

GRANDEAST PACKAGING AND MANUFACTURING LIMITED

BUSINESS PLAN



**TO REGISTER A PROJECT FOR MANUFACTURING
OF VARIOUS PACKAGING PRODUCTS**

MAY 2025

DISCLAIMER

This business plan is meant solely for securing registration for our various packaging products including foam packaging products manufacturing project with the Tanzania Investment Centre (TIC). It expresses projections for the project. While the Shareholders look forward to doing their best possible to achieve the plan, there is no guarantee that the projections to be attained exactly by 100%, as it may be more or less than the percentage.

A: EXECUTIVE SUMMARY

Grandeast Packaging and Manufacturing Limited is a local company owned by foreigners from China. The company plans to establish a project for the manufacturing of packaging foam products. This plan is presented to get a TIC certificate and enjoy the incentives given by the TIC as well as the services. The presented project is a 5-year one, which will be located in Misugusugu – Kibaha, Pwani. The expected value of the investment is **USD 0.6 million**. Of the investment capital, **USD 0.545 million** is fixed capital, while **USD 0.055 million** is working capital. At full capacity (during year 5), the project is expected to be producing packaging foam products amounting to 1,000 Metric Tons (MT) per year.

The project is expected to add value to Tanzania's economy by directly employing a total of **280 locals** and **20 foreigners**, and generate approximately **1,000 indirect jobs**. In addition, it will contribute to community development via CSR, pay taxes to the government, and grant business to local SMEs.

Upon thorough analysis of the business idea, the Investors have decided to invest in the foam packaging products manufacturing including paper-based, plastic, metal, and biodegradable and eco-friendly options, and this plan is meant to be submitted to the Tanzania Investment Centre for registration of the project. The aim is to enjoy the incentives given by TIC.

B KEY SUMMARIES

S/N	ITEMS	DETAILS			
1	Company Name	Grandeast Packaging and Manufacturing Limited			
2	COI No.	184222469			
3	Company Reg. Date				
4	Company Location	Plot No. 20 Block A, Mwai Kibaki Road			
5	TIN/VRN No.	TIN		VRN	
		184-222-469		N/A	
6	Company Shareholding	Shareholder	Nationality	Shares Taken	% Share
	a.	GUI, XINGDONG	China	49	49%
	b.	GUI, YONGDONG	China	51	51%
	TOTAL			100	100%
7	Project Location	Misugusugu Area in Kibaha, Pwani			
8	Project Business	Manufacturing of foam products for packaging			
9	JOBS	LOCAL		FOREIGN	
		(M)	(F)	(M)	(F)
		187	93	14	6
	TOTAL JOBS (L & FOREIGN)				300
10	Project Capacity (MT)				1,000
11	Project Funding				
	<i>Local Equity</i>				-
	<i>Local Loan</i>				180,000
	<i>Foreign Equity</i>				240,000
	<i>Foreign Loan</i>				180,000
	Total Funding				600,000
12	Financing of Items				
	<i>Fixed Capital</i>				545,000
	<i>Working Capital</i>				55,000
	Total Financing				600,000

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1.0 INTRODUCTION

1.1 The Foams Market in Tanzania

The foam market in Tanzania is an emerging sector within the broader manufacturing and construction industries. It primarily encompasses the production and distribution of various foam products such as polyurethane foam, polystyrene foam, latex foam, and memory foam, which are used in furniture, bedding, packaging, insulation, and automotive industries.

Market Overview:

- i) Growing Construction and Furniture Sectors: Increased infrastructure development and urbanization are driving demand for foam materials used in insulation, furniture, and bedding.
- ii) Automotive Industry: The automotive sector's growth in Tanzania and neighboring countries boosts demand for foam components in vehicle upholstery and insulation.
- iii) Packaging Industry: Rising export activities and domestic manufacturing are fueling demand for foam packaging solutions.

Key Factors Influencing the Market:

- i) Local Production vs. Imports: While some local manufacturers produce foam products, Tanzania also imports significant quantities, mainly from neighboring countries and Asia, to meet domestic demand.
- ii) Raw Material Availability: Access to raw materials like polyols and isocyanates affects local production capacity.
- iii) Regulatory Environment: Standards and policies related to manufacturing safety and environmental impact influence market dynamics.
- iv) Price Competitiveness: Imported foam products are often competitive in price, affecting local manufacturers' market share.

Key Challenges:

- i) Limited technological advancement and capital investment in local manufacturing.
- ii) Environmental concerns related to foam production and disposal.
- iii) Competition from imported foam products, which can be cheaper.

Opportunities:

- i) Growing demand for eco-friendly and high-quality foam products.
- ii) Potential for regional export, especially within East Africa.
- iii) Investment in sustainable manufacturing practices.

Market Players:

- i) Local manufacturers and importers dominate, with some small to medium enterprises involved in production.
- ii) International brands may also be present through imports.

Future Outlook:

The foam market in Tanzania is expected to grow steadily, driven by infrastructure development, urbanization, and industrialization. Investment in local manufacturing capabilities and sustainable practices could enhance market growth and competitiveness.

Generally, the foams market in Tanzania is characterized by emerging local production, import reliance, and expanding demand across construction, furniture, automotive, and packaging sectors. Stakeholders focusing on innovation, quality, and sustainability are likely to find opportunities for growth in this market.

This business plan is for a project manufacturing foams that are used as the inner protective layers of the package for TVs/ fridges, as well as the middle layer of Insulation boards and similar.

1.2 The Company

Grandeast Packaging and Manufacturing Limited is a local company registered under the laws of the United Republic of Tanzania. It is owned by Foreigners by 100%. The company was issued with Certificate of Incorporation (COI) No. 184222469 of 4th March, 2025 and TIN No. 184-222-469. The offices of the company are located on Plot No. 20 Mwaikibaki Street in Kinondoni, Dar es Salaam.

Grandeast Packaging and Manufacturing Limited is a locally registered Company owned by foreigners by 100%. Its authorized share capital is **Shillings 100 million (100,000,000/=)**, divided into One Hundred (100) Ordinary Shares of Tanzania **Shillings One Million (1,000,000/=)** each. The authorized

share capital is equivalent to about **USD 37,000**. Of all the authorized **100 shares**, all have been taken as shown in **Table 1** below.

Table 1 (a): Share

S/N	Names	Nationality	Shares Taken	% Stake
1	Gui, Xingdong	China	49	49%
2	Gui, Yongdong	China	51	51%
	TOTAL		100	100%

Table 1 (b): Share Distribution

Shareholding by Nationality	Foreign	Local
Gui, Xingdong	49%	0%
Gui, Yongdong	51%	0%
TOTAL	100%	0%

1.3 The Project

This is a project for the manufacturing and distribution of packaging and, later on, other types of foams. It will be located at Kibaha Misugusugu Area in Kibaha District – Coast Region.

2.0 MARKET ANALYSIS

The trends point toward a gradually expanding foam market in Tanzania, with opportunities for local manufacturers to increase production, especially in eco-friendly and innovative foam products. The ongoing infrastructure projects and urbanization are expected to sustain demand growth.

Tanzania's foams market is marked by increased construction activity, furniture and automotive sector growth, rising ecological consciousness, and a mix of imports and local production. These trends suggest a promising outlook with opportunities for sustainable innovation and industry development.

2.1 Target Market

Grandeast Packaging and Manufacturing Limited targets the Tanzanian market in terms of raw materials supplies, and a large part of the consumer market. The source of raw materials is largely local. In addition to the Tanzanian market, the company expects to export to neighboring countries within the EAC and to other countries, as analyses will guide the company to markets.

Regarding the supply of equipment for the project, the company looks forward to sourcing it from outside the country. With the presence of enough raw materials, the company sees an opportunity to be exploited while benefiting the economy of Tanzania.

2.2 The Industry

The foams industry in Tanzania is relatively more monopolistic, as there are fewer manufacturers of the product. While having the potential for growth with available raw materials, the industry faces challenges, including reliance on imports and the need for investment in local production. Quality Foams is among the major players in the foams market in the country.

2.3 SWOC Analysis

This sub-section covers the analysis of the overall foams manufacturing business in the country. The analysis focuses on the project's internal *strengths* and *weaknesses* as well as environmental *opportunities* and *threats* as detailed in **Table 2** below. It covers the analysis of the overall foams

industry in the country, and tries to position the project in the broad spectrum within the Tanzanian and regional economies.

Table 2: SWOC Analysis

Internal Analysis

Strengths
<ol style="list-style-type: none"> 1. The project can secure loans up to 60% of the funding needed for the project 2. The shareholders have enough capital to finance the project by 40% 3. The company has modern technology in foams manufacturing 4. The company has a competent marketing team that can help secure a niche in the market 5. The company is capable of investing in staff training programs to help develop a skilled workforce in the foams sector, improving productivity and innovation within the company 6. The company is ready to involve in Community Development by investing in local communities, to build strong relationships, enhance its reputational value, and contribute to sustainable local development.
Weaknesses
<ol style="list-style-type: none"> 1. The company is very new in Tanzania. However, the company engages experienced consultants in the market.

External Analysis

Opportunities
<ol style="list-style-type: none"> 1. Natural Resources: Tanzania is rich in natural resources, including raw materials essential for foams production. Local sourcing can reduce transportation costs and enhance profitability. 2. Growing Market Demand: As Tanzania's economy develops, there is an increasing demand for foams in various sectors, including packaging. The growing middle class and urbanization trends can drive demand for foams products. 3. Export Potential: With strategic investments, companies can access regional and international markets. Foams made in Tanzania can be exported to neighboring countries within East Africa and beyond, benefiting from trade agreements and reduced tariffs. 4. Cost-Effective Labor: Tanzania offers a relatively low labor cost compared to many other countries. This can reduce production costs and increase competitiveness in both local and export markets. 5. Supportive Government Policies: The Tanzanian government has shown interest in promoting manufacturing and provides incentives for investments in the foams sub-sector, such as tax breaks, grants, or favorable regulations. 6. Infrastructure Development: Ongoing investments in infrastructure, such as roads, ports, and energy supply, can facilitate smoother operations and logistics, enhancing the efficiency of foams manufacturing processes.

7. Sustainable Practices: There is an increasing emphasis on sustainability and eco-friendly products. A foams company can adopt sustainable manufacturing practices and materials, appealing to environmentally conscious consumers.
8. Strategic Location: Tanzania's geographical position provides easy access to regional markets. Its proximity to other East African countries opens opportunities for regional trade.
Threats
1. The Tanzanian market for foams is monopolistic as producers are very few manufacturers
2. Tanzania has a challenging business environment. The company engages experienced experts

From the SWOC analysis conducted of the company and of the operating environment, the promoters are confident that the project will be a success by leveraging on appropriate market strategies.

2.4 PESTEL Analysis

This sub-section analyzes the business environment of Tanzania in the *political, economic, socio-economic, technological, environmental, and legal* aspects. The scanning elucidates the viability of the project in the country. Through our analysis, we have been convinced that Tanzania is the place to invest in foams manufacturing as detailed in **Table 3**.

Table 3: PESTEL Analysis

ASPECT OF ANALYSIS	ANALYTICAL DESCRIPTION
Political	Tanzania is politically stable and predictable, conditions that are favorable for any project. As such the company will have a chance to enjoy the incentives.
Economic	Tanzania is growing and so do the demand for foams. The growing overall population and mid-income population promises a good market.
Social	Tanzania is socially stable, with people of varied background globally.
Technological	The country has developed in terms of energy, ICT and overall production and marketing technology. Communication is available for the larger part of the country.
Environmental	Environmental regulations in Tanzania are very strict especially for projects like this one. However, it is not different from other countries. As such, basing on abundance of raw materials the company will abide by NEMC guidance

Legal	Tanzania is much more predictable when it comes to state-enterprise disputes. The country accepts suitable settlement of investment disputes. The new investment act is a good sign of this. As such the project is safe in the country
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2.5 Target Market

The company eyes the Tanzanian market in terms of both consumers, and raw materials supplies. It also plans to export to the neighboring countries, and other countries. In terms of supply of equipment, however, the company will import all the equipment from outside the country, from China.

3.0 THE PRODUCT

This is a project for the manufacturing of ceramic products. The product will be produced in the Coast region of Tanzania.

3.1 Pricing

The product will be priced, traditionally, based on square feet. Considering the fact of price sensitivity among consumers, the company will work to develop competitive prices as part of the strategy to enhance product sales, revenue, and ultimate profitability.

3.3 Targeted Outposts

Grandeast Packaging and Manufacturing Limited will locate its business in the Coast region. This will be the initial and leading post for the manufacturing and selling of foams by the project. We expect to have our agents in the metropolises of the neighboring regions to ensure that we secure markets over time. Globally, we plan to secure supply contracts in the countries targeted by our project.

4.0 MARKETING AND SALES STRATEGY

Marketing strategies are essential plans of action that businesses use to promote their products, reach their target audience, and achieve their business objectives. This section focuses on entry, retention, and expansionary strategies for the foams project of ours in Tanzania.

The company, although new in the Tanzanian and regional EAC market, looks forward to using business specialists and seasoned foam specialists in securing a niche in the markets. As part of our marketing strategy, we will engage strategies that will enhance our entry, persistence (stay), and expansion.

4.1 Entry Strategy

This strategy to penetrate the market is a plan outlining how we will enter the new market. It involves identifying opportunities, assessing risks, conducting market research, and developing a strategy to successfully establish a presence and compete in the target market. Here are our adopted market entry strategies:

- i) Strategic Alignment: the decision to invest in the pro-environmental conservation project paves the way for the company to enjoy incentives in the operations.

- ii) Greenfield Investment: the shareholders all being foreigners have resorted to building a new facility from the ground up in the Tanzania – the initial market. This is the facility for manufacturing of foams. The project is a promise and the promoters have organized significant investment financing and have dedicated time to establish it.
- iii) Expansion: in the long run the company will be supplying foams to the neighboring regions, distant regions and beyond the borders of Tanzania.
- iv) Strategic Alliances: the company will form alliances with local companies, suppliers, distributors, and industry associations to access new markets, share resources, and collaborate on marketing, distribution, and R&D.
- v) E-commerce and Online Marketplaces: The company will use online platforms i.e. e-commerce platforms, marketplaces, and digital channels to penetrate both local and foreign markets.

4.2 Retention Strategy

Our market retention strategy focuses on retaining existing customers, building loyalty, and maximizing customer lifetime value. It involves tactics and initiatives to keep customers engaged, satisfied, and coming back for repeated purchases. Some key components of our market retention strategy include Customer Relationship Management (CRM), Customer Segmentation (basing on engagement frequency, order value, loyalty status, preferences, and behavior), Loyalty Programs (including creation and implementation of loyalty programs rewarding customers for repeated purchases (engagements), referrals, engagement, and loyalty), Personalization, Customer Service Excellence, Feedback and Surveys, Retargeting and Remarketing, Customer Education and Engagement, Customer Satisfaction Metrics, and Customer Experience Enhancement.

Through these strategies the company will build long-term relationships with existing customers, increase customer loyalty, induce repeated product purchases (engagements), minimize customer churn and maximize customer lifetime value. As a result our business will grow sustainably and profitability will be assured.

4.3 Expansionary Strategy

The market expansion strategy for this project seeks to enhance business growth by tapping into new markets starting from the neighboring regions to Pwani in order to increase revenue and reach a

broader audience. The strategy embraces market research, identification of target markets, the development of a marketing plan, service adaptation, distribution channels, pricing strategy, market entry approach, building partnerships, regulatory compliance, and M&E

5.0 ORGANIZATION AND MANAGEMENT

5.1 Organizational Structure

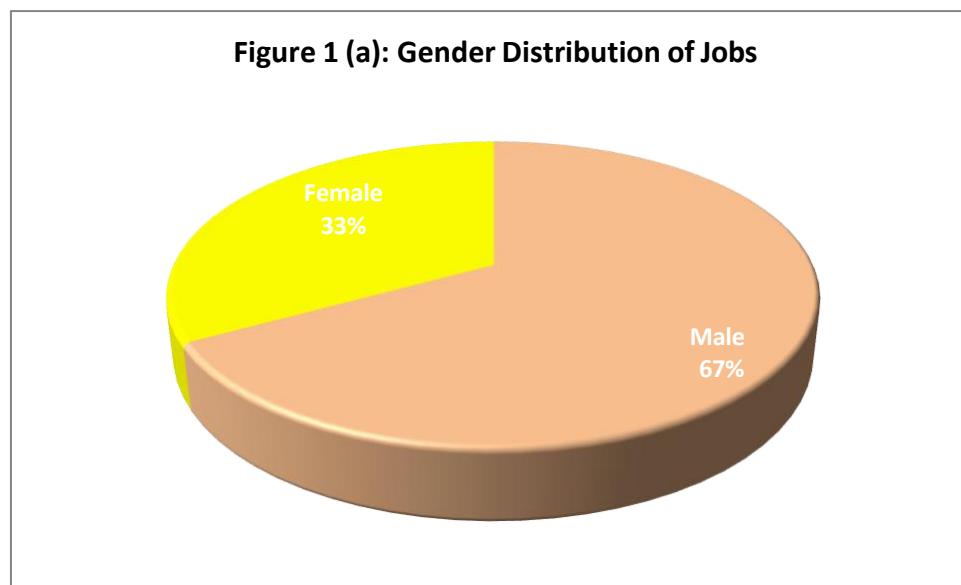
Grandeast Packaging and Manufacturing Limited’s team is tiered into directors, management team, supervisors, support staff and operators as well as drivers as detailed under **appendix 3**.

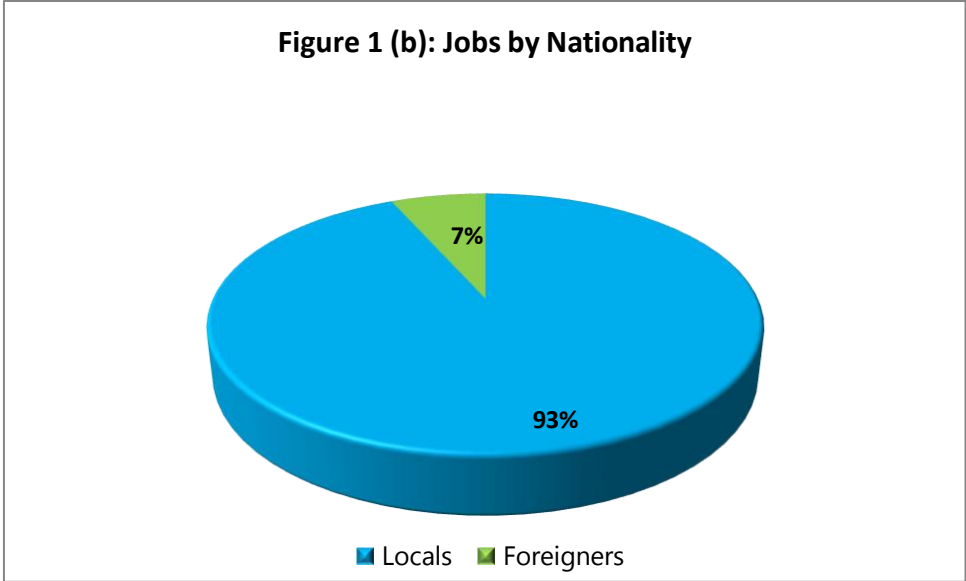
5.2 Project Manning

This project expects to directly employ a total of 300 people 280 of whom are locals as shown in **table 4** below. The gender and nationality distributions of jobs are shown in the **figures 1 (a)** and **(b)** as well.

Table: 4: Planned Direct Jobs

GENDER	LOCALS	FOREIGNERS	TOTALS
M	187	14	201
F	93	6	99
TOTALS	280	20	300





6.0 OPERATIONS PLAN

6.1 Project Location

This project is located at the Misugusugu Area of Kibaha in the Coast Region.

6.2 Key Suppliers

The Company expects to source its supplies from Tanzania, except for those that cannot be sourced from within the economy. Supplies of machinery are expected to be sourced from outside the country, from China. The local supplies will be sourced via local SMEs.

6.3 Key Business Connections

Locally, the company expects to use local dealers to get orders from customers. The consumers can be private or public institutions.

6.4 Project Assets

The company expects to invest a total of **USD 600,000** in this project. Injection of the capital will be in the form of various items as summarized in **Table 5** below. A detailed list of items will be shared via the proposed list for exemptions.

Table 5: Summary of Assets

ITEM	AMOUNT IN USD
Land & Buildings	145,000
Plant	250,000
Vehicles	80,000
Furniture & Fittings	20,000
Pre Expenses	15,000
Others	35,000
Working Capital	55,000
TOTAL	600,000

6.5 Project Roll-Out Plan

This is a 5 years plan by design but can need more time in order to attain the desired goals. The roll-out plan starts in January 2025 as it is shown in **Figure2**

Figure 2: Implementation Plan

S/No.	ACTIVITY	TIMING															
		2025												2026	2027	2028	2029
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC				
1	Planning and registrations	■	■	■	■	■	■	■									
2	Construction of Buildings	■	■	■	■	■	■	■	■	■	■	■	■				
3	Land Acquisition	■	■	■	■	■											
4	Plant Installment		■	■	■	■	■	■	■	■	■	■	■				
5	Commencement of Production													■	■	■	■
6	Staff and Consultants engagements				■	■	■	■	■	■	■	■	■				
7	Planning for expansions															■	■
8	Marketing Campaign						■	■	■	■	■	■	■	■	■	■	■
9	Company Performance Assessment													■	■	■	■
10	Assessments for Expansion																■

7.0 FINANCIAL PROJECTIONS

This section covers projections in terms of production and sales, profit and loss, and cash flow projections for the first five years of implementation of the project.

7.1 Production and Sales

This sub-section focuses on production and sales projections. Production is expected to grow gradually over the first five years of operation. Maximum level of production is expected to be attained during the fifth year, and it will hit 1,000 MT of foam products as shown in **Table 6** below.

Table 6: Production/ Tonnage Projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Production (MT p.a.)	900	950	1,000	1,000	1,000

Revenue from the sales shows steady growth over the years, peaking at Year 5 as shown in **table 7** below. Key assumptions are that of the existing stock 90% will be sold, and that inflation stands at 4% growth rate p.a.

Table 7: Sales/ Revenue Projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Production P.A. (in MT)	900	950	1,000	1,000	1,000
Sales Projections (90% of the Stock)	810	936	913	979	919
Price per Metric Ton	450.00	468.00	486.72	506.19	526.44
TOTAL SALES (USD)	364,500	438,048	444,181	495,387	483,903

7.2 Profit and Loss

This is a viable project, ceteris paribus, retained earnings are assured from the start of the project, implying that the project will break even during the first year of operation, as shown in **Table 8**.

Table 8: Projected P&L

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Total Sales Revenue	364,500.00	438,048.00	444,180.67	495,386.73	483,903.45
Less: Cost of Sales	17,612.50	18,317.00	19,049.68	19,811.67	20,604.13
<i>Gross Profit</i>	<i>346,887.50</i>	<i>419,731.00</i>	<i>425,130.99</i>	<i>475,575.06</i>	<i>463,299.32</i>
Less: Operating Expenses	160,122.50	68,798.24	74,074.98	78,963.51	171,962.13
<i>EBIT</i>	<i>186,765.00</i>	<i>350,932.76</i>	<i>351,056.01</i>	<i>396,611.55</i>	<i>291,337.19</i>
Less: Loan Interest	15,600.00	15,600.00	15,600.00	15,600.00	15,600.00
EBT	171,165.00	335,332.76	335,456.01	381,011.55	275,737.19
Less : Taxes (30%)	51,349.50	100,599.83	100,636.80	114,303.47	82,721.16
Net Profit/(Loss)	119,815.50	234,732.93	234,819.21	266,708.09	193,016.03
Dividend (10%)	11,981.55	23,473.29	23,481.92	26,670.81	19,301.60
Retained Earnings	107,833.95	211,259.64	211,337.29	240,037.28	173,714.43

7.3 Cash Flow**Table 9: Projected Cash Flow**

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Net Income	119,815.50	234,732.93	234,819.21	266,708.09	193,016.03
Add: Depreciation and Amortization					
(Increase)/ Decrease in Operating Working Capital					
<i>Cash Flow from Operating Activities</i>	<i>119,815.50</i>	<i>234,732.93</i>	<i>234,819.21</i>	<i>266,708.09</i>	<i>193,016.03</i>
(Capital Expenditure)	-	-	-	-	-
	410,000.00	150,000.00	30,000.00	10,000.00	-
<i>Cash Flow from Investing Activities</i>	<i>410,000.00</i>	<i>150,000.00</i>	<i>30,000.00</i>	<i>10,000.00</i>	<i>-</i>
Increase (decrease) in long-term debt					
(Dividend)	-	-	-	-	-
	11,981.55	23,473.29	23,481.92	26,670.81	19,301.60
Issuance of Equity					
<i>Cash Flow from Financing Activities</i>	<i>11,981.55</i>	<i>23,473.29</i>	<i>23,481.92</i>	<i>26,670.81</i>	<i>19,301.60</i>
Beginning Cash	55,000.00	357,166.05	295,906.41	114,569.12	115,468.15
Net Cash Flow	-	61,259.64	181,337.29	230,037.28	173,714.43

7.4 Projected Ratios

The projections show that the project will be a success as the margin, profitability and solvency ratios show a positive trend for the first five years of operation of the project. **Table 10** gives the details

Table 10: Projected Ratios

Margin Ratios	Y1	Y2	Y3	Y4	Y5
Gross Profit Margin	95.17%	95.82%	95.71%	96.00%	95.74%
Operating Profit Margin	53.84%	83.61%	82.58%	83.40%	62.88%
Net Profit Margin	51.24%	80.11%	79.03%	80.06%	60.21%

Profitability Ratios	Y1	Y2	Y3	Y4	Y5
Gross Profit Margin: (Gross Profit/Total Revenue)	95.17%	95.82%	95.71%	96.00%	95.74%
Net Profit Margin: (Net Income/Total Revenue)	32.87%	53.59%	52.87%	53.84%	39.89%
Return on Assets (ROA): (Net Income/Total Assets)	29.22%	41.92%	39.80%	44.45%	32.17%
Return on Equity (ROE): (Net Income/Shareholders' Equity)	279.57%	547.71%	547.91%	622.32%	450.37%

Solvency Ratios	Y1	Y2	Y3	Y4	Y5
Debt-to-Equity Ratio: Total Debt/Shareholders' Equity	296.40%	296.40%	296.40%	296.40%	296.40%
Interest Coverage Ratio: Earnings Before Interest and Taxes (EBIT)/Interest Expense	1097.21%	2149.57%	2150.36%	2442.38%	1767.55%

8.0 PROJECT FINANCIALS

8.1 Funding Sources

This is a **USD 0.6 million** project. Its source of funding is equity and a loan. The equity is foreign, and the loan is local and foreign. The details are given in **Table 11** below.

Table 11: Project Funding

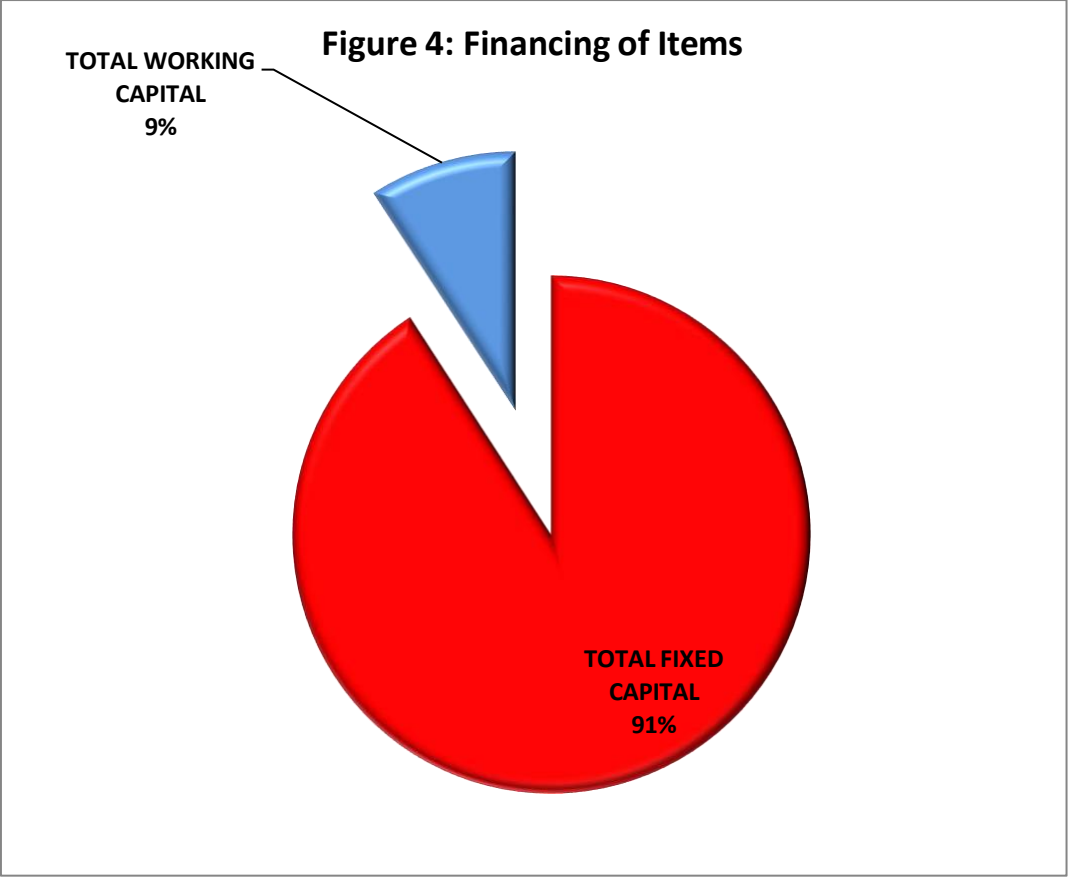
CATEGORIES	AMOUNT (USD)	Proportion
EQUITY		
<i>Local Equity</i>	-	-
<i>Foreign Equity</i>	240,000	0.40
Total Equity	240,000	0.40
LOAN		
<i>Local Loan</i>	180,000	0.30
<i>Foreign Loan</i>	180,000	0.30
Total Loan	360,000	0.60
TOTAL FINANCING	600,000	1.00

8.2 Financing of Items

The **USD 600,000** planned investment will finance the project in terms of fixed assets to the tune of **USD 545,000** and Working capital of **USD 55,000** as shown under **table 12** and **Figure 4** below.

Table 12: Items Financing

INVESTMENT BREAKDOWN	
ITEM	AMOUNT IN USD
Land & Buildings	145,000
Plant	250,000
Vehicles	80,000
Furniture & Fittings	20,000
Pre Expenses	15,000
Others	35,000
Working Capital	55,000
TOTALS	600,000
TOTAL FIXED CAPITAL	545,000
TOTAL WORKING CAPITAL	55,000



8.3 Investment Plan

The planned investment capital will be injected into the project over the years as implementation goes on. By the end of the 5th year all the capital will be injected and the project is expected to be operating at its full capacity. **Table 13** below gives the details

Table 13: Capital Injection Plan

ITEM	INVESTMENT PLAN					TOTAL INVESTMENT
	Y1	Y2	Y3	Y4	Y5	
Land & Buildings	100,000	45,000				145,000
Plant	200,000	50,000				250,000
Vehicles	20,000	30,000	20,000	10,000		80,000
Furniture & Fittings	5,000	15,000				20,000
Pre Expenses	15,000					15,000
Others	15,000	10,000	10,000			35,000
Working Capital	55,000					55,000
TOTAL	410,000	150,000	30,000	10,000	-	600,000

9.0 PROJECT JUSTIFICATION

This section covers the justification for the project. It covers the fiscal, socio-economic, and financial rationale. This coverage provides apologetics for the green-lighting of the project for both fiscal and non-fiscal incentives from the government side.

9.1 Fiscal Rationale

Fiscally, this project will contribute to taxes for the government. This contribution is in the form of income tax and value-added tax. As such, the project will fill the government's coffers with money to the tune of, ceteris paribus, **USD 903,634.52** as shown under **Appendix 1**. This amount includes Income Tax (**USD 458,430.75**) and VAT (**USD 445,203.77**). These amounts correspond to the business of the company but will create a multiplier along value chains. There will be more taxes down the chain.

9.2 Socio-Economic Rationale

Socio-economically, this project has many benefits to the economy of Tanzania. It will directly employ a total of 300 people, of whom only 20 are foreigners. As of indirect employment, the project expects to generate 1,000 indirect jobs. Payment to the employees will create a trickle-down positive effect in the economy, giving an impetus for growth and development among households.

Through its CSR policy, the company expects to spend, ceteris paribus, a total of about **USD 30,562.05** on the surrounding community over the first 5 years of operation. **Appendix 1** gives the details.

9.3 Financial Rationale

Monetarily, this project will create flows that will nourish Tanzania's economy. The money spent on supplier SMEs, on wages, and on other supplier firms will create taxes, revenues, and other benefits along the various value chains supported by this project. To the supplier firms, other things remaining constant, cash amounting to **USD 661,586.25** will flow to supplier SMEs and other entities like banks in the form of settlement for purchases.

9.4 Environmental Rationale

This project expects to adhere to all environmental requirements to ensure the safety of the environment and of the workers. All guidance by NEMC will be taken on board to stay environmentally friendly.

10.0 CONCLUSION

This is a packaging foam products manufacturing project. It will be located in Misugusugu in the Kibaha District of the Coast Region. The project will create a total of 300 direct jobs, 280 of which will be for locals, and 1,000 indirect jobs for locals. This implies job creation for Tanzanians as 93% of all direct employees, and 100% of all the indirect employees are Tanzanian.

Considering the rationale for this project, having analyzed the market and developed strategies for our market and the impending success in this project the promoters present the plan and the idea for consideration in the form of registration with the TIC and enjoyment of the incentives that will provide a soft landing for this project to the greater good of the economy. In the future, the company expects to invest in other sectors. Support for this project will help the company develop this project and others to come.

D APPENDICES

1. Project Rationale

DETAILS	YEARS					TOTAL
	Y1	Y2	Y3	Y4	Y5	
Interest to the local banking sector	4,680.00	4,680.00	4,680.00	4,680.00	4,680.00	23,400.00
Payment to supplier SMEs	175,912.50	84,925.00	90,903.76	96,298.25	190,146.75	638,186.25
Income Tax	53,113.50	102,363.83	102,400.80	116,067.47	84,485.16	458,430.75
VAT	72,900.00	87,609.60	88,836.13	99,077.35	96,780.69	445,203.77
CSR	3,540.90	6,824.26	6,826.72	7,737.83	5,632.34	30,562.05
SUMMARIES	Y1	Y2	Y3	Y4	Y5	TOTAL
To the Private Sector	180,592.50	89,605.00	95,583.76	100,978.25	194,826.75	661,586.25
To the Government	126,013.50	189,973.43	191,236.94	215,144.81	181,265.85	903,634.52
To the Hosting Community	3,540.90	6,824.26	6,826.72	7,737.83	5,632.34	30,562.05

2. Detailed Project Manning Plan

S/N	Category	Local		Foreigners		TOTAL
		M	F	M	F	
A.	Directors					
1	Managing Director			1		1
2	Directors	1		1	2	4
B.	Management Team					
1	Finance Manager	1	1			2
2	Logistics Manager		1			1
3	Technical Managers	1		2	1	4
C.	Supervisors					
1	Technical Supervisors	1	1	8	3	13
2	Fleet Supervisor		1	1		2
3	Supplies Supervisor		1	1		2
D.	Drivers and Operators					
1	Drivers	10				10
2	Plant Operators/ Workers	155	79			234
3	Service Bay Operators	7				7
E.	Support Staff					
1	Cleaners	1	6			7
2	Mechanics	5	1			6
3	Security Guards	5	1			6
4	Accountant/ Cashier		1			1
	TOTAL	187	93	14	6	300

3. Gross Profit Projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Projected Sales	364,500.00	438,048.00	444,180.67	495,386.73	483,903.45
Cost of Sales					
Power and Water Utilities	3,000.00	3,120.00	3,244.80	3,374.59	3,509.58
Raw Materials	112.50	117.00	121.68	126.55	131.61
Wages	12,000.00	12,480.00	12,979.20	13,498.37	14,038.30
Supplies	2,500.00	2,600.00	2,704.00	2,812.16	2,924.65
<i>TOTAL COST OF SALES</i>	17,612.50	18,317.00	19,049.68	19,811.67	20,604.13
GROSS PROFIT	346,887.50	419,731.00	425,130.99	475,575.06	463,299.32

4. Projections on Operating Expenses

ITEMS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Marketing Expenses	9,000.00	7,400.00	8,140.00	8,954.00	9,849.40
Bank Charges	600.00	624.00	686.40	755.04	830.54
Insurance	14,300.00	14,872.00	16,359.20	17,995.12	19,794.63
Office Expenses	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00
Permits and Licenses	89,700.00	600.00	600.00	1,600.00	88,600.00
Vehicle Expenses	15,300.00	15,912.00	16,548.48	17,210.42	17,898.84
Professionals Fees	4,400.00	1,000.00	2,000.00	1,000.00	2,000.00
Provision for Bad Debts	1,822.50	2,190.24	2,220.90	2,476.93	2,419.52
Miscellaneous Expenses	12,000.00	13,200.00	14,520.00	15,972.00	17,569.20
TOTAL OPERATING EXPENSES	160,122.50	68,798.24	74,074.98	78,963.51	171,962.13

5. Retained Earnings Projections

