

KIBO CERAMICS CO LIMITED

BUSINESS PLAN

**OBJECTIVE: TO REGISTER A PROJECT FOR MANUFACTURING AND
DISTRIBUTION OF CERAMIC PRODUCTS**



MARCH 2025

DISCLAIMER

This business plan is meant for solely securing registration for our ceramic products manufacturing and distribution project with Tanzania Investment Centre (TIC). It expresses projections for the project. While the Shareholders look forward to do the best possible to achieve the plan, there is no guarantee of the projections to be attained exactly by 100% as it may be more or less than the percentage.

A. EXECUTIVE SUMMARY

KIBO CERAMICS CO LIMITED is a local company owned by foreigners from China. The company plans to establish a project for manufacturing and distribution of ceramic products. This plan is presented in order to get TIC certificate and enjoy the incentives given by the TIC as well as the services. The presented project is a 5 year one which will be located in Mwanambaya – Mkuranga, Pwani. The expected value of the investment is **USD 14.0 million**. Of the investment capital **USD 13.40 million** is fixed capital while **USD 600,000** is working capital. At full capacity (during year 5) the project is expected to be producing ceramic products from 20,000 Metric Tons amounting to 40,000 Metric Tons (MT) per year in the fifth year.

The project is expected to add value to Tanzania's economy by directly employing a total of **300 locals** and **20 foreigners**, and generate approximately **3,000 indirect jobs**. In addition, it will contribute to community development via CSR, pay taxes to the government, and grant business to local SMEs.

Upon thorough analysis of the business idea the Investors have decided to invest in the ceramic products manufacturing and distribution project and this plan is meant to be submitted to Tanzania Investment Centre for registration of the project. The aim is to enjoy the incentives given by TIC.

B. KEY SUMMARIES

S/N	ITEMS	DETAILS			
1	Company Name	KIBO CERAMICS CO LIMITED			
2	COI No.	182817457			
3	Company Reg. Date	4th March, 2025			
4	Company Location	Plot No. 8 Meru Area in Kinondoni District, Dar es Salaam			
5	TIN/VRN No.	TIN		VRN	
		182-817-457		N/A	
6	Company Shareholding	Shareholder	Nationality	Shares Taken	% Share
	a.	Scrown International (Hongkong) Limited	People's Republic of China-HONGKONG	99	99%
	b.	Yi Jinlong	People's Republic of-China	1	1%
	TOTAL			100	100%
7	Project Location	Plot No. 1, 2, 3, & 4 Mwanambaya, Mkuranga – Coast Region			
8	Project Business	Manufacturing and Distribution of ceramic products			
9	JOBS	LOCAL		FOREIGN	
		(M)	(F)	(M)	(F)
		187	93	14	6
	TOTAL JOBS (L & FOREIGN)				300
10	Project Capacity (MT)				1,000
11	Project Funding				
	<i>Local Equity</i>				-
	<i>Local Loan</i>				0
	<i>Foreign Equity</i>				500,000
	<i>Foreign Loan</i>				6,500,000
	Total Funding				7,000,000
12	Financing of Items				
	<i>Fixed Capital</i>				6,700,000
	<i>Working Capital</i>				300,000
	Total Financing				7,000,000

C TABLE OF CONTENTS

A EXECUTIVE SUMMARY2

B KEY SUMMARIES3

C TABLE OF CONTENTS4

1.0 INTRODUCTION6

 1.1 *The Ceramics Market in Tanzania*6

 1.2 *The Company*7

 1.3 *The Project*8

2.0 MARKET ANALYSIS9

 2.1 *Target Market*9

 2.2 *The Industry*9

 2.3 *SWOC Analysis*10

 2.4 *PESTEL Analysis*11

 2.5 *Target Market*12

3.0 THE PRODUCT13

 3.1 *Pricing*13

 3.3 *Targeted Outposts*13

4.0 MARKETING AND SALES STRATEGY13

 4.1 *Entry Strategy*13

 4.2 *Retention Strategy*14

 4.3 *Expansionary Strategy*15

5.0 ORGANIZATION AND MANAGEMENT15

 5.1 *Organizational Structure*15

 5.2 *Project Manning*15

6.0 OPERATIONS PLAN17

 6.1 *Project Location*17

 6.2 *Key Suppliers*17

 6.3 *Key Business Connections*17

 6.4 *Project Assets*17

 6.5 *Project Roll-Out Plan*17

7.0 FINANCIAL PROJECTIONS19

 7.1 *Production and Sales*19

 7.2 *Profit and Loss*20

 7.3 *Cash Flow*21

 7.4 *Projected Ratios*22

8.0 PROJECT FINANCIALS23

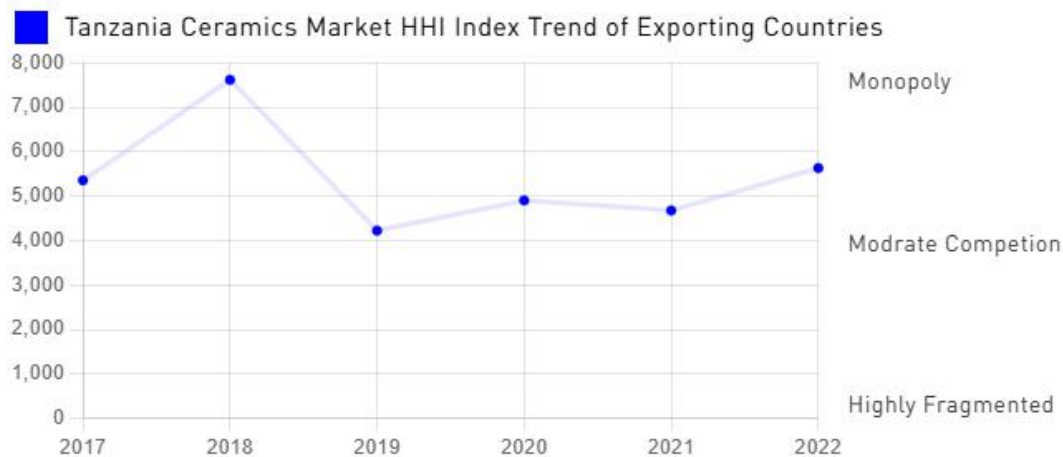
8.1 Funding Sources	23
8.2 Financing of Items	23
8.3 Investment Plan	24
9.0 PROJECT JUSTIFICATION	25
9.1 Fiscal Rationale	25
9.2 Socio-Economic Rationale	25
9.3 Financial Rationale	25
9.4 Environmental Rationale	26
10.0 CONCLUSION	26
D APPENDICES	27

1.0 INTRODUCTION

1.1 The Ceramics Market in Tanzania

The Tanzanian ceramics market is projected to grow, with a focus on both local production and imports, and is moving towards a moderately competitive landscape. It is projected to grow at a Compound Annual Growth Rate (CAGR) of 4.7% during the period 2020-2026. The market has been moving towards moderately competitive, with the Herfindahl-Hirschman Index (HHI) decreasing from 2387 in 2017 to 1657 in 2023. The global ceramics market, on the other hand, has been expected to grow from USD 259.68 billion in 2024 to USD 359.35 billion by 2030, with a CAGR of 5.6%.

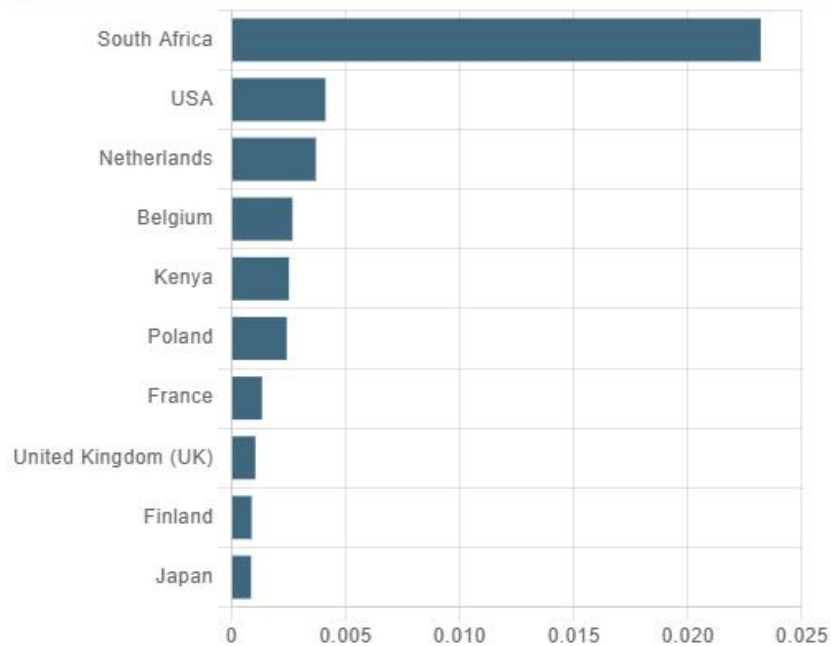
As of 2023, Tanzania Ceramics market had witnessed an HHI of 5630, which has increased slightly as compared to the HHI of 5353 in 2017. The market is moving towards concentrated. Herfindahl index measures the competitiveness of exporting countries. The range lies from 0 to 10000, where a lower index number represents a larger number of players or exporting countries in the market while a large index number means fewer numbers of players or countries exporting in the market.



Source: 6Wresearch

N.B: HHI Index which is also known as Herfindahl Hirschman index measures the competition in the country where HHI less than 1500 means highly competitive; 1500-2500 means moderately competitive; 2500-6000 means concentrated and more than 6000 means highly concentrated

Tanzania Export Potential Assessment For Ceramics Market (Values in USD Thousand)



Source: 6Wresearch

For Tanzania Exporters of Ceramic products, South Africa seems to be the most attractive market (in 2028) in terms of export potential followed by the USA, the Netherlands, Belgium and Kenya. However, in terms of total import demand across all countries, the USA occupies the top position. Hence considering overall import demand, the USA leads the importing demand but considering Tanzania as a partner, South Africa provide high unmet demand potential as compared to others for 2028.

1.2 The Company

Kibo Ceramics Co Limited is a local company registered under the laws of the United Republic of Tanzania. It is owned by Foreigners by 100%. The company was issued with Certificate of Incorporation (COI) No. 182817457 of 4th March, 2025 and TIN No. 182-817-457. The offices of the company are located on Plot No. 8 Meru Street in Kinondoni, Dar es Salaam.

Kibo Ceramics Co Limited is a locally registered Company owned by foreigners by 100%. Its authorized share capital is **Shillings 1.5 billion (1,500,000,000/=)**, divided into One Hundred (100) Ordinary Shares of Tanzania **Shillings Fifteen Million (15,000,000/=)** each. The authorized share

capital is equivalent to about **USD 600,000**. Of all the authorized **100 shares**, all have been taken as shown in **Table 1** below.

Table 1 (a): Shares Taken

S/N	Names	Nationality	Shares Taken	% Stake
1	Scrown International (Hongkong) Limited	People's Republic of China-HONGKONG	99	99%
2	Yi Jinlong	People's Republic of-China	1	1%
	TOTAL		100	100%

Table 1 (b): Shares Distribution

Shareholding by Nationality	Foreign	Local
Scrown International (Hongkong) Limited	99%	0
Yi Jinlong	1%	0
	100%	0%

1.3 The Project

This is a project for manufacturing and distribution of ceramic products namely bowls, cups, plates and so on. It will be located on Plots No. 1, 2, 3, and 4 in Mwanambaya, Mkuranga District – Coast Region.

2.0 MARKET ANALYSIS

The Tanzania ceramics market is projected to grow at a CAGR of 4.7% during the forecast period (2020-2026). The country has rich deposits of minerals such as gold, diamonds, copper ore and nickel, which are used in the production of ceramics. This factor is likely to increase the demand for ceramic products in the region, thereby driving market growth over the forecast period. Additionally, government initiatives aimed at encouraging local investments in this sector and increasing FDI inflows into Tanzania are expected to contribute positively to market growth. Moreover, growing construction activities across residential and commercial sectors will create lucrative opportunities for manufacturers over the coming years. Furthermore, rising disposable incomes have led households to invest more on luxury items like interior decorations made from ceramic materials; this point also suggests positive prospects for industry participants over 2020 – 2026.

2.1 Target Market

Kibo Ceramics Co Limited targets the Tanzanian market in terms of raw materials supplies, and part of the consumer market. The source of raw materials is largely local. In addition to the Tanzanian market, the company expects to export to neighboring countries within EAC, and to other countries namely the USA, China and South Africa. Further analyses will guide the company to markets.

Regarding supply of equipment for the project, the company looks forward to source them from outside the country. With the presence of enough raw materials, the company sees an opportunity to be exploited while benefiting the economy of Tanzania.

2.2 The Industry

The ceramics industry in Tanzania is relatively more monopolistic as there are fewer manufacturers of the product. While having the potential for growth with available raw materials, the industry faces challenges including reliance on imports and the need for investment in local production. Skytouch Ceramic and KEDA (Tanzania) Ceramics are major players in the ceramic tile market in the country.

2.3 SWOC Analysis

This sub-section covers the analysis of the overall ceramics manufacturing business in the country. The analysis focuses on project's internal *strengths* and *weaknesses* as well as environmental *opportunities* and *threats* as detailed in **Table 2** below. It covers the analysis of the overall ceramics industry in the country, and tries to position the project in the broad spectrum within the Tanzanian and regional economies.

Table 2: SWOC Analysis

Internal Analysis

Strengths
<ol style="list-style-type: none">1. The project can secure foreign loans up to 93% of the funding needed for the project2. The shareholders have enough capital to finance the project by 7%3. The company has modern technology in ceramics manufacturing4. The company has a competent marketing team that can help secure a niche in the market5. The company is capable of investing in staff training programs to help develop a skilled workforce in the ceramics sector, improving productivity and innovation within the company6. The company is ready to involve in Community Development by investing in local communities, to build strong relationships, enhance its reputational value, and contribute to sustainable local development.
Weaknesses
<ol style="list-style-type: none">1. The company is very new in Tanzania as it has been registered on 4th March 2025. However, the company engages experienced consultants in the market.

External Analysis

Opportunities
<ol style="list-style-type: none">1. Natural Resources: Tanzania is rich in natural resources, including clay and other raw materials essential for ceramics production. Local sourcing can reduce transportation costs and enhance profitability.2. Growing Market Demand: As Tanzania's economy develops, there is an increasing demand for ceramics in various sectors, including construction, home decor, and hospitality. The growing middle class and urbanization trends can drive demand for ceramic products.3. Export Potential: With strategic investments, companies can access regional and international markets. Ceramics made in Tanzania can be exported to neighboring countries within East Africa and beyond, benefiting from trade agreements and reduced tariffs.4. Cost-Effective Labor: Tanzania offers a relatively low labor cost compared to many other countries. This can reduce production costs and increase competitiveness in both local and

<p>export markets.</p> <ol style="list-style-type: none"> 5. Supportive Government Policies: The Tanzanian government has shown interest in promoting manufacturing and provides incentives for investments in the ceramics sector, such as tax breaks, grants, or favorable regulations. 6. Infrastructure Development: Ongoing investments in infrastructure, such as roads, ports, and energy supply, can facilitate smoother operations and logistics, enhancing the efficiency of ceramics manufacturing processes. 7. Artisan Craftsmanship and Local Designs: Leveraging local artisans' skills and traditional designs can create unique products that appeal to both local and international consumers, enhancing brand differentiation. 8. Sustainable Practices: There is an increasing emphasis on sustainability and eco-friendly products. A ceramics company can adopt sustainable manufacturing practices and materials, appealing to environmentally conscious consumers. 9. Strategic Location: Tanzania's geographical position provides easy access to regional markets. Its proximity to other East African countries opens opportunities for regional trade. 10. Partnership Opportunities: There is potential for collaboration with local businesses, artisans, and communities. These partnerships can enhance market entry strategies and foster goodwill.
Threats
<ol style="list-style-type: none"> 1. The Tanzanian market for ceramics is monopolistic as producers are very few manufacturers 2. Tanzania has a challenging business environment. The company engages experienced experts

From the SWOC analysis conducted of the company and of the operating environment the promoters are confident that the project will be a success by leveraging on appropriate market strategies.

2.4 PESTEL Analysis

This sub-section analyzes the business environment of Tanzania in the *political, economic, socio-economic, technological, environmental and legal* aspects. The scanning elucidates on the viability of the project in the country. Through our analysis we have been convinced that Tanzania is the place to invest in ceramics manufacturing as detailed in **Table 3**.

Table 3: PESTEL Analysis

ASPECT OF ANALYSIS	ANALYTICAL DESCRIPTION
Political	Tanzania is politically stable and predictable, conditions that are favorable for any project. As such the company will have a chance to enjoy the incentives.
Economic	Tanzania is growing and so do the demand for ceramics. The growing overall population and mid-income population promises a good market.
Social	Tanzania is socially stable, with people of varied background globally.
Technological	The country has developed in terms of energy, ICT and overall production and marketing technology. Communication is available for the larger part of the country.
Environmental	Environmental regulations in Tanzania are very strict especially for projects like this one. However, it is not different from other countries. As such, basing on abundance of raw materials the company will abide by NEMC guidance
Legal	Tanzania is much more predictable when it comes to state-enterprise disputes. The country accepts suitable settlement of investment disputes. The new investment act is a good sign of this. As such the project is safe in the country

2.5 Target Market

The company eyes the Tanzanian market in terms of both consumers, and raw materials supplies. It also plans to export to the neighboring countries, to the USA, South Africa, and other countries. In terms of supply of equipment, however, the company will import all the equipment from outside the country, from China.

3.0 THE PRODUCT

This is a project for the manufacturing of ceramic products. The product will be produced in the Coast region of Tanzania.

3.1 Pricing

The product will be priced, traditionally, basing on square feet. Considering the fact of price sensitivity among consumers the company will work to develop competitive prices as part of the strategy to enhance product sales, revenue, and the ultimate profitability.

3.3 Targeted Outposts

Kibo Ceramics Co Limited will locate its business in Dar es Salaam. This will be the initial and leading post for manufacturing and selling of ceramics by the project. We expect to have our agents in the metropolitans of the neighboring regions to ensure that we secure markets with time. Globally, we plan to secure supply contracts in the countries targeted by our project.

4.0 MARKETING AND SALES STRATEGY

Marketing strategies are essential plans of action that businesses use to promote their products, reach their target audience, and achieve their business objectives. This section focuses on entry, retention and expansionary strategies for the ceramics project of ours in Tanzania.

The company, although new in the Tanzanian and regional EAC market, looks forward to use business specialists and seasoned ceramics specialists in securing a niche in the markets. As part of our marketing strategy, we will engage strategies that will enhance our entry, persistence (stay) and expansion.

4.1 Entry Strategy

This strategy to penetrate the market is a plan outlining how we will enter the new market. It involves identifying opportunities, assessing risks, conducting market research, and developing a strategy to successfully establish a presence and compete in the target market. Here are our adopted market entry strategies:

- i) **Strategic Alignment:** the decision to invest in the pro-environmental conservation project paves the way for the company to enjoy incentives in the operations.
- ii) **Greenfield Investment:** the shareholders all being foreigners have resorted to building a new facility from the ground up in the Tanzania – the initial market. This is the facility for manufacturing of ceramics. The project is a promise and the promoters have organized significant investment financing and have dedicated time to establish it.
- iii) **Expansion:** in the long run the company will be supplying ceramics to the neighboring regions, distant regions and beyond the borders of Tanzania.
- iv) **Strategic Alliances:** the company will form alliances with local companies, suppliers, distributors, and industry associations to access new markets, share resources, and collaborate on marketing, distribution, and R&D.
- v) **E-commerce and Online Marketplaces:** The company will use online platforms i.e. e-commerce platforms, marketplaces, and digital channels to penetrate both local and foreign markets.

4.2 Retention Strategy

Our market retention strategy focuses on retaining existing customers, building loyalty, and maximizing customer lifetime value. It involves tactics and initiatives to keep customers engaged, satisfied, and coming back for repeated purchases. Some key components of our market retention strategy include Customer Relationship Management (CRM), Customer Segmentation (basing on engagement frequency, order value, loyalty status, preferences, and behavior), Loyalty Programs (including creation and implementation of loyalty programs rewarding customers for repeated purchases (engagements), referrals, engagement, and loyalty), Personalization, Customer Service Excellence, Feedback and Surveys, Retargeting and Remarketing, Customer Education and Engagement, Customer Satisfaction Metrics, and Customer Experience Enhancement.

Through these strategies the company will build long-term relationships with existing customers, increase customer loyalty, induce repeated product purchases (engagements), minimize customer churn and maximize customer lifetime value. As a result our business will grow sustainably and profitability will be assured.

4.3 Expansionary Strategy

The market expansion strategy for this project seeks to enhance business growth by tapping into new markets starting from the neighboring regions to Dar es Salaam in order to increase revenue and reach a broader audience. The strategy embraces market research, identification of target markets, the development of a marketing plan, service adaptation, distribution channels, pricing strategy, market entry approach, building partnerships, regulatory compliance, and M&E

5.0 ORGANIZATION AND MANAGEMENT

5.1 Organizational Structure

Kibo Ceramics Co Limited's team is tiered into directors, management team, supervisors, support staff and operators, and drivers as detailed in **Appendix 3**.

5.2 Project Manning

This project expects to directly employ a total of 150 people 131, who are locals as shown in **table 4** below. The gender and nationality distributions of jobs are shown in **Figures 1 (a)** and **(b)** as well.

Table: 4: Planned Direct Jobs

GENDER	LOCALS	FOREIGNERS	TOTALS
M	187	14	201
F	93	6	99
TOTALS	280	20	300

Figure 1 (a): Gender Distribution of Jobs

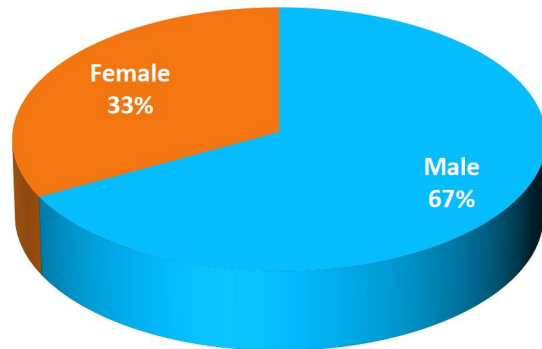
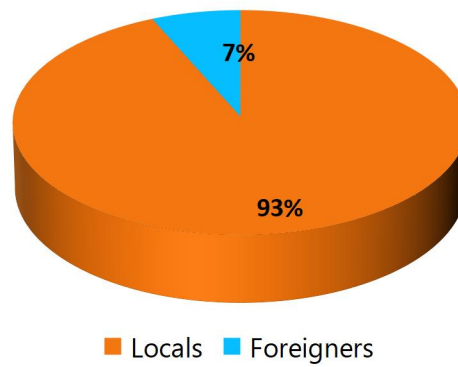


Figure 1 (b): Jobs by Nationality



6.0 OPERATIONS PLAN

6.1 Project Location

This project is located at Plot no. 1, 2, 3, & 4 in Mwanambaya area of Mkuranga, Coast Region.

6.2 Key Suppliers

The Company expects to source its supplies from Tanzania, except for those which cannot be sourced from within the economy. Supplies of machineries are expected to be sourced from outside the country, from China mostly. The local supplies will be sourced via local SMEs.

6.3 Key Business Connections

Locally the company expects to use local dealers in getting orders from customers. The consumers can be private or public institutions.

6.4 Project Assets

The company expects to invest a total of **USD 14 million** in this project. Injection of the capital will be in the form of various items as summarized in **table 5** below. A detailed list of items will be shared via the proposed list for exemptions.

Table 5: Summary of Assets

ITEM	AMOUNT IN USD
Land & Buildings	6,000,000
Plant	6,000,000
Vehicles	1,000,000
Furniture & Fittings	60,000
Pre Expenses	140,000
Others	200,000
Working Capital	600,000
TOTAL	14,000,000

6.5 Project Roll-Out Plan

This is a 5 years plan by design but can need more time in order to attain the desired goals. The roll-out plan started in January 2025 as it is shown in **Figure2**

Figure 2: Implementation Plan

S/No.	ACTIVITY	TIMING															
		2025												2026	2027	2028	2029
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC				
1	Planning and registrations																
2	Construction of Buildings																
3	Land Acquisition																
4	Plant Installment																
5	Commencement of Production																
6	Staff and Consultants engagements																
7	Planning for expansions																
8	Marketing Campaign																
9	Company Performance Assessment																
10	Assessments for Expansion																

7.0 FINANCIAL PROJECTIONS

This section covers projections in terms of production and sales, profit and loss, and cash flow projections for the first five years of implementation of the project.

7.1 Production and Sales

This sub-section focuses on production and sales projections. Production is expected to grow gradually over the first five years of operation. Maximum level of production is expected to be attained during the fifth year and it will hit a 40,000 MT of ceramic products as shown in **table 6** below.

Table 6: Production/ Tonnage Projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Ceramic Products (MT p.a.)	20,000	24,000	30,000	36,000	40,000

Revenue from the sales shows steady growth over the years, peaking at Year 5 as shown in **table 7** below. Key assumptions are that of the existing stock 90% will be sold, and production will be increasing from 20,000 MT growing by 20% each year till it reaches a steady diminished growth of 1.1% in the fifth year continuously growing,, due to increasing in production capacity. Expectation is to sell at the steady price within five years in order to stabilize the market.

Table 7: Sales/ Revenue Projections

DETAILS	YEARS				
	<u>Y1</u>	<u>Y2</u>	<u>Y3</u>	<u>Y4</u>	<u>Y5</u>
Production P.A. (in MT)	20,000	24,000	30,000	36,000	40,000
Sales Projections (90% of the Stock)	18,000	21,600	27,000	32,400	36,000
Price per Metric Ton	1120.00	1120.00	1120.00	1120.00	1120.00
TOTAL SALES (USD)	20,160,000	24,182,000	30,240,000	36,288,00	40,320,000

7.2 Profit and Loss

This is a viable project ceteris paribus. Retained earnings are assured from the starting of the project, implying that the project will breakeven during the first year of operation as shown in **Table 8**.

Table 8: Projected P&L

	Notes	2025 USD	2026 USD	2027 USD	2028 USD	2029 USD
Revenue	4	20,160,000	24,192,000	30,240,000	36,288,000	40,320,000
Cost of good sold		<u>(3,238,000)</u>	<u>(3,850,500)</u>	<u>(4,790,040)</u>	<u>(5,736,048)</u>	<u>(7,288,306)</u>
		16,922,000	20,341,500	25,449,960	30,551,952	33,031,694
Expenses						
Operating expenses	5	(9,785,772)	(10,779,060)	(12,124,414)	(13,486,634)	(14,530,566)
Depreciation	6	(700,000)	(700,000)	(700,000)	(700,000)	(700,000)
Operating Loss		<u>(10,485,772)</u>	<u>(11,479,060)</u>	<u>-12,824,414</u>	<u>-14,186,634</u>	<u>-15,230,566</u>
Finance Costs		(2,964,000)	(2,964,000)	(2,964,000)	(2,964,000)	(2,964,000)
Loss before tax		<u>3,472,228</u>	<u>5,898,440</u>	<u>9,661,546</u>	<u>13,401,318</u>	<u>14,837,128</u>
Taxation		(1,041,668)	(1,769,532)	(2,898,464)	(4,020,395)	(4,451,139)
Profit after tax		<u><u>2,430,560</u></u>	<u><u>4,128,908</u></u>	<u><u>6,763,082</u></u>	<u><u>9,380,923</u></u>	<u><u>10,385,990</u></u>

7.3 Cash Flow

Table 9: Projected Cash Flow

	2025 USD	2026 USD	2027 USD	2028 USD	2029 USD
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES					
Loss before taxation	3,472,228	5,898,440	9,661,546	13,401,318	14,837,128
Add: Non-cash items					
Depreciation	700,000	1,750,000,000	700,000	1,750,000,000	700,000
Change In Working Capital					
Increase in trade and other receivables	(8,064,000)	(1,612,800)	(2,419,200)	(2,419,200)	(1,612,800)
Increase in trade and other payables	1,080,000	129,600	292,400.00	312,400.00	201,600.00
	(2,811,772)	1,754,415,240	8,234,746	1,761,294,518	14,125,928
Tax		(1,041,668)	(1,769,532)	(2,898,464)	(4,020,395)
Net cash outflow from operating activities	2,811,772.00	1,753,373,572	6,465,214	1,758,396,054	10,105,533
INVESTING ACTIVITIES					
Purchase of fixed assets	(600,000)	-	-	-	-
Net cash used in investing activities	(600,000)	-	-	-	-
FINANCING ACTIVITIES					
capital injection	600,000	-	-	-	-
Net cash inflow from financing activities	600,000.00	-	-	-	-
Net movement in cash and equivalents	(2,811,772)	1,753,373,572	6,465,214	1,758,396,054	10,105,533
Cash balance at the beginning of the year	-	(2,811,772)	1,750,561,800	1,757,027,014	3,515,423,068
Cash and cash equivalent at the end of the year	(2,811,772)	1,750,561,800	1,757,027,014	3,515,423,068	3,525,528,601

2,515,280 1,518,338 1,519,105 1,885,643 1,801,500

7.4 Assets and Liability conditions to show the stability of the project;

	Notes	2025 USD	2026 USD	2027 TZS'	2028 TZS'	2029 TZS'
ASSETS						
Non-current assets						
Property Plant and Equipment	6	12,300,000	11,600,000	10,900,000	10,200,000	9,500,000
		12,300,000	11,600,000	10,900,000	10,200,000	9,500,000
Current assets						
Trade and other receivables	7	8,064,000	9,676,800	12,096,000.00	14,515,200	16,128,000
Cash and bank balance	9	2,515,280	1,518,338	1,519,105	1,885,643	1,801,500
		10,579,280	11,195,138	13,615,105	16,400,843	17,929,500
TOTAL ASSETS		22,879,280	22,795,138	24,515,105	26,600,843	27,429,500
EQUITY AND LIABILITIES						
Equity attributable to shareholders						
Issued capital		600,000	600,000	600,000	600,000	600,000
Retain Earnings		2,430,560	6,559,468	13,322,550	22,703,472	33,089,462
		3,030,560	7,159,468	13,922,550	23,303,472	33,689,462
Current liabilities						
Other payables						
		1,080,000	1,209,600.00	1,502,000.00	1,814,400.00	2,016,000.00
Income tax payable	10	1,041,668	1,769,532	2,898,464	4,020,395	4,451,139
		2,121,668	2,979,132	4,400,464	5,834,795	6,467,139
TOTAL EQUITY AND LIABILITIES		5,152,228	10,138,600	18,323,014	29,138,268	40,156,601
		(17,727,052)	(12,656,538)	(6,192,091)	2,537,425	12,727,101

8.0 PROJECT FINANCIALS

8.1 Funding Sources

This is a **USD 14.0 million** project. Its source of funding is equity and a loan. The equity is foreign and the loan is local and foreign. The details are given in **table 11** below.

Table 11: Project Funding

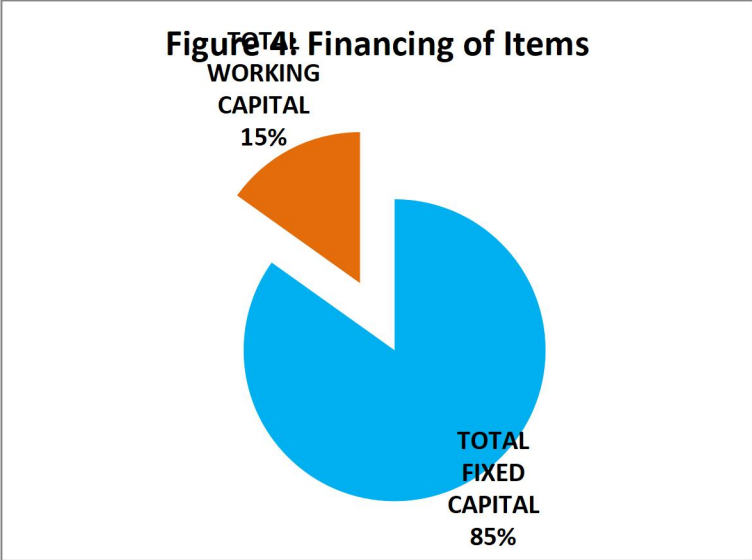
CATEGORIES	AMOUNT (USD)	Proportion
EQUITY		
<i>Local Equity</i>	-	-
<i>Foreign Equity</i>	1,000,000	0.07
Total Equity	1,000,000	0.07
LOAN		
<i>Local Loan</i>	0	0.0
<i>Foreign Loan</i>	13,000,000	0.93
Total Loan	13,000,000	0.93
TOTAL FINANCING	14,000,000	1.00

8.2 Financing of Items

The **USD 14,000,000** planned investment will finance the project in terms of fixed assets to the tune of **USD 13,400,000** and Working capital of **USD 600,000** as shown under **table 12** and **Figure 4** below.

Table 12: Items Financing

INVESTMENT BREAKDOWN	
ITEM	AMOUNT IN USD
Land & Buildings	6,000,000
Plant	6,000,000
Vehicles	1,000,000
Furniture & Fittings	60,000
Pre Expenses	140,000
Others	200,000
Working Capital	600,000
TOTALS	14,000,000
TOTAL FIXED CAPITAL	13,400,000
TOTAL WORKING CAPITAL	600,000



8.3 Investment Plan

The planned investment capital will be injected into the project over the years as implementation goes on. By the end of the 5th year all the capital will be injected and the project is expected to be operating at its full capacity. **Table 13** below gives the details

Table 13: Capital Injection Plan

ITEM	INVESTMENT PLAN					TOTAL INVESTMENT
	Y1	Y2	Y3	Y4	Y5	
Land & Buildings	2,550,000	450,000				6,000,000
Plant	2,400,000	600,000				6,000,000
Vehicles	400,000	60,000	40,000			1,000,000
Furniture & Fittings	20,000	10,000				60,000
Pre Expenses	70,000					140,000
Others	60,000	40,000	20,000			200,000
Working Capital	300,000					600,000
TOTAL	5,780,000	1,160,000	60,000	-	-	14,000,000

9.0 PROJECT JUSTIFICATION

This section covers the justification for the project. It covers the fiscal, socio-economic, and financial rationale. This coverage provides apologetics for green-lighting of the project for both fiscal and non-fiscal incentives from the government side.

9.1 Fiscal Rationale

Fiscally this project will contribute to taxes to the government. This contribution is in the form of income tax and value added tax. As such the project will fill the government's coffer with money to the tune of, ceteris paribus, **USD 41,390,398** as shown under ***appendix 1***. This amount includes Income Tax (**USD 14,176,198**) and VAT (**USD 27,214,200**). These amounts correspond to the business of the company but will create a multiplier along value chains. There will be more taxes down the chain.

9.2 Socio-Economic Rationale

Socio-economically this project has many benefits to the economy of Tanzania. It will directly employ a total of 300 peoples, where only 20 are foreigners. As of indirect employments, the project expects to generate 3,000 indirect jobs. Payment to the employees will create a trickle-down positive effect in the economy giving an impetus for growth and development among households.

Through its CSR policy the company expects to spend, ceteris paribus, a total of about **USD 1,315,995** on the surrounding community over the first 5 years of operation. ***Appendix 1*** gives the details.

9.3 Financial Rationale

Monetarily this project will create flows that will nourish Tanzania's economy. The money spent on supplier SMEs, on wages and on other supplier firms will create taxes, revenues and other benefits along the various value chains supported by this project. To the supplier firms, other things remaining constant, cash amounting to **USD 2,992,000.00** will flow to supplier SMEs and other entities like banks in the form of settlement for purchases.

9.4 Environmental Rationale

This project expects to adhere to all environmental requirements to ensure safety of the environment and of the workers. All guidance by NEMC will be taken onboard in order to stay environmental friendly.

10.0 CONCLUSION

This is a ceramic products manufacturing project. It will be located in Mwanambaya in the Mkuranga District of the Coast Region. The project will create a total of 300 direct jobs, 280 jobs being for locals, and 3,000 indirect jobs to the locals. This implies job creation to Tanzanians as 93% of all direct employees, and 100% of all the indirect employees are Tanzanian.

Considering the rationale for this project, having analyzed the market and developed strategies for our market and the impending success in this project the promoters present the plan and the idea for consideration in the form of registration with the TIC and enjoyment of the incentives that will provide a soft landing for this project to the greater good of the economy. In the future the company expects to invest in other sectors. Support to this project will help the company develop this project and others to come.

D APPENDICES

1. Project Rationale

DETAILS	YEARS					TOTAL
	Y1	Y2	Y3	Y4	Y5	
Interest to the local banking sector	364,000.00	364,000.00	364,000.00	364,000.00	364,000.00	1,820,000.00
Payment to supplier SMEs	400,000.00	480,000.00	600,000.00	720,000.00	792,000.00	2,992,000.00
Income Tax	1,041,668.00	1,764,532.00	2,898,464.00	4,020,395.00	4,451,139.00	14,176,198.00
VAT	3,628,800.00	4,352,760.00	5,443,200.00	6,531,840.00	7,257,600.00	27,214,200.00
CSR	122,650.00	304,465.00	308,869.00	434,444.00	280,482.00	1,315,995.00
SUMMARIES	Y1	Y2	Y3	Y4	Y5	TOTAL
To the Private Sector	764,000.00	844,000.00	964,000.00	1,084,000.00	1,156,000.00	4,812,000.00
To the Government	4,670,468.00	6,117,292.00	8,341,664.00	10,552,235.00	11,708,739.00	41,390,398.00
To the Hosting Community	122,650.00	304,465.00	308,869.00	434,444.44	280,482.00	1,315,995.00

2. Detailed Project Manning Plan

S/N	Category	Local		Foreigners		TOTAL
		M	F	M	F	
A.	Directors					
1	Managing Director			1		1
2	Directors	1		1	2	4
B.	Management Team					
1	Finance Manager	1	1			2
2	Logistics Manager		1			1
3	Technical Managers	1		2	1	4
C.	Supervisors					
1	Technical Supervisors	1	1	8	3	13
2	Fleet Supervisor		1	1		2
3	Supplies Supervisor		1	1		2
D.	Drivers and Operators					
1	Drivers	10				10
2	Plant Operators/ Workers	155	79			234
3	Service Bay Operators	7				7
E.	Support Staff					
1	Cleaners	1	6			7
2	Mechanics	5	1			6
3	Security Guards	5	1			6
4	Accountant/ Cashier		1			1
	TOTAL	187	93	14	6	300

3. Gross Profit Projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
PROJECTED SALES	20,160,000.00	24,182,000.00	30,240,000.0	36,288,000.0	40,320,000.0
COST OF SALES					
Power and Water Utilities	500,000.00	600,000.00	750,000.00	900,000.00	999,000.00
Raw Materials	180,000.00	216,000.00	270,000.00	324,000.00	356,400.00
Wages	1,944,000.00	2,332,800.00	2,916,000.00	3,499,200.00	3,849,120.00
Supplies	400,000.00	480,000.00	600,000.00	720,000.00	792,000.00
TOTAL COST OF SALES	3,024,000.00	3,627,300	4,536,000	5,443,200	6,048,000
GROSS PROFIT					

4. Projections on Operating Expenses

Marketing Expenses	9,000.00	7,400.00	8,140.00	8,954.00	9,849.40
Bank Charges	600.00	624.00	686.40	755.04	830.54
Insurance	14,300.00	14,872.00	16,359.20	17,995.12	19,794.63
Office Expenses	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00
Permits and Licenses	89,700.00	600.00	600.00	1,600.00	88,600.00
Vehicle Expenses	15,300.00	15,912.00	16,548.48	17,210.42	17,898.84
Professionals Fees	4,400.00	1,000.00	2,000.00	1,000.00	2,000.00
Provision for Bad Debts	1,620.00	1,958.58	1,999.69	2,342.31	2,427.07
Miscellaneous Expenses	12,000.00	13,200.00	14,520.00	15,972.00	17,569.20
TOTAL OPERATING EXPENSES	9,785,772.00	10,779,060 .00	12,124,414.00	13,486,634.00	14,530,566.00

5. Change in Equity in the project' Show hoe the project will be able to grow and become stable due to its growth in equity

	Share Capital USD	Accumulated Loss USD	Total equity USD
At 1 January 2025	600,000	-	600,000
Loss for the year	-	2,430,560	2,430,560
At 31 December 2025	600,000	2,430,560	3,030,560
At 1 January 2026	600,000	2,430,560	3,030,560
Loss for the year	-	4,128,908	4,128,908
At 31 December 2026	600,000	6,559,468	7,159,468
At 1 January 2027	600,000	6,559,468	7,159,468
Loss for the year	-	6,763,082.20	6,763,082.20
At 31 December 2027	600,000	13,322,550	13,922,550
At 1 January 2028	600,000	13,322,550	13,922,550
Loss for the year	-	9,380,922.60	9,380,922.60
At 31 December 2028	600,000	22,703,472	23,303,472
At 1 January 2029	600,000	22,703,472	23,303,472
Loss for the year	-	10,385,989.88	10,385,989.88
At 31 December 2029	600,000	33,089,462	33,689,462

6. Projected Bank Loan Details

LOAN DETAILS								
DETAILS	LOAN SECURED	INTEREST RATE	ANNUAL PRINCIPAL PAYBACK					TOTAL
			Y1	Y2	Y3	Y4	Y5	
Local Loan								
Foreign Loan	13,000,000.00	0.14	2,600,000.00	2,600,000.00	2,600,000.00	2,600,000.00	2,600,000.00	13,000,000.00
TOTAL PRINCIPAL REPAYMENT			2,600,000.00	2,600,000.00	2,600,000.00	2,600,000.00	2,600,000.00	13,000,000.00
INTEREST DETAILS								
DETAILS	LOAN SECURED	INTEREST RATE	ANNUAL INTEREST PAYBACK					TOTAL
			Y1	Y2	Y3	Y4	Y5	
Local Loan								
Foreign Loan	13,000,000.00	0.14	364,000.00	364,000.00	364,000.00	364,000.00	364,000.00	1,820,000.00
TOTAL INTEREST REPAYMENT			364,000.00	364,000.00	364,000.00	364,000.00	364,000.00	1,820,000.00
TOTAL REPAYMENT			2,964,000.00	2,964,000.00	2,964,000.00	2,964,000.00	2,964,000.00	14,820,000.00