

BUSINESS PLAN FOR VENEER PRODUCTION



TZPLY COMPANY LIMITED

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1. EXECUTIVE SUMMARY

Tanzania's construction sector is booming, with a 10%+ annual growth rate driven by urbanization, infrastructure projects, and housing demand. Seize this golden opportunity by investing in a state-of-the-art Veneer & Plywood Factory strategically positioned to dominate East Africa's \$500M+ wood products market. The total estimated investment is \$1.5 million, which will be allocated to machinery, construction, and other associated costs. The goal is to enhance production efficiency, product quality, and market competitiveness while ensuring sustainability and compliance with environmental regulations. With a \$1.5M USD investment, our factory will produce 50,000 cubic meters/year of premium, eco-certified products, create 150+ local jobs.

TZPLY wouldn't be just a factory—it's a gateway to profitability, sustainability, and nation-building.

2. BUSINESS/COMPANY DESCRIPTION

TZPLY LIMITED Premium Veneer & Plywood Manufacturers

Crafting Excellence, Empowering Communities, Building Sustainably

Who We Are

TZPLY is a forward-thinking, eco-conscious enterprise dedicated to producing world-class veneer and plywood products that power East Africa's construction boom. Nestled in the heart of Tanzania's timber-rich Iringa Region, our state-of-the-art facility combines cutting-edge technology, sustainable forestry practices, and a passion for empowering local communities. We are not just manufacturers—we are pioneers of a greener, more prosperous industrial future for Tanzania.

Mission & Vision

-Mission:

To deliver premium, sustainable wood products that drive infrastructure growth while safeguarding Tanzania's natural heritage.

- Vision:

To become East Africa's leading veneer and plywood exporter, recognized for quality, innovation, and ethical practices.

Core Values

- Sustainability First Every log is ethically sourced; every product is eco-certified.
- Quality Uncompromised Precision-engineered materials built to last.
- Community at Heart Creating jobs, skills, and opportunities for Tanzanians.
- Innovation Driven Leveraging technology to redefine industry standards.

What we will Produce

-Premium Veneer Sheets:

Thin, durable slices for luxury furniture, interior design, and decorative applications.

-Structural Plywood:

Moisture-resistant, high-strength boards for roofing, flooring, and concrete formwork.

- Custom Solutions:

Tailored thickness, sizes, and finishes to meet client specifications.

Why Choose TZPLY?

Strategic Location:

- Proximity to Tanzania's 30+ million hectares of sustainable forests ensures raw material security.
- Access to Dar es Salaam Port and regional corridors (e.g., Central Corridor) slashes export costs to Kenya, Rwanda, UAE, and beyond.

Advanced Manufacturing:

- AI-driven drying systems for perfect moisture control.
- High-frequency pressing technology for unmatched plywood durability.
- Zero-waste operations: Sawdust recycled into biomass energy and particleboard.

Market-Ready Solutions:

- FSC/PEFC Certification: Meeting global demand for responsibly sourced timber.
- Competitive Pricing: 15–20% lower than imports due to local production.

Social Impact:

- 150+ jobs created in Year 1, prioritizing women and youth in rural areas.
- Skills development partnerships with VETA (Vocational Education Authority) to build a future-ready workforce.

Sustainability Commitments

- Carbon-Neutral Operations: Biomass energy and solar power reduce reliance on fossil fuels.
- Community Forestry Programs: Training local farmers in sustainable agroforestry practices.

Strategic Partnerships

- *Government Collaboration: Aligned with Tanzania's *Five-Year Development Plan for industrialization and job creation.
- Global Buyers: Supplying construction giants, furniture exporters, and retailers within Tanzania and across Africa (SADAC), Asian countries like India & China, the Middle East, and Europe.

Our Promise

At TZPLY, we will not just manufacture veneer and plywood—we build foundations. Foundations for homes, businesses, and dreams. With every sheet we produce, we commit to:

- Quality, that withstands the test of time.
- Sustainability, that preserves Tanzania's forests for generations.
- Progress, that uplifts communities and fuels national growth.

3. Project overview

Building Sustainable Futures with Precision and Purpose

Project Vision

To establish Tanzania's most advanced, eco-friendly veneer and plywood manufacturing hub, driving industrialization, job creation, and sustainable forestry practices while meeting soaring demand in East Africa's construction and furniture sectors.

Strategic Location

Site: Mafinga Region, Tanzania – nestled near *30+ million hectares of sustainably managed forests* and major transport corridors (Central Corridor).

- Why Mafinga?
- Proximity to raw materials (hardwoods like Mninga, Mkongo).
- Access to Dar es Salaam Port (700 km) for seamless exports to the Middle East, India, China and Europe.
- Connectivity to regional markets (Kenya, Rwanda, DRC) via road and rail.

Targets	Planned date	Status
Site Acquisition	Dec - 2024	Completed
Equipment Procurement	Feb - 2025	Completed
Construction Of Production line	Feb - 2025	25% Completed
Recruitment and Training	April - 2025	Pending
Trial Production	May - 2025	Pending
Full-Scale Production Launch	June - 2025	Pending

Production Capacity & Technology

Phase 1 Output: 50,000 cubic meters/year of FSC-certified veneer and plywood.

- Scalability: Expandable to 75,000 CBM/year by Year 5 with phased machinery upgrades.
- Cutting-Edge Processes:
 - Drying Systems: Ensure precise moisture control for superior product durability.
 - High-Frequency Pressing: Produces moisture-resistant plywood for harsh climates.
 - Zero-Waste Operations: Convert 100% of sawdust into biomass briquettes (for energy) and particleboard.



Market Strategy

- Local Demand: Supply Tanzania's 3.2M housing deficit and infrastructure projects
- Export Growth: Target high-margin markets:
 - Middle East: Demand for formwork plywood in UAE's construction boom.
 - Europe: Eco-conscious buyers seeking FSC-certified veneer for furniture.
- Competitive Edge:
 - Price Advantage: 15–20% cheaper than imported plywood.
 - Quality Assurance: ISO-certified production with lifetime structural warranties.

4. MANAGEMENT ORGANIZATION

4.1 Description

TZPLY COMPANY LIMITED will follow a hierarchical model, which ensures efficient operations, clear communication, and accountability. Below is a general description of the management structure:

4.2 Organizational structure

➤ **Board of Directors**

Role

Oversee the overall strategy, governance, and financial performance of the company.

Responsibilities

- Set long-term goals and policies
- Approve major decisions and budgets
- Ensure compliance with legal and regulatory requirements

➤ **Chief Operating Officer (COO)**

Role

Oversee day-to-day operations and ensure production targets are met.

Responsibilities

- Manage all operational departments
- Implement strategies set by the Board of Directors
- Ensure efficiency, quality control, and cost-effectiveness
- Report to the Board of Directors

➤ **HR and administrators**

Role

Manage human resources, recruitment, and administrative functions.

Responsibilities

- Recruitment, training, and development of employees.
- Employee relations and compliance with labor laws.
- Payroll management and benefits administration.
- Office administration and facility management.

➤ **Accountants**

Role

Manage financial operations and reporting.

Responsibilities

- Bookkeeping, budgeting, and financial planning.
- Tax compliance and reporting.
- Cost analysis and financial performance monitoring.
- Payroll processing and supplier payments.

➤ **Translators**

Role

Facilitate communication in multilingual environments.

Responsibilities

- Translate documents, meetings, and communications.
- Assist in negotiations with international clients or suppliers.
- Ensure clear communication between local and international stakeholders.

➤ **Production Department**

Role

Oversee the manufacturing process of veneer and plywood.

Structure

- Production Manager: Oversee the entire production process.
- Shift Supervisors: Manage specific shifts and ensure targets are met.
- Machine Operators: Operate and maintain machinery.
- Quality Control Team: Ensure products meet quality standards.
- Maintenance Team: Maintain and repair machinery and equipment.

➤ **Procurement and Supply Chain Department**

Role

Manage sourcing of raw materials and distribution of finished products.

Responsibilities

- Source timber, adhesives, and other raw materials.
- Negotiate with suppliers and manage inventory.
- Coordinate logistics for inbound and outbound shipments.

➤ **Sales and Marketing Department**

Role

Promote and sell veneer and plywood products.

Responsibilities

- Develop marketing strategies to attract customers.
- Manage customer relationships and after-sales service.
- Explore new markets and business opportunities.
- Handle export documentation and international sales

➤ **Research and Development (R&D)**

Role

Innovate and improve product quality and processes.

Responsibilities

- Develop new products or improve existing ones.
- Test new materials and production techniques.
- Ensure compliance with environmental and safety standards.

➤ **Other Employees/Workers**

Role

- Laborers: Assist in manual tasks and production processes.
- Drivers: Transport raw materials and finished goods.
- Security Personnel: Ensure safety and security of the facility.
- Cleaners: Maintain cleanliness and hygiene in the workplace.

4.3 Ownership

- | | |
|---------------------------------|---------------|
| 1. GOPAL BANSAL | - Shareholder |
| 2. SUMIT AGARWAL | - Shareholder |
| 3. ARUNIMA AHUJA | - Shareholder |
| 4. MANISH GOYAL | - Shareholder |
| 5. JAI VARDHAN GOYAL | - Shareholder |
| 6. HARVINDER KHURANA | - Shareholder |
| 7. CHIRAG SURESHCHANDRA THAKKAR | - Shareholder |

4.4 Board of directors/board of advisors

1. HARVINDER KHURANA
2. CHIRAG SURESHCHANDRA THAKKAR

5. CONCLUSION

The establishment of a veneer and plywood manufacturing company in Tanzania presents a significant opportunity to capitalize on the country's abundant natural resources, growing construction industry, and increasing demand for wood-based products. With a strategic focus on sustainable sourcing, advanced manufacturing technologies, and market diversification, the company is well-positioned to achieve long-term profitability and contribute to the local economy.

Key strengths of the business include access to high-quality raw materials, a skilled workforce, and a commitment to environmental sustainability through responsible forestry practices. By targeting both domestic and international markets, the company can leverage Tanzania's strategic location to expand its reach and establish itself as a competitive player in the global veneer and plywood industry.

To ensure success, the company will prioritize operational efficiency, quality control, and customer satisfaction. Strategic partnerships with local communities, government agencies, and industry stakeholders will further enhance the company's reputation and market presence. Additionally, continuous innovation and investment in research and development will enable the company to adapt to changing market trends and maintain a competitive edge.

In conclusion, this business plan outlines a clear roadmap for establishing a profitable and sustainable veneer and plywood manufacturing company in Tanzania. By adhering to the proposed strategies and maintaining a focus on sustainability and quality, the company is poised to achieve its financial and operational goals while contributing to the socio-economic development of Tanzania. With the right execution and commitment, this venture has the potential to become a leading player in the region's wood processing industry.

6. PROJECT COST AND FINANCING

To minimize initial capital investment, TZPLY will start its operations in rented premises in industrial area which will:

- Reduce initial capital investment for land procurement
- Save time to construction of civil work
- Save capital investment for civil work – approach road, shed, boundary wall, entrance.
- Provide secured premises
- Easy access to utilities like water, electricity
- Premises are already grouped under Industrial category for land usage.

The total investment budget for the proposed project is estimated to be \$1.5M USD and it will be utilized. Provided in Annexure A the breakdown of capital summary.

Operating expenses

It is anticipated to keep salary expenses consistent from initial 2 year till company well stabilized and overcome initial hurdles related to issues of availability of raw material, logistics etc. 3rd year on ward its anticipated that salary will rise by 5% annually and subsequent statutory contributions like PAYE, NSSF, SDL etc.

It is anticipated that the cost of the product will be directly linked to raw material and packing material cost i.e. as increase in cost of raw material & packing material, there will be proportionate increase in product to mitigate additional expenses.

Depreciation

The provision for the depreciation is calculated on reducing balance basis and show in Annexure B

Profit and Loss Account

Variable operating expenses is approx. 83.46 % while fixed operating expenses is approx.5.27% of sales price due to higher raw material and packing material prices. Annexure C as provided.

Cash Flow Projection

The Cash flow is positive from first year, with net cash flow of 3,386,306,130.00 TZS in first year to 14,249,182,675.87 TZS in the tenth year.

Management and Organization

Any employee joining an organization will have to go through orientation and training practice for understanding of standard operating procedure.

On job training will be a continues process in production, repair & maintenance, sales & marketing, while employees in administration, accounts will be encouraged to attain external training programs including conducted by statutory authorities.

7. FINANCIAL SUMMARY

7.1 COST SUMMARY

Item	Project Cost (USD)
Land & Building	250,000
Machinery	850,000
Vehicles and Equipment	150,000
Furniture and Fittings	25,000
Pre-operative expenses	25,000
Working Capital	200,000
Total Investment	1,500,000

7.2 Financial Projection

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Production per annum : cubic meters	48,000	54,000	60,000	66,000	72,000
Price per unit in US\$	135	135	137	137	140
Sales per annum	6,480,000	7,290,000	8,220,000	9,042,000	10,080,000
Cost of Productions	5,378,400	6,050,700	6,822,600	7,504,860	8,366,400
Operating Cost	453,600	510,300	575,400	632,940	705,600
Gross profit (Before tax)	648,000	729,000	822,000	904,200	1,008,000
Tax 30%	194,400	218,700	246,600	271,260	302,400
Net Profit	453,600	510,300	575,400	632,940	705,600

8. PROJECT PLAN

