strategies. The project will make advertisement of the available services via a number of media such as local newspaper, leaflets, TV, radio, social media and Internet. Different procedures of promotion will be applied, such as providing price discounts to regular customers.

## **5.0 OPERATIONAL/MANUFACTURING AND MANAGEMENT PLAN**

### **5.1 Operational Plan**

The operation is subject to government regulations and acquiring relevant permits and licenses before commencement of the business. All necessary licensing and permits shall be obtained before the commencement of the project.

### **5.2 Manufacturing Process**

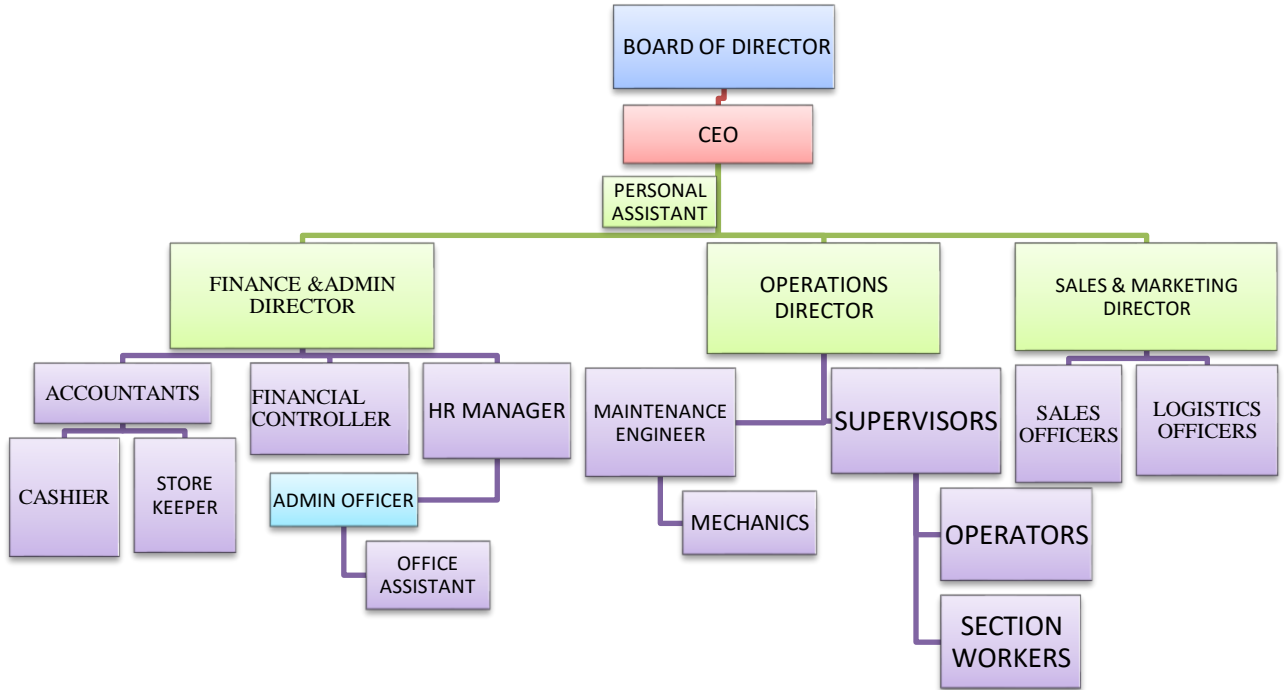
The textile manufacturing process begins with the collection of raw materials mainly fibre from various sources. The fibers are then cleaned, sorted, and blended to create yarns. Yarn is made into fabric by weaving or knitting it on a loom. The fabric is then cut into smaller pieces for use in sewing projects as well as dyed in different colors and patterns. The final step is to fabricate the cloth into useful goods like household items, clothing, upholstery, and various industrial products. During this stage, the project shall focus on sourcing fabrics from various sources and printing, dyeing, and making finished products. The project in the later stages shall engage in the processing of basic raw materials to make fabrics.

### **5.3 The Organization Structure**

The project shall maintain the hierarchical mode of organization structure. The organization structure comprises of the Project Implementation Team led by the CEO and other supporting staff.

The Organization structure comprises of three main departments which shall report to the CEO; Finance and Admin Department which shall include the Finance and Administrative Director, Accountants, Cashiers, revenue collectors and store keepers; HR Officers, Administrative Officers and Office Assistants as well as watchmen/security guards and drivers. Marketing and Sales Department shall include the Director of Sales and Marketing, Marketing Manager; Sales Officers and Logistic Officers. The Operations Department shall include the Director of Operations, Technical and maintenance Manager, Mechanics, Machine Operators, Drivers and section workers; The figure 5.1 describes the organization structure and the reporting lines for each category.

**Figure 5.1 Organization Chart**



**5.4 Management**

The Chief Executive Officer shall be responsible for the day-to-day running of the project and direct reports to the Board of Directors. The director of Operations shall be responsible for the day-to-day operational activities of the project including sourcing of materials, managing the personnel under him, repairing and maintaining and controlling the operational shifts. Finance and Administrative Director shall be responsible for all financial and administrative issues. Accounting and Administrative officers shall be responsible for all financial and administrative issues respectively. The financial controller shall ensure monitoring resource allocation, especially funds, and making sure that the fund is used in a desired manner.

**5.5 Revenue collection**

Revenue collections will be done on cash basis and bank transfers. Where there is a written agreement, the company will also provide services on credit basis to institutional customers. For the first year of the project, the average revenue is

estimated to be **USD 1,559,520**. The description of revenue projections is shown in the Table below.

**Table 5.1: Description of Revenue Projections**

**a) Production Plan**

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Dyed Fabrics (Linear Meters p.a.)	600,000	660,000	726,000	798,600	878,460
Knitted Fabrics (Linear Meters p.a.)	720,000	792,000	871,200	958,320	1,054,152
Others (Linear Meters p.a.)	360,000	396,000	435,600	479,160	527,076
<b>Total Production (Linear Meters p.a.)</b>	<b>1,680,000</b>	<b>1,848,000</b>	<b>2,032,800</b>	<b>2,236,080</b>	<b>2,459,688</b>

**b) Sales Projections**

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Production P.A. (Linear Meters p.a.)	1,680,000	1,848,000	2,032,800	2,236,080	2,459,688
Sales Projections (90% of the Stock)	1,512,000	1,814,400	1,859,760	2,168,208	2,274,804
Price per Linear Meter (4% inflation)	12.00	12.48	12.98	13.50	14.04
<b>TOTAL SALES (USD)</b>	<b>18,144,000</b>	<b>22,643,712</b>	<b>24,138,197</b>	<b>29,267,269</b>	<b>31,934,387</b>

**c) Gross Profit Projections**

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Projected Sales	18,144,000.00	22,643,712.00	24,138,196.99	29,267,269.48	31,934,387.18
Cost of Sales					
Power and Water Utilities	300,000.00	312,000.00	324,480.00	337,459.20	350,957.57
Raw Materials	8,400,000.00	8,736,000.00	9,085,440.00	9,448,857.60	9,826,811.90
Wages	2,400,000.00	2,496,000.00	2,595,840.00	2,699,673.60	2,807,660.54
Supplies	600,000.00	624,000.00	648,960.00	674,918.40	701,915.14
<b>TOTAL COST OF SALES</b>	<b>11,700,000.00</b>	<b>12,168,000.00</b>	<b>12,654,720.00</b>	<b>13,160,908.80</b>	<b>13,687,345.15</b>
<b>GROSS PROFIT</b>	<b>6,444,000.00</b>	<b>10,475,712.00</b>	<b>11,483,476.99</b>	<b>16,106,360.68</b>	<b>18,247,042.03</b>

## **6.0 PROJECT MONITORING AND EVALUATION**

The project will be monitored and evaluated regularly to track progress and identify any potential problems. The monitoring process will collect data on key indicators, such as the number of trucks added, the number of trucks per route, and the reduction in service delivery time and costs. The evaluation process will collect data on the benefits of the project, such as improvement in transport services, the creation of jobs, and the improvement of the economic activities of the Company.

The monitoring and evaluation plan will be tailored to the specific needs of the project. However, the following general principles will be followed:

- i) **Relevance:** The monitoring and evaluation plan will be relevant to the objectives of the project.
- ii) **Accuracy:** The monitoring and evaluation plan will be accurate and reliable.
- iii) **Timeliness:** The monitoring and evaluation plan will be timely and up-to-date.
- iv) **Transparency:** The monitoring and evaluation plan will be transparent and accessible to stakeholders.

## 7.0 RISK ASSESSMENT AND KEY ASSUMPTIONS

The project has the potential to significantly improve the efficiency of transport service in Dar es Salaam and hence promote an increase in economic activities and incomes of people. However, there are also several risks associated with the project. Some of the key risks may include:

- i) Competition:** There is stiff competition in the sector especially from imported products. The majority of competitors have already covered a huge share of the market, the company intends to capitalize on a niche in which the company can best serve others. The project shall utilize the existing gaps in the local market and exploit export potentials to various markets.
- ii) Price changes:** Due to inflation, the price of materials is expected to rise up particularly fuel and spare parts. In order to cater to this price increase, the project shall review the project panning, and timelines and make price adjustments from time to time.
- iii) Accidents:** Factories are prone to accidents. One of the major causes of these accidents is the overworking of employees without being given enough time to rest. We intend to employ qualified staff and use modern technology to ensure labour gets enough rest. The company also intends to secure the types of machinery and equipment through a comprehensive insurance cover in case of an accident, theft, or any other disaster.

Despite likelihood of these risks, the project potentials to make significant contribution to the economic development are inevitable. If the project is successful, it could help to improve the development of the sector and ensuring availability of high-quality products in the country and ultimately boost economic growth.

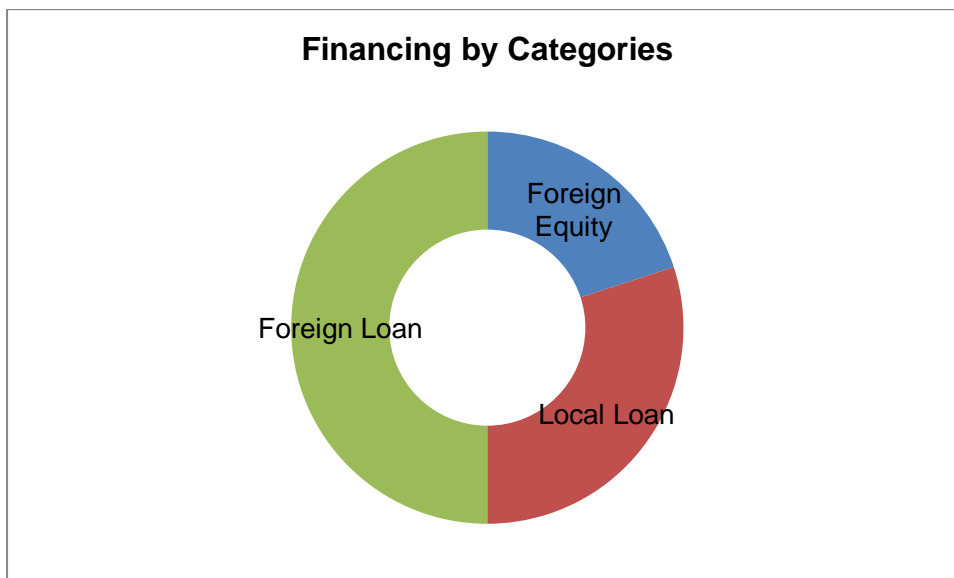
## 8.0 FINANCIAL PLAN

### 8.1 Sources of Funds

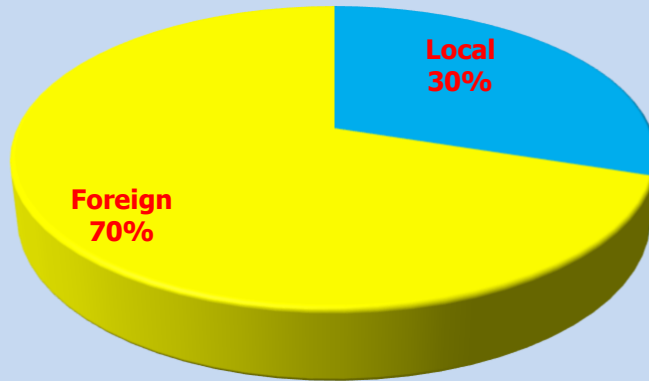
The project financing is expected to be through owners' equity through external sources of financing. Debt financing shall be considered at the later stages of the project. The amount of revenue shall be allocated to the parties as per the profit calculations of the project. The project financing shall be in the following mode;

**Table 8:1 Project Financing**

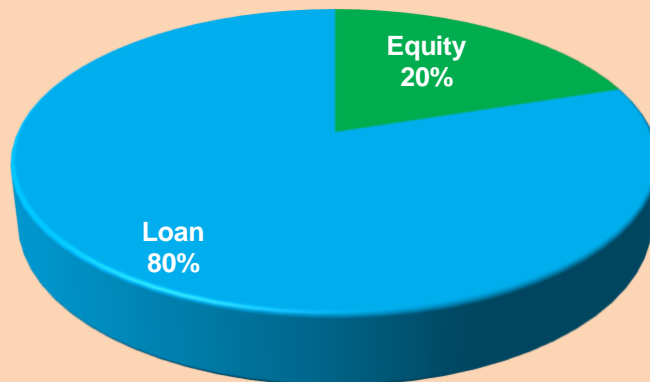
CATEGORIES	AMOUNT (USD)	PROPORTION
<b>EQUITY</b>		
<i>Local Equity</i>	-	-
<i>Foreign Equity</i>	2,000,000	0.20
<b>Total Equity</b>	2,000,000	0.20
<b>LOAN</b>		
<i>Local Loan</i>	3,000,000	0.30
<i>Foreign Loan</i>	5,000,000	0.50
<b>Total Loan</b>	8,000,000	0.80
<b>TOTAL FINANCING</b>	<b>10,000,000</b>	<b>1.00</b>



### Financing by Nationality



### Financing Modal



## 8.2 Financial Assumptions

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends, and the current financial market environment. These are as noted below;

- (i) The focus market shall be both domestic market and foreign markets including EAC, SADC, ACFTA, and beyond the African Continent.
- (ii) Investment shall be progressively made throughout the project;
- (iii) The annual sales will be at 90% of the existing stock in a year; while operating expenses will rise at the rate of 4%. The revenue is expected to double in year 3 after having installed the additional plant.

(iv) Depreciation will be charged on straight line method to allocate the cost of each value over its estimated useful life. The rates to be used for vehicles and equipment are as follows;

(a) Buildings	5%
(b) Furniture & Fittings	10%
(c) Equipment	10%
(d) Motor vehicles	20%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes and other levies. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 4% yearly.
- Maintenance costs 5% of Property Plant and Equipment
- Corporate tax is 30% of Net Income

### 8.3 Projected Financial Statements

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Net Income	3,932,586.00	6,799,361.41	7,480,156.60	10,681,037.15	12,087,206.70
Add: Depreciation and Amortization					
(Increase)/ Decrease in Operating Working Capital					
<b>Cash Flow from Operating Activities</b>	<b>3,932,586.00</b>	<b>6,799,361.41</b>	<b>7,480,156.60</b>	<b>10,681,037.15</b>	<b>12,087,206.70</b>
(Capital Expenditure)	-	-	-	-	-
	4,880,000.00	3,780,000.00	860,000.00	480,000.00	-
<b>Cash Flow from Investing Activities</b>	<b>4,880,000.00</b>	<b>3,780,000.00</b>	<b>860,000.00</b>	<b>480,000.00</b>	<b>-</b>
Increase (decrease) in long-term debt					
(Dividend)	-	-	-	-	-
	393,258.60	679,936.14	748,015.66	1,068,103.71	1,208,720.67

Issuance of Equity					
<b>Cash Flow from Financing Activities</b>	-	-	-	-	-
	393,258.60	679,936.14	748,015.66	1,068,103.71	1,208,720.67
Beginning Cash				-	-
	2,060,000.00	3,400,672.60	1,061,247.33	4,810,893.61	13,943,827.04
<b>Net Cash Flow</b>	-				
	<b>1,340,672.60</b>	<b>2,339,425.27</b>	<b>5,872,140.94</b>	<b>9,132,933.43</b>	<b>10,878,486.03</b>

The projected financial statements for five years indicate that the company shall be able to generate substantial amounts of profits as detailed below.

## **9.0 ECONOMIC ASPECTS**

### **9.1 National economic and social Benefits**

The economic and social impact of establishing the proposed project to Tanzania is expected to be positive. This positive impact is expected to be direct and indirect as explained below:

#### **a) Direct economic impact**

Direct positive economic impact is expected to come from the following factors, namely,

- 1) Tax payments to the government increased,
- 2) Access to quality, reliable and affordable products increased,
- 3) Employment opportunities generation; more than 10 direct jobs expected to be created and about 1,000 indirect jobs.
- 4) Technology and skills transfer from expertise hired from different parts of the globe.

#### **b) Indirect economic impact**

The project is expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities such as assisting some of the disadvantaged communities by way of donations, starting from the communities living near the project and participation in economic development activities of the country.

## **10.0 CONCLUSION**

The fact that owners are willing to raise investment capital to finance the project, it shows a strong commitment in making sure that the project is successfully implemented. The project is located in areas with high demand of textiles products and easily accessible with key infrastructure, hence project activities will help to revamp the textile sector. Owners are willing to comply with all government requirements. The fact that there is a huge demand for textile products in the country despite the presence of several other players in the market, makes this project a viable idea.

## ANNEXES

### Annex 1: Operating Expenses

ITEMS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Marketing Expenses	79,000.00	76,520.00	84,172.00	92,589.20	101,848.12
Bank Charges	6,000.00	6,240.00	6,864.00	7,550.40	8,305.44
Insurance	41,500.00	43,160.00	47,476.00	52,223.60	57,445.96
Office Expenses	18,000.00	13,000.00	13,000.00	13,000.00	13,000.00
Permits and Licences	89,800.00	600.00	600.00	1,600.00	88,600.00
Vehicle Expenses	260,000.00	270,400.00	281,216.00	292,464.64	304,163.23
Professionals Fees	11,000.00	8,000.00	11,000.00	8,000.00	11,000.00
Provision for Bad Debts	90,720.00	113,218.56	120,690.98	146,336.35	159,671.94
Depreciations					
Miscellaneous Expenses	12,000.00	13,200.00	14,520.00	15,972.00	17,569.20
<b>TOTAL OPERATING EXPENSES</b>	<b>608,020.00</b>	<b>544,338.56</b>	<b>579,538.98</b>	<b>629,736.19</b>	<b>761,603.88</b>

### Annex 2: Projected Ratios

Margin Ratios	Y1	Y2	Y3	Y4	Y5
Gross Profit Margin	35.52%	46.26%	47.57%	55.03%	57.14%
Operating Profit Margin	90.56%	94.80%	94.95%	96.09%	95.83%
Net Profit Margin	32.16%	43.86%	45.17%	52.88%	54.75%

Profitability Ratios	Y1	Y2	Y3	Y4	Y5
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Gross Profit Margin: (Gross Profit/Total Revenue)	35.52%	46.26%	47.57%	55.03%	57.14%
Net Profit Margin: (Net Income/Total Revenue)	21.67%	30.03%	30.99%	36.49%	37.85%
Return on Assets (ROA): (Net Income/Total Assets)	80.59%	78.51%	78.57%	106.81%	120.87%
Return on Equity (ROE): (Net Income/Shareholders' Equity)	196.63%	339.97%	374.01%	534.05%	604.36%

Solvency Ratios	Y1	Y2	Y3	Y4	Y5
Debt-to-Equity Ratio: Total Debt/Shareholders' Equity	90.90%	90.90%	90.90%	90.90%	90.90%
Interest Coverage Ratio: Earnings Before Interest and Taxes (EBIT)/Interest Expense	2577.06%	4455.68%	4901.81%	6999.37%	7920.84%

### Annex 3: Loan Details

LOAN DETAILS								
DETAILS	LOAN SECURED	INTEREST RATE	ANNUAL PRINCIPAL PAYBACK					TOTAL
			Y1	Y2	Y3	Y4	Y5	
Local Loan	3,000,000.00	0.13	600,000.00	600,000.00	600,000.00	600,000.00	600,000.00	3,000,000.00
Foreign Loan	5,000,000.00	0.14	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	5,000,000.00
<b>TOTAL PRINCIPAL REPAYMENT</b>			<b>1,600,000.00</b>	<b>1,600,000.00</b>	<b>1,600,000.00</b>	<b>1,600,000.00</b>	<b>1,600,000.00</b>	<b>8,000,000.00</b>
INTEREST DETAILS								
DETAILS	LOAN SECURED	INTEREST RATE	ANNUAL INTEREST PAYBACK					TOTAL
			Y1	Y2	Y3	Y4	Y5	
Local Loan	3,000,000.00	0.13	78,000.00	78,000.00	78,000.00	78,000.00	78,000.00	390,000.00
Foreign Loan	5,000,000.00	0.14	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	700,000.00
<b>TOTAL INTEREST REPAYMENT</b>			<b>218,000.00</b>	<b>218,000.00</b>	<b>218,000.00</b>	<b>218,000.00</b>	<b>218,000.00</b>	<b>1,090,000.00</b>
<b>TOTAL REPAYMENT</b>			<b>1,818,000.00</b>	<b>1,818,000.00</b>	<b>1,818,000.00</b>	<b>1,818,000.00</b>	<b>1,818,000.00</b>	<b>9,090,000.00</b>

