

BOLYDA BUILDING MATERIALS COMPANY LIMITED

Business Plan

For

Paints & Related Products Manufacturing Project

PREPARED FOR

BOLYDA BUILDING MATERIALS COMPANY LIMITED

Dar es Salaam

1.0 Executive Summary

BOLYDA BUILDING MATERIALS COMPANY LIMITED is a company registered in the country under the Companies Act 2002 and bears Certificate of Incorporation No.189498403 issued on 26th September, 2025.

The proposed project involves the establishment of a modern Paints and Related Products Manufacturing Plant with an investment cost of USD 5 million. The plant will produce a wide range of high-quality decorative, industrial, and automotive paints to meet the growing demand in Tanzania and the East African region. The project includes the construction of a fully equipped production facility, installation of advanced machinery, acquisition of raw materials, recruitment of skilled personnel, and development of an efficient distribution network.

The plant will have an installed production capacity of 15,000 tons/year of paint per year, capable of producing:

- Interior and exterior emulsion paints
- Textured and weather-shield paints
- Gloss and enamel paints
- Automotive refinishing paints
- Industrial coatings and primers
- Thinners, varnishes, and sealants
- Related chemical products and adhesives

The manufacturing process will incorporate modern mixing, dispersion, tinting, and automated filling technologies, ensuring consistent product quality, safety, and environmental compliance. The facility will operate under TBS, NEMC, and OSHA standards, with a strong emphasis on product innovation and sustainability.

The project aims to address the increasing demand driven by Tanzania's expanding construction sector, infrastructure development, and rising urban housing needs. By producing paints locally, the company will reduce reliance on imports, create employment opportunities for over 100 people, and contribute to industrial growth in line with national development goals.

The plant will be located in Dar es Salaam allowing efficient access to the port, raw materials, and regional export markets. A strong marketing and distribution strategy will be implemented to supply hardware stores, contractors, government institutions, automotive garages, and industrial clients across the country.

Overall, the project is designed to be a financially viable, scalable, and sustainable industrial investment, expected to

generate strong cashflows and achieve profitability from the early years of operation.

1.2 Company Ownership

BOLYDA BUILDING MATERIALS COMPANY LIMITED is promoted by local and foreign investors who are very experienced in paints manufacturing

Shareholder Name	% of ownership	Nationality
YINZHU ZHENG	51	China
DESHUAN DONG	49	China

1.4 Project Location

The project head office will be located at an surveyed land at Plot No.1050 Kisarawe II, Kigamboni, Dar es Salaam-Tanzania

1.5 Vision: To become a leading paints manufacturing in East Africa.

1.6 Mission: To manufacture paints efficiently, responsibly, and profitably while creating employment and contributing to Tanzania's economy.

2.0 Global Industry Overview

The global paints and coatings industry is a major segment of the chemical manufacturing sector, valued at over USD 180 billion in 2024 and projected to reach USD 225 billion by 2030, driven by

construction, industrialization, automotive demand, and technological innovation. The industry is broadly divided into:

2.1 Decorative/Architectural Paints

Used for residential and commercial buildings (interior, exterior, waterproofing, textured coatings).

They account for ~55–60% of global demand.

2.2 Industrial Paints & Coatings

Used in manufacturing, automotive assembly, marine, industrial equipment, and corrosion protection.

Account for ~40–45% of global demand.

Key global trends include:

- Shift toward water-based, low-VOC, and eco-friendly paints
- Rising urbanization in developing countries
- Digital tinting technologies and colour-matching tools
- Increased demand for durable and weather-resistant coatings
- Expansion of automotive refinishing and industrial maintenance markets

3.0 African Paints Industry Overview

The African paints market is growing steadily due to population growth, construction booms, and industrial expansion. Industry

value is estimated at USD 12–15 billion, with average annual growth of 5–8%.

3.1 Growth Drivers

- Rapid urbanization
- Growing middle-income class
- Expansion of real estate and infrastructure projects
- Local manufacturing replacing expensive imports
- Government-led industrialization policies

3.2 Market Characteristics

- Highly fragmented, with many local manufacturers
- Increasing entry of multinational brands
- Rising demand for affordable, durable finishes
- Significant opportunity in rural and peri-urban markets

3.3 Paints Industry in East Africa

The East African region (Tanzania, Kenya, Uganda, Rwanda, Burundi) consumes an estimated 150+ million litres of paint annually.

3.4 Key Opportunities

- Infrastructure corridors (roads, ports, housing schemes)
- Rapid urban property development
- Growth of automotive refinishing and manufacturing

- Export potential due to EAC tariff advantages

4.0 Tanzania Paints Industry Overview

Tanzania's paints and coatings market is expanding in line with the fast-growing construction and real estate sectors. The industry size is estimated at USD 120–150 million, with annual growth of 8–12%, one of the highest in the region.

Key Demand Drivers

- Government mega projects (Standard Gauge Railway, bridges, ports, airports)
- Growth of residential and commercial real estate
- Industrial expansion and warehouse construction
- Automotive refinishing demand
- Shift from imported to domestically produced paints

4.1 Market Structure

- Dominated by a few large brands (Plascon, Sadolin)
- Several medium-sized local manufacturers
- Significant unmet demand in low-cost and mid-range paint categories

4.2 Consumer Trends

- Strong preference for affordable, long-lasting paints
- Increased awareness of quality and colour variety

- Rising demand for water-based, eco-friendly paints
- Growth in DIY (do-it-yourself) home improvement

5.0 Competitive Landscape

5.1 Major Competitors in Tanzania

- Plascon (Kansai Paints)
- Sadolin
- Superdoll Paints
- Local medium manufacturers (various brands)

5.2 Opportunities for New Entrants

- Competitive pricing
- Product quality consistency
- Geographic distribution into underserved regions
- Innovation in textured, weather-shield, and roof paints
- Custom colour tinting systems
- Strong dealer relationships with hardware stores

6.0 Industry Challenges

Challenge	Impact
High raw materials dependency on imports	Cost fluctuation & forex exposure
Counterfeit/low-quality paints in market	Customer dissatisfaction & brand erosion
High competition in urban centres	Need for strong branding & distribution
Regulatory compliance (TBS, NEMC, OSHA)	Increased setup and operating costs
Limited skilled labour in coatings technology	Need for training programs

7.0 Future Outlook

The Tanzanian paints market is projected to reach USD 200 million+ by 2030, fuelled by:

- Continuous construction growth
- Rising household income
- Urbanization (Dar es Salaam becoming a megacity)
- New industrial zones and manufacturing parks
- Increased export opportunities to EAC and SADC markets

Overall, the paints industry in Tanzania remains highly attractive, profitable, and strategically important for import substitution and job creation.

8.0 Market Analysis

8.1 Industry Overview

- Tanzania's construction sector is growing at 7–10%, driven by real estate, industrial parks, infrastructure, hotels, and government projects.
- The regional market (EAC + SADC) provides access to 300+ million consumers.
- Paint demand in Tanzania is estimated at ~65 million litres per year, growing at 8–12% annually.

8.2 Market Drivers

- Rising urbanization & housing demand
- Increase in commercial buildings & factories
- Government mega infrastructure projects
- Growing automotive sector
- Shift to high-quality paints & eco-friendly coatings

8.3 Target Customers

- Hardware stores
- Construction companies
- Interior designers
- Government institutions (schools, hospitals)

- Automotive garages
- Industrial users

8.4 Competitive advantage opportunities

- Lower production costs
- Local sourcing of raw materials where possible
- Superior distribution network
- Consistent quality & branding
- Flexible packaging (¼L, 1L, 4L, 20L)

9.0 Technical & Production Plan

9.1 Plant Capacity

- 15,000 tons/year
- 50 tons per day
- Working days 300 days

9.2 Production Lines

- Water-based paints line (emulsion, textured)
- Solvent-based paints line (enamel, gloss, varnish)
- Automotive coatings line
- Industrial coatings line
- Thinners & chemicals line
- Gypsum powder
- Wall putty

- Packaging & filling line

9.3 Major Machinery & Equipment

- High-speed dispersers (HSDE 30–75 HP)
- Sand mills / bead mills
- Mixing tanks (SS & mild steel)
- Emulsifier systems
- Tinting machines
- Filling & sealing machines
- Labeling and packaging systems
- Fire safety & ventilation systems
- Quality control laboratory equipment

9.4 Raw Materials

- Titanium dioxide
- Acrylic emulsions
- Solvents (xylene, toluene)
- Resins
- Pigments & colorants
- Fillers (calcium carbonate, talc)
- Additives (biocides, thickeners, antifungal agents)
- Packaging containers

9.5 Compliance & Standards

- TBS certification
- NEMC environmental compliance

- OSHA safety certifications
- ISO 9001 (future certification)

10.0 Organizational Structure

Key Staff

- General Manager
- Production Manager
- Quality Assurance Manager
- Finance & Admin Manager
- Marketing & Distribution Manager
- Procurement Officer
- Engineers & technicians
- Skilled machine operators
- Warehouse & logistics personnel
- Sales team (regional distribution)

Total staff: 100

11.0 Marketing & Sales Plan

11.1 Distribution Model

- Direct sales to hardware stores
- Regional distributors
- Corporate & government contracts
- Online marketing and sales

- Partnerships with construction firms

11.2 Pricing Strategy

- Competitive pricing targeting middle-income market
- Volume discounts for bulk buyers
- Promotional offers during product launch

11.3 Branding Strategy

- Strong brand identity
- Attractive packaging
- Consistent quality
- Customer support and after-sales services

11.4 Risk Analysis & Mitigation

Risk	Impact	Mitigation
Raw materials price fluctuations	Higher costs	Long-term contracts, local sourcing
Competition	Market share pressure	Strong branding & distributor network
FX volatility	Higher import costs	Hedging, maintain forex reserves
Equipment breakdowns	Production delays	Preventive maintenance
Regulatory changes	Operational delays	Compliance and active monitoring

12.0 Implementation Plan

Activity	Timeline
Project financing	Month 1–2
Land acquisition & permits	Month 1–3

Activity	Timeline
Plant design & architecture	Month 3–5
Machinery ordering & shipping	Month 4–8
Civil works & building construction	Month 5–10
Machinery installation	Month 9–11
Staff recruitment & training	Month 10–12
Test production	Month 11–12
Commercial production	Month 13

Total Implementation Period: 12–13 months.

13.0 Financial Plan (USD 5m Project)

13.1 Project Cost Breakdown

PARTICULAR	US\$
Land and Buildings	900,000
Machinery & Equipment	2,000,000
Motor Vehicles	800,000
Furniture & Fixtures	15,000
Pre exp	60,000
Others	125,000
Working Capital	1,100,000
TOTAL	5,000,000

13.2 Financing Plan

Source	Amount
Equity	1,000,000
Loan	4,000,000
Total	7,500,000

14.0 Key Assumptions

14.1 Production & Sales

- Production capacity: 3,500 tons/year
- Selling price: US\$ 2,200/ton
- Revenue growth: 5% after Year 2
- Production cost: 75% of revenue
- Loan amount: 4,000,000
- Interest rate: 9%
- Tenor: 5 years
- Corporate tax rate: 30%

15.0 Financial Projection

15.1 Income Statement (USD)

Bolyda Building Materials Company Limited Projected Income & Expenditure Statement (US\$)

	1	2	3	4	5
Revenue	7,700,000	8,085,000	8,489,250	8,913,713	9,359,398
Total Cost	5,775,000	6,063,750	6,366,938	6,685,284	7,019,549
Profit before Depreciation &Interest	1,925,000	2,021,250	2,122,313	2,228,428	2,339,850
Interest	360,000	288,000	216,000	144,000	72,000
Depreciation	119,500	119,500	119,500	119,500	119,500
Gross Profit	1,445,500	1,613,750	1,786,813	1,964,928	2,148,350
Tax (30%)	433,650	484,125	536,044	589,478	644,505
Profit After Tax	1,011,850	1,129,625	1,250,769	1,375,450	1,503,845
Accumulated Profit	1,011,850	2,141,475	3,392,244	4,767,693	6,271,538

15.2 Bolyda Building Materials Company Limited Projected Cash Flow Statement (USD)

	-	1	2	3	4	5
SOURCES:		1	2	3	4	5
Profit before interest and depreciation	-	1,925,000	2,021,250	2,122,313	2,228,428	2,339,850
Equity	1,000,000					
Loan	4,000,000					
Total Sources	5,000,000	1,925,000	2,021,250	2,122,313	2,228,428	2,339,850
Applications:						
Capital expenditure	3,715,000	-	-	-	-	-
working Capital &Others	1,285,000					
Cash	-	1,491,350	1,537,125	1,586,269	1,638,950	

						1,695,345
Tax	-	433,650	484,125	536,044	589,478	644,505
Sub total	5,000,000	1,925,000	2,021,250	2,122,313	2,228,428	2,339,850
Total applications	5,000,000	1,925,000	2,021,250	2,122,313	2,228,428	2,339,850
Accumulated cash		1,491,350	3,028,475	4,614,744	6,253,693	7,949,038

15.3 Bolyda Building Materials Company Limited Projected Balance

Sheet US \$

Fixed Assets		1	2	3	4	5
Opening balance	-	3,715,000	3,595,500	3,476,000	3,356,500	3,237,000
Additions	-					
Total Long-term Assets	-	3,715,000	3,595,500	3,476,000	3,356,500	3,237,000
Less depreciation	-	119,500	119,500	119,500	119,500	119,500
Closing balance	-	3,595,500	3,476,000	3,356,500	3,237,000	3,117,500
Working capital	1,285,000	1,285,000	1,285,000	1,285,000	1,285,000	1,285,000
Accumulated cash	-	1,491,350	3,028,475	4,614,744	6,253,693	7,949,038
Total assets	1,285,000	6,371,850	7,789,475	9,256,244	10,775,693	12,351,538
Financed by						
Equity	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Accumulated profit	-	1,011,850	2,141,475	3,392,244	4,767,693	6,271,538
Total equity	1,000,000	2,011,850	3,141,475	4,392,244	5,767,693	7,271,538
Long term loan	4,000,000	3,200,000	2,400,000	1,600,000	800,000	-
Bank overdraft	-	-	-	-	-	-
Total debts	4,000,000	3,200,000	2,400,000	1,600,000	800,000	-
Total equity and debts	5,000,000	5,211,850	5,541,475	5,992,244	6,567,693	7,271,538

16.0 Economic Aspects of The Projects

The economic aspect outlines the project's overall contribution to national development, industrial growth, employment creation, import substitution, and regional trade competitiveness. It demonstrates why the project is economically justified beyond financial returns to the investor.

16.1 Contribution to Industrialization and Manufacturing Growth

The project directly supports the Government of Tanzania's industrialization agenda by establishing a modern manufacturing facility for decorative, automotive, and industrial paints. The plant will:

16.2 Expand the domestic manufacturing base

Strengthen the chemical and construction materials industry

Enhance value addition within the country

Support the development of supporting industries (packaging, logistics, warehousing)

This aligns with Tanzania's Industrialization Strategy 2025, National Trade Policy, and Blueprint for Regulatory Reforms.

16.3 Import Substitution and Foreign Exchange Savings

Tanzania imports over USD 3–5 million worth of paints and coatings annually, along with millions in raw materials under related HS codes. Local production will:

Substitute a significant portion of imported finished paints

Reduce foreign exchange outflows

16.4 Enhance national self-sufficiency in industrial goods

Stabilize prices due to reduced dependency on international supply chains

Increase national resilience against global cost fluctuations

The project therefore protects the economy from volatility in global chemical markets.

16.5 Export Potential and Foreign Exchange Earnings

The plant is strategically positioned to serve EAC and SADC markets, including:

- Kenya
- Uganda
- Rwanda
- Burundi
- DRC
- Zambia
- Malawi

Exporting even 10–15% of production would generate millions in foreign exchange and enhance Tanzania's position as a regional manufacturing hub.

16.6 Employment and Skills Development

The project will generate direct and indirect employment, contributing to national socio-economic development.

Direct Jobs (Factory Operations – 100+ Employees)

16.7 Contribution to GDP Growth

The project's annual turnover is projected to reach USD 25–30 million by Year 5. This contributes to:

- Increase in industrial output
- Growth of manufacturing sector's share in GDP
- Higher tax contributions (VAT, corporate tax, PAYE, SDL, excise)
- Strengthening of the construction and real estate sectors
- The multiplier effect ensures wide economic benefits.

16.8 Stimulation of Upstream and Downstream Industries

- Upstream Sectors Positively Impacted
- Petrochemicals and chemical importers
- Packaging industries (plastic containers, metal cans)
- Label printing companies
- Machinery suppliers
- Downstream Sectors
- Construction and real estate
- Automotive refinishing workshops
- Hardware shops and distributors
- Furniture and metal fabrication industries

The project enhances inter-sector linkages and strengthens industrial value chains.

16.9 Technology Transfer and Innovation

The project introduces modern technologies such as:

- High-speed dispersers

- Automated filling and packaging systems
- Water-based, low-VOC eco-friendly formulations
- Computerized colour-tinting systems

This contributes to technological advancement within the Tanzanian chemical industry and improves product quality across the market.

16.10 Fiscal Benefits to Government

The project will contribute substantial fiscal revenue through:

- VAT on local sales
- Corporate income tax
- PAYE from employees
- Skills Development Levy
- Excise and import duties on selected inputs
- Estimated government revenue over 5 years exceeds USD 2million.

16.11 Social and Environmental Impact

While economically beneficial, the project also commits to:

- Compliance with TBS, NEMC, and OSHA standards
- Use of safer, water-based formulations to reduce health risks
- Waste management and emission controls
- Corporate social responsibility (CSR) in local communities

This reinforces sustainable industrial development.

Summary of Economic Benefits

Economic Benefit	Description
Industrial growth	Expands Tanzania's manufacturing capacity
Import substitution	Saves millions in foreign exchange
Exports	Increases regional competitiveness
Employment	100+ direct and 300+ indirect jobs
Fiscal revenue	Strong contribution through taxes
Value chain development	Boosts upstream and downstream sectors
Technology transfer	Introduces modern, automated production
Sustainable growth	Supports cleaner production technologies

17.0 Conclusion

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 100 people.
- The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are

ready to invest such large sums of investment despite the odds of the sector in question.

18.0 Recommendation

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technically feasible, economically viable and socially acceptable.

