

**PREMIER BEVERAGES LIMITED**  
**PROPOSED BUSINESS PLAN**  
**FOR**  
**THE ESTABLISHMENT OF BEVERAGE FACTORY**  
**AND RELATED PRODUCTS AT NYAMONGOLO,**  
**ILEMELA DISTRICT, MWANZA REGION,**  
**TANZANIA.**

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## **EXECUTIVE SUMMARY**

## **1.0. SPIRITS AND WINE MARKET IN TANZANIA**

The spirits industry in Tanzania is experiencing strong growth, with the market valued at approximately USD 794.6 million in 2024 and projected to reach USD 1.66 billion by 2033, representing a compound annual growth rate (CAGR) of 8.13% (IMARC Group, 2024). Most of this revenue is generated from at-home consumption, which accounts for over 97% of total spirit sales (Statista, 2025). This growth is fueled by urbanization, rising disposable incomes, and a shift in consumer preferences toward premium and diverse alcoholic beverages (Business Wire, 2022). The increasing number of local distilleries also supports economic development and import substitution while opening opportunities for regional exports within the East African Community (IMARC Group, 2024).

Conversely, the wine market in Tanzania remains niche and is currently facing a projected decline. Wine consumption is expected to drop from 2,000 metric tons in 2023 to approximately 780 metric tons by 2028, indicating a negative CAGR of 14.8% (Report Linker, 2023). Despite this, localized wine production in Dodoma—centered around grape varieties such as Chenin Blanc and Syrah—offers limited opportunities for product diversification and tourism-related sales (Wikipedia, 2024; Wine-Searcher, 2024).

The alcoholic beverages sector in Tanzania, particularly the spirits and wine markets, has shown notable growth driven by socio-economic changes, evolving consumer preferences, and expanding urban centers. Tanzania's population is young and increasingly urbanized, with a rising middle class that has greater disposable income and more exposure to global lifestyle trends. This shift has directly influenced the consumption patterns of alcoholic beverages, resulting in increased demand for both spirits and wines across the country.

The spirits market in Tanzania is currently valued at several hundred million U.S. dollars and is expected to expand rapidly over the coming decade. Consumers, particularly in urban areas such as Dar es Salaam, Mwanza, and Arusha, are shifting their preference towards commercially produced and branded spirits, including whiskey, vodka, gin, rum, and brandy. This movement is supported by greater access to retail outlets, modern supermarkets, and hospitality venues, where quality, safety, and brand recognition are paramount considerations. According to IMARC Group (2025), the spirits market is projected to grow at a compound annual growth rate (CAGR)

exceeding 8% through 2033, driven by factors such as increasing disposable incomes, urbanization, and tourism growth.

Parallel to the spirits sector, the wine market in Tanzania is experiencing a burgeoning interest, especially among the urban elite and expatriate communities. While traditionally, wine consumption was limited due to high prices and limited availability, the market is now expanding due to the importation of diverse wine varieties and the emergence of local production initiatives. Tanzanian consumers are increasingly exposed to international wine culture through hospitality venues, international travel, and media. This exposure has heightened awareness and demand for wine as a premium lifestyle product. Although wine consumption remains modest compared to spirits and beer, it is one of the fastest-growing segments in the alcoholic beverage market, with projections showing steady gains in volume and value (Statista, 2025).

The Tanzanian wine market largely depends on imports from traditional wine-producing countries such as South Africa, Italy, France, and Australia. However, efforts to encourage local viticulture and wine production are gaining momentum, supported by the government and private investors seeking to diversify agricultural and industrial output. Local wine production is still in its infancy, constrained by climate, viticultural expertise, and capital requirements, but it represents a promising avenue for future growth.

The spirits and wine industries in Tanzania operate within a regulated framework designed to ensure product safety, fair taxation, and responsible consumption. The Tanzania Revenue Authority (TRA) imposes excise taxes on alcoholic beverages based on alcohol content and volume, and companies must comply with labeling, packaging, and quality standards set by the Tanzania Bureau of Standards (TBS). Licensing requirements for production, distribution, and retailing are enforced by various government agencies, ensuring that only compliant products reach the market. These regulations, while sometimes challenging for new entrants, help maintain market integrity and consumer confidence.

Cultural and religious factors also influence the consumption of spirits and wines in Tanzania. In predominantly Muslim areas, alcohol consumption is restricted, which affects market penetration strategies and distribution channels. Nonetheless, the diversity of the Tanzanian population and the growing tourism sector create pockets of high demand for alcoholic beverages, particularly in urban centers and tourist hubs.

Several multinational and local companies dominate the spirits and wine markets in Tanzania. Key players include Serengeti Breweries Limited, East Africa Spirits Limited, and international brands distributed by companies such as Pernod Ricard and William Grant & Sons. These companies offer a range of products that cater to different price points and consumer tastes. Despite strong competition, opportunities remain for new producers, especially those focusing on locally tailored products, quality assurance, and innovative marketing.

## **2.0. COMPANY OVERVIEW**

Premier Beverages Limited is a newly incorporated private company (Incorporation Number: 182940003) established on 6th March 2025. Located in Mwanza Region, District Ilemela, Ward Nyangomolo, The Company's primary business activities include the distilling, rectifying, and blending of spirits, production of wines, malt liquors and malt, soft drinks, as well as mineral and bottled waters.

Two shareholders, Mr. Ernest Edward Wishi holding 7,650 ordinary shares, own the company and Mr. Patrice Enos Makasi holding 7,350 ordinary shares, out of a total issued share capital valued at 150,000,000 Tanzanian Shillings (TZS).

Premier Beverages Limited aims to establish a modern production facility at Nyamongolo in Ilemela District, Mwanza Region, focused on manufacturing a diversified range of alcoholic and non-alcoholic beverages. The proposed plant will have a production capacity of 720 liters per day, operating approximately 300 days annually.

To realize this goal, Premier Beverages Limited seeks to acquire an industrial license and certificate of incentive from the relevant government authorities, enabling lawful industrial-scale production. Additionally, this financing will complement the company's own investment capital of approximately USD 160,000 and a loanable amount of approximately USD 160,000, totaling USD 320,000. These funds will cover the establishment costs, procurement of plant and equipment, working capital, and operational expenses during the initial phase of operations.

The strategic location in Mwanza offers Premier Beverages Limited advantageous access to regional markets, raw material suppliers, and transport infrastructure, critical for efficient operations and market penetration. The company has diversified product line encompassing spirits, wines, malt liquors, soft drinks, and mineral waters positions it to capture a wide customer base ranging from consumers of traditional alcoholic beverages to health-conscious and non-alcoholic beverage consumers.

Premier Beverages Limited is committed to meeting the highest standards of quality, regulatory compliance, and environmental stewardship. The company aims to contribute to the Mwanza region's economic development through job creation, value addition, and enhancing the availability of quality beverage products in Tanzania.

This business plan outlines the company's strategy for industrial licensing, production setup, market entry, and financial projections that demonstrate a sustainable and profitable venture.

### **3.0. PRODUCTION AND MARKETING**

#### **3.1. Production Plan**

Premier Beverages Limited will establish a state-of-the-art production facility in Nyamongolo, Ilemela District, Mwanza Region, designed to manufacture spirits, wines, malt liquors, soft drinks, and mineral waters. The plant's planned daily production capacity is 720 liters, operating for approximately 300 days annually, equating to an annual production volume of around 216,000 liters.

The production process will involve sourcing high-quality raw materials, including grains, fruits, natural water, and other essential inputs from local and regional suppliers, ensuring supply chain reliability and cost efficiency. The facility will integrate modern distillation, rectification, blending, and bottling equipment that complies with Tanzania Bureau of Standards (TBS) regulations, guaranteeing product quality and safety.

Key production activities will include fermentation, distillation, aging (for selected spirits and wines), blending, flavoring, bottling, labeling, and packaging. The plant will also include a laboratory for quality control to ensure consistent taste profiles, alcohol content, and compliance with health and safety standards. The facility layout will be optimized to support efficient workflows, minimize waste, and allow for potential future capacity expansion.

The production team will comprise skilled technicians, quality assurance specialists, and operational staff trained in modern beverage manufacturing practices. The company will also invest in ongoing staff training to uphold high operational standards and adapt to emerging technologies and consumer trends.

Environmental considerations, such as waste management and water use, will be managed according to national environmental guidelines under the oversight of the National Environment Management Council (NEMC). Energy-efficient and sustainable practices will be prioritized where possible.

### **3.2. Marketing Plan**

Premier Beverages Limited aims to position itself as a leading producer of quality spirits, wines, malt liquors, and non-alcoholic beverages in Mwanza and the wider Lake Zone region. The marketing strategy focuses on building brand recognition, developing distribution networks, and targeting diverse consumer segments.

The company's primary target market includes urban consumers aged 25 to 45 with moderate to high disposable income, who value quality, authenticity, and consistency in alcoholic and soft drink products. Secondary markets include hospitality businesses such as hotels, restaurants, bars, and retail outlets in Mwanza and neighboring regions.

Brand development will emphasize local heritage and quality craftsmanship, leveraging the company's Tanzanian roots and commitment to producing beverages suited to local tastes and preferences. Packaging will be designed to appeal to modern consumers, with clear labeling, attractive design, and convenient sizes for both on-premise and off-premise consumption.

Distribution channels will include direct sales to large retail chains, independent liquor stores, hospitality venues, and wholesalers. The company will also explore partnerships with regional distributors to expand market reach within the East African Community (EAC) countries.

Promotional activities will combine traditional and digital marketing approaches. These will include product sampling events, sponsorship of local cultural and social events, point-of-sale promotions, and active engagement on social media platforms to connect with younger consumers. Premier Beverages Limited will also work closely with distributors and retailers to implement effective in-store marketing and seasonal campaigns.

Pricing strategy will be competitive yet reflective of product quality, aiming to capture both value-conscious and premium market segments. The company will regularly monitor competitor pricing and consumer feedback to optimize pricing and product offerings.

Finally, Premier Beverages Limited will prioritize customer service and build strong relationships with clients and consumers through loyalty programs, feedback mechanisms, and after-sales support, fostering brand loyalty and repeat purchases.

### 3.3. Market Forecast for Premier Beverages Limited (2025–2030)

#### Tanzania Beverage Industry Overview

- Tanzania's beverage industry achieved US\$3 billion in total sales in 2023, up from US\$2.5 billion in 2022, reflecting a 20% year-on-year growth. This surge is attributed to increased market demand and proactive government initiatives to foster a conducive business [environment](https://www.environment.foodbusinessafrica.com). [environment.foodbusinessafrica.com](https://www.environment.foodbusinessafrica.com)
- The beverage sector contributes approximately 27.9% of the total value of select manufactured goods in Tanzania, underscoring its significance in the manufacturing [landscape](https://www.informationstreamer.com). [informationstreamer.com](https://www.informationstreamer.com)

#### Non-Alcoholic Beverages

- **Carbonated Soft Drinks:** This segment is projected to experience the fastest growth, with an annual average growth rate of **9.6%** from 2022 to 2026. This growth is driven by affordability, increased production, and widespread availability through various retail [channels](https://www.fitchsolutions.com). [fitchsolutions.com](https://www.fitchsolutions.com)
- **Market Size and Growth:** The non-alcoholic drinks market in Tanzania is expected to reach US\$5.65 million in 2025, with a 7.64% CAGR from 2025 to 2029, indicating a steady expansion in consumer [demand](https://www.statista.com). [statista.com](https://www.statista.com)

#### Alcoholic Beverages

- **Spirits:** The Tanzanian spirits market was valued at US\$794.6 million in 2024 and is projected to grow at a 8.13% CAGR through 2033, reaching approximately US\$1.66 billion. This growth is driven by rising tourism, product innovation, and increased consumer interest in diverse alcoholic [offerings](https://www.imarcgroup.com). [imarcgroup.com](https://www.imarcgroup.com)
- **Beer:** The beer market in Tanzania is expected to reach US\$1.4 billion in 2025, with an annual growth rate of 4.67%. The emergence of artisanal breweries and a shift towards premium and craft beers are contributing to this [growth](https://www.statista.com). [statista.com](https://www.statista.com)

#### Regional Market Dynamics

- **East Africa Alcoholic Beverages Market:** The broader East African alcoholic beverages market is projected to grow from US\$26.1 billion in 2024 to US\$51.7 billion by 2033,

reflecting a 7.1% CAGR. This regional growth presents opportunities for cross-border trade and *expansion .imarcgroup.com*

- **Non-Alcoholic Drinks in Eastern Africa:** The combined revenue for non-alcoholic drinks in Eastern Africa is expected to reach US\$17.01 billion in 2025, with an annual growth rate of 9.32%. This indicates a robust demand for non-alcoholic beverages across the *region .statista.com*

### **Strategic Implications for Premier Beverages Limited**

- **Product Diversification:** The projected growth in both alcoholic and non-alcoholic beverage segments presents an opportunity for Premier Beverages to diversify its product offerings, catering to a broader consumer base.
- **Regional Expansion:** With the East African market expanding, Premier Beverages can explore export opportunities to neighboring countries, leveraging regional trade agreements and increasing demand.
- **Investment in Innovation:** To capitalize on consumer trends, particularly the shift towards premium and craft beverages, Premier Beverages should invest in product innovation and quality enhancement.

#### **4.0. BUSINESS PLAN OBJECTIVE AND TECHNICAL ASPECT**

The objective of this business plan is to obtain an certificate of incentive and industrial license valued at approximately USD 160,000 and a loan facility of USD 160,000 to establish a beverage production facility in Nyamongolo, Mwanza. Premier Beverages Limited aims to produce high-quality spirits, wines, malt liquors, soft drinks, and mineral waters with a daily capacity of 720 liters, operating 300 days a year. The plan focuses on building a strong market presence, ensuring regulatory compliance, and achieving profitability within the first three years while contributing to local economic development.

##### **4.1. Technical Aspect of the Project**

Premier Beverages Limited plans to establish a fully integrated beverage production facility in Nyamongolo, Ilemela District, Mwanza Region. The plant is designed with a production capacity of 720 liters per day, operating for approximately 300 days annually. The facility will focus on the distillation, rectification, and blending of spirits, as well as the production of wines, malt liquors, soft drinks, and mineral waters.

##### **4.2. Location and Infrastructure**

The chosen site at Nyangomolo offers a strategic advantage with existing industrial infrastructure, good road access, and proximity to Mwanza's commercial centers. This location facilitates easy distribution and access to skilled labor and utilities such as water, electricity, and waste management services.

##### **4.3. Raw Materials**

The primary raw materials for production will be sourced locally and internationally to ensure consistent supply and quality:

- **Sugary materials** for fermentation and spirit production will be procured mainly from Tanzanian sugar companies, capitalizing on local agricultural resources and cost advantages.

- **Specialized ingredients and additives** will be imported from South Africa and other countries, including selected flavorings, yeasts, and refining agents required for high-quality spirits and wine production.
- **Water** used in production will be sourced from the region's reliable mineral water supplies, with onsite treatment facilities to guarantee purity and compliance with quality standards.

#### 4.4. Production Process and Equipment

The production line will incorporate modern, energy-efficient technology designed to optimize quality and output:

- **Fermentation Units:** Stainless steel fermenters equipped with temperature and pH control systems to facilitate efficient fermentation processes for spirits, malt liquors, and soft drinks.
- **Distillation Columns and Pot Stills:** Advanced distillation equipment to ensure precise alcohol separation and refinement, producing spirits that meet Tanzania Bureau of Standards (TBS) and international quality benchmarks.
- **Rectification and Blending Systems:** Facilities to fine-tune spirit purity and blend different batches, ensuring consistency in taste and alcohol content.
- **Wine Production Equipment:** Specialized fermentation tanks and aging rooms to support the production and maturation of various wine types.
- **Bottling and Packaging Lines:** Semi-automated or fully automated bottling machines capable of handling multiple beverage types with flexibility in bottle sizes and packaging formats, including labeling and sealing.
- **Quality Control Laboratory:** An onsite lab equipped to conduct chemical, microbiological, and sensory tests to maintain high product standards, ensure safety, and comply with regulatory requirements.

#### 4.5. Utilities and Waste Management

The plant will have dedicated systems for:

- **Water treatment** to ensure all production water meets strict hygiene and safety standards.
- **Energy supply** through reliable electrical connections, with considerations for backup power to minimize downtime.

- **Waste management** protocols to handle organic waste, chemical residues, and packaging waste, in compliance with National Environment Management Council (NEMC) guidelines, promoting environmental sustainability.

#### **4.6. Human Resources and Training**

The project will employ skilled technicians, production supervisors, and quality assurance personnel. Continuous training programs will be implemented to keep staff updated on the latest industry practices, safety protocols, and equipment handling techniques.

#### **4.7. Scalability and Future Expansion**

The facility's layout and technical design incorporate modular components allowing for capacity expansion or product diversification as market demand grows. This flexible approach will enable Premier Beverages Limited to scale operations efficiently without major disruption.

This technical setup ensures that Premier Beverages Limited will deliver high-quality beverage products that meet consumer expectations and regulatory standards while maintaining operational efficiency and environmental responsibility.

## 5.0. MANPOWER - EMPLOYMENT

Premier Beverages Limited will require a skilled and semi-skilled workforce to manage production, quality control, administration, marketing, and maintenance of the plant. The company's human resource strategy focuses on hiring qualified personnel, offering competitive salaries, and promoting continuous training to enhance productivity, efficiency, and product quality.

### 5.1. Manpower Requirement;

The projected staffing structure is divided into five main categories:

Department	Position	Number of Staff
Management	General Manager	1
	Operations Manager	1
	Finance & Admin Officer	1
Production	Production Supervisor	2
	Machine Operators	4
	Packaging & Bottling Assistants	6
	Quality Control Officer	1
	Laboratory Technician	1
Procurement & Stores	Procurement Officer	1
	Storekeeper	1
Sales & Marketing	Marketing Officer	1
	Sales Representatives	2
Support Staff	Security Guards	2
	Cleaners	2
	Drivers	2

### 5.2. Recruitment and HR Strategy

- Staff recruitment will prioritize experienced individuals familiar with beverage production and industrial operations.

- Local talent from Mwanza and surrounding areas will be prioritized to support regional economic development.
- All employees will be provided with written contracts, in compliance with Tanzanian labor laws and social security contributions (NSSF).
- Employee training programs will focus on machinery operation, hygiene and safety standards, quality assurance, and customer service.

## **6.0. PROJECT FINANCING AND CAPITAL INVESTMENT SUMMARY**

Premier Beverages Limited requires a total project investment of approximately USD 320,000 to establish and operate a fully equipped beverage production facility in Nyamongolo, Ilemela District, Mwanza Region. The funding will cover infrastructure development, machinery procurement, working capital, staffing, regulatory compliance, and operational overheads. The total investment required for the project is USD 320,000, which will be financed equally through Equity capital from the shareholders amounting to USD 160,000 and Debt financing through a bank loan of USD 160,000. This structure creates a balanced financing model with a **50:50 debt-to-equity ratio**, reducing risk and ensuring owner commitment.

### **6.1. Financing Structure**

Premier Beverages Limited's total investment capital of 320,000USD is financed entirely through equity contributed by the shareholders 160,000USD and commercial loan of 160,000USD. This means there is external debt financing or loan obligations. The capital is used to cover all startup costs including plant and equipment, raw materials, working capital, and initial operational expenses.

#### **Key Points of Financing Structure without Loan**

- **Total Capital Investment:** 320,000USD
- **Source of Capital:** 50% Equity (Shareholders' funds)
- **Debt:** 50% from commercial banks
- **Interest Expense:** 8%
- **Financial Risk:** Reduced by 50%
- **Profit Distribution:** Entire net profit available to shareholders
- **Cash Flow:** Improved liquidity as no loan repayments are required

## 6.2. Capital Investment Breakdown

Category	Estimated Cost (TZS)	Estimated Cost (USD)	Description
<b>1. Land &amp; Site Development</b>	50,000,000	20,000	Land lease, fencing, leveling, access roads
<b>2. Building &amp; Civil Works</b>	150,000,000	60,000	Construction of production unit, warehouse, admin block, and sanitary units
<b>3. Machinery &amp; Equipment</b>	250,000,000	100,000	Distillation units, bottling lines, mixers, tanks, and labeling machines
<b>4. Utilities Installation</b>	50,000,000	20,000	Water system, electricity connection, waste treatment
<b>5. Vehicles &amp; Distribution</b>	40,000,000	16,000	Delivery truck, utility van
<b>6. Initial Raw Materials</b>	80,000,000	32,000	Local and imported ingredients for first production cycle
<b>7. Licenses, Legal &amp; Permits</b>	10,000,000	4,000	Company licenses, industrial permits, NEMC, and TRA compliance
<b>8. Marketing &amp; Branding</b>	20,000,000	8,000	Label design, initial promotions, branding materials
<b>9. Contingency (5%)</b>	40,000,000	16,000	Risk buffer for price fluctuations and unforeseen expenses
<b>10. Working Capital Reserve</b>	110,000,000	44,000	Operational cash flow for first few months (salaries, logistics, maintenance)
<b>Total Capital Investment</b>	<b>800,000,000</b>	<b>320,000</b>	

## **7.0. PROJECT RISK AND MITIGATION**

Premier Beverages Limited has identified several categories of risk that could affect the successful establishment and operation of its beverage production facility. Each risk has been analyzed in detail, along with proposed mitigation strategies to reduce the likelihood or impact of potential disruptions.

### **7.1. Regulatory and Licensing Risk**

**Risk Description:** Operating in the beverage manufacturing industry requires strict compliance with multiple regulatory bodies such as the Tanzania Bureau of Standards (TBS), the Tanzania Revenue Authority (TRA), the Tanzania Food and Drugs Authority (TFDA), and the National Environment Management Council (NEMC). Any delays or failures in acquiring or renewing required permits may delay operations or result in legal consequences.

**Mitigation Strategy:** Premier Beverages Limited will maintain proactive engagement with all relevant regulatory bodies from the pre-construction phase through to operations. A dedicated compliance officer will be appointed to ensure continuous monitoring and fulfillment of all regulatory requirements, including licensing, environmental assessments, product testing, and health and safety standards.

### **7.2. Market and Competition Risk**

**Risk Description:** The Tanzanian beverage market is competitive, especially in the alcohol and soft drink sectors. Consumer preferences can shift rapidly, and established brands already occupy significant market share. This can affect the ability of a new entrant to capture sufficient market presence and achieve profitability.

**Mitigation Strategy:** To mitigate this, the company will adopt a dynamic marketing strategy, including localized branding, promotional campaigns, and direct engagement with distributors. Continuous market research will guide product development and pricing. Additionally, the company will differentiate itself through quality, packaging, and customer loyalty programs to build brand recognition and preference.

### **7.3. Chain and Raw Material Risk**

Risk Description: The Company relies on key raw materials like sugar from domestic suppliers and some specialty additives and packaging materials imported from countries such as South Africa. Any disruption due to transportation delays, price volatility, or import restrictions could halt production or increase costs.

Mitigation Strategy: Premier Beverages Limited will develop a diversified supplier network to avoid over-reliance on any single supplier. Contracts will be signed with multiple sugar producers within Tanzania, and backup import suppliers will be identified. Buffer stock of essential materials will be maintained to ensure continuous production even in the event of short-term supply disruptions.

### **7.4. Operational Risk**

Risk Description: Operational risks may arise from equipment breakdowns, low staff productivity, quality control failures, or supply interruptions. Such issues can result in production delays, increased costs, or damage to brand reputation.

Mitigation Strategy: The Company will invest in reliable, high-quality machinery and implement routine maintenance protocols. Skilled staff will be recruited and provided with ongoing training in production, safety, and quality assurance. A well-equipped quality control lab will oversee testing and ensure that all products meet regulatory and customer standards.

### **7.5. Environmental and Safety Risk**

Risk Description: Beverage production involves flammable materials, wastewater, and chemical processes that pose potential environmental and safety hazards. Improper handling can lead to fines, plant closures, or safety incidents.

Mitigation Strategy: The Company will fully comply with all NEMC requirements and implement an Environmental Management Plan (EMP). This includes safe disposal of waste, wastewater treatment, fire safety systems, and training programs for employee health and safety. Environmental impact assessments will be updated regularly.

## **7.6. Foreign Exchange and Import Risk**

Risk Description: Some inputs must be imported, making the business vulnerable to currency fluctuations, rising import costs, and changes in import policy or tariffs.

Mitigation Strategy: The Company will monitor exchange rates and work with banks to explore hedging options. Whenever possible, local alternatives to imported materials will be used. Flexible pricing strategies will allow the company to adjust product prices in response to input cost variations.

## **7.7. Policy and Public Health Risk**

Risk Description: Government policy changes—such as increased excise duties on alcohol or national health campaigns discouraging alcohol use—could reduce demand and increase operational costs.

Mitigation Strategy: The company will participate in relevant industry associations to monitor and influence policy developments. To hedge against this risk, Premier Beverages Limited will maintain a diversified product mix that includes non-alcoholic beverages like bottled water and soft drinks, allowing the company to adapt quickly to shifting policy environments.

## **7.8. Water Resource and Climate Risk**

Risk Description: Reliable access to clean water is essential for beverage production. Climate variability or water shortages in Mwanza could pose a long-term operational risk.

Mitigation Strategy: The Company will invest in water treatment, purification, and storage systems to ensure continuous access to clean water. Partnerships with local water authorities will help secure reliable supply agreements, and water-recycling technologies will be used to minimize environmental impact.

## **7.9. Financial Risk**

With a loan facility of TZS 400 million at a commercial interest rate of 16 percent annually the company faces risks related to interest rate fluctuations and debt servicing. To mitigate this the company should implement strong cash flow management, closely monitor expenses, and explore options for refinancing to secure lower interest rates if available.

## 8.0. PROJECT SWOC ANALYSIS

Premier Beverages Limited benefits from strong initial capital investment, which enables the company to establish solid infrastructure and acquire quality equipment. The company also has experienced shareholders and offers a diverse product range that includes spirits, wines, malt liquors, soft drinks, and bottled waters. Being located in Mwanza, a key commercial hub, the business enjoys good access to local and international raw materials. These factors contribute to positive cash flow and profitability from the outset, demonstrating operational efficiency.

However, the project faces some weaknesses, including the strain on cash reserves caused by high initial capital expenditure and dependence on imported raw materials, which may disrupt the supply chain. The company's newness means limited brand recognition, and initial working capital constraints could limit the pace of growth.

There are significant opportunities available such as the growing demand for beverages in Tanzania and neighboring regions. The company can expand production capacity beyond its current limits and access industrial licenses and loans to accelerate growth. Additionally, improvements in Tanzania's infrastructure and trade agreements open doors for regional exports. Increasing consumer health awareness also presents a promising market for mineral and bottled water products.

At the same time, challenges exist including stiff competition from established brands, regulatory risks related to alcohol production, fluctuating raw material prices, and economic factors such as inflation and political uncertainty. Maintaining quality standards consistently as production scales up will also be critical to sustaining success.

### In summary

Aspect	Description
<b>Strengths</b>	Strong capital investment supports infrastructure and equipment acquisition. Experienced shareholders guide business. Diverse product line meets various market needs. Strategic location in Mwanza ensures access to raw materials. Positive cash flow and profitability from the start.
<b>Weaknesses</b>	High initial investment strains cash flow. Dependence on imported raw materials can disrupt supply chain. Limited brand recognition due to

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company's recent incorporation. Working capital constraints may limit early growth.

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**Opportunities** Increasing demand for beverages regionally. Potential to expand production capacity. Availability of industrial licenses and financing to support growth. Improved infrastructure and trade agreements facilitate exports. Rising health consciousness boosts demand for bottled/mineral water.

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**Challenges** Intense competition from local and international brands. Regulatory risks affecting alcohol production and distribution. Price volatility and currency risks for imported materials. Economic uncertainties such as inflation and political instability. Maintaining product quality at scale.

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## 9.0. ECONOMIC AND SOCIAL ASPECTS

### Under the Impact Investment Index Framework

Premier Beverages Limited, through its establishment of a beverage production facility in Nyamongolo, Mwanza, is positioned to deliver high-impact economic and social outcomes that align with national development goals and the Sustainable Development Goals (SDGs). This includes direct and indirect employment generation, skills development, industrial linkages, gender inclusion, environmental sustainability, and long-term economic resilience.

### Impact Investment Index

Pillar	Description of Impact	Impact Level	SDG Alignment
Job Creation & Skills	28 direct jobs; over 50 indirect jobs; local hiring policy; investment in staff training and vocational skills.	High	SDG 8 – Decent Work and Economic Growth
Local Economic Linkages	Local procurement of sugar, bottles, and logistics; strengthens agriculture and SME networks; enhances national value addition and tax base.	High	SDG 9 – Industry, Innovation and Infrastructure
Gender & Youth Inclusion	Inclusive employment policy; roles for women and youth in admin, marketing, and packaging; micro-contracting for youth-owned enterprises.	Medium–High	SDG 5 – Gender Equality; SDG 10 – Reduced Inequality
Environmental Stewardship	Wastewater treatment, solid waste separation, fire safety systems; exploration of water-saving technologies; full NEMC compliance.	Moderate	SDG 6 – Clean Water; SDG 12 – Responsible Consumption
Economic Resilience & Longevity	Diversified product line reduces risk; reliance on local inputs strengthens	High	SDG 1 – No Poverty; SDG 2 – Zero Hunger (indirect)

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self-sufficiency; designed for  
scalability and long-term growth.

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Premier Beverages Limited is well positioned to be an inclusive, sustainable, and high-impact industrial venture under the Impact Investment Index Framework. It contributes to Tanzania's economic transformation agenda while fostering social equity and environmental responsibility. As such, it is a strong candidate for concessional loans, industrial licenses, and investor partnerships prioritizing ESG (Environmental, Social, and Governance) outcomes.

## **10.0. FINANCIAL MODEL: PREMIER BEVERAGES LIMITED**

### **10.1. Production and Revenue Projections**

Premier Beverages Limited plans to operate a beverage production plant with a daily capacity of 720 liters. The plant will run for approximately 300 days each year, accounting for holidays, maintenance, and other non-working days. This means the total annual production volume is estimated at  $720 \text{ liters/day} \times 300 \text{ days/year} = 216,000 \text{ liters/year}$

### **10.2. Production Volume**

The annual production capacity of 216,000 liters will be allocated across different beverage products including spirits, wines, malt liquors, soft drinks, and bottled water, depending on market demand and company strategy.

### **10.3. Revenue Projections for Premier Beverages Limited**

Premier Beverages Limited's revenue projections are based on the company has planned production capacity and the estimated selling price of its products in the market. The company's plant is designed to produce 720 liters of beverages per day, operating 300 days a year. These results in an annual production volume of:  $720 \text{ liters/day} \times 300 \text{ days} = 216,000 \text{ liters/year}$

The average selling price for the company's products is estimated at TZS 3,500 per liter. Multiplying the annual production volume by this price provides the company has expected annual revenue:  $216,000 \text{ liters} \times \text{TZS } 3,500/\text{liter} = \text{TZS } 756,000,000$ . This figure represents the total gross revenue before deducting any production costs, operational expenses, or taxes.

#### **In Summary**

- Annual Production Volume: 216,000 liters
- Average Selling Price: TZS 3,500 per liter
- Projected Annual Revenue: TZS 756 million

These revenue projections are fundamental to financial planning, guiding budgeting, forecasting profitability, and assessing the viability of the investment.

#### 10.4. Product Mix and Pricing

Premier Beverages Limited plans to manufacture a diversified range of beverages, including: Spirits (distilled and blended), Wines, Malt liquors and malt, Soft drinks and Mineral and bottled waters. This diversified product mix allows the company to cater to different market segments and reduce dependency on a single product line.

#### Proposed Product Mix (Estimated Percentages of Total Production Volume)

<b>Product Category</b>	<b>Estimated Share of Production (%)</b>	<b>Annual Production (Liters)</b>
Spirits	35%	75,600 liters
Wines	25%	54,000 liters
Malt Liquors and Malt	20%	43,200 liters
Soft Drinks	10%	21,600 liters
Mineral and Bottled Waters	10%	21,600 liters
<b>Total</b>	<b>100%</b>	<b>216,000 liters</b>

#### 10.5. Pricing Strategy and estimated revenue gain per year

The company intends to price each product category based on market research, production costs, and competitive positioning:

<b>Product Category</b>	<b>Average Price per Liter (TZS)</b>
<b>Spirits</b>	4,500
<b>Wines</b>	3,800
<b>Malt Liquors and Malt</b>	3,200
<b>Soft Drinks</b>	2,500
<b>Mineral and Bottled Waters</b>	1,800

### Estimated Annual Revenue by Product Category

Product Category	Annual Production (Liters)	Price per Liter (TZS)	Annual Revenue (TZS)
Spirits	75,600	4,500	340,200,000
Wines	54,000	3,800	205,200,000
Malt Liquors and Malt	43,200	3,200	138,240,000
Soft Drinks	21,600	2,500	54,000,000
Mineral and Bottled Waters	21,600	1,800	38,880,000
<b>Total</b>	<b>216,000</b>		<b>776,520,000</b>

In Summary; The product mix balances high-value alcoholic beverages with popular non-alcoholic drinks, Spirits generate the highest revenue due to a higher price point and significant production volume, Soft drinks and bottled water diversify revenue streams and capture the mass consumer market and Total estimated annual revenue from this product mix is approximately TZS 776.5 million.

### 10.6. Financial statement in 3 years

#### ➤ Income Statement (Profit & Loss)

#### Projected Income Statement (USD) – Year 1 to Year 5

Item	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenue</b>	302,400	326,592	352,719	380,937	411,412
<b>Cost of Goods Sold (COGS)</b>	120,000	127,200	134,832	142,922	151,497
<b>Gross Profit</b>	182,400	199,392	217,887	238,015	259,915
<b>Operating Expenses</b>	98,000	102,900	108,045	113,447	119,119
<b>Depreciation</b>	25,000	25,000	25,000	25,000	25,000
<b>EBIT</b>	59,400	71,492	84,842	99,568	115,796
<b>Interest Expense</b>	16,000	16,000	16,000	16,000	16,000
<b>Profit Before Tax (PBT)</b>	43,400	55,492	68,842	83,568	99,796
<b>Income Tax (30%)</b>	13,020	16,648	20,653	25,070	29,939
<b>Net Profit After Tax</b>	<b>30,380</b>	<b>38,844</b>	<b>48,188</b>	<b>58,498</b>	<b>69,857</b>

## ✦ Key Assumptions:

- **Revenue growth:** 8% per year
- **COGS growth:** 6% per year
- **Operating expenses growth:** 5% per year
- **Depreciation:** Flat at USD 25,000 annually over 5 years
- **Interest:** Fixed at USD 16,000/year (based on a \$160,000 loan at 10%)
- **Corporate tax rate:** 30%

## b. Cash flow – statement

### Projected Cash Flow Statement (USD) – Year 1 to Year 5

Cash Flow Item	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Operating Activities</b>					
Net Profit After Tax	30,380	38,844	48,188	58,498	69,857
Add: Depreciation	25,000	25,000	25,000	25,000	25,000
<b>Cash Inflow from Operations</b>	<b>55,380</b>	<b>63,844</b>	<b>73,188</b>	<b>83,498</b>	<b>94,857</b>
<b>Investing Activities</b>					
Capital Expenditures (CapEx)	(320,000)	-	-	-	-
<b>Net Investing Cash Flow</b>	<b>(320,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Financing Activities</b>					
Equity Injection	160,000	-	-	-	-
Bank Loan Proceeds	160,000	-	-	-	-
Loan Repayment (Principal only)	-	(32,000)	(32,000)	(32,000)	(32,000)
<b>Net Financing Cash Flow</b>	<b>320,000</b>	<b>(32,000)</b>	<b>(32,000)</b>	<b>(32,000)</b>	<b>(32,000)</b>
<b>Net Cash Flow</b>	<b>55,380</b>	<b>31,844</b>	<b>41,188</b>	<b>51,498</b>	<b>62,857</b>
Opening Cash Balance	0	55,380	87,224	128,412	179,910
<b>Closing Cash Balance</b>	<b>55,380</b>	<b>87,224</b>	<b>128,412</b>	<b>179,910</b>	<b>242,767</b>

## Notes & Assumptions:

- **Initial CapEx** of USD 320,000 covers land, construction, equipment, raw materials, branding, and working capital reserve.
- Depreciation is non-cash and added back to net profit.
- Loan repayment starts in **Year 2**, assumed at **20% of principal annually (USD 32,000)**. Interest is already included in the income statement.
- No additional equity or debt raised after Year 1.
- **Positive cash flow from Year 1 onward**, with compounding liquidity through retained earnings.

## c. Projected Balance Sheet - 5-Year Projected Balance Sheet (in USD)

Item	Year 1	Year 2	Year 3	Year 4	Year 5
<b>ASSETS</b>					
<b>Cash &amp; Cash Equivalents</b>	55,380	87,224	128,412	179,910	242,767
<b>Inventory &amp; Receivables (Est.)</b>	20,000	21,000	22,050	23,153	24,310
Total Current Assets	75,380	108,224	150,462	203,063	267,077
<b>Net Fixed Assets (after Depreciation)</b>	225,000	200,000	175,000	150,000	125,000
Total Assets	<b>300,380</b>	<b>308,224</b>	<b>325,462</b>	<b>353,063</b>	<b>392,077</b>

## **11.0. CONCLUSION, RECOMMENDATIONS**

### **11.1. Conclusion**

The proposed investment of USD 320,000 in Premier Beverages Limited is strategically allocated across essential components including land development, infrastructure, machinery, working capital, and compliance. The plant is designed to operate at a capacity of 216,000 liters annually, with an average selling price of TZS 3,500 per liter. This translates to a projected gross annual revenue of TZS 756 million equivalent to \$294,840 USD establishing a strong potential for profitability within the planned five-year economic life of the project.

The structured cost breakdown and contingency planning demonstrate a thorough approach to risk mitigation and financial preparedness. The allocation for working capital ensures the business can sustain operations in its initial months, which is critical for maintaining production consistency and meeting market demand. The capital investment plan also includes adequate provision for marketing, branding, and regulatory compliance, all of which are vital for market entry and long-term sustainability.

### **11.2. Recommendations**

- ✓ **Conduct a Detailed Financial Feasibility Analysis**
  - While the revenue projections are strong, a full financial model including cost of goods sold (COGS), operating expenses, taxes, and net profit margin should be developed. This will provide clearer insight into break-even points, ROI, and payback period.
- ✓ **Market Validation and Customer Segmentation**
  - Engage in targeted market research to validate the estimated selling price of TZS 3,500 per liter and identify potential customer segments. Consider premium, mid-range, and institutional buyers to diversify revenue sources.
- ✓ **Strengthen Risk Management Plans**
  - Though a 5% contingency is included, the business should regularly review external risks (e.g., exchange rate fluctuations, regulatory changes, and supply chain disruptions) and update its mitigation strategies accordingly.
- ✓ **Invest in Quality and Compliance**

- Ensure consistent product quality and compliance with health and safety standards, as these are crucial for customer retention and scaling into new markets or export opportunities.
- ✓ **Monitor and Adjust Operational Efficiency**
  - Continuously monitor production efficiency and optimize resource use (energy, water, raw materials). Regular equipment maintenance and staff training should be prioritized to avoid downtime.
- ✓ **Build Strategic Partnerships**
  - Collaborate with distributors, retailers, and local stakeholders to enhance market penetration and brand visibility. Also, explore partnerships with suppliers to secure favorable terms for raw materials.

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