

**BUSSINESS PLAN**

**FOR**

**WANXIANG ELECTRIC (TANZANIA) CO. LIMITED**

**FOR**

**ASSEMBLING OF ELECTRICAL EQUIPMENT AND  
ACCESSORIES**

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## **1.0 INTRODUCTION**

WANXIANG ELECTRIC (TANZANIA) CO. LIMITED is a Tanzanian-based industrial manufacturing company specializing in the assembly and production of electrical transformers designed to support the growing energy and infrastructure needs of Tanzania and the wider East and Central African region. The Company focuses on the manufacturing, assembly, testing, and supply of high-quality power and distribution transformers used by utility companies, industrial facilities, commercial developments, and renewable energy projects.

The Company's product portfolio includes distribution transformers, power transformers, and customized transformer units designed to meet various voltage and capacity requirements. These products are essential components of electricity transmission and distribution systems, ensuring reliable and efficient power supply to residential, commercial, and industrial users.

To ensure high-quality standards and operational efficiency, the Company will establish a modern transformer assembly and production facility equipped with advanced machinery, testing laboratories, and quality control systems. The manufacturing process will involve the sourcing of key components such as transformer cores, copper and aluminum windings, insulation materials, transformer oil, and protective enclosures from reputable local and international suppliers.

The Company aims to support Tanzania's ongoing electrification initiatives, grid expansion projects, and industrial growth by providing durable, cost-effective, and energy-efficient transformers that comply with national and international electrical standards.

Through strategic partnerships, skilled technical personnel, and strong quality assurance systems, WANXIANG ELECTRIC (TANZANIA) CO. LIMITED is committed to becoming a trusted supplier of electrical transformers in the region while contributing to local industrial development, job creation, and the strengthening of Tanzania's power infrastructure.

### **1.1 Mission and Vision Statement**

#### **1.1.1 Vision**

To be recognized as a leading manufacturer and supplier of high-quality, reliable, and energy-efficient electrical transformers across East Africa. The Company aspires to set industry standards by delivering innovative power solutions that strengthen electricity transmission and distribution systems, support industrial and infrastructure development, and contribute to sustainable energy growth in the region.

### 1.1.2 Mission

Our mission is to manufacture and assemble durable, high-quality, and energy-efficient electrical transformers that support reliable power transmission and distribution for utilities, industries, and commercial developments. We are committed to meeting customer needs through advanced engineering, strict quality control, and continuous technological improvement. Through local manufacturing, skilled workforce development, technology transfer, and sustainable production practices, we aim to support Tanzania's electrification efforts, strengthen energy infrastructure, and contribute to industrial and economic growth across Tanzania and the broader East African region.

### 1.1.3 Location

The Company, will be located at Plot number. 40, Block number "B", Chang'ombe, Temeke, Dar es Salaam, The The Company is also expecting to expand and establish other branches in different parts of Tanzania

## 1.2 Statement of the Investment Objectives, Sector and Products

### 1.2.1 Objectives

The primary objective of the Company is to establish a modern facility for the **assembly and production of electrical transformers**. The Company will focus on manufacturing high-quality distribution and power transformers designed to support electricity transmission, industrial operations, and commercial infrastructure. Through advanced production technology and strict quality control systems, the Company aims to deliver reliable, durable, and energy-efficient transformers that meet the growing power demands across Tanzania.

Within the first year of operation, the Company intends to achieve a strong production capacity by utilizing modern manufacturing equipment, efficient production processes, and skilled technical personnel while maintaining high standards of safety, efficiency, and product quality.

As part of its economic contribution, the Company plans to create employment opportunities for skilled and semi-skilled workers while promoting technical training and technology transfer to strengthen Tanzania's industrial sector. The Company also aims to establish a strong presence in the Tanzanian energy and infrastructure market, with future expansion targeting the East and Central African region.

The Company remains committed to quality assurance, regulatory compliance, and environmentally responsible manufacturing practices, while continuously investing in innovation and technology to ensure its transformer products remain reliable, competitive, and aligned with modern energy needs.

### 1.2.2 Activities

To achieve its strategic objectives, the Company will engage in integrated activities focused on the **production, assembly, marketing, and distribution of electrical transformers**. The core activity of the Company is the manufacturing of high-quality distribution and power transformers designed to support electricity transmission, industrial operations, and commercial infrastructure.

The Company will operate a modern production facility equipped with advanced

machinery and efficient manufacturing systems to ensure precision, reliability, and consistent product quality while meeting growing market demand.

Quality assurance will remain central to all operations, with strict inspection and testing procedures implemented throughout the production process to ensure compliance with national and international electrical and safety standards.

In addition, the Company will develop strong distribution networks and technical support services to ensure reliable supply, proper installation guidance, and customer satisfaction across Tanzania and the wider East and Central African region.

## **2.0 STATEMENT OF INVESTMENT COSTS AND SOURCES OF FINANCE**

### **2.1 Investment Costs**

To successfully launch and operate The Company, a total capital investment of USD 900,000 is required. This funding will establish a modern manufacturing facility, procure essential equipment, support staffing, and enable operations to meet growing market demands for Electrical Equipment and Accessories in Tanzania and beyond.

### **2.2 Capital Requirements**

The total required capital of USD 900,000 will be financed through a combination of foreign equity and local borrowing, as follows:

Foreign Equity: USD 450,000  
Local

Loan: USD 450,000

Provided by international partners or strategic investors, the foreign equity injection represents long-term capital participation in the business and will

support infrastructure development, equipment procurement, and start-up operations.

A commercial loan from a domestic financial institution will supplement the equity capital, enabling the The Company to manage operating costs, working capital needs, and market entry expenses.

### **2.3 Use of Funds**

The investment will be allocated as follows to ensure efficient and sustainable operations:

Land/Building: USD 160,000

Factory Setup and Equipment: USD 300,000  
Raw

Materials and Initial Inventory: USD 20,000

Working Capital: USD 300,000  
Furniture and Fittings: USD 50,000  
Vehicles: USD 50,000  
Licensing, Compliance, and Staff Recruitment: USD 20,000

These allocations are designed to cover all critical aspects of business setup and initial operations, ensuring that The Company can enter the market effectively and meet its performance objectives.

## 2.4 Revenue Projections

The Company anticipates strong growth driven by increasing investments in **energy infrastructure and rising demand for electrical transformers** to support power transmission, distribution networks, and industrial development in the region. Projected revenues for the first three years are:

Year 1: USD 450,000  
Year 2: USD 900,000  
Year 3: USD 1,200,000

These forecasts are based on conservative market penetration estimates and the The Company's expected monthly production capacity of 12000 tonnes, strategic pricing, and a growing customer base across Tanzania and the broader East African region.

## 3.0 JOB CREATION

One of the core objectives of The Company is to contribute significantly to local economic development through the creation of sustainable employment opportunities. The The Company plans to employ a total of **150 individuals** across various operational, technical, and administrative roles. These employment opportunities will be distributed across the production, quality control, logistics, marketing, sales, and finance departments, providing a balanced workforce that supports both skilled and semi-skilled labor.

Out of the total workforce, **85 positions** will be dedicated to production and warehouse operations, forming the backbone of the manufacturing process. These roles will primarily be filled by local workers, offering on-the-job training to equip them with specialized skills in handling chemicals, operating machinery, and maintaining safety and quality standards. The The Company will also hire **20 technical and engineering professionals**, responsible for overseeing product development, production optimization, and ensuring adherence to regulatory and quality requirements.

In addition, **30 sales and marketing executives** will be recruited to

promote the The Company's products, build client relationships, and expand market reach across Tanzania and the broader East and Central African region. Administrative efficiency will be ensured by **15 finance and support staff**, handling human resources, procurement, accounting, and regulatory compliance. The Company is committed to implementing regular training programs and performance-based incentives, with a focus on capacity building and employee development, ultimately aiming to foster long-term careers and promote inclusive economic growth.

### **SOURCE OF SUPPLY INPUT**

To ensure consistent product quality and timely delivery of its **transformers**, the Company will establish reliable sourcing partnerships for all essential raw materials and components required in transformer production. Key inputs include copper and aluminum conductors, transformer cores, insulation materials, transformer oil, steel tanks, cooling systems, bushings, and other electrical components.

The Company will adopt a balanced sourcing strategy by procuring materials from both **local and international suppliers**. Locally available inputs such as steel structures, packaging materials, and certain mechanical components will be sourced within Tanzania and the East African region to reduce logistics costs and support local industries.

For specialized components such as high-grade transformer cores, insulation systems, and precision electrical parts that may not be readily available locally, the Company will work with reputable international suppliers known for meeting international electrical and safety standards.

Through long-term supplier partnerships, strict quality inspections, and efficient procurement management, the Company will ensure a reliable supply chain, maintain high production standards, and support the growing demand for transformers in Tanzania and the wider regional market.

## **4.0 IMPLEMENTATION SCHEDULE**

The The Company intended to implement the project in the following schedule and phrase

### **4.1 Registration of the Projects and Compliance Phase**

The The Company intends at the beginning to register the Project with Tanzania Investment Centre and Export Processing Zone Authority. The Company shall also comply with other requisites laws, local and international standard and requirements.

### **4.2 Legal and Regulatory Compliance**

The company will comply with all local and international regulations, including NEMC (environmental), OSHA (safety), and TMDA or TBS (standards for chemical manufacturing). All operational licenses and permits will be secured prior to production commencement.

### 4.3 Constructions

The The Company at initial phases intended to lease land for factory, warehouse, offices and staff houses and later later the The Company intend to buy land for construction of of factory, warehouse offices and staff houses.

### 4.4 Project Operation

That after obtaining all necessary licence and installation of plants and machinery the The Company intend to start operations.

## 5.0 FINANCIAL PROJECTIONS (5 YEARS)

The Company projects strong financial performance from its **transformer assembly and production operations**. This forecast is driven by increasing demand for electrical transformers resulting from expanding power infrastructure, industrial development, and the ongoing expansion of electricity transmission and distribution networks in Tanzania and the surrounding region.

The Company expects its production capacity to grow steadily as operations stabilize and market demand increases. Revenue projections are based on conservative market penetration, competitive pricing, and efficient manufacturing processes.

Year	Revenue (USD)	Operating Costs (USD)	Net Profit (USD)	ROI (%)
Year 1	450,000	430,000	20,000	3%
Year 2	900,000	550,000	250,000	42%
Year 3	1,200,000	750,000	450,000	75%
Year 4	1,000,000	900,000	450,000	67%
Year 5	900,000	580,000	320,000	53%
<b>Total</b>	<b>4,350,000</b>	<b>2,910,000</b>	<b>1,440,000</b>	<b>240% (5 yrs)</b>

### 5.1 Key Assumptions:

Production stabilizes at full capacity by mid-Year 2.

Operating costs include raw materials, labor, utilities, and maintenance. Marketing and distribution scale up progressively with sales.

Conservative revenue growth based on demand trends in infrastructure and construction. Prices are bench marked against competitive regional supplier

### 5.2 Break-even Point:

The company is expected to reach break-even by the end of Year 1, recovering initial working capital and operational expenses by leveraging high-margin sales and controlled costs.

### 5.3 Return on Investment (ROI):

With an average annual ROI of 40%–50%, the project projects a total return of 240% over five years, demonstrating significant financial viability and investment appeal for both equity partners and lenders.

## 6.0 ORGANIZATION STRUCTURE

The Company will adopt a functional organizational structure that promotes efficiency, accountability, and strategic alignment across its operations. The Company will be led by a **Managing Director**, who will oversee the overall strategic direction, governance, stakeholder engagement, and long-term growth of the Company. The Managing Director will coordinate closely with departmental heads to ensure smooth execution of the Company's mission and objectives.

The **Production Manager** will be responsible for overseeing all plant operations, including manufacturing processes, equipment maintenance, workforce supervision, and ensuring that production meets the required quality and safety standards. The **Sales and Marketing Team** will handle market penetration, customer relationship management, brand promotion, and expansion into regional markets. This team will play a key role in achieving revenue targets and growing the Company's market share.

The **Finance and Administration Team** will manage budgeting, financial reporting, procurement, human resources, and regulatory compliance. This unit ensures efficient resource use and transparent financial practices. Supporting product development and continuous improvement, the **Research & Development and Quality Unit** will focus on the formulation and testing of material, maintaining high-quality standards and ensuring compliance with national and international specifications.

This structure is designed to facilitate coordination, ensure accountability, and enable the Company to scale efficiently as operations expand.

## 7.0 ENVIRONMENTAL AND SOCIAL IMPACT

The Company is committed to conducting its **transformer manufacturing and distribution operations** in an environmentally responsible manner. Recognizing that industrial activities may affect the environment and surrounding communities, the Company will implement measures to minimize negative impacts and promote sustainable operations.

### Sustainable Production Practices

The Company will prioritize efficient use of raw materials such as copper, steel, and insulation components while adopting production methods that reduce waste and improve resource efficiency.

### Energy and Water Efficiency

Factory operations will integrate energy-saving equipment and systems, including high-efficiency motors, lighting, and production machinery. Water usage will be minimized through recycling systems and controlled consumption technologies.

### Waste Management

A structured waste management plan will be implemented to ensure proper handling and disposal of metal scraps, insulation materials, transformer oil residues, and packaging waste in accordance with regulations of the **National Environmental Management Council (NEMC)**.

### Emissions and Pollution Control

Emission control systems and dust suppression measures will be put in place to mitigate air and environmental pollution. Routine monitoring will be conducted to ensure compliance with environmental standards.

### Green Landscaping

The company premises will include green spaces and tree planting to improve air quality and contribute to carbon offset efforts.

## 08. CAPACITY OF THE PROJECT

The Company's project is designed with strong operational capacity to meet current and future demand for **transformers** in Tanzania and the broader region. The manufacturing facility will have an initial production capacity of **12,000 transformers per year**, sufficient to serve power utilities, industrial clients, commercial establishments, and large-scale infrastructure projects. The facility is designed for scalability, with plans to increase output to **15,000 units in Year 2** and **20,000 units in Year 3** to match rising market demand.

The facility will be equipped with modern production lines, testing and quality control systems, and packaging infrastructure to ensure efficiency, reliability, and compliance with national and international electrical and safety standards.

With a skilled workforce of **150 employees**, including engineers, production technicians, quality assurance specialists, and support staff, the Company is well-positioned to operate at full capacity while scaling progressively to meet its strategic growth objectives.

## 09. CONCLUSION

The Company is strategically positioned to become a key player in the **transformer manufacturing industry** in Tanzania and the broader East and Central African region. With a clear vision, strong operational framework, and scalable production capacity, the Company is well prepared to meet the growing demand for reliable and high-quality electrical transformers required for power transmission, distribution networks, and industrial development.

The initial investment of **USD 900,000**, supported by a combination of foreign equity and local financing, will enable the establishment of a fully operational transformer manufacturing facility and create approximately **150 employment opportunities** for skilled and semi-skilled workers. Through a focused market

strategy, strong distribution networks, and a firm commitment to quality, safety, and regulatory compliance, the Company aims to build long-term partnerships with power utilities, contractors, and industrial clients. With a capable management team and skilled workforce, the Company seeks to contribute to the development of reliable energy infrastructure while promoting industrial growth, technology transfer, and job creation in Tanzania and the wider region.

