

# Business Plan – ‘SafiPack’

## A brand of Canary Industrials Limited

---

### Executive Summary

SafiPack, a brand under Canary Industrials Limited, is an integrated manufacturing enterprise focused on sustainable food-grade packaging. Its dual production model (PET and PP plastic based food packaging items) meets East Africa’s rising demand for scalable solutions in innovative packaging. With TZS 1,000,000,000 in CAPEX, the company expects to generate \$2.6M in revenue by Year 5 and reach break-even in Year 2. IRR is estimated at 39%.

### 1. Market Analysis

Tanzania’s packaging sector is valued at \$200M+ with CAGR of 5–6%. Key segments include FMCG, agriculture, and food services. Paper packaging is growing post plastic ban. Competitors include Silafrica, Twiga, and Unoplast. SafiPack leverages local production and ESG-aligned design to disrupt import dependency and dominate mid-scale volume.

Over the last decade and a half, Tanzania’s packaging industry has grown from a modest base into a notable sector driven by economic and demographic changes. The total market value of packaging materials in Tanzania has increased steadily – for instance, it reached about \$201 million in 2024, up ~3.2% from the previous year. This growth was not linear; periods of rapid expansion (e.g. around 2018–2021) were interspersed with occasional plateaus or dips due to economic swings and events like the COVID-19 pandemic. Overall, consumption of packaging rose at a notable average annual rate during 2012–2024, peaking in 2022 before a slight slowdown. Several key trends define this evolution. In the early 2010s, local production was limited and many packaging products were imported. As Tanzania’s GDP and urban middle class expanded (historically ~6–7% annual GDP growth), demand for packaged goods surged – bottled water, soft drinks, processed foods, and bconsumer products became more commonplace. This spurred investment in packaging manufacturing capacity, such as new plastic processing lines and corrugated box plants. For example, regional player Silafrica (operating in Tanzania, Kenya, Uganda, etc.) invested in advanced equipment in 2019 to expand PET preform production in Dar es Salaam, installing Tier-1 machines to boost output 1. Such upgrades reflect an industry catching up with global standards in quality and efficiency. Regulatory changes also influenced the market’s trajectory. Tanzania followed the lead of neighbors like Rwanda and Kenya in cracking down on single-use plastics, implementing a nationwide ban on plastic carrier bags in June 2019. This prompted shifts in packaging materials – paper bags and reusable packaging gained traction for retail use. At the same time, rising environmental awareness and corporate sustainability goals emerged in the late 2010s, pushing the industry toward

recycling and eco-friendly solutions. By the mid-2020s, stakeholders formed initiatives like PET Recycle Company (T) Ltd (PETpro) to collect and recycle PET bottles, indicating a new phase where circular economy principles are starting to shape the packaging landscape. In summary, the past 10–15 years have seen Tanzania’s packaging sector transition from nascent to growing, marked by capacity building, diversification into new materials, and adaptation to regulatory and market pressures.

### **Current Market Size and Key Sectors**

As of 2024, the packaging market in Tanzania is valued at roughly \$200–\$210 million annually in terms of materials consumption. This encompasses both plastic-based packaging (like PET bottles, plastic films, pouches) and paper-based packaging (corrugated boxes, paper bags, cartons). The industry contributes an important share to manufacturing output – in Kenya, packaging is about 2% of GDP, and while Tanzania’s share is smaller, it underscores the sector’s economic significance.

Food and beverages form the largest end-use sector for packaging in Tanzania. Fast-Moving Consumer Goods (FMCGs) – especially food products, snacks, dairy, and drinks – drive high demand for packaging in various formats. Beverage packaging is a major component: the booming bottled water and soft drink market relies heavily on PET bottles and caps, labels, and secondary packaging. (Notably, rising bottled water consumption and shifting consumer preferences are key drivers of PET packaging growth.) Food items (from staple flours to biscuits and confectionery) require flexible plastic films, pouches, and paperboard boxes to ensure shelf life and branding. The agriculture and agri-processing sector is also crucial: Tanzania, being a large producer of crops like cashews, coffee, tea, spices, and fresh produce, needs proper packaging for both export and domestic distribution. This ranges from sacks and bulk bags for crops to cardboard cartons for fruits/vegetables. In fact, government officials have highlighted packaging as a solution to reduce post-harvest losses in agriculture – investing in better produce packaging can curtail spoilage and boost farmer incomes.

Other key sectors include household and personal care products (soaps, detergents, cosmetics) which utilize plastic bottles, tubes, and labels, as well as pharmaceuticals (needing high-quality sterile bottles, blister packs, etc., though this segment is smaller). The growth of modern retail (supermarkets) and the “kadogo” economy – selling goods in small affordable units – has spurred demand for small sachets, pouches, and mini-containers for single-use portions. Collectively, food/beverage packaging dominates, followed by agro-industrial packaging and FMCG consumer goods packaging. As Tanzania’s population of ~63 million urbanizes and consumer spending rises, these sectors are expanding, thereby enlarging the packaging market year by year.

### **Growth Drivers in the Tanzanian Packaging Market**

Multiple factors are propelling the growth of packaging in Tanzania:

- Urbanization and Population Growth

- Rising Incomes and FMCG Consumption
- Industrialization and Local Manufacturing of FMCG products that need packaging.

## 2. Product Description

- PP Juice Cups (250ml, 300ml): Durable, stackable, cold beverage containers
- PET Juice Cups & Containers: Transparent, recyclable, tamper-proof
- PP Condiment Containers: 20–100ml, leak-proof, compact
- PET Clamshells: 500–1000cc, multipurpose hinged-lid trays

## 3. Operations Plan

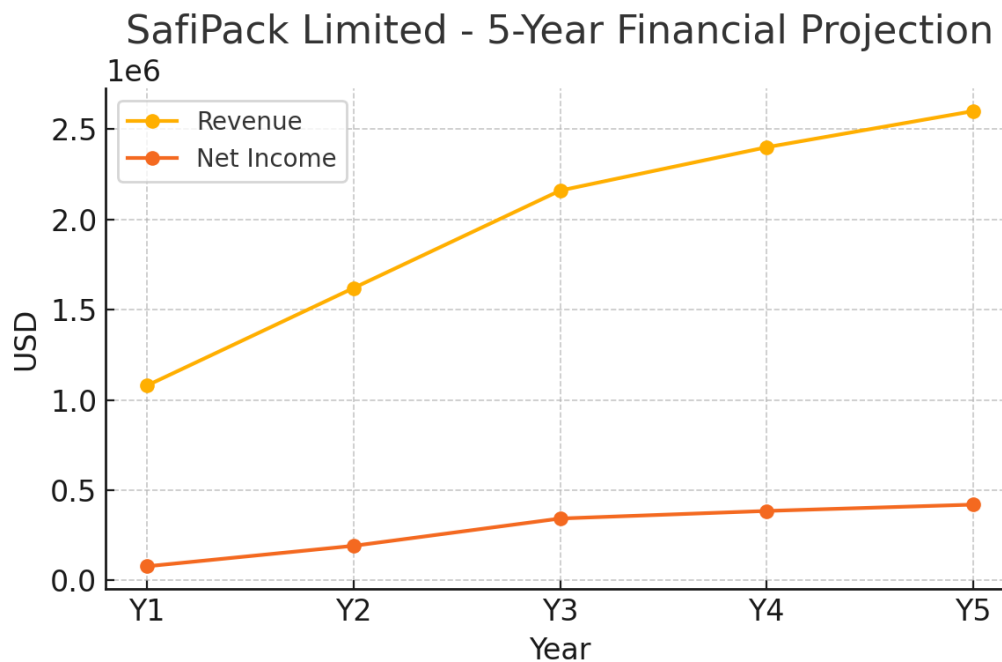
Operations span two shifts in a 1,000m<sup>2</sup> Dar facility. Key inputs include PP resin (imported) and PET Sheets. Production is via thermoforming and box converting lines. QC is HACCP-aligned, with certifications including TBS, FDA, ISO 22000.

## 4. Organizational Structure

Led by a 4-person senior team (MD, Ops, Finance, Marketing), with 24 staff initially. Growth to 40 by Year 3. Advisors include circular economy and export logistics experts.

## 5. Financial Projections

Revenue grows from \$1.08M to \$2.6M in 5 years. Net income grows to \$420K. IRR: 39%. Break-even in Year 2.



## Key Assumptions

- Production capacity: 12,000 pcs/hour, 2 shifts/day, 300 days/year
- Average product price: \$0.05 USD/unit
- Gross margin: Year 1 - 35%, Year 2 - 40%, Year 3 - 45%
- Overheads and SG&A: 20% of revenue
- Capital cost (machinery): \$495,654.96
- Depreciation: 10 years, straight line
- Tax rate: 30% corporate tax
- Working capital: 10% of annual revenue

## Projected Revenue & Gross Profit

Year	Revenue	COGS (Est.)	Gross Profit	Gross Margin
Year 1	\$1,080,000	\$702,000	\$378,000	35%
Year 2	\$1,620,000	\$972,000	\$648,000	40%
Year 3	\$2,160,000	\$1,188,000	\$972,000	45%
Year 4	\$2,400,000	\$1,320,000	\$1,080,000	45%
Year 5	\$2,600,000	\$1,430,000	\$1,170,000	45%

## 6. Go-to-Market Strategy

Phase 1: Target domestic B2B clients such as beverage manufacturers, food processors, and hospitality suppliers. Partner with national retailers, juice producers, and restaurant chains.

Phase 2: Expand distribution to supermarkets, wholesalers, and public institutions including hospitals and schools for food-safe PET packaging.

Phase 3: Export to neighboring countries via the EAC trade agreement, including Rwanda, Uganda, Malawi, and the DRC, leveraging Dar es Salaam Port.

Branding and custom packaging options will be introduced in Year 2 to build customer loyalty and value-added margins.

## 7. Sustainability and Environmental Plan

The manufacturing plant will use energy-efficient machinery and implement a closed-loop water cooling system to minimize resource use. All plastic scrap generated during the process will be fed into the online shredder and reused in production. In addition, the facility will use food-grade approved PET resin and non-toxic silicon oil in finishing.

Future plans include transitioning to biodegradable or PLA-based alternatives and engaging in partnerships with local recycling initiatives.

## **8. Legal and Regulatory Compliance**

The business will comply with local and regional regulations including registration with the Tanzania Bureau of Standards (TBS), food packaging certification, environmental clearance through NEMC, and operation licenses via the Tanzania Investment Centre (TIC).

As part of our export strategy, we will apply for EPZA certification to benefit from tax breaks, duty-free imports of raw materials, and access to international markets.