

# **ACC PAPER GROUP LIMITED**

## **Business Plan**

**For**

**Establishment of Manufacturing of Paper Products**

## **1.0 Executive Summary**

### **1.1 Project Concept**

The proposed project involves establishing a paper products manufacturing plant specializing in the production of A4 copier paper, toilet rolls, tissue paper, paper napkins, serviettes, and kraft paper bags. The project aims to take advantage of the rising demand for paper-based hygiene and packaging products driven by Tanzania's growing population, urbanization, and restrictions on plastic bags.

The project will operate in Mkuranga district, Pwani region

Estimated total investment:

The total project investment is USD 3,330,000, funded through a combination of equity US\$1,000,000 and US\$2,330,000.

### **2.2 Company Overview**

ACC PAPER GROUP LIMITED, a registered Limited company incorporated under the Companies Act, 2002 on the 16<sup>th</sup> October, 2025 with registration No.190180719 registered under BRELA, planning to set up plant for paper products manufacturing targeting:

- Schools & offices (for A4 papers), Corporate, printing, stationaries etc.
- Retail supermarkets
- Wholesale shops

- Hotels, restaurants, hospitals
- Distributors across regions
- Export markets (Zambia, DRC, Rwanda, Burundi, Malawi)

## 2.0 Products & Services

The plant will produce:

- A4 Copy Paper
- Toilet Paper
- Facial Tissue
- Kitchen Towels
- Paper Napkins / Serviettes
- Kraft Paper Bags (shopping bags, bakery bags, cement bags)
- Paper Core Tubes (inner cardboard for toilet paper rolls)
- Packaging corrugated sheets

### 2.1 Vision

To be Tanzania's most reliable and technologically advanced in manufacturing of paper products.

### 2.2 Mission

To deliver high-quality paper products.

### 2.3 Objectives

Establishment of paper products manufacturing facility.

### 2.5 Location

The project will be located at an surveyed area located at **Plot No.1,2,3,4 and 20, Block F, Kilwa Road, Mwanambaya, Mkuranga District, Coast Region**

## 2.6 The Sponsors

**ACC PAPER GROUP LIMITED** is being sponsoring this project. The Company is jointly owned by three shareholders

Share Holders	% of Share	Nationality
WANG QUANAN	50	Chinese
ZHANG LONG	50	Chinese

## 3.0 Project Summary

A paper product production project involves preparing raw materials like wood pulp or recycled paper, pulping them into fibers, forming a sheet on a machine, pressing and drying it, and finishing the paper to a desired state before cutting and packaging. This process transforms fibrous materials into usable paper products through a series of mechanical and chemical steps, while managing waste and environmental impacts.

### Project steps

- **Raw Material Preparation:** Source and prepare raw materials such as wood logs or recycled paper. Logs are debarked and chipped; recycled paper is inspected and sorted to remove contaminants.
- **Pulping:** Convert the prepared raw material into a pulp, which is a suspension of cellulose fibers. This is done through either a mechanical process or a chemical process.

- **Screening and Refining:** The pulp is then screened to remove large impurities and refined to improve fiber bonding and consistency. Additives like sizing agents or dyes may also be mixed in at this stage.
- **Sheet Formation:** The diluted pulp is pumped onto a moving screen on a paper machine, where the water drains away, leaving a matted, fibrous web.
- **Pressing and Drying:** This web is then pressed to remove more water and subsequently dried using heated rollers to form a continuous sheet of paper.
- **Finishing:** The dried paper may go through a calender section to smooth the surface, or be treated with coatings to improve properties like strength or printability.
- **Cutting and Packaging:** Finally, the large rolls of paper are cut into the desired sizes, packaged, and prepared for distribution

#### 4.0 **Market Analysis**

The paper products market in Tanzania is growing, with an estimated market size of USD 650 million in 2024 projected to reach USD1billion by 2032, driven by the retail and agro sectors. The market heavily relies on imports, particularly for writing and printing paper, which comes from countries like Indonesia, Thailand, and India. Demand for various paper types, including household paper and synthetic paper, is increasing due to population growth and rising disposable incomes.

#### **4.1 Market overview Market size:**

The overall paper and packaging market was valued at USD 650 million in 2024 and is expected to grow at a compound annual growth rate (CAGR) of approximately 6% from 2025 to 2032. Growth drivers: Key growth drivers include the retail and agro-processing sectors. The demand for household paper is specifically driven by a growing urban population and increasing disposable incomes.

Printing and writing paper: Tanzania is a net importer of writing and printing paper, with imports valued at approximately US\$1.13 million in 2023. Emerging trends: Synthetic paper is gaining traction in Tanzania for its durability and versatility in commercial printing and packaging.

Household paper: The household paper market is projected to grow at an annual rate of 3.87% from 2025 to 2030.

#### **4.2 Key aspects**

Import dependence: Tanzania's paper market is heavily dependent on imports for many paper products, especially coated printing and writing papers.

- Major import partners: In 2023, major suppliers of writing and printing paper to Tanzania included Indonesia, Thailand, India, and China.
- Export market: Tanzania does export some coated printing and writing papers, with key export markets including Kenya, Uganda, and South Sudan.
- Industry structure: The market includes a range of players, from large-scale importers and converters to local printing companies.

#### **4.3 Government Policy of the market**

Tanzania Pulp and Paper market operates under government policies that regulate forestry management, paper production, and environmental sustainability. These policies include standards for pulp quality, paper recycling, and regulatory compliance in Pulp and Paper applications. Government initiatives may involve incentives for forestry conservation investments, investment in paper recycling technologies, and regulatory oversight to ensure compliance with environmental regulations. Regulatory frameworks oversee forest resource utilization to maintain ecological balance and uphold paper industry standards. Environmental policies focus on promoting sustainable paper production, reducing deforestation rates, and supporting technological innovation in the Pulp and Paper market

## **5.0 Production Capacity**

A standard plant will produce 900,000 reams of paper per year and each ream estimated to be sold US\$6

## **6.0 Organizational Structure**

- Director/CEO
- Operations Manager
- Production Supervisor
- Sales & Marketing Manager
- Logistics & Procurement
- Finance & Accounts
- Machine Operators
- Packers & Loaders
- Quality control team

Total staff **70** to be employed

## **7.0 Marketing & Sales Strategy**

### **7.1 Branding & Positioning**

- Affordable
- High quality and hygienic
- Environmentally friendly packaging

## **7.2 Distribution Strategy**

- Appoint regional distributors
- Supply supermarkets
- Partner with hotels & hospitals
- Direct sales to wholesalers
- Government institutions for A4 paper tenders
- Education institutions
- Stationaries shops etc.

## **7.3 Promotion Strategy**

- Social media campaigns
- Roadshows & sampling in supermarkets
- Discounts on bulk purchases
- Contract supply to hotels
- Attractive product packaging

## **8.0 Financial Plan**

The project will be financed by equity US\$1,000,000 and loan US\$ 2,330,000

## 8.1 Capital Investment Breakdown US\$

Land and Buildings	800,000
Machinery & Equipment	1,200,000
Motor Vehicles	150,000
Furniture & Fixtures	10,000
Pre exp	20,000
Others	150,000
Working Capital	1,000,000
<b>TOTAL</b>	<b>3,330,000</b>

## 8.2 Operating Costs (Annual)

- Raw materials
- Labour
- Utilities
- Marketing & distribution
- Maintenance
- Administrative expenses and other

Total annual operating cost estimated to be 75% of total revenue

### **8.3 Revenue Projections (Annual)**

Assuming moderate scale of total annual revenue of 5,250,000

### **8.4 Profitability**

- **Payback Period:** 2 – 3 years

### **9.0 Risk Analysis & Mitigation**

#### **Risks**

- Raw material import fluctuations
- Machine breakdown
- Increased competition
- Power outages

#### **Mitigation**

- Diversify suppliers
- Regular machine maintenance
- Invest in branding and distribution
- Install standby generator

### **10.0 Environmental & Social Impact**

- Reduce plastic pollution
- Create jobs (50+ employees)

- Use recycled materials where possible
- Comply with NEMC regulations

### **10.1 Monitoring and Evaluation**

- The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth business running.

### **10.2 Aspect of Project Sustainability**

- The project sponsors having studied market conditions and the infrastructure in Tanzania are convinced that the project will be able to operate undisturbed. The growing of Tanzania economy and increase of economic activities gives them assurance of a steady market. The peace and tranquility that exist in Tanzania is another aspect of assured business sustainability.

### **11.0 Production Process**

The paper products manufacturing process involves **raw material preparation, pulping, stock preparation, sheet formation, pressing, drying, and finishing**. Raw materials like wood or recycled paper are pulped to separate fibers, which are then cleaned and refined. The pulp mixture is formed into a continuous sheet on a wire mesh, followed by pressing to squeeze out water, and drying with heated cylinders. Finally, the paper undergoes

finishing processes like coating or calendering to achieve the desired surface properties before being cut and packaged.

### 11.1 Raw material preparation

- Logs are debarked and chipped into small pieces.
- Recycled paper is mixed with water to create a slurry, which is then filtered to remove waste.

### 11.2 Pulping

- This step separates the fibers from the raw material.
- **Chemical pulping:** Uses chemicals to break down lignin, the substance that binds wood fibers together.
- **Mechanical pulping:** Physically grinds the wood to separate the fibers.
- The result is a thick, less-refined fiber mass called pulp.

### 11.3 Stock preparation

- The pulp is screened, cleaned, and refined to prepare it for papermaking.
- It is then diluted with water to form a thin, watery mixture known as "stock".
- Additives like dyes or starch can be added at this stage.

#### 11.4 Sheet formation

- The diluted stock is pumped onto a large, moving wire mesh on the [paper machine](#).
- As the stock moves, water drains through the mesh, and the fibers interweave to form a continuous wet mat, called a "web".
- Foils and suction boxes help remove more water at this stage.

#### 11.5 Pressing

- The wet paper web is passed through large rollers that press the sheet, squeezing out more water and compacting the fibers.

#### 11.6 Drying

- The pressed paper web goes through a series of large, steam-heated cylinders that evaporate most of the remaining water.

#### 11.7 Finishing

- The dried paper may pass through additional rollers for smoothing, pressing, or coating to achieve the final desired properties, such as gloss and thickness.
- The finished paper is wound into large rolls or cut into sheets and then packaged for distribution

## 12.0 Implementation Schedule

Phase	Activity	Duration
Phase 1	Land acquisition, design, permits	3 months
Phase 2	Machinery procurement & shipping	3 months
Phase 3	Construction & installation	4 months
Phase 4	Recruitment & training	1 month
Phase 5	Trial production & marketing	1 month
<b>Total Project Period</b>		<b>12 months</b>

## 13.0 Projected Profit and Loss Statement

The Income and Expenditure Statement show the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US \$ 783,720 in first year to US \$ 7,242,314 in the 5<sup>th</sup> year.

### 13.1 Projected Cash Flows

This is shown in the financial statements. The project has a positive accumulated cash flow, accumulated cashflows grows from 1<sup>st</sup> year US\$ 1,014,120 to the US \$ 8,021,514 in 5<sup>th</sup> year.

### **13.2 Projected Balance Sheet**

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Shareholder's equity increases from US\$ 1,000,000 in the first year of operation to US \$ 8,242,314 in the 5<sup>th</sup> year.

### **13.3 Projected payback period**

Total investment is US \$ 3,330,000 cash accumulation in 4<sup>th</sup> year is US\$ 4,373,388 which is more than the initial investment, the project payback Period is exactly 4 years, only

### **14.0 Economic Aspects**

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization of available investment opportunities
- The project will increase number of quality packaging bags and affordable
- The project will create employment for 70 people on permanent contract basis as well as on temporary basis and indirect 100+)
- It will create more business opportunities to local suppliers.
- It will generate substantial revenue to the government in the form of corporate tax; value added tax and pay as you earn.
- The project will transfer of knowledge and skills to other manufacturing in the country.

- Increased efficiency in supply chains
- Support for export

#### **15.0 Conclusion and Recommendations**

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TISEZA Certificate of Incentives with its associated privileges and benefits as provided.

**APPENDIX I**

**ACC PAPER GROUP LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$**

	1	2	3	4	5
Revenue	5,400,000	5,670,000	5,953,500	6,251,175	6,563,734
<b>Total Cost</b>	4,050,000	3,402,000	3,572,100	3,750,705	3,938,240
<b>Profit before Depreciation &amp; Interest</b>	1,350,000	2,268,000	2,381,400	2,500,470	2,625,494
<b>Interest</b>	266,400	213,120	159,840	106,560	53,280
<b>Depreciation</b>	44,000	44,000	44,000	44,000	44,000
<b>Gross Profit</b>	1,039,600	2,010,880	2,177,560	2,349,910	2,528,214
Tax (30%)	311,880	603,264	653,268	704,973	758,464
<b>Profit After Tax</b>	727,720	1,407,616	1,524,292	1,644,937	1,769,749
Accumulated Profit	727,720	2,135,336	3,659,628	5,304,565	7,074,314

## APPENDIX II

## ACC PAPER GROUP LIMITED PROJECTED CASH FLOWS US\$

<b>SOURCES:</b>		1	2	3	4	5
Profit before interest and depreciation	-	1,350,000	2,268,000	2,381,400	2,500,470	2,625,494
Equity	1,000,000					
Loan	2,330,000					
<b>Total Sources</b>	3,330,000	1,350,000	2,268,000	2,381,400	2,500,470	2,625,494
<b>Applications:</b>						
Capital expenditure	2,160,000	-	-	-	-	-
working Capital & Others	1,170,000					
Cash	-	1,014,120	1,645,536	1,713,732	1,785,897	1,862,229
Tax	-	335,880	622,464	667,668	714,573	763,264
<b>Sub total</b>	3,330,000	1,350,000	2,268,000	2,381,400	2,500,470	2,625,494
<b>Total applications</b>	3,330,000	1,350,000	2,268,000	2,381,400	2,500,470	2,625,494
Accumulated cash		1,014,120	2,659,656	4,373,388	6,159,285	8,021,514

## APPENDIX III

## ACC PAPER GROUP LIMITED PROJECTED BALANCE SHEET US\$

<b>Fixed Assets</b>		1	2	3	4	5
Opening balance	-	2,160,000	2,116,000	2,072,000	2,028,000	1,984,000
Additions	-					
<b>Total Long-term Assets</b>	-	2,160,000	2,116,000	2,072,000	2,028,000	1,984,000
<b>Less depreciation</b>	-	44,000	44,000	44,000	44,000	44,000
<b>Closing balance</b>	-	2,116,000	2,072,000	2,028,000	1,984,000	1,940,000
Working capital		1,170,000	1,170,000	1,170,000	1,170,000	1,170,000
Accumulated cash	-	1,014,120	2,659,656	4,373,388	6,159,285	8,021,514
<b>Total assets</b>	-	4,300,120	5,901,656	7,571,388	9,313,285	11,131,514
Financed by						
Equity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Accumulated profit		783,720	2,236,136	3,794,028	5,461,365	7,242,314
Total equity	1,000,000	1,783,720	3,236,136	4,794,028	6,461,365	8,242,314
Long term loan	2,330,000	1,864,000	1,398,000	932,000	466,000	-
Bank overdraft	-	-	-	-	-	-
<b>Total debts</b>	2,330,000	1,864,000	1,398,000	932,000	466,000	-
<b>Total equity and debts</b>	3,330,000	3,647,720	4,634,136	5,726,028	6,927,365	8,242,314

## JAMROSE PACKAGING COMPANY LIMITED FIXED ASSETS US\$

<b>NAME OF ASSETS</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Land And Buildings	800,000	784,000	768,000	752,000	736,000
Machinery, Tools & Equipment	1,200,000	1,188,000	1,176,000	1,164,000	1,152,000
Motor Vehicles	150,000	135,000	120,000	105,000	90,000
Furniture & Fixtures	10,000	9,000	8,000	7,000	6,000
<b>Total</b>	<b>2,160,000</b>	<b>2,116,000</b>	<b>2,072,000</b>	<b>2,028,000</b>	<b>1,984,000</b>
<b>DEPRECIATION</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Land and buildings	16,000	16,000	16,000	16,000	16,000
Machinery tools & Equipment	12,000	12,000	12,000	12,000	12,000
Motor Vehicles	15,000	15,000	15,000	15,000	15,000
Furniture & Fixtures	1,000	1,000	1,000	1,000	1,000
<b>ANNUAL DEPRECIATION</b>	<b>44,000</b>	<b>44,000</b>	<b>44,000</b>	<b>44,000</b>	<b>44,000</b>

ACC PAPER GROUP LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	466,000	186,400.00	652,400.00	2,330,000.00
2	466,000	149,120.00	615,120.00	1,864,000.00
3	466,000	111,840.00	577,840.00	1,398,000.00
4	466,000	74,560.00	540,560.00	932,000.00
5	466,000	37,280.00	503,280.00	466,000.00

