

# **INKPRESS TZ LIMITED**

## **Feasibility Study For The Establishment Of**

### **Manufacturing Facility of Ink and Allied Products**

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## **1.0 INTRODUCTION**

### **1.1 Background**

This study covers the establishment of an Integrated Manufacturing facility for various inks and related Products. It will mainly focus on producing high-quality ink and related products. The aim is to meet the growing demand for reliable, cost-effective, and environmentally friendly ink solutions in domestic and international markets.

The global printing industry continues to grow, driven by increasing demand from sectors such as publishing, advertising, textiles, labelling, and packaging. The use of this ink covers for variety of products that range from food products to non-food products, such as pharmaceutical products, packages, containers, and many other usage areas. With advances in technology and increasing awareness of environmental sustainability, there is a noticeable shift toward water-based, UV-curable, and solvent-free inks.

Inkpress TZ Limited plans to capitalize on this shift by offering a range of products, including the same service and quality product will be provided at the doorstep of the company's renowned customers and the potential market of East Africa.

### **1.2 Project:**

Inkpress TZ Limited plans to establish a manufacturing facility to produce Printing Ink, Adhesives, and other related products. The facility will be equipped with modern machinery and quality control systems to ensure consistency, performance, and compliance with environmental regulations. The goal of establishing ink production facilities is to be Self-sufficiency and also to reduce dependency on external suppliers by controlling the raw material supply chain. The company's other goal is

to have new markets such as digital printing, textile printing, and industrial coatings. The project is designed to have an installed capacity to produce **1320** annually. This will help to strengthen Tanzania’s position in the ink market. Other activities will include the importation of trucks and 4WD cars for administrative and sales supervision operations

### **1.3 The Sponsors:**

The project is sponsored by Inkpress TZ Limited, which is registered under the Tanzania Companies Act 2002 with Certificate of Incorporation **No. 153414408** dated 14th September 2021. The shareholders of the company are as follows

| <b>Shareholders</b> | <b>Nationality</b> | <b>Shares</b> |
|---------------------|--------------------|---------------|
| Dynacorp Limited    | Mauritius          | 99            |
| Biren Govindji Shah | Kenyan             | 1             |

Dynacorp Limited is a Global Business Company incorporated in 8<sup>th</sup> July 2016 in Mauritius under registration number C1/GBL 140000 and having its registered office in Mauritius. The main objective of the company is to invest in ink manufacturing in East Africa. The company currently holds shares in the following companies. InkXpress (U) Limited, InkXpress Zambia Limited and InkXpress TZ Limited. Biren Shah is a Managing Director of Deluxe Inks Ltd. Deluxe Inks is a biggest manufacturing of Industrial Inks in East Africa.

### **1.4 Capital Investment Plan and Sourcing of Funds**

Inkpress TZ Limited proposes to invest **US\$1.95million** for the proposed project. It is planned that some investment costs will be financed by personal shareholders’ contributions and loans, which will be sought from various Banks.

| <b>CAPITAL ITEMS</b>                  | <b>TOTAL</b>     |
|---------------------------------------|------------------|
| <b>Land &amp; Buildings</b>           | <b>750,000</b>   |
| <b>Plant &amp; machinery</b>          | <b>800,000</b>   |
| <b>Motor Vehicles</b>                 | <b>100,000</b>   |
| <b>Furniture &amp; Fittings</b>       | <b>50,000</b>    |
| <b>Pre-Operational Expenses</b>       | <b>50,000</b>    |
| <b>Others</b>                         | <b>-</b>         |
| <b>Total initial fixed investment</b> | <b>1,750,000</b> |
| <b>Initial Working Capital</b>        | <b>200,000</b>   |
| <b>TOTAL INVESTMENT</b>               | <b>1,950,000</b> |

### **1.5 Proposed Sources of Finance**

Funds for the execution of the project will be from own source, i.e., injection of funds from the sponsors and the term loan from various banks. The company will also look for an overdraft facility to finance part of its working capital. The financing pattern will be as below;

| <b>SOURCE</b>                  | <b>US\$</b>      |
|--------------------------------|------------------|
| <b>Fixed Assets<br/>Equity</b> | <b>1,950,000</b> |
| <b>GRAND TOTAL</b>             | <b>1,950,000</b> |

### **1.6 THE MARKET**

Tanzania's domestic ink production facilities do not generate significant volumes of ink for local consumption. Nearly all consumption is met through imports. Tanzania imports the vast majority of its inks, which include printing ink (both black and colored), writing, drawing, and other types of inks. Tanzania imports printer inks from China, Japan, and Vietnam, making up around 72% of its total import volume (China alone accounts for 35%).

In 2022, around 882 metric tons of printing ink (excluding black) were imported, valued at US\$5.67 million, and in 2023, imports of miscellaneous inks totaled 210 metric tons, valued at US\$714K. In 2024 dominant suppliers were Kenya, India, and Switzerland. Exports from Tanzania primarily go to Zambia, Kenya, and Rwanda.

### **1.7 FINANCIAL PROFITABILITY:**

Based on a set of assumptions provided herein, the project demonstrates a profitable trend in its future operations. The project's Income Statement and Cash Flow indicate that Inkpress TZ Limited would be able to recover the planned investment funds within the first four years. This suggests that the project is financially and economically viable.

### **1.9 THE IMPLEMENTATION PLAN:**

The implementation schedule shows that the development of the project will take about 36 months. The full commissioning of the plant will be in the year 2028.

### **1.10 ECONOMIC ANALYSIS**

Upon completion of the Implementation programme, producing ink within a country offers several economic, industrial, and strategic benefits as follows:

- i)** There will be Job creation by establishing an ink production plant. It will create both direct and indirect employment (factory workers, suppliers, logistics, etc.).
- ii)** It will bring the import substitution effect by reducing dependence on foreign ink, saving foreign exchange, and improving the trade balance.
- iii)** Local production contributes to government revenue through taxes and export opportunities.

**iv)** Local printers, publishers, packaging companies, and textile businesses benefit from faster access to ink and potentially lower prices.

**v)** Local R&D can develop inks suited to specific local needs (e.g., climate-resistant ink or eco-friendly variants).

**vi)** It will have Supply chain development, which will boost related industries like chemical manufacturing, pigment production, and packaging

## **2.0 The Project:**

**Inkpress TZ Limited** plans to establish a manufacturing facility to produce Printing Ink, adhesives, and other related products. The facility will be equipped with modern machinery and quality control systems to ensure consistency, performance, and compliance with environmental regulations. The goal of establishing ink production facilities is to achieve Self-sufficiency and also to reduce dependency on external suppliers by controlling the raw material supply chain. Inkpress TZ Limited also aims to meet industry or customer-specific quality standards and to become a top-quality producer of eco-friendly, fast-drying inks. The company's other goal is to explore new markets such as digital printing, textile printing, and industrial coatings. This will help strengthen Tanzania's position in the ink market. Other activities will include importing trucks and 4WD cars for administrative and sales supervision operations.

## **3.0 PROJECT DESCRIPTION**

The project aims to manufacture quality ink estimated at ***1320 per year***, for sale in the local market and for export worldwide. This project will involve the establishment of an ink production unit focused on manufacturing various types of ink for commercial, industrial, and educational use. The project aims to produce high-quality ink suitable for writing instruments, printing presses, packaging, and specialty applications such as textile printing and security marking.

The manufacturing plant will produce different types of inks, including water-based, oil-based, solvent-based, UV-curable, and gel inks. The production process will involve sourcing raw materials such as pigments or dyes, solvents, binders, additives, and water, followed by mixing, milling, filtering, and packaging.

The project will ensure quality control at every stage of production to maintain consistency, color accuracy, drying time, viscosity, and environmental compliance. Advanced equipment and chemical formulations will be utilized to meet the needs of various customer segments, including stationery companies, publishing houses, textile manufacturers, and industrial printers.

The project will also integrate eco-friendly practices by using non-toxic and biodegradable components wherever possible, with a focus on reducing waste and emissions. Research and development will be an ongoing part of the project to innovate and adapt to market demands.

In summary, the project involves the following:

- ◆ Construction of factory building;
- ◆ Importation of an Ink Manufacturing plant
- ◆ Importation of trucks and 4WD motor vehicles for administrative and sales supervision operations.

## **2.2 MANUFACTURING PROCESS**

The process of ink manufacturing involves mixing various raw materials such as pigments, solvents, resins, and additives into a stable, uniform mixture that meets specific performance characteristics (e.g., color, drying time, viscosity). The exact process varies depending on the type of ink (e.g., offset, flexographic, digital, or screen printing).

In general, creating ink involves combining these raw materials—like pigments, solvents, resins, and additives—into a stable, homogenous mixture that satisfies particular performance standards. The specific steps can differ based on the ink type, but here is a general overview of how ink is produced.

### **a) Raw Material Preparation.**

Pigments are usually received as dry powders, while dyes are typically dissolved in solvents. The key ingredients are i) pigments or dyes – for color, ii) binders/resins – to bind pigment to the substrate (e.g., paper, plastic), iii) solvents or water – to adjust viscosity and drying time, and iv) additives for performance (e.g., anti-foaming agents, UV stabilizers, dispersants)

### **b) Premixing (Pre-Dispersion).**

Ingredients are mixed in large tanks or mixers to form a coarse blend. This blend is not yet uniform—the pigment particles are still clumped together. The goal here is to wet the pigment thoroughly with resin/solvent.

### **c) Milling (Grinding/Dispersion)-**

The mixture is passed through grinding equipment like Ball mills, Bead mills, and Three-roll mills. Break down pigment agglomerates into fine particles (*usually <1 micron*). To achieve uniform dispersion of pigment in the binder, break down pigment agglomerates into fine particles (usually <1 micron). This will result in uniform dispersion of pigment in the binder to determine color strength, gloss, and stability of the ink.

### **d) Mixing and Let-Down:**

After milling, the concentrated pigment mixture is diluted ("let down") with more resin, solvents, or additives to reach final product specifications. These adjustments are to achieve Viscosity, Drying time, pH (for water-based inks), and Color consistency

### **e). Filtration**

The ink is filtered to remove any impurities or oversized particles. This will help to prevent clogging in printing machines (especially important for digital/inkjet inks).

#### **f) Quality Control Testing**

In quality control, every batch undergoes testing for Viscosity, Color (using spectrophotometers), drying time, Gloss, and rub resistance (for water-based inks), and Stability under temperature or UV exposure

#### **g) Packaging and Distribution**

Final ink is filled into containers (cans, cartridges, drums) depending on use. It is then labeled and stored or shipped to end-users (printers, manufacturers, etc.).

### 3.0 LOCATION

The site and location of the project will be at Plot No. P65894, Kigamboni, Dar es Salaam.

### 4.0 MANPOWER

The total manpower for the project is expected to be **74 people**. Additionally, the company is anticipated to employ 9 expatriates within three years, contingent upon the level of production capacity. The breakdown is as shown below.

|                      |    |
|----------------------|----|
| DIRECTOR             | 2  |
| CHIEF TECHNICAL HEAD | 1  |
| PRODUCTION MANAGER   | 1  |
| OPERATION MANAGER    | 1  |
| ACCOUNTS             | 2  |
| DISPATCH             | 2  |
| STORES               | 2  |
| QC ASSISTANT         | 2  |
| LAB TECHNICIAN       | 3  |
| WORKSHOP ASSISTANTS  | 18 |
| SECURITY             | 3  |
| DIRECTOR             | 2  |
| CHIEF TECHNICAL HEAD | 1  |
| PRODUCTION MANAGER   | 1  |
| OPERATION MANAGER    | 1  |
| ACCOUNTS             | 2  |
| DISPATCH             | 2  |
| STORES               | 2  |
| QC ASSISTANT         | 2  |
| LAB TECHNICIAN       | 3  |
| WORKSHOP ASSISTANTS  | 18 |
| SECURITY             | 3  |

### 5.0 IMPLEMENTATION PROGRAMME

It is planned that the project will take 36 months from the time. **Inkpress TZ Limited** commences implementation of the project to the time the plant commences commercial services.

## **6.0 THE MARKET**

### **6.1 Introduction**

Tanzania's domestic ink production facilities do not generate significant volumes of ink for local consumption. Nearly all consumption is met through imports. Tanzania imports the vast majority of its inks, which include printing ink (both black and colored), writing, drawing, and other types of inks. Tanzania imports printer inks from China, Japan, and Vietnam, making up around 72% of its total import volume (China alone accounts for 35%).

### **6.2 Demand for ink**

The demand for ink is growing due to the increase in the printing industry, packaging, and other commercial printing. According to Volza's Tanzania Import data, Tanzania imported 1,280 Shipments of Print Ink during Jun 2024 to May 2025 (TTM). These imports were supplied by 137 foreign exporters to 117 Tanzanian buyers, marking a growth rate of 101% compared to the preceding twelve months. Within this period, in May 2025 alone, Tanzania imported 201 Print Ink shipments. Digital printing is on the rise for its speed, quality, and eco-friendliness, while traditional lithography still holds a significant market share. Growing sectors like packaging (especially labels) and commercial printing are fueling demand for ink, particularly digital and solvent-based types. In 2024 dominant suppliers were Kenya, India, and Switzerland.

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### **6.3 SUPPLY OF INK**

As Tanzania's economy grows, there is an increased need to buy printers and consumables such as inks, make-ups, and cleaning solutions. Tanzania's domestic ink production facilities do not generate

significant volumes of ink for local consumption. Nearly all consumption is met through imports.

While domestic consumption is substantial—from manufacturing and printing sectors—the export market, especially for specialized inks like black and color printing variants, remains a modest but growing outlet.

With the increasing number of printing companies in Tanzania, the industry will grow. Some of the top print design companies in Tanzania include; Tanganyika Productions, Kiliative Solutions, Timeless International, Adams Digicom, and Radiance Graphics. More people in Tanzania are looking for ink products for sale from local sources and importers.

## 7.0 FINANCIAL ANALYSIS

### 7.1 Fundamental Assumptions

The preparations of the financial projections took into account the following main assumptions;

- i) The operating period under which the project will be reviewed is 10 years
- ii) The operation costs have been taken to be 65 % of the total revenue
- iii) The Capital Cost Summary of the establishment is as below and is reproduced below for ease of reference.

#### VALUE IS US \$

| <b>CAPITAL ITEMS</b>                  | <b>TOTAL</b>     |
|---------------------------------------|------------------|
| Land & Buildings                      | 750,000          |
| Plant & machinery                     | 800,000          |
| Motor Vehicles                        | 100,000          |
| Furniture & Fittings                  | 50,000           |
| Pre-Operational Expenses              | 50,000           |
| Others                                | -                |
| <b>Total initial fixed investment</b> | <b>1,750,000</b> |
| <b>Initial Working Capital</b>        | <b>200,000</b>   |
| <b>TOTAL INVESTMENT</b>               | <b>1,950,000</b> |

The above cost estimates have already considered the cost of installing new machinery and equipment in the new building on site.

## 7.2 Proposed Sources of Finance

The sponsors of the company will finance the whole enterprise of Inkpress TZ Limited operations. The sponsors will also look for the term loan from various banks both internal and abroad. The financing pattern is as shown below.

| SOURCE                        | US\$             |
|-------------------------------|------------------|
| <i>Fixed Assets</i><br>Equity | <b>1,950,000</b> |
| <b>GRAND TOTAL</b>            | <b>1,950,000</b> |

## 7.3 Financial Analysis

### 7.3.1 Operating Costs

The operating costs have been estimated to be **65%** of the total revenue. Costs include salaries and wages and administrative overheads.

### 7.3.2 Projected Profitability

On the basis of the assumptions, the operations of the project are profitable throughout the projected period of 10 years. Net profit rises from **US\$.0. 510.** the first year and rises to **US \$0.826M** in the eight year.

### 4.3.3 Liquidity Projections

The projections take into account the assumed sources and applications for funds over the planned period and show the ability of the project to meet capital expenditure.

### 4.3.4 Financial Review

The project is profitable, and the liquidity position of the project is sound, and it should be able to meet its commitments easily

- The operations are financially and technically viable

## **8.0 ECONOMIC ANALYSIS**

Upon completion of the Implementation programme, the Ink manufacturing plant shall be capable of bringing a range of economic, industrial, and strategic benefits as follows

### **1) Revenue generation**

The project will earn foreign exchange by exporting ink products to the neighboring countries.

### **2) Increased Tax Revenue-**

The project will generate taxes for the government through corporate tax, income tax, and duties on the produced ink

### **3) Import substitution**

The project will have import substitution effect as the products will be produced.

### **4) Job Creation-**

It will create direct employment and indirect employment.

### **5) Downstream Industry Growth**

The project will have multiplier effects as it will strengthen logistics, packaging, and supply chains. With local production, the country reduces reliance on imports, retains capital, and builds stronger economic resilience.

## **6.0 Conclusion and Recommendation**

The above study of the project reveals that the project is technically, commercially, and economically feasible, viable, and is desirable for the country's economy. In light of anticipated financial, social, and development benefits, the project qualifies for a positive recommendation for immediate implementation. Since the promoters are confident of arranging the required funds and of establishing the project within the committed time frame, the conclusion is to recommend to all concerned authorities to accord utmost support to this project so as to enable the country to realize the benefits as perceived in this report.

# **APPENDICIES**

# **INKPRESS TZ LIMITED**

## **CAPITAL COST SUMMARY**

| <b>CAPITAL ITEMS</b>                  | <b>TOTAL</b>     |
|---------------------------------------|------------------|
| Land & Buildings                      | 750,000          |
| Plant & machinery                     | 800,000          |
| Motor Vehicles                        | 100,000          |
| Furniture & Fittings                  | 50,000           |
| Pre-Operational Expenses              | 50,000           |
| Others                                | -                |
| <b>Total initial fixed investment</b> | <b>1,750,000</b> |
| <b>Initial Working Capital</b>        | <b>200,000</b>   |
| <b>TOTAL INVESTMENT</b>               | <b>1,950,000</b> |

# INKPRESS TZ LIMITED

## DEPRECIATION SCHEDULE

US \$

| YEAR                    | Value   | Rate % | 1              | 2              | 3              | 4              | 5              | 6              | 7              | 8              | 9      |
|-------------------------|---------|--------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------|
| Land & Buildings        | 750,000 | 4      | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 30,000         | 30,000 |
| Machinery and equipment | 800,000 | 12.5   | 100,000        | 100,000        | 100,000        | 100,000        | 100,000        | 100,000        | 100,000        | 100,000        | -      |
| Motor Vehicles          | 100,000 | 25     | 25,000         | 25,000         | 25,000         | 25,000         | -              | -              | -              | -              | -      |
| Furniture & Fixtures    | 50,000  | 12.5   | 6250           | 6250           | 6250           | 6250           | 6250           | 6250           | 6250           | 6250           | -      |
| Pre-operational         | 50,000  | 20     | 10,000         | 10,000         | 10,000         | 10,000         | 10,000         | -              | -              | -              | -      |
| <b>TOTAL</b>            |         |        | <b>171,250</b> | <b>171,250</b> | <b>171,250</b> | <b>171,250</b> | <b>136,250</b> | <b>136,250</b> | <b>136,250</b> | <b>136,250</b> | 30,000 |

# INKPRESS TZ LIMITED

## PROJECTED SALES REVENUE

US \$ 000

| <b>YEAR</b>     | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> | <b>5</b> | <b>6</b> | <b>7</b> | <b>8</b> | <b>9</b> | <b>10</b> |
|-----------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|
| ANNUAL CAPACITY | 60%      | 70%      | 80%      | 90%      | 100%     | 100%     | 100%     | 100%     | 100%     | 100%      |
| Sales           | 4500     | 4950     | 5445     | 5989     | 6588     | 6588     | 6588     | 6588     | 6588     | 6588      |
| Total Sales     | 4500     | 4950     | 5445     | 5989     | 4500     | 6588     | 6588     | 6588     | 6588     | 6588      |

# INKPRESS TZ LIMITED

## PROJECTED PROFIT AND LOSS ACCOUNTS

US\$ 000

| <b>YEAR</b>             | <b>1</b>   | <b>2</b>     | <b>3</b>     | <b>4</b>     | <b>5</b>     | <b>6</b>     | <b>7</b>     | <b>8</b>     | <b>9</b>     |
|-------------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales Revenue           | 4,500      | 4,950        | 5,445        | 5,989        | 6,588        | 6,588        | 6,588        | 6,588        | 6,588        |
| Less: Cost of Sales     | 3,600      | 3,960        | 4,356        | 4,791        | 5,272        | 5,272        | 5,272        | 5,272        | 5,272        |
| Contribution            | 900        | 990          | 1,089        | 1,198        | 1,316        | 1,316        | 1,316        | 1,316        | 1,316        |
| Less: Fixed Costs       |            |              |              |              |              |              |              |              |              |
| Operating Surplus       | 900        | 990          | 1,089        | 1,198        | 1,316        | 1,316        | 1,316        | 1,316        | 1,316        |
| <u>Capital Costs</u>    |            |              |              |              |              |              |              |              |              |
| Depreciation            | 171        | 171          | 171          | 171          | 136          | 136          | 136          | 136          | 30           |
| Total capital cost      | 171        | 171          | 171          | 171          | 136          | 136          | 136          | 136          | 30           |
| Profit before Tax       | 729        | 819          | 918          | 1,027        | 1,180        | 1,180        | 1,180        | 1,180        | 1286         |
| Taxable 30%             | 219        | 246          | 275          | 308          | 354          | 354          | 354          | 354          | 386          |
| Net Profit              | <b>510</b> | <b>573</b>   | <b>643</b>   | <b>719</b>   | <b>826</b>   | <b>826</b>   | <b>826</b>   | <b>826</b>   | <b>900</b>   |
| <b>Revenue Reserves</b> | <b>510</b> | <b>1,083</b> | <b>1,726</b> | <b>2,445</b> | <b>3,271</b> | <b>4,094</b> | <b>4,923</b> | <b>5,749</b> | <b>6,649</b> |

# INKPRESS TZ LIMITED

## PROJECTED CASHFLOW

**000**

|                                | 0            | 1          | 2          | 3          | 4          | 5          | 6          | 8          | 9          |
|--------------------------------|--------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>Cash Inflow</b>             |              |            |            |            |            |            |            |            |            |
| Equity                         | <b>1,950</b> | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>Total Inflow</b>            | <b>1,950</b> | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>Operational Inflow</b>      |              |            |            |            |            |            |            |            |            |
| Profit before Tax              |              | 729        | 819        | 918        | 1,027      | 1,180      | 1,180      | 1,180      | 1,180      |
| Depreciation                   |              | <b>171</b> | <b>171</b> | <b>171</b> | <b>171</b> | <b>171</b> | <b>136</b> | <b>136</b> | <b>30</b>  |
| <b>Total Operations Inflow</b> |              | 900        | 990        | 1,089      | 1,198      | 1,316      | 1,316      | 1,316      | 1,210      |
| <b>Total Cash inflow</b>       | <b>1,950</b> | 900        | 990        | 1,089      | 1,198      | 1,316      | 1,316      | 1,316      | 1210       |
| <b>Cash Outflow</b>            |              |            |            |            |            |            |            |            |            |
| Investment                     | <b>1,950</b> | -          | -          | -          | -          | -          | -          | -          | -          |
| <b>Operational Outflow</b>     |              | -          | -          | -          | -          | -          | -          | -          | -          |
| Taxation                       |              | 219        | 246        | 275        | 308        | 354        | 354        | 354        | 386        |
| <b>Total Cash Outflow</b>      |              | 219        | 246        | 275        | 308        | 354        | 354        | 354        | 386        |
| <b>Net Cash flows</b>          | -            | <b>681</b> | <b>744</b> | <b>814</b> | <b>890</b> | <b>962</b> | <b>962</b> | <b>962</b> | <b>824</b> |