

MARA BULK SUPPLIES TANZANIA LIMITED

BUSINESS PLAN

FOR

PRODUCTION OF STONE AGGREGATES

&

READY-MIX CONCRETE PRODUCTS

1.0 EXECUTIVE SUMMARY

This project proposes the establishment of a large-scale stone aggregates production plant combined with a ready-mix concrete (RMC) batching plant in Tanzania. The facility will produce crushed aggregates (5–20mm, 20–30mm, quarry dust, crusher sand) and commercial-grade ready-mix concrete for infrastructure, real estate, industrial, and government projects.

Tanzania's rapid growth in roads, real estate, ports, dams, rail, SEZs, and municipal construction has created a massive supply gap of quality aggregates and ready mix. Most contractors rely on small-scale crushers with inconsistent quality.

The proposed plant aims to supply 500–800 tons/day of aggregates and 150–250 m³/day of ready-mix concrete, operating on a 2-shift basis. Total Investment Cost: USD 25,000,000

1.2 Funding Mix

- Equity: USD 5M
- Debt/Bank Loan: USD 20M
- **Payback Period: 5 years**

1.3 Mission Statement

To offer eco-friendly, cost-effective and provide affordable building materials

1.4 Vision

To become Tanzania's leading construction materials producer and building materials solutions provider by 2030.

1.5 Project Objectives

- Produce high-quality aggregates for the Tanzanian markets.
- Establish a commercial RMC plant supplying large contractors and government projects.
- Enhance supply chain efficiency for construction materials.
- Create 200+ direct and indirect jobs.
- Achieve revenues exceeding USD 20–30M annually within 5 years.

2.0 PROJECT PROMOTERS

The project is being promoted by MARA BULK SUPPLIES TANZANIA LIMITED the company incorporated in Tanzania with Certificate of incorporation No.174068704 issued on 22nd April, 2024.

MARA BULK SUPPLIES TANZANIA LIMITED is owned by three local shareholders

Name	% of ownership	Nationality
ANNAN NILESH SUCHAK	33.34	Tanzania
WAHIDA ISMAIL AHMED	33.33	Tanzania
BASILA ROBERT CHUWA	33.33	Tanzania

2.1 LOCATION OF THE PROJECT

Based on available research and data regarding demand and availability of raw materials, the project will be located at **Plot No. 1, Block AD, Manchali, Chamwino, Dodoma**

The suggestions are based on a strategy that balances capturing immediate high-demand areas with positioning for future growth.

3.0 STONE AGGREGATES OVER VIEW IN TANZANIA

Tanzania's stone aggregate market features diverse crushed stone, gravel, sand, and specialized materials like granite/marble chips, crucial for infrastructure (roads, bridges, buildings) and construction, with major players like [Gulf Aggregates, Inc.](#) and [Twiga Aggregates](#) supplying various graded sizes (dust, chips, base course) for concrete, asphalt, and railway ballast, driven by government projects and private construction, leveraging local quarries, particularly in coastal regions and Dodoma.

3.1 Key Products & Types

- **Crushed Stone/Aggregates:** The core product, available in various sizes (e.g., 0-3mm for block making, 6-10mm for high-strength concrete, larger for asphalt/road base).
- **Gravel & Stone Dust:** Used in sub-bases, landscaping, and finer concrete mixes.
- **Granite & Marble Chips:** For decorative uses, high-strength concrete, and dimension stone.

- **Specialty Aggregates:** Including VSI (Vertical Shaft Impactor) materials for road construction and specific grades for railway ballast.
- **Sand:** Essential for mortar, concrete, and sub-base layers, sourced from riverbeds or pits.

3.2 Major Applications

- **Infrastructure:** Highways, bridges, sea defense, and railways (ballast).
- **Construction:** Concrete mixes for buildings, foundations, and industrial facilities.
- **Landscaping & Patios:** Decorative gravel, stone dust, and river rock.
- **Other Uses:** Filler materials, agricultural lime (limestone-based).

3.3 Key Players & Locations

- **Producers:** Gulf Aggregates, Inc., Twiga Aggregates (part of Heidelberg Cement), [Jitegemee Holdings](#) (Dodoma), Kibogate Tanzania Ltd, ACI.
- **Regions:** Coastal areas (Dar es Salaam, Pwani, Morogoro, Tanga), Mbeya, and Dodoma.

3.4 Market Dynamics

- **Demand:** Driven heavily by government infrastructure projects (roads/bridges) and commercial/residential building. Tanzania's population growth (60M+ people), Private real estate and commercial construction
- **Processing:** Involves crushing, screening, and washing to achieve specific clean, graded sizes.
- **Quality:** Focus on meeting international standards, with large plants supplying consistent quality

3.5 Demand Levels

Estimated national demand for stone aggregates:

- **30–35 million tons per year**

High-demand regions:

- **Dar es Salaam & Coast (Kisarawe, Pugu, Kigamboni)**
- **Dodoma** (government relocation projects)
- **Arusha & Moshi** (real estate + tourism infrastructure)
- **Mwanza, Geita, Shinyanga** (mining)
- **Mbeya, Iringa, Morogoro** (road networks & factories)

3.6 Industry Importance

The stone aggregates sector is a backbone of Tanzania's construction and mining industries. It supports:

- **Road projects** (TANROADS & TARURA)
- **Railway construction (SGR)**
- **Port expansions** (Dar es Salaam, Mtwara, Tanga)
- **Real estate developments** in major cities
- **Industrial parks & factories**
- **Dams and water projects**
- **Mining sector** (Mwanza, Geita, Kahama)

Construction contributes **8–12% of Tanzania's GDP**, with aggregates forming a critical input.

3.7 Supply Landscape

Tanzania's aggregate industry is made up of:

A. Large professional quarries

- Limited in number
- Use modern crushers (jaw, cone, VSI)
- Located mainly in Dar, Arusha, Mwanza
- Consistent quality, TBS-certified

B. Medium-scale mobile crushers

- Common in both rural and urban areas
- Serve local contractors
- Quality varies

C. Small artisanal quarrying operations

- Manual extraction

- Poor quality control
- Serve low-budget customers

3.8 Supply Gap

High-quality aggregates remain insufficient compared to demand, especially for large construction firms.

3.9 Types of Aggregates Produced in Tanzania

Typical products include:

- 5–12mm crushed stones
- 12–20mm stones
- 20–30mm stones
- Crusher sand (manufactured sand)
- Quarry dust
- Base course materials
- Ballast for railways

4.0 REGULATORY FRAMEWORK

Aggregate production requires:

- **Primary Mining License / Mining Licence** (Ministry of Minerals)
- **NEMC Environmental Impact Assessment (EIA)**
- **Business license (Local Government)**
- **OSHA compliance (Safety standards)**
- **TBS certification for quality**

Royalty charges:

- Typically, **2–5%** depending on mineral type

4.1 Environmental & Social Impact (ESIA)

- Full NEMC assessment
- Water drainage & conservation
- Dust control systems
- Noise management
- Reforestation & rehabilitation plans
- CSR: community water supply, local employment

5.0 CHALLENGES IN THE SECTOR

- Quality inconsistency from small crushers
- High transport cost (aggregates are heavy, low value per ton)
- Old machinery leading to breakdowns
- Delays in licensing & compliance
- Shortage of skilled technical operators
- Competition from low-cost artisanal quarries
- Dust and environmental complaints from communities

6.0 OPPORTUNITIES FOR INVESTORS

A. Establishing large-scale mechanized quarries

High demand from:

- SGR railway (ongoing phases)
- Road contractors

- Ports and bridges
- Dams & water projects

B. Ready-mix concrete integration

Combining aggregates + RMC increases value.

C. Supplying specialized products

- Manufactured sand (M-Sand)
- Railway ballast
- High-grade aggregates for bridges

D. Export opportunities

- Zambia
- Malawi
- Burundi
- DRC (Eastern region)

7.0 MARKETING & SALES STRATEGY

A. Market Entry

- Pre-qualify with TANROADS, TARURA, TAA, NHC, TBA, Ministry of Works
- Partnering with major contractors (China Rail, Arab Contractors, CRDB, NSSF etc.)

B. Branding

- Guarantee "TBS Certified Quality"

- Reliability: 24-hour supply guarantee
- Modern testing lab

C. Pricing Strategy

Aggregates

- USD 10–25 per ton depending on type

RMC

- USD 65–90 per m³ (Dar es Salaam prices)

8.0 TECHNICAL PLAN & MACHINERY LIST

A. Quarry Equipment

- 2× Jaw Crushers
- Cone Crusher
- Impact Crusher
- Vibrating screening plant
- VSI Crusher (for sand)
- Conveyors system
- Dust suppression system
- Weighbridge (60–80 tons)
- Generators 600–800 kVA

B. RMC Batching Plant

- 120 m³/hr batching plant
- Silos (cement & fly ash)
- Admixture system
- Concrete pumps
- Transit mixers
- Water chilling/heating system
- Testing lab equipment

C. Heavy Machinery & Vehicles

- Excavators
- Wheel Loaders
- Dump Trucks
- Bulldozer
- Service vehicles

D. Infrastructure

- Land development
- Roads & fencing
- Office building
- Maintenance workshop
- Storage facilities
- Power & water supply
- Weighbridge & security systems

9.0 Risk Analysis & Mitigation

Operational Risks

- Machine breakdown → Annual maintenance contracts
- Blast permit delays → Government compliance team

Market Risks

- New competitors → Long-term supply contracts
- Price fluctuations → Flexible pricing models

Financial Risks

- Fuel & power costs → Solar hybrid & bulk fuel procurement

10.0 PROJECT COST

The project has budgeted to cost the followings

MARA BULK SUPPLIES TANZANIA LIMITED COST STRUCTURE

Land and Buildings	4,000,000
Machinery & Equipment	12,000,000
Motor Vehicles	2,000,000
Furniture & Fixtures	20,000
Pre exp	180,000
Others	800,000
Working Capital	6,000,000
TOTAL	25,000,000

10.1 Project Financing

The company has estimated that the project will be financed by long shareholders contribution and cashflows generated from business US\$ 5,000,000 and long-term loan US\$20,000,000 to be repaid in 8 years

10.2 Operational Hours

- 2 shifts (16 hours/day)
- 26–28 days per month

10.3 Implementation Timeline

Month	Activity
• 1–2	Land acquisition, ESIA, permits
• 3–4	Machinery orders, civil works
• 5–7	Installation of crushers & batching plant
• 8–9	Recruitment & training
• 10	Test production
• 11–12	Commercial launch

11.0 FINANCIAL ASPECTS FOR THE PROJECT

• Projected Profit and Loss Statement

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 3,008,600 in** the 1st year to **US\$ 54,052,382** in the 8th year.

- **Projected Cash Flows**

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 5,010,600** in the first year to **US\$ 64,468,382** at the end of 8th years of the project's operations.

- **Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$ 5,000,000** in the first year to **US\$ 59,052,382** at the end of 8th years of the project's operations based

- **Payback Period**

Total investment is **US\$ 25,000,000** cash accumulation in 5th year **US\$ 31,890,330** which is more than the initial investment. The project payback Period is exactly 5years.

- **Loan repayment**

Total investment loan is **US\$20,000,000** to be repaid within 8 years.

12.0 **ECONOMIC ASPECTS OF THE PROJECTS**

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment 200+ direct and indirect people. This is a significant contribution coming from local investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax amounting to US\$ 54,052,382 within 8 years

- **Foreign Exchange Earning**

Since the project's products will be exported earn foreign currency for the United Republic of Tanzania.

10.0 **CONCLUSION**

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides direct employment to 200 people and indirect.
- The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

11.0 **RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implement and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

APPENDIX I

MARA BULK SUPPLIES TANZANIA LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8
Aggregate Sales	6,500,000	6,955,000	7,441,850	7,962,780	8,520,174	9,116,586	9,754,747	10,437,580
RMC Sales	4,000,000	5,000,000	6,250,000	7,812,500	9,765,625	12,207,031	15,258,789	19,073,486
TOTAL REVENUE	10,500,000	11,955,000	13,691,850	15,775,280	18,285,799	21,323,617	25,013,536	29,511,066
Operating Expenses:	4,200,000	4,782,000	5,476,740	6,310,112	7,314,320	8,529,447	10,005,415	11,804,426
Profit before Depreciation &Interest	6,300,000	7,173,000	8,215,110	9,465,168	10,971,479	12,794,170	15,008,122	17,706,640
Interest	1,600,000	1,400,000	1,200,000	1,000,000	800,000	600,000	400,000	200,000
Depreciation	402,000	402,000	402,000	402,000	402,000	402,000	402,000	402,000
Gross Profit	4,298,000	5,371,000	6,613,110	8,063,168	9,769,479	11,792,170	14,206,122	17,104,640
Tax (30%)	1,289,400	1,611,300	1,983,933	2,418,950	2,930,844	3,537,651	4,261,837	5,131,392
Profit After Tax	3,008,600	3,759,700	4,629,177	5,644,217	6,838,636	8,254,519	9,944,285	11,973,248
Accumulated Profit	3,008,600	6,768,300	11,397,477	17,041,694	23,880,330	32,134,849	42,079,135	54,052,382

APPENDIX II

MARA BULK SUPPLIES TANZANIA LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	6,300,000	7,173,000	8,215,110	9,465,168	10,971,479	12,794,170	15,008,122	17,706,640
Equity	5,000,000								
Loan	20,000,000								
Total Sources	25,000,000	6,300,000	7,173,000	8,215,110	9,465,168	10,971,479	12,794,170	15,008,122	17,706,640
Applications:									
Capital expenditure	18,020,000	-	-	-	-	-			
working Capital & Others	6,980,000								
Cash	-	5,010,600	5,561,700	6,231,177	7,046,217	8,040,636	9,256,519	10,746,285	12,575,248
Tax	-	1,289,400	1,611,300	1,983,933	2,418,950	2,930,844	3,537,651	4,261,837	5,131,392
Sub total	25,000,000	6,300,000	7,173,000	8,215,110	9,465,168	10,971,479	12,794,170	15,008,122	17,706,640
Total applications	25,000,000	6,300,000	7,173,000	8,215,110	9,465,168	10,971,479	12,794,170	15,008,122	17,706,640
Accumulated cash		5,010,600	10,572,300	16,803,477	23,849,694	31,890,330	41,146,849	51,893,135	64,468,382

MARA BULK SUPPLIES TANZANIA LIMITED PROJECTED BALANCE SHEET US\$

Fixed Assets		1	2	3	4	5	6	7	8
Opening balance	-	18,020,000	17,618,000	17,216,000	16,814,000	16,412,000	16,010,000	15,608,000	15,206,000
Total Long-term Assets	-	18,020,000	17,618,000	17,216,000	16,814,000	16,412,000	16,010,000	15,608,000	15,206,000
Less depreciation	-	402,000	402,000	402,000	402,000	402,000	402,000	402,000	402,000
Closing balance	-	17,618,000	17,216,000	16,814,000	16,412,000	16,010,000	15,608,000	15,206,000	14,804,000
Working capital	6,980,000	6,980,000	6,980,000	6,980,000	6,980,000	6,980,000	6,980,000	6,980,000	6,980,000
Accumulated cash	-	5,010,600	10,572,300	16,803,477	23,849,694	31,890,330	41,146,849	51,893,135	64,468,382
Total assets	6,980,000	29,608,600	34,768,300	40,597,477	47,241,694	54,880,330	63,734,849	74,079,135	86,252,382
Financed by									
Equity	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Accumulated profit	-	3,008,600	6,768,300	11,397,477	17,041,694	23,880,330	32,134,849	42,079,135	54,052,382
Total equity	5,000,000	8,008,600	11,768,300	16,397,477	22,041,694	28,880,330	37,134,849	47,079,135	59,052,382
Long term loan	20,000,000	17,500,000	15,000,000	12,500,000	10,000,000	7,500,000	5,000,000	2,500,000	0
Bank overdraft	-	-	-	-	-	-	-	-	-
Total debts	20,000,000	17,500,000	15,000,000	12,500,000	10,000,000	7,500,000	5,000,000	2,500,000	-
Total equity and debts	25,000,000	25,508,600	26,768,300	28,897,477	32,041,694	36,380,330	42,134,849	49,579,135	59,052,382

MARA BULK SUPPLIES TANZANIA LIMITED PROJECTED DEPRECIATION SCHEDULE US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	4,000,000	3,920,000	3,840,000	3,760,000	3,680,000	3,600,000	3,520,000	3,440,000
Machinery, Tools & Equipment	12,000,000	11,880,000	11,760,000	11,640,000	11,520,000	11,400,000	11,280,000	11,160,000
Motor Vehicles	2,000,000	1,800,000	1,600,000	1,400,000	1,200,000	1,000,000	800,000	600,000
Furniture & Fixtures	20,000	18,000	16,000	14,000	12,000	10,000	8,000	6,000
Total	18,020,000	17,618,000	17,216,000	16,814,000	16,412,000	16,010,000	15,608,000	15,206,000
DEPRECIATION	1	2	3	4	5	6	7	8
Land and buildings	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Machinery tools & Equipment	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000
Motor Vehicles	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Furniture & Fixtures	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
ANNUAL DEPRECIATION	402,000	402,000	402,000	402,000	402,000	402,000	402,000	402,000

MARA BULK SUPPLIES TANZANIA LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (8%)	Total Amount Paid	Loan Balance
1	2,500,000.00	1,600,000.00	4,100,000.00	20,000,000.00
2	2,500,000.00	1,400,000.00	3,900,000.00	17,500,000.00
3	2,500,000.00	1,200,000.00	3,700,000.00	15,000,000.00
4	2,500,000.00	1,000,000.00	3,500,000.00	12,500,000.00
5	2,500,000.00	800,000.00	3,300,000.00	10,000,000.00
6	2,500,000.00	600,000.00	3,100,000.00	7,500,000.00
7	2,500,000.00	400,000.00	2,900,000.00	5,000,000.00
8	2,500,000.00	200,000.00	2,700,000.00	2,500,000.00

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