

GURNAH BROTHERS CO. LIMITED
BUSINESS PLAN

ON

GAS STOVE ASSEMBLY PROJECT, MAGOMENI
MAPIPA KIZINGO STREET, MAGOMENI WARD,
KINONDONI MUNICIPAL COUNCIL – DAR ES
SALAAM

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1.0 THE PROJECT

1.1 Introduction of the Company

Gurnah Brothers Company Limited is a local limited liability company, established on 8th July, 2019 under Certificate of Incorporation No.139455436 and it is licensed to carry out a business in the manufacturing sector. It is a newly established manufacturing company with the aim of fitting/assembling gas stove cookers. The company has its headquarters based in Dar es Salaam, Magomeni Mapipa Kizingo street – Kinondoni Municipal Council

1.2 Location of the Project

The project will be based at Magomeni Mapipa Kizingo Street, House number 31, Plot number 33, block 12, Magomeni ward in Kinondoni District – Dar es Salaam region, Tanzania. Kinondoni District, officially the Kinondoni Municipal Council is one of five districts of the Dar es Salaam Region of Tanzania. The district is bordered to the north by Bagamoyo District and Kibaha of Pwani Region, to the east by the Indian Ocean, the west by Ubungo District, and to the south by the Ilala District. The district covers an area of 269.5 km² (104.1 square miles). The administrative seat is Ndugumbi. The district is home to one of the best preserved Medieval Swahili settlements, Kunduchi Ruins, headquarters for the National Muslim Council of Tanzania (BAKWATA) and Makumbusho Village Museum. Kinondoni is considered the cultural center of Dar es Salaam. In addition the district is one of two districts in Dar es Salaam that has a National Historic Site, namely the Kunduchi Ruins.

2.0 INVESTMENT OBJECTIVE, SECTOR AND PRODUCTS

2.1 The Investment Objective

The objective of this project is to establish an assembling/fitting unit/plant for gas stove at Magomeni ward, Kinondoni Municipal Council, in Dar es Salaam region. The primary objectives of this project is to promote the adoption of improved cookstoves: Introduce and promote the use of clean and efficient cookstoves that reduce fuel consumption, emissions of poisonous gases, and indoor air pollution.

2.2 Investment Sector

The interested sector of Investment is manufacturing sector. The company decided to invest in manufacturing – particularly assembling gas stove because based on the recent report of Tanzania Investment Center, the manufacturing sector has shown steady growth over the years, registering 8.3% annual growth rate and a small contribution of 8.1% to the GDP. The sector employs around 306,180 workers mainly in the urban areas. The sector contributes to the Tanzania economy through revenue collection of import and export sales, corporate tax, and income tax, contributing about 18.1% foreign exchange to the government. Most of the manufacturing activities are centered on simple consumer products such as foods, beverages, tobacco, textiles, chemicals, plastic, wood and steel allied products.

The recent development agenda in the country has brought industrial development back as one of the country's policy priorities. Policy makers have made it a point to lead the process of transforming the country's economy from low productivity and low growth to high productivity and dynamic economy, associated with structural change and sustained income growth.

Based on these facts and on going government campaign on the use of gas stove there is prospect for growth in this business

2.3 The Product

The product of choice for investment is gas stoves assembling. Tanzania has proven natural gas reserves (2016) of 57 trillion cubic feet, with at least 49.5 trillion cubic feet of those reserves far offshore in the Indian Ocean. Tanzania has been exploring for natural gas for more than 50 years. The first natural gas discovery in Tanzania was made in 1974 on the Songo Songo Island (Lindi Region) followed by a second discovery at the Mnazi Bay (Mtwara Region) in 1982. Natural gas was discovered both offshore and onshore the Songo Songo Island, while the gas discovery at Mnazi Bay was only offshore. The natural gas from Songo Songo was first commercialized in 2004 and the gas from Mnazi Bay in 2006. The commercialization of the two discoveries propelled further gas exploration in Tanzania both onshore and offshore.

This fact coupled by the government and international concern makes the use of alternative sources of fuel inevitable, and hence the country is endowed with such large amount of natural gas, then the use of gas in cooking will rise in the near future. This makes the investment in gas stoves assembling be the best option.

The other reasons to the choice of investing in gas stoves assembling is that gas stoves uses gas particularly natural gas as a primary source of energy and natural gas have the following advantages:

- Lower environmental impact compared to other fossil fuels: Compared to other fossil fuels like coal and oil, natural gas has a lower environmental impact. When burned for power generation, natural gas produces fewer greenhouse gas emissions, including carbon dioxide (CO₂) and air pollutants such as sulfur dioxide (SO₂) and nitrogen oxides (NO_x). It helps to reduce air pollution and mitigate the effects of climate change. Natural gas emits about 49% less carbon dioxide (CO₂) than coal and about 30% less CO₂ than oil.

- Natural gas is an abundant resource: Natural gas reserves are abundant, and new sources continue to be discovered. This ensures a stable and consistent supply for electricity generation.

3.0 INVESTMENT COSTS AND SOURCES OF FINANCES

3.1. Investment Costs

S/N	Type of Asset	Amount of Investment in USD
1.	Land and Building	4,500
2.	Equipment and Machinery	6,500
3.	Furniture and Fittings	2,500
4.	Vehicles	7,000
5.	Pre-Expenses	2,000
6.	Working Capital	29,500
	Total	52,000

3.2 Sources of Finance

To finance the project shareholders/promoters propose to finance the above investment costs on local equity.

3.3 The Promoters of the Project

The promoters/shareholders of Gurnah Brothers Company Limited are as follows;

Full name	Nationality	Shareholding (%)
Fat-Hi Ally Gurnah	Tanzanian	34%
Abubakar Abdulrahman Gurnah	Tanzanian	33%
Walid Ally Abdallah	Tanzanian	33%

4.0 SOURCES OF SUPPLY OF INPUTS

Most of the inputs used in the project will be imported from outside the country except the expertise particularly the assembling experts who are nationals. Major components of a gas stove cooker include the stovetop with its burners and grates, control knobs and a control panel, the gas supply line and gas pressure regulator, the

oven with its door and rack, and the ignition system consisting of igniter electrodes and a spark module. These parts work together to control the flow of gas and its ignition, allowing for cooking on the stovetop and inside the oven. The company will be importing these parts and assembles the gas stove here in Tanzania

5.0 THE MARKET

Cognitive Market Research suggests that the global gas range cooker market will grow at a compound annual growth rate (CAGR) of 8.50% from 2023 to 2030. This is because of the rise in their use in many households, restaurants and hotel chains. Also, modular kitchens have become popular in recent years, increasing consumer awareness of high-tech cooking solutions.

The increased popularity of stove gas in restaurants is due to their versatility, faster cooking, and precise temperature control. The appliance offers a convenient and efficient cooking solution. Furthermore, there has been a surge in culinary experience and the popularity of home cooking because of its high performance and reliable nature.

The expected sales boost is because manufacturers are looking for innovative ways to make stove gas more efficient, such as using advanced technology, enhanced cooking features, and energy efficiency. These properties attract consumers and attract convenient modern kitchen solutions.

Moreover, manufacturers include user-friendly interfaces, design aesthetics, and safety measures to propel the expanding market. Consumers prioritize technology and efficiency, while manufacturers include cutting-edge developments to drive global growth.

Advantages of stove gas cookers

- Instant heat: Stove gas cookers provide instant heat, unlike electric stoves, which can take some time to heat up. Instant heat for a stove gas cooker means it has the ability to produce heat immediately after activation, which is turning the knob on. Many gas stoves have a knob that allows people to turn it on or off. The knob opens the valves, allowing gas to flow. The furnace has a gas burner that allows gas to flow and produces flames instantly.

The instant heat feature is advantageous for cooking tasks that require quick temperature changes or heat control, such as searing meat or boiling water. Additionally, a stove gas cooker provides more efficient cooking and is a time saver in the kitchen.

- Accurate temperature control:
Stove gas cookers provide unparalleled temperature control by using the knob. The knob can control the amount of gas flowing to the burner. By turning the knob, people can adjust the size and intensity of the flame. This feature allows precise temperature control, making changing from high heat to low simmer simple.

The stove gas cooker also provides a steady flame temperature as long as nobody interferes with it by adjusting the knob. A constant temperature means that people can turn the knob to find their preferred temperature and stay there for long without changing.

The temperature control feature is essential when cooking various dishes, especially the ones that require delicate cooking techniques and careful temperature regulation, for example, melting chocolate and simmering sauces.

Additionally, this feature can fine-tune the heat to ensure that the food cooks evenly and to its desired preference.

- **Cost-effectiveness:** In many parts of the world, gas is more cost-effective than electricity. This is because natural gas is cheaper than electricity. A lower fuel cost leads to a reduced operational cost, which in turn leads to a significant decrease in energy bills over time.

In some places, natural gas is abundant. This lowers utility bills for heating and cooking. Moreover, stove gas cooker appliances are more efficient than their electric counterparts. This is because they convert more energy into heat directly while reducing waste and lowering energy consumption.

Finally, stove gas cookers have a longer lifespan than electric stoves. This is because the materials used in manufacturing them are extra durable and can withstand high temperatures and wear and tear. These materials include cast iron and metal burners.

Buying a stove gas cooker is the better option for people looking to have lower energy expenses.

- **Versatile to different cookware:** The stove gas cooker is compatible with different cookware, such as cast iron, woks, and stainless steel. The stove produces a direct flame that heats the cookware evenly, making it suitable for various cooking techniques. For instance, some people use woks for stir-frying, which requires a lot of heat that a stove gas cooker can provide efficiently.

Different cooking methods are compatible with stove gas cookers. For example, simmering sauces in a non-stick pan, frying in an iron skillet, boiling water in stainless steel, or braising in a Dutch oven. Stove gas cookers provide the versatility needed for cooking using different methods.

Additionally, the stove gas cooker has an even heat distribution that spreads across the bottom of the cookware. This is beneficial for cookware made of cast iron or stainless steel because they require uniform heating for even cooking. Having an even flame distribution prevents hotspots when cooking that can cause food to cook unevenly.

Finally, different cookware comes in various shapes and sizes. A gas stove can accommodate all types of cookware, such as small saucepans, roasting pans, and large skillets, without compromising on its heat distribution feature.

- Functions during power outages: For people who experience power outages, having a stove gas cooker is a must. It is a reliable appliance because it does not rely on electricity to function. A stove gas cooker allows people to maintain a sense of normalcy during blackouts by providing the same quality of meals.

Gas stoves continue to be the most reliable cooking method for many households, even as new research emerges about indoor air considerations. The market expects it to remain the chosen method because of its availability and efficiency. Based on all these advantages, as Gurnah Brothers Company Limited we believe investing in the project will not only benefit the users but also the government which is calling on the user-friendly cooking alternative.

6.0 PROJECT IMPLEMENTATION

6.1 Project Implementation Schedule

The Project is expected to commence on 30th, October, 2025 and will be implemented in five years in three phases as analyzed below;

Phase 1: Initiation Phase

This phase is expected to commence on 30th, October, 2025. In this phase the following activities will be carried out:

- Defining project's purpose
- Evaluating project's feasibility
- Establishing the initial scope and goals

Phase 2: Operation Phase

In this phase the following activities will be carried out:

- Establishing the assembling unit/plant
- Importing necessary gas stove accessories
- Start assembling work
- Selling the product to potential customers in Kinondoni and Dar es Salaam

Phase 3: Expansion Phase

In the final Phase, the Expansion Phase the major activity is the market expansion. The company aim to expand the market to meet the customers all over the country. Based on the 2022 National Population Census, Tanzania has a population of 61,741,120. According to 2024 estimates, Tanzania has a population of around 67.5 million, making it the most populous country located entirely south of the equator. In this phase the company will expand to meet the growing demand of the gas stove cookers. The project implementation schedule is summarized in the Gantt chat below.

Activity name	Year 1	Year 2	Year 3	Year 4	Year 5
Phase 1: Initiation Phase					
Defining Projects Purpose					
Evaluating Project's Feasibility					
Establishing the Initial Scope and Goals					
Phase 2: Operation Phase					
Establishing the Assembling Unit/Plant					
Importing Necessary Gas Stove Accessories					
Start Assembling Work					
Selling Product to Potential Customers					
Phase 3: Expansion Phase					
Market Expansion					

6.2 Capacity of the Project

At full operation the project will produce 35,000 units of gas stove cookers per annum

6.3 Environmental Aspect

Generally, Tanzania has environmental regulations governing the operation of manufacturing sectors as stipulated on National Environmental Management Council (NEMC). Nevertheless, the company will take precautions to ensure that during project implementation the issue of environmental protection will be taken into consideration.

7.0 FINANCIAL PROJECTION OF THE PROJECT

Following the demand for alternative source of fuel that reduce poisonous emissions investing in gas stove cookers is ideal in the near future. The financial projections of the project is as indicated in the table below:

Financial Projections (USD)

Details	Values	Year 1	Year 2	Year 3	Year 4	Year 5
Production Per Annum (Units) = A	30,000	30,000	30,000	32,000	32,000	35,000
Price per unit = B	6.5	6.5	7.2	7.9	8.7	9.5
sales per annum C = A*B	195,000	195,000	214,500	251,680	276,848	333,083
Costs of production = D	105,000	105,000	105,000	112,000	112,000	122,500
Gross profit E = C-D	90,000	90,000	109,500	139,680	164,848	210,583
Operating Costs = F	54,000	54,000	59,400	65,340	71,874.00	79,061
Earning before Interest and Tax G = E-F	36,000	36,000	50,100	74,340	92,974	131,521
Tax H = 30%*G	10,800	10,800	15,030	22,302	27,892	39,456
Earning before Dividends I = G-H	25,200	25,200	35,070	52,038	65,082	92,065

8.0 ECONOMIC DEVELOPMENT CONSIDERATION

□□**Employment Creation:** The project will create approximately 5 employments in Phase I of the project, 12 people in Phase II and in Phase III additional jobs will be created as the project expands.

□□**Government revenue:** The government and other agencies will benefit from various taxes, fees and commissions that will be paid to the Treasury.

□□**Social and Economic Impact:** The proposed project will result into the Increase the provision of high-quality gas stoves that reduce carbon dioxide emission to the environment and hence environmental conservation. It will also Increase the availability of quality distribution and marketing products alongside competitive prices of these products will result in increased healthy competition among all trading and gas stove manufacturing and assembling companies

□□**Economies of Scale:** The presence of the project will not only benefit the people directly employed by the company but also it will help protect the environment

9.0 CONCLUSION AND RECOMMENDATIONS

The brief financial analysis indicates that the proposed project will be financially and economic viable. The project will generate significantly to the social and economic progress by way of increasing the provision of employment. Therefore, it is strongly recommended that the investors of Gurnah Brothers Company Limited be availed with the required institutional assistance so as to enable them to implement the intended gas stove assembly project