

TANZANIA YOUYI METAL PRODUCTS  
MANUFACTURING CO. LIMITED

BUSINESS PLAN FOR  
ESTABLISHMENT OF BUILDING  
MATERIALS (DOOR CLOSER)

## **1. EXECUTIVE SUMMARY**

A business plan for a door closer manufacturer in the building materials sector should focus on market analysis, product development, manufacturing, sales and marketing, and financial projections. Key aspects include understanding building codes and safety standards, identifying target markets (e.g., residential, commercial, industrial), and differentiating through features like durability, ease of installation, aesthetic design, and energy efficiency. A strong focus on quality control, supply chain management, and customer service is also crucial for success.

The study was prepared to show the financial economic and other resources required for the implementation of the building materials project and also assess its economic and commercial viability for presentation to company's promoters (shareholders) for allocation of funds and machinery as well as equipment to supplement the equity contribution.

## **2. COMPANY BACKGROUND**

M/S TANZANIA YOUYI METAL PRODUCTS MANUFACTURING CO. LIMITED is a private limited liability company incorporated and registered under companies Ordinance (Cap 212) by Registrar of companies on 2<sup>nd</sup> day of February, 2024 with certificate of incorporation Number 171870100

## **3. LOCATION**

The project will be located at Urban Area Kikongo Mwabito Kibaha Coast Region.

## **4. THE SPONSOR**

M/S TANZANIA YOUYI METAL PRODUCTS MANUFACTURING CO. LIMITED will be sponsoring this project. The company is currently jointly owned by three shareholders with share capital of Tshs. 50,000,000 the following sponsors are promoting the intended .

	<b>NAMES</b>	<b>SHARES</b>	<b>NATIONALITY</b>
1	Chenghao Li	50	China
2	Wenping Zhou	50	China
	<b>TOTAL</b>	<b>100</b>	

## **5. OBJECTIVE OF THE STUDY**

The main purpose of the project proposal is to establish and operate facilities for manufacturing high quality Door closers and windows are essential building materials. Door closers, especially hydraulic door closers, ensure doors close automatically and securely, enhancing safety and energy efficiency. Windows, available in various materials like wood, glass, steel, and aluminum, provide natural light, ventilation, and views rs satisfaction in this intended programme with the growing demand. There is very big market for the high-quality Door closers and windows are essential building materials. which influenced the management of M/S TANZANIA YOUYI METAL PRODUCTS MANUFACTURING CO. LIMITED to invest in manufacturing them. The proposed project will import machinery from China and install new modern and sophisticated machinery and use of new Chinese technology.

## **6. POTENTIAL MARKET**

The construction industry in Tanzania is experiencing significant growth, creating a robust market for building materials like door closers and windows. The increasing demand for both residential and commercial buildings, coupled with a focus on energy efficiency and modern design, fuels this market.

## **7. PRODUCTS/SERVICES**

Door closers and windows are essential building materials, and various products and services are available for them. Door closers are mechanical devices that automatically close doors, offering benefits like energy efficiency, safety, and noise reduction. Windows, another vital component, come in various styles and materials, offering features like energy efficiency, security, and aesthetic appeal.

Specialized companies provide installation, maintenance, and repair services for both door closers and windows, ensuring proper functionality and longevity.

Owners, developers, construction managers, general contractors, and concrete subcontractors have realized substantial savings in labor and material costs by using structural contours construction methods, systems and equipment. Applications include commercial and residential structures, bridges, educational projects, recreational projects, civil projects, tunnels, utility projects, environmental projects, and virtually every other type of concrete construction.

## **8. CAPACITY**

The proposed project to sells 1000 tons of various goods per years.

## **9. PROJECT MANAGEMENT AND MANPOWER REQUIREMMENTS**

TANZANIA YOUYI METAL PRODUCTS MANUFACTURING CO. LIMITED will be under the Management with vast experience in managing various agribusinesses; the project will be directly managed by The Manager by 46 employees

<b>Employment</b>	<b>Foreign Skilled</b>	<b>Local Skilled</b>	<b>Local Unskilled</b>	<b>Total</b>
<b>Women</b>	<b>0</b>	<b>18</b>	<b>4</b>	<b>22</b>
<b>Men</b>	<b>4</b>	<b>15</b>	<b>5</b>	<b>24</b>
<b>TOTAL</b>	<b>4</b>	<b>23</b>	<b>9</b>	<b>46</b>

## **10. MONITORING AND EVALUATION**

The management has full commitment to ensuring goods and services provided maintain the safety and standards required in the market. The quality control unit will establish a system a routine checking getting feedback from customers, management philosophy is through business process, managers will strive to ensure compliance to standards and safety of products and customers they serve

## **11. ENVIRONMENT PROTECTION**

Installation will be committed to conducting business in a manner that protects the health and safety of all employees, customers, and persons living in the community where it operates. To accomplish this, Installation will ensure that it complies with current Health Administration and Occupational Health and Safety laws and will maintain its operations, procedures, technologies, and policies accordingly.

Each employee will have the responsibility to fully comply with established safety rules and to perform work in such a manner to prevent injuries to themselves and others. Installation is very concerned about job-site safety and plans to set up a comprehensive safety program.

## 12. PROJECT INVESTMENT COST

The estimated capital investment cost of the project is **US\$ 505,000** will be fixed investment costs.

### COST STRUCTURE

<b>PARTICULAR</b>	<b>US\$</b>
Land and Buildings	0.00
Machinery & Equipment	70,000.00
Motor Vehicles	80,000.00
Furniture & Fixtures	70,000.00
Pre exp	5,000.00
Others	20,000.00
Working Capital	260,000.00
<b>TOTAL</b>	<b>505,000.00</b>

For the project to be a reality a total investment amounting to **US\$505,000** is needed

### 12.1 FINANCING PATTERN

The project will be financed by equity by 100%; constituting **US\$ 505,000**

### 12.2 PROJECT OPERATING COSTS

In order to realize its intended objective, the project will have to meet the operating costs budgeted to be 70%.

### 12.3 FINANCIAL ANALYSIS

#### Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight-line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on experience of the promoters and trends in the bakery industry.

### 12.4 FINANCIAL STATEMENTS:

#### Projected Revenue

##### PROJECTED REVENUE

	1	2	3	4	5
Revenue	360,000.00	396,000.00	435,600.00	479,160.00	527,076.00

For projection purposes, it is assumed that the economic life of the project is five years, and that revenue from retreading business commence from the first year of operation.

### 12.5 PROJECTED PROFIT AND LOSS STATEMENT

The Income and Expenditure Statement shows the projected income for the 5 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. US\$**31,150** in first year to US \$**818,606** in the 5 year,

**Appendix I**

**PROJECTED INCOME & EXPENDITURE STATEMENT**  
**“US \$”505,000**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Revenue	360,000.00	396,000.00	435,600.00	479,160.00	527,076.00
<b>Cost of sales (77% of revenue):</b>	277,200.00	304,920.00	335,412.00	368,953.20	405,848.52
<b>Operating Expenses</b>	<b>10,800.00</b>	<b>11,880.00</b>	<b>13,068.00</b>	<b>14,374.80</b>	<b>15,812.28</b>
<b>Gross Profit Before Interest and Depreciation</b>	72,000.00	79,200.00	87,120.00	95,832.00	105,415.20
<b>Depreciation</b>	<b>27,500</b>	<b>24,063</b>	<b>21,055</b>	<b>18,423</b>	<b>16,120</b>
<b>Interest</b>	-	-	-	-	-
Gross Profit After Interest and Depreciation	44,500.00	55,137.00	66,065.00	77,409.00	89,295.20
<b>Tax (30%)</b>	<b>13,350.00</b>	<b>16,541.10</b>	<b>19,819.50</b>	<b>23,222.70</b>	<b>26,788.56</b>
Net Profit	31,150.00	86,287.00	152,352.00	229,761.00	319,056.20
Accumulated Profit	31,150	117,437.00	269,789.00	499,550.00	818,606.20

## 12.6 PROJECTED CASH FLOWS

This is shown in the financial statements. The project has a positive end of year cash flow from year 1st, i.e. US\$ **58,650** of operation to the 5th year i.e. US\$ **339,847**,

### Appendix II

#### PROJECTED CASH FLOW US\$

	0	1	2	3	4	5
<b>SOURCES:</b>						
Profit before interest and depreciation	0	72,000.00	79,200.00	87,120.00	95,832.00	105,415.20
Equity	505,000.00					
<b>Total Sources</b>	<b>505,000.00</b>	<b>72,000.00</b>	<b>79,200.00</b>	<b>87,120.00</b>	<b>95,832.00</b>	<b>105,415.20</b>
<b>Applications:</b>						
Capital expenditure	<b>220,000</b>	-	-	-	-	-
working Capital & Others	285,000.00	-	-	-	-	-
Cash	0	58,650.00	62,659.00	67,301.00	72,610.00	78,627.00
Tax	-	<b>13,350.00</b>	<b>16,541.10</b>	<b>19,819.50</b>	<b>23,222.70</b>	<b>26,788.56</b>
<b>Sub total</b>	<b>505,000.00</b>	<b>72,000.00</b>	<b>79,200.10</b>	<b>87,120.50</b>	<b>95,832.70</b>	<b>105,415.56</b>
<b>Total applications</b>	<b>505,000.00</b>	<b>72,000.00</b>	<b>79,200.10</b>	<b>87,120.50</b>	<b>95,832.70</b>	<b>105,415.56</b>
Accumulated cash		58,650.00	121,309.00	188,610.00	261,220.00	339,847.00

## 12.7 PROJECTED BALANCE SHEET

The projected Balance Sheet of the projected is shown in the financial statements under same heading. Total capital of the project increases from US\$ **505,000** in the first year of operation to US \$ **824,056** in the 5<sup>th</sup> year.

### Appendix III

#### PROJECTED BALANCE SHEET US \$

	0	1	2	3	4	5
<b>Fixed Assets</b>						
Opening balance	-	<b>220,000</b>	<b>192,500</b>	<b>168,438</b>	<b>147,383</b>	<b>128,960</b>
<b>Total Long-term Assets</b>	-	<b>220,000</b>	<b>192,500</b>	<b>168,438</b>	<b>147,383</b>	<b>128,960.</b>
<b>Less depreciation</b>	-	-	-	-	-	-
<b>Closing balance</b>	-	<b>220,000</b>	<b>192,500</b>	<b>168,438</b>	<b>147,383</b>	<b>128,960.</b>
Working capital	285,000	285,000	285,000	285,000	285,000	285,000
Accumulated cash	-	58,650	121,309	188,610	261,220	339,847
<b>Total assets</b>	<b>285,000</b>	<b>563,650</b>	<b>598,809</b>	<b>642,048</b>	<b>693,603</b>	<b>753,807</b>
Financed by						
Equity	505,000	505,000	505,000	505,000	505,000	505,000
Net profit	-	31,150	86,287.00	152,352	229,761	319,056.2
Total equity	505,000	536,150	591,287.00	657,352	734,761	824,056.2
<b>Total debts</b>	-	-	-	-	-	-
<b>Total equity and debts</b>	<b>505,000</b>	<b>536,150</b>	<b>591,287</b>	<b>657,352</b>	<b>734,761</b>	<b>824,056.2</b>

## 12.8 PROJECTED PAYBACK PERIOD

Total investment is US \$ **505,000** cash accumulation the fourth year is US\$ **590,591** which is more than the initial investment by US\$ **85,591** the project payback Period is within 4 years,

The project has a relatively short payback period. It is remarkably impressive for a project whose investment is as big as US\$ **505,505** being recovered within 24years.

## Appendix IV

### PAY BACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1	31,150.00	27,500	58,650.00	58,650.00
2	86,287.00	24,063	110,350.00	169,000.00
3	152,352.00	21,055	173,407.00	342,407.00
4	229,761.00	18,423	248,184.00	590,591.00
5	319,056.20	16,120	335,176.20	925,767.20

### 12.9 ECONOMIC ASPECTS

Implementation of this project will have the following social and economic values

- The project is an ideal option for utilization business opportunity available in Tanzania market
- The project will create employment for 46 people on permanent contract basis as well as on temporary basis.
- It will generate substantial revenue to the government in the form of corporate tax, value added tax and pay as you earn.
- The project will have transfer of knowledge and skills as far as super market industry is concerned

### 12.10 IMPLEMENTATION

Project implementation is expected to be relatively very short once project has been approved it is estimated that construction of hotel will be completed within one year:

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<b>S/N</b>	<b>ACTIVITY</b>	<b>PERIOD</b>
1	Processing TISEZA Certificate of Incentive	July 2025
2	Rehabilitation of premises	August- 2025
4	Ordering various super market items	September 2025
5	Setting and arranging various items	October 2025
6	Testing operations	November 2025
7	Commercial Operations	December 2025

### **13 CONCLUSION AND RECOMMENDATIONS**

- The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.
- It is recommended that the project be approved by Tanzania Investment Centre and be granted the TISEZA Certificate of Incentives with its associated privileges and benefits as provided for under the TISEZA Act,