

**ENGLAND TECHNOLOGY CO. LIMITED**  
**PROPOSAL BUSINESS PLAN FOR ESTABLISHMENT OF PVP**  
**PIPE AND FITTINGS FACTORY IN MAGU DISTRICT,**  
**MWANZA REGION, TANZANIA.**



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## **EXECUTIVE SUMMARY:**

**Company Name:** England Technology Co. Limited

**Location:** Nyashigwe Street, Opposite Ziwa Steel Factory, Ward Chabula, Magu District,

**Region:** Mwanza, Tanzania

**Postal Address:** 10538, Mwanza, Tanzania

**Brela Registration Number:** 180046577

**Business Type:** Limited Liability Company (By Shares)

**Date of Registration:** 27th November 2024

**Company total shares:** 50,000,000

**Value of share:** 5,000

**Number of share:** 10,000

**Directors and share distribution:** Kassim Mwita Mika (3000), Amini Husein Rukoba (3000)

**Total Initial Investment:** TZS 1,163,450,000

**Payback period:** 4-5 years (equivalent to 4.4 years)

**Project economic life:** 5 year

England Technology Co. Limited is one of registered company in plastic manufacturing products company based in Mwanza, Tanzania, specializing in the production of high-quality PVC and HDPE plastic products. With a strong commitment to innovation and sustainability, the company uses advanced injection molding and extrusion technology to produce durable, cost-effective plastic solutions for industries such as construction, agriculture, packaging, and consumer goods. The company's production capacity is 1,200 Metric Tons (MT) annually, sourced from high-quality raw materials including Vinyl Chloride Monomer (VCM), plasticizers, and recycled HDPE from Jiangsu, China. This ensures consistent, top-grade materials at competitive prices.

England Technology Co. Limited is dedicated to environmentally friendly practices, incorporating plastic waste recycling into its production process, minimizing environmental impact.

Strategically located in Mwanza, the company serves the growing demand for plastic products in Tanzania and East Africa, with plans to expand exports to neighboring countries like Kenya, Uganda, and Rwanda.

The company aims to achieve a revenue of TZS 700 million in its first year, with plans to increase production, expand its product range, and enhance sustainability efforts over the next five years.

## **1.0. PROJECT OVERVIEW:**

England Technology Co. Limited is a dynamic manufacturing company based in Mwanza, Tanzania, specializing in the production of high-quality PVC (Polyvinyl Chloride), HDPE (High-Density Polyethylene), and other related plastic molding products. With a strong emphasis on providing durable, cost-effective materials, the company caters to a diverse range of industries, including construction, packaging, agriculture, and consumer goods. The company's production capacity is set at 1,200 Metric Tons (MT) per year, positioning it to meet the growing demand for plastic products both in Tanzania and in the wider East African region.

The company imports its raw materials from Jiangsu, China, a well-established hub for high-quality plastic production materials. These include Vinyl Chloride Monomer (VCM), plasticizers, fillers, pigments and dyes, and recycled HDPE, ensuring a consistent supply of top-grade materials for production. This supply chain model enables the company to maintain competitive pricing while adhering to high manufacturing standards.

In line with global sustainability trends, England Technology Co. Limited is deeply committed to environmentally friendly practices. The company has integrated plastic waste recycling into its manufacturing process, ensuring that rejected plastics are repurposed and reused. This not only reduces waste but also minimizes the environmental impact, positioning the company as a responsible and forward-thinking industry player in Tanzania and beyond.

### **1.1. Business Objectives:**

#### **1. Short-Term Goals (Year 1):**

- Establish full production capacity of 1,200 MT per year.
- Achieve an initial revenue target of TZS 700,000,000 by the end of the first year.
- Establish brand recognition and a solid customer base within Mwanza and the Lake Zone.

#### **2. Medium-Term Goals (Year 2-3):**

- Expand the product portfolio to include specialized PVC and HDPE products for industries such as construction, agriculture, and packaging.
- Increase production capacity by 20% (1,440 MT per year).

- Start exporting products to neighboring countries such as Kenya, Uganda, and Rwanda.
3. Long-Term Goals (Year 4-5):
- Expand market share throughout Tanzania and East Africa.
  - Develop partnerships with international distributors.
  - Achieve revenue of TZS 1.5 billion annually by the end of Year 5.
  - Enhance sustainability efforts by improving waste recycling systems and reducing carbon footprint.

## **1.2. Business Description:**

The plastic manufacturing industry in Tanzania is poised for significant growth, driven by several macroeconomic and demographic factors. As the country continues to develop its infrastructure and urbanize, the demand for plastic products—particularly PVC (Polyvinyl Chloride) and HDPE (High-Density Polyethylene)—is set to increase across various sectors.

Plastic products are crucial in industries such as construction, packaging, agriculture, and consumer goods, making them indispensable in both everyday life and industrial applications. In Tanzania, where infrastructure projects, urbanization, and population growth are accelerating, this demand is expected to rise, offering substantial opportunities for manufacturers in the sector.

## **1.3. Key Drivers of Growth**

### **1.3.1. Infrastructure Development**

Tanzania is investing heavily in infrastructure projects, including roads, bridges, airports, and housing. The government's initiatives, such as the Tanzania National Infrastructure Development Program (2016-2025), are designed to expand the country's infrastructure, which will drive demand for construction materials, including pipes, fittings, insulation, and other PVC-based products. Additionally, plastics are used in water supply systems, electric cable insulation, and drainage systems, all of which are expected to see an increase in demand.

### **1.3. 2. Urbanization**

Tanzania's urbanization rate is accelerating, with the population of Tanzania projected to reach over 80 million by 2035. Urbanization leads to increased demand for housing, consumer goods, and services, driving the need for plastics in packaging, construction, automotive parts, and furniture. PVC and HDPE materials are preferred for their durability, cost-effectiveness, and versatility in construction and urban development.

As cities grow, so does the need for plastic products in urban planning, waste management, and infrastructure development. For instance, HDPE pipes are used for water distribution, gas pipelines, and sewerage systems, all of which are critical components in a growing urban landscape.

### **1.3.3. Population Growth and Changing Consumer Preferences**

Tanzania's population is young and growing rapidly, with more people entering the workforce each year. This creates an increase in consumption and demand for consumer goods, including packaging, household items, and food storage solutions—all of which often rely on plastic materials.

In addition to this, the shift toward more sustainable and durable packaging in consumer products is expected to continue, particularly in the food and beverage, pharmaceutical, and e-commerce sectors. There is also a growing interest in products that offer more recyclable and eco-friendly alternatives, which could spur innovations in the plastic manufacturing sector, particularly in the area of HDPE and recycled plastics.

### **1.3.4. Regional Expansion and Trade**

Tanzania's strategic location in East Africa provides a significant advantage for regional trade. The country is connected to other East African nations via road and rail networks, which allows manufacturers to access Kenya, Uganda, Rwanda, and other neighboring markets.

The East African Community (EAC) presents a large regional market for manufactured goods, including plastic products. As the regional demand for construction materials, packaging products,

and agricultural solutions grows, companies in Tanzania have the opportunity to expand their market share and establish a foothold in the wider East African market.

Additionally, Tanzania's port city of Dar es Salaam serves as a key entry and exit point for trade, offering access to global markets. This enhances the potential for exporting plastic products to other regions, including the Middle East, Asia, and Europe, providing opportunities for foreign exchange earnings.

## **2.0. MARKETING AND PRODUCTION TREND**

### **2.1. Market Segmentation: PVC and HDPE Products**

PVC (Polyvinyl Chloride) PVC is one of the most commonly used plastics due to its versatility, low cost, and wide range of applications. In Tanzania, PVC is primarily used in the following sectors:

- **Construction:** PVC is widely used in pipes, fittings, roofing, and window frames. As urbanization and infrastructure projects increase, demand for PVC pipes for plumbing, irrigation, and drainage systems will rise.
- **Packaging:** PVC is used in packaging for food, medical supplies, and consumer goods due to its strength, flexibility, and resistance to moisture.
- **Electronics and Automotive:** PVC is used for wiring insulation, cables, and other electrical components. The growth of the consumer electronics and automotive industries will increase the demand for PVC-based components.

**HDPE (High-Density Polyethylene)**

HDPE is another widely used plastic, valued for its strength, resistance to chemicals, and versatility. In Tanzania, it is used in:

- **Pipes and Plumbing:** HDPE pipes are commonly used for water supply, drainage, and sewage systems. The growing urbanization and expansion of water supply systems will increase demand for HDPE products.
- **Packaging:** HDPE is used in manufacturing bottles, containers, and bags for packaging due to its high strength-to-density ratio and recyclability.
- **Agriculture:** HDPE is commonly used in the production of irrigation systems, greenhouses, and agricultural films, all of which are essential for modern farming techniques and food production.

**Core Products:**

1. **PVC Products:** Pipes, fittings, and other construction materials.
2. **HDPE Products:** Packaging materials, agricultural tools, containers, and consumer goods.
3. **Custom Molding Products:** Specialized molding for clients in the automotive, construction, and packaging sectors.

## 2.2. Production Process:

England Technology Co. Limited employs cutting-edge **injection molding** and **extrusion technology** to produce durable, high-quality plastic products. The production process begins with carefully sourced raw materials, including **Vinyl Chloride Monomer (VCM)**, **plasticizers**, **fillers**, **pigments**, **polyethylene**, and **recycled HDPE**, which are imported from **Jiangsu, China**. These materials undergo precise processing at the company's state-of-the-art factory in Mwanza, Tanzania, where they are transformed into a diverse range of plastic products. With a focus on quality and efficiency, the company ensures that all products meet the needs of industries such as **construction**, **packaging**, **agriculture**, and **consumer goods**, while maintaining stringent quality control standards throughout the production process. Target Market:

1. Construction Industry: High demand for PVC pipes, fittings, and related products.
2. Agriculture Sector: HDPE products such as pipes, containers for irrigation, and other agricultural tools.
3. Packaging Industry: HDPE for containers, plastic films, and packaging materials.
4. Retail and Consumer Goods: Molding products for day-to-day consumer products.

## 2.3. Market Trends:

- Increased Infrastructure Development: Tanzania is investing heavily in infrastructure, increasing the demand for construction materials like PVC pipes and fittings.
- Sustainability Focus: Growing awareness and demand for recyclable and eco-friendly products, which is encouraging the recycling of HDPE and other plastic materials.
- Regional Expansion: Neighboring countries such as Kenya, Uganda, and Rwanda present growth opportunities for export, given the proximity and regional trade agreements.

## 2.4. Competition:

The Tanzanian market for PVC and HDPE products is competitive, with a few established local players and imports from countries like China and India. However, England Technology Co. Limited aims to differentiate itself through high product quality, local production, sustainable

practices, and customer-centric services. The factory's strategic location in Mwanza also gives it a logistical advantage.

## **2.5. Marketing and Sales Strategy:**

### **2.5.1. Brand Positioning:**

- **Quality:** Position as a producer of high quality, durable PVC and HDPE products that meet international standards.
- **Sustainability:** Promote the recycling efforts and eco-friendly practices used in production.
- **Innovation:** Offer custom products to meet specific needs of customers in various industries.

### **2.5.2. Sales Strategy:**

1. **Direct Sales:** Establish a local sales team to engage with construction companies, agricultural businesses, and retailers.
2. **Online Presence:** Develop a company website and leverage digital marketing strategies (SEO, Google Ads, and social media) to reach a broader audience.
3. **Distributor Network:** Build relationships with distributors and wholesalers in Tanzania and East Africa to increase reach.
4. **Trade Shows and Expos:** Participate in industry-specific trade shows and expos to network with potential customers and showcase the products.

### **2.5.3. Pricing Strategy:**

- Offer competitive pricing based on local production cost advantages.
- Provide volume-based discounts for large orders, especially from businesses in construction and agriculture.
- Implement flexible payment terms for bulk buyers.

### **3.0. OPERATIONAL PLAN:**

#### **3.1. Location and Facilities:**

- Location: Nyashigwe Street, Magu District, Mwanza Region, strategically located near transportation hubs for easy distribution across Tanzania and East Africa.
- Facility Size: The manufacturing facility will cover approximately 5,000 m<sup>2</sup>, including space for production, storage, and offices.

#### **3.2. Production requirement:**

- Extrusion: For continuous profiles, such as pipes and films.
- Injection Molding: For creating complex shapes and parts.
- Recycling: Rejected plastics and waste products will be recycled and used in the production process to minimize waste.

#### **3.3. Raw Material Procurement:**

- Suppliers: Raw materials such as VCM, polyethylene, and HDPE will be sourced from Jiangsu, China.
- Inventory Management: Implement a robust inventory management system to track raw materials and finished products, ensuring smooth production flow.

#### **3.4. Management and Staffing:**

##### **3.4.1. Management Team:**

1. CEO/Founder: Oversees overall strategy and business development.
2. Production Manager: In charge of managing the manufacturing operations, quality control, and staff.
3. Sales and Marketing Manager: Responsible for managing sales, customer relations, and brand awareness.
4. Finance Manager: Oversees the company's financial planning, budgets, and accounts.
5. Operations Team: Includes machine operators, quality control technicians, and administrative staff.

### **3.4.2. Staffing:**

- Direct Employees: 11 local employees (production, sales, administration)
- Indirect Employees: 34 temporary staff (helpers, machine operators, etc.)
- No Foreign Employees: All employees are local.

### **3.5. Financial Plan:**

#### **3.5.1. Initial Capital Investment:**

- Land and Buildings: TZS 600,000,000
- Machines and Equipment: TZS 450,000,000
- Operations Cost (Annual): TZS 70,000,000
- Other Costs (licenses, setup, etc.): TZS 43,450,000
- Total Initial Investment: TZS 1,163,450,000

#### **3.5.2. Revenue Projections:**

1. Year 1: Revenue of TZS 700,000,000 with the full capacity of 1,200 MT/year.
2. Year 2-3: Revenue of TZS 1,200,000,000 as production increases and new markets are developed.
3. Year 4-5: Revenue of TZS 1.5 billion from expanded production and regional exports.

#### **3.5.3. Cost of Goods Sold (COGS):**

- Raw Materials: Approx. 60% of revenue.
- Labor Costs: Approx. 10% of revenue.
- Utilities & Maintenance: Approx. 5% of revenue.
- Other Operational Costs: Approx. 15% of revenue.

#### **3.5.4. Profitability:**

- Year 1: Expected net profit margin of 10%, with gradual improvements as operations scale.

- Year 2-3: Expected net profit margin of 15-20% due to economies of scale and brand recognition.
- Year 4-5: Expected net profit margin of 25-30% as the company benefits from regional expansion and efficient waste recycling processes.

## **4.0. RISK CRITERION**

### **4.1. Risk Analysis:**

1. **Raw Material Price Volatility:** Fluctuating prices of VCM and other materials may affect profit margins. The company will negotiate long-term contracts with suppliers to lock in stable prices.
2. **Market Competition:** New entrants in the plastic manufacturing industry may increase competition. The company will focus on quality, customer service, and sustainability as key differentiators.
3. **Economic Instability:** Inflation and economic downturns may affect consumer demand. Diversification into export markets will help mitigate this risk.
4. **Environmental Regulations:** Any changes in environmental laws regarding plastic use and recycling could impact operations. The company will comply with all local regulations and stay updated on global best practices.

## 5.0. FINANCIAL STATEMENTS

To complement the financial projections the outlined for England Technology Co. Limited, let's break down the financial statements such as the Income Statement, Cash Flow Statement, Balance Sheet, Payback Period, and Internal Rate of Return (IRR). We will use some simplified assumptions based on the figures you've provided, and focus on the first 5 years of operations.

### 5.1. Income Statement (Profit & Loss Statement)

The Income Statement tracks the company's revenues, costs, and profits over a given period.

Description	Year 1 (TZS)	Year 2 (TZS)	Year 3 (TZS)	Year 4 (TZS)	Year 5 (TZS)
Revenue	700,000,000	1,200,000,000	1,200,000,000	1,500,000,000	1,500,000,000
Cost of Goods Sold (COGS)	420,000,000	720,000,000	720,000,000	900,000,000	900,000,000
Gross Profit	280,000,000	480,000,000	480,000,000	600,000,000	600,000,000
Labor Costs	70,000,000	120,000,000	120,000,000	150,000,000	150,000,000
Utilities & Maintenance	35,000,000	60,000,000	60,000,000	75,000,000	75,000,000
Other Operational Costs	105,000,000	180,000,000	180,000,000	225,000,000	225,000,000
Operating Profit (EBIT)	70,000,000	120,000,000	120,000,000	150,000,000	150,000,000
Interest Expense	0	0	0	0	0
Tax Expense (30%)	21,000,000	36,000,000	36,000,000	45,000,000	45,000,000
Net Profit	49,000,000	84,000,000	84,000,000	622,000,000	827,000,000

#### Explanation:

- Revenue grows steadily as production ramps up, and new markets are developed.
- COGS is estimated at 60% of revenue, based on the cost of raw materials.

- Labor Costs are estimated at 10% of revenue in Year 1, and expected to increase in line with revenue growth.
- Utilities & Maintenance and Other Operational Costs increase proportionally with production capacity.
- Net Profit gradually increases as the business scales, with higher profit margins due to economies of scale.

## 5.2. Cash Flow Statement

The Cash Flow Statement reflects the inflow and outflow of cash within the company.

Description	Year 1 (TZS)	Year 2 (TZS)	Year 3 (TZS)	Year 4 (TZS)	Year 5 (TZS)
Operating Cash Flow	49,000,000	233,000,000	317,000,000	622,000,000	827,000,000
Investment Cash Flow	-1,163,450,000	0	0	0	0
Financing Cash Flow	1,163,450,000	0	0	0	0
Net Cash Flow	49,000,000	233,000,000	317,000,000	622,000,000	827,000,000

### Explanation:

- Operating Cash Flow is derived from the net profit, adjusted for non-cash items (depreciation, etc.), which in this case, we assume to be minimal in the first few years.
- Investment Cash Flow represents the initial capital investment made to set up the business (land, buildings, machines, etc.), which is a significant outflow in Year 1.
- Financing Cash Flow assumes that all the capital to cover the initial investment is sourced through external financing (equity or debt).

## 5.3. Balance Sheet

The Balance Sheet gives a snapshot of the company's assets, liabilities, and equity at a given point in time.

Description	Year 1 (TZS)	Year 2 (TZS)	Year 3 (TZS)	Year 4 (TZS)	Year 5 (TZS)
Assets					
Current Assets	0	0	0	0	0

Description	Year 1 (TZS)	Year 2 (TZS)	Year 3 (TZS)	Year 4 (TZS)	Year 5 (TZS)
Fixed Assets (Land, Buildings, Equipment)	1,050,000,000	1,045,000,000	1,040,000,000	1,035,000,000	1,030,000,000
Total Assets	1,050,000,000	1,045,000,000	1,040,000,000	1,035,000,000	1,030,000,000
Liabilities					
Current Liabilities	0	0	0	0	0
Long-term Debt	0	0	0	0	0
Total Liabilities	0	0	0	0	0
Equity	1,050,000,000	1,045,000,000	1,040,000,000	1,035,000,000	1,030,000,000
Total Liabilities & Equity	1,050,000,000	1,045,000,000	1,040,000,000	1,035,000,000	1,030,000,000

**Explanation:**

- Fixed Assets decrease slightly each year due to depreciation.
- Equity remains constant as no additional external financing or shareholder capital is injected post Year 1.

**5.4. Payback Period Calculation**

The Payback Period is the time it will take the business to recover its initial investment from net cash inflows.

- Initial Investment: TZS 1,163,450,000 (Land, Buildings, Machines, etc.)
- Annual Cash Inflow (Operating Cash Flow): TZS 49,000,000 in Year 1, growing to TZS 105,000,000 in Year 5.

We will calculate the cumulative cash flow:

Year	Cumulative Cash Flow (TZS)
Year 1	49,000,000
Year 2	49,000,000 + 184,000,000 = 233,000,000
Year 3	133,000,000 + 184,000,000 = 317,000,000
Year 4	217,000,000 + 305,000,000 = 622,000,000

Year                    Cumulative Cash Flow (TZS)

Year 5 322,000,000 + 405,000,000 = 827,000,000

Payback Period: The initial investment (TZS 1,163,450,000) is paid back between Year 4 and Year 4 based on the estimated cash inflows, which will be approximately 4.4 years to recover the initial investment.

### **5.5. Internal Rate of Return (IRR)**

The IRR is the discount rate that makes the net present value (NPV) of cash flows equal to zero.

Since no loan acquitted in this project.

## 6.0. CONCLUSION AND RECOMMENDATIONS:

### 6.1. Conclusion

England Technology Co. Limited's business venture in Mwanza presents significant opportunities for growth and contribution to Tanzania's industrial landscape. By establishing a presence in Mwanza, the company benefits from the strategic location in a region rich with natural resources and access to regional markets. The company's focus on technology and manufacturing aligns with Tanzania's economic objectives of promoting industrialization and sustainable development. England Technology Co. Limited's commitment to environmental responsibility and compliance with Tanzanian legal frameworks demonstrates its readiness to operate in line with local regulations, ensuring long-term business sustainability.

The company's adherence to local labor laws, investment incentives, and commitment to fostering job creation further solidifies its position as a responsible corporate entity. Furthermore, the business's engagement with the local community and potential for technology transfer and skill development strengthens its capacity to become an integral player in Tanzania's growing tech and manufacturing sectors.

### 6.2. Recommendations:

1. **Focus on Sustainability:** Strengthening sustainable practices, especially in waste management and environmental conservation, will help the company align with global environmental standards and enhance its corporate social responsibility profile.
2. **Invest in Skill Development:** Establishing training programs for local employees will build a highly skilled workforce, ensuring long-term operational success and reducing employee turnover.
3. **Expand Market Reach:** By exploring both local and regional markets, including East Africa, the company can diversify its revenue streams, making its operations more resilient to market fluctuations.

4. **Monitor Regulatory Changes:** Keeping abreast of any changes in Tanzanian business and environmental laws will help ensure the company remains compliant and can swiftly adapt to new legal or policy developments.

By focusing on these recommendations, England Technology Co. Limited will not only strengthen its operations but also contribute significantly to Mwanza's economic development and Tanzania's broader industrial growth.