

MOSHI WEST END MALL

BUSINESS PLAN FOR ESTABLISHMENT AND OPERATION OF SHOPPING MALL PROJECT PROPOSED TO BE LOCATED IN MOSHI TOWN- KILIMANJARO REGION, TANZANIA

1st June, 2025

1.0 EXECUTIVE SUMMARY

MOSHI WEST END MALL, a business name registered by Brela, in Tanzania to carry out business activities of Retail sale of clothing, footwear and leather articles and specialized stores, wholesale of textiles, clothing and footwear, and wholesale of other household goods. The project proposed to be located Moshi town in Kilimanjaro Region along Moshi-Arusha main road, a potential area within Kilimanjaro region.

This project is expecting to generate monthly income of 98,166,667 TZS with the running cost of 21,150,000 TZS. Moreover, the project is expecting to create jobs amounting to 10 employees and operate the project with the use of modern technology, quality and timely services. The expected market of the project services is mostly within Moshi region and neighbours within and outside the region and East Africa. The project is expecting to incur the total investment is 3,375,000,000 TZS whereby through financial analysis it was found that the cash accumulation in 4th year is 3,568,080,689 TZS which is more than the initial investment by 193,080,689 TZS hence the project payback Period is exactly at the 4th year. Therefore, the project has a relatively short time Payback period.

. The project payback Period is exactly at the 4th year. Therefore, the project is viable and experiencing relatively a short time Payback period. Details of company and the main project description will be depicted in the main paper.

1.1 BUSINESS NAME DESCRIPTION

MOSHI WEST END MALL is a business name registered by Brela with the certificate No.604656 dated 10th May, 2012 under the business names registration Act and Rules. **MOSHI WEST END MALL** is registered to carry out business activities such as Retail sale of clothing, footwear and leather articles and specialized stores, wholesale of textiles, clothing and footwear, and wholesale of other household goods. The Tax Identification Number (TIN) of the Business name is 102952731.

1.1.1 Business Products or services

Generally, the registered business is mainly engaged in Retail sale of clothing, footwear and leather articles and specialized stores, wholesale of textiles, clothing and footwear, and wholesale of other household goods.

1.2 VISION

MOSHI WEST END MALL vision is to be the best in Eastern, Southern and Central African Countries by providing affordable, quality, efficient and reliable shopping mall services to its customers.

1.3 MISSION

MOSHI WEST END MALL Mission is to offer high-quality shopping mall services at a competitive price in comparison to others in the market

1.4 BUSINESS OWNERSHIP

MOSHI WEST END MALL is mainly owned by 1 person namely Jonas Paul Kipokola under sole proprietor's ownership category.

1.5 THE PROJECT

MOSHI WEST END MALL is planning to establish a project named “Establishment and operation of shopping mall project proposed to be located in Moshi town-Kilimanjaro region, Tanzania”. This project is expecting to generate monthly income of 25,650,000 TZS with the running cost of 2,115,000 TZS

1.4.1 Project location

The project will be located in Moshi town in Kilimanjaro Region along Moshi-Arusha main road, a potential area within Kilimanjaro region hence attracting customers within Moshi town and nearby citizens.

1.4.2 Project Products or service to be provided

The services to be provided by this company will be based on but not limited to Retail sale of clothing, footwear and leather articles and specialized stores, wholesale of textiles, clothing and footwear, and wholesale of other household goods.

1.4.3 Technology to be utilized

This project will utilize a current and modern technology from building materials to operational equipment and tools including CCTV cameras, money counting machines, accounting tools and other operational tools.

1.4.4 Overview of the economy in Tanzania

Tanzania is a lower-middle income country with a per capita GDP of \$1,149. The economy is relatively diversified: agriculture accounts for about a quarter of total value addition, industry for a third, and services for the remainder. Agriculture remains the largest source of employment, with two in three Tanzanians working in the sector. Rapid urbanization nevertheless means that 37% of Tanzanians now

live in cities. Poverty is estimated at 43% using the International Poverty Line of \$2.15 2017 PPP/day (about 2,080 nominal TSH in 2024), with a Human Capital Index of 0.39, roughly in line with the regional average.

Over the past years, Tanzania has built a track record of macroeconomic stability even amid serious economic shocks. Growth has been robust, fiscal balances manageable, and inflation has remained in the single digits. Vast natural endowments and favorable demographics have supported high investment levels that have strongly contributed to growth.

Growth accelerated to 5.5% in 2024, promoted by expanding exports, a good agricultural season, and increased electricity supply. Higher global demand for Tanzanian goods like gold, tourism, and agricultural commodities improved the terms of trade. Tanzanian firms were able to meet additional demand thanks to improvements in the business environment which have led to investments that increased productive capacity. Tanzania's current account deficit is estimated to have narrowed to 2.3% of GDP in 2024, a sustainable level in the long term given the increased levels of FDI and highly concessional finance that Tanzania attracts. This has also alleviated some tensions in foreign exchange markets caused by limited rate flexibility.

The fiscal deficit has been trending toward the regional benchmark of 3% of GDP recently despite an ambitious infrastructure agenda. Tax revenues at 13% of GDP in 2024 remain low compared to peers and needs. Public debt levels remain nevertheless contained at around half of GDP. Prudent fiscal policy combined with stringent monetary policy has kept inflation below the central bank's 5% target.

1.4.5 Overview of commercial building sector in Tanzania

The Tanzanian commercial building sector is experiencing growth, particularly in areas like office buildings, retail spaces, and hospitality developments. This growth is driven by the country's increasing foreign investment and expanding economy. The construction industry is also a key enabler for social and economic development, contributing to job creation and infrastructure development.

The commercial real estate market is projected to reach \$62.21 billion in 2025 and is expected to continue growing. The market is experiencing a surge in demand due to Tanzania's growing economy and increased foreign investment.

The construction sector contributes significantly to Tanzania's GDP, with a notable contribution to the real estate sector. Significant investments are being made in commercial construction, particularly in office buildings, retail spaces, hospitality developments, and restaurants.

Despite growth, the construction sector faces challenges like reliance on imported materials and limited access to financing.

1.4.6 Expected Market

The project for West End Mall will mainly focus on the local market and the nearby market in East Africa who are in need of clothing, footwear and leather articles and specialized stores, textiles, clothing and other household goods

1.4.7 Marketing and sales strategy

The project promoter will use Diversification strategy to ensure that it penetrates the market and acquire a fair share of the market share for the shopping malls. In this case the project promoter will utilize mixed methods to reach the market thus

will use the 7Ps of the marketing strategy which are product, price, place, promotion, people, process and physical evidence. Therefore, the project promoter will ensure that there is availability of a unique and quality products, set a good price for attracting customers, will locate a place for business, will promote the services through various means, will be people centered reflecting people's needs and peoples feedback, will use a step-by-step process to meet the market but also will have a physical office for receiving its customers. It should be noted that Promotion of the business services will be the priority method for expanding the market base and ensure more customers for the products and services provided therefore different medias will be used for promotion including TVs, newspapers and social medias therefore the project promoter will set aside a good budget for promotional activities and media coverage for enhancing visibility and customers awareness of the services offered by the business.

1.4.8 Project risks

Project risks may include changing of government policies, fluctuation of USD prices to TZS, changes of tax rates, labor turnover and fuel price fluctuation.

1.4.9 Strategy to overcome risks

Compliance and flexibility with the changing government policies, strengthening internal revenue and pricing mechanism in accordance to the market conditions, hiring good internal Auditor and Taxi consultants and enhancing labor retention policies or the company.

1.4.10 Environmental aspects considerations

Before commencing the project, the project promoter will make sure that it follows all procedures and guidelines for environmental protection from NEMC before establishing the project and if Environmental Impact Assessment (EIA) is

needed the project will undergo that assessment for certification before commencing the project.

1.5 PROJECT ESTIMATED REVENUE

The Business has estimated that the projected revenue to be 98,166,667 TZS per month.

1.6 PROJECT OPERATING COST

The Business has estimated that the project operating cost to be 21.54% of the total monthly revenue income expected to be generated per month. Therefore, the operating cost estimated is 21,150,000 TZS per month.

1.7 PROJECT FINANCING

The company has estimated that the project will be financed by the shareholders equity amounting to 2,875,000,000 TZS and loan of 500,000,000 TZS

1.8 PROJECT INVESTMENT COST BREAKDOWN

The project has budgeted to cost the followings:

INVESTMENT COSTS AND ASSETS COSTS			
	ITEM	TZS	USD
1	Land/Building	1,800,000,000	666,667
2	Plant/Machines/Standby generator	150,000,000	55,556
3	Office equipment	295,000,000	109,259
4	Children's playground Equipments	280,000,000	103,704
5	Furniture & Fittings	250,000,000	92,593

6	Vehicles	350,000,000	129,630
	Sub Total	3,125,000,000	1,157,407
6	Pre-expenses	150,000,000	55,556
7	Working Capital	100,000,000	37,037
8	Other costs		
	Sub Total	250,000,000	92,593
	<i>TOTAL INVESTMENT COST</i>	<i>3,375,000,000</i>	<i>1,250,000</i>
SOURCE OF CAPITAL FOR INVESTMENT/BUSINESS			
		TZS	USD
1	EQUITY	2,875,000,000	1,064,815
2	OWN FUNDS		-
3	LOAN	500,000,000	185,185
	TOTAL INVESTMENT	3,375,000,000	1,250,000
	TOTAL ASSETS	3,275,000,000	1,212,963
	At 2700 exchange rate		

2.0 PROJECT MANAGEMENT SCHEDULE

The project will be managed by the project promoter and the Estate Manager.

The expected project employment schedule are as follows: -

Employees Distribution Summary

Employment	Foreign	Local	Total
Women	0	4	4
Men	0	6	6
TOTAL	0	10	10

3.0 OVERVIEW OF TANZANIA BUSINESS ENVIRONMENT

Tanzania's business environment presents a mix of opportunities with a large market size and growing economy.

In the African continent, TANZANIA is among the top ten investment destinations in Africa, thanks to reforms and a conducive investment environment set by the government. The Rand Merchant Bank (RMB) ranked the country tenth in business and investment attractiveness, in the Where to Invest in Africa report released recently.

The World Bank ranking it relatively medium globally in ease of doing business; and that, the government is actively working to improve more on the investment climate for investors through reforms aimed at streamlining processes and attracting foreign direct investment (FDI)

4.0 SWOT ANALYSIS

STRENGTHS

Strengths of the business are –

- The shareholders have own equity and access to loan for starting and financing the project
- The business has sound, experienced and talented management for Business management.
- Rapid growth in sector due to effective management
- Influence & Networking of Project promoter in the business sector
- Business location is at prominent place
- Good roads and highway in Tanzania
- Confirmed business due to market availability.

WEAKNESSES

Weakness of the business are –

- Local competition from local market
- Struggle for market share growth

OPPORTUNITIES

Opportunities of the business are –

- Availability of potential market with Tanzania, EAC and Africa in general.

THREATS

Threats of the business are –

- Complex Tax Structure
- Sectorial competition
- Changing business, investment laws and policies
- Fuel price fluctuations
- Fluctuation of USD vs TZS-exchange rate depreciation.

5.0 FINANCIAL PROJECTIONS ASPECT OF THE PROJECT

(i) Projected Profit and Loss Statement

The attached table shows the projected income for the 10 years period. The position depicted is that the project earns profit throughout its life cycle. Accumulated after-tax profits grow from **418,856,667 TZS** in the 1st year to **10,891,787,477 TZS** in the 10th year.

(ii) Projected Cash Flows

The project's cash flows are shown in the attached table. They depict a good liquid position right from the first year. Cash accumulation builds up from **881,356,667 TZS** in the first year to **14,166,787,477 TZS** at the end of the 10th year of the project's operations

(iii) Projected Balance Sheet

The project's assets' cash flows are shown in attached table. Owners' equity grows from **3,293,856,667 TZS** in the first year to **13,766,787,477 TZS** at the end of the 10th year of the project's operations

(iv) Payback Period

Total investment is **3,375,000,000 TZS**, cash accumulation in 4th year is **3,568,080,689 TZS** which is more than the initial investment by **193,080,689 TZS**. The project payback Period is exactly at the 4th year. Therefore, the project has a relatively short time Payback period.

6.0 ECONOMIC ASPECTS OF THE PROJECTS

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

I. Employment Opportunities

Employment and poverty reduction are among the major concern of the Central and Local Government authorities. It is gratifying to note that the company will provide additional employment to 10 people. This is a fair contribution to the economy derived from establishment of this project.

II. Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes.

III. Benefiting in terms of growing commercial building sector in Tanzania

The project will contribute to the growth of commercial building sector in Tanzania and especially in the northern zone and other surrounding neighbours within EAC.

7.0 CONCLUSION

After undergoing economic and financial evaluation of the project, it is of view that his project is viable, profitable and contributes to company revenue and to the government revenue by way of taxes, therefore it is recommended that the project should be given enough considerations for its establishment, take off and expansion.

8.0 LIST OF APPENDICES

Appendix I

FORECASTED STATEMENT OF PROFIT & LOSS IN TZS													
CURRENCY TZS													
		Costs/Sales	Monthly Income	Year 1	Year 2	Year 3	Year4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	1	82,000,000	82,000,000	984,000,000	1,131,600,000	1,301,340,000	1,496,541,000	1,721,022,150.00	1,979,175,473	2,276,051,793	2,617,459,562	3,010,078,497	3,461,590,271.25
Operating Cost(utility etc)	1	21,150,000	21,150,000	253,800,000	291,870,000	335,650,500	385,998,075	443,897,786.25	510,482,454	587,054,822	675,113,046	776,380,003	892,837,003
Children Play ground Income	1	16,166,667	16,166,667	194,000,000	223,100,000	256,565,000	295,049,750	339,307,212.50	390,203,294	448,733,789	516,043,857	593,450,435	682,468,000.63
Gross profit before depreciation and interest			77,016,667	924,200,000	1,062,830,000	1,222,254,500	1,405,592,675	1,616,431,576	1,858,896,313	2,137,730,760	2,458,390,374	2,827,148,930	3,251,221,269
Loan Interest 16%				13,333,333	13,333,333	13,333,333	13,333,333	13,333,333	13,333,333	-	-	-	-
Depreciation 10%				312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000
				325,833,333	325,833,333	325,833,333	325,833,333	325,833,333	325,833,333	312,500,000	312,500,000	312,500,000	312,500,000
Gross profit				598,366,667	736,996,667	896,421,167	1,079,759,342	1,290,598,243	1,533,062,979	1,825,230,760	2,145,890,374	2,514,648,930	2,938,721,269
Tax(30%)				179,510,000	221,099,000	268,926,350	323,927,803	387,179,473	459,918,894	547,569,228	643,767,112	754,394,679	881,616,381
Profit after tax				418,856,667	515,897,667	627,494,817	755,831,539	903,418,770	1,073,144,086	1,277,661,532	1,502,123,261	1,760,254,251	2,057,104,888
Accumulated profit				418,856,667	934,754,333	1,562,249,150	2,318,080,689	3,221,499,459	4,294,643,545	5,572,305,076	7,074,428,338	8,834,682,589	10,891,787,477

Appendix II

PROJECTED STATEMENT OF CASHFLOW IN TZS											
	0	1	2	3	4	5	6	7	8	9	10
SOURCES:											
Profit after interest and depreciation	-	418,856,667	515,897,667	627,494,817	755,831,539	903,418,770	1,073,144,086	1,277,661,532	1,502,123,261	1,760,254,251	2,057,104,888
Equity		2,875,000,000									
Loan		500,000,000	0	0	0	0	0	0	0	0	0
Total Sources		3,793,856,667	515,897,667	627,494,817	755,831,539	903,418,770	1,073,144,086	1,277,661,532	1,502,123,261	1,760,254,251	2,057,104,888
Applications:											
Capital expenditure		3,125,000,000		0							
Working Capital & Others		100,000,000		-							
Cash	-	568,856,667	515,897,667	627,494,817	755,831,539	903,418,770	1,073,144,086	1,277,661,532	1,502,123,261	1,760,254,251	2,057,104,888
Depreciation	-	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000
Sub total		881,356,667	828,397,667	939,994,817	1,068,331,539	1,215,918,770	1,385,644,086	1,590,161,532	1,814,623,261	2,072,754,251	2,369,604,888
Total applications	0	881,356,667	1,709,754,333	2,649,749,150	3,718,080,689	4,933,999,459	6,319,643,545	7,909,805,076	9,724,428,338	11,797,182,589	14,166,787,477

Appendix III

FORECASTED STATEMENT OF FINANCIAL POSITION IN TZS											
ASSETS	Initial Outlays/Years	1	2	3	4	5	6	7	8	9	10
Opening Balance			2,812,500,000	2,500,000,000	2,187,500,000	1,875,000,000	1,562,500,000	1,250,000,000	937,500,000	625,000,000	312,500,000
Total Long term assets	3,125,000,000	3,125,000,000	2,812,500,000	2,500,000,000	2,187,500,000	1,875,000,000	1,562,500,000	1,250,000,000	937,500,000	625,000,000	312,500,000
Less Depreciation		312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000	312,500,000
Closing Balance		2,812,500,000	2,500,000,000	2,187,500,000	1,875,000,000	1,562,500,000	1,250,000,000	937,500,000	625,000,000	312,500,000	-
Working Capital	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Accumulated Cash		881,356,667	1,709,754,333	2,649,749,150	3,718,080,689	4,933,999,459	6,319,643,545	7,909,805,076	9,724,428,338	11,797,182,589	14,166,787,477
Total Assets	3,225,000,000	3,793,856,667	4,309,754,333	4,937,249,150	5,693,080,689	6,596,499,459	7,669,643,545	8,947,305,076	10,449,428,338	12,209,682,589	14,266,787,477
Financed By											
Equity	2,875,000,000	2,875,000,000	2,875,000,000	2,875,000,000	2,875,000,000	2,875,000,000	2,875,000,000	2,875,000,000	2,875,000,000	2,875,000,000	2,875,000,000
Accumulated Profits		418,856,667	934,754,333	1,562,249,150	2,318,080,689	3,221,499,459	4,294,643,545	5,572,305,076	7,074,428,338	8,834,682,589	10,891,787,477

Total Equity	2,875,000,000	3,293,856,667	3,809,754,333	4,437,249,150	5,193,080,689	6,096,499,459	7,169,643,545	8,447,305,076	9,949,428,338	11,709,682,589	13,766,787,477
Local Loan	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Total Debt	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Total Equity and Debt	3,375,000,000	3,793,856,667	4,309,754,333	4,937,249,150	5,693,080,689	6,596,499,459	7,669,643,545	8,947,305,076	10,449,428,338	12,209,682,589	14,266,787,477

Appendix IV

ACCUMULATED CASHFLOW				
Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	418,856,667	312,500,000	731,356,667	731,356,667
2	515,897,667	312,500,000	828,397,667	1,559,754,333
3	627,494,817	312,500,000	939,994,817	2,499,749,150
4	755,831,539	312,500,000	1,068,331,539	3,568,080,689
5	903,418,770	312,500,000	1,215,918,770	4,783,999,459
6	1,073,144,086	312,500,000	1,385,644,086	6,169,643,545
TOTAL	4,294,643,545	1,875,000,000	6,169,643,545	19,312,583,843

Appendix V

LOAN REPAYMENT SCHEDULE				
Year	<i>Principle</i>	Year Loan Interest (16%)	Total Amount Paid	Loan Balance
0	500,000,000	80,000,000.00	580,000,000.00	580,000,000
1	83,333,333	13,333,333	96,666,667	483,333,333
2	83,333,333	13,333,333	96,666,667	386,666,667
3	83,333,333	13,333,333	96,666,667	290,000,000
4	83,333,333	13,333,333	96,666,667	193,333,333
5	83,333,333	13,333,333	96,666,667	96,666,667
6	83,333,333	13,333,333	96,666,667	0
	500,000,000	80,000,000	580,000,000	