

Sector: Commercial Building

Sub-Sector: Warehousing

Total Project Cost: USD 820,000

MEGA ADVERTISING LIMITED

BUSINESS PLAN

(Commercial Building – Warehousing Sub-Sector)

1. Executive Summary

Mega Advertising Limited is a Tanzanian-registered company undertaking commercial building construction, with a specific focus on the development of warehouse facilities. The project is designed to support Tanzania's growing demand for storage, logistics, and distribution infrastructure driven by trade expansion, industrialization, and urban growth.

The company will engage in the construction of modern warehouses for logistics companies, industrial operators, commercial investors, and institutional clients. Operations will initially focus on Dar es Salaam, with planned expansion to other strategic regions.

Total Project Cost: USD 820,000

Employment Creation: 30–35 direct and indirect jobs

Source of Funds: 100% Foreign Equity

2. Sector & Sub-Sector Classification

Sector: Commercial Building

Sub-Sector: Warehousing (Warehouse Construction & Development)

3. Project Description

The project involves the construction and development of commercial warehouse buildings designed for storage, logistics, and distribution purposes. The warehouses will be developed using modern construction standards, reinforced concrete works, steel structures, and durable industrial flooring suitable for heavy commercial use.

The project includes land development, construction activities, installation of utilities, and supporting infrastructure required for efficient warehouse operations.

4. Business Objectives

The objectives of Mega Advertising Limited are to:

- Construct commercial warehouse buildings for logistics and storage use
- Develop industrial warehouse facilities for private and institutional clients
- Execute civil, structural, and steel works related to warehouse construction
- Utilize construction machinery to improve efficiency and quality
- Comply with Tanzanian construction, safety, and environmental regulations
- Create employment and contribute to national commercial infrastructure
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5. Scope of Services

Service Area	Description
Warehouse Construction warehouses	Construction of storage, logistics, and distribution
Civil & Structural Works	Foundations, reinforced concrete works, steel structures
Excavation & Earthworks	Site clearance, trenching, grading, backfilling
Roofing & Finishing	Industrial roofing, cladding, and internal finishing
Project Management	Site supervision, coordination, and quality control

6. Market Analysis

6.1 Target Market

- Logistics and freight companies
- Importers, exporters, and distributors
- Industrial and manufacturing firms
- Commercial property developers
- Government and institutional clients

6.2 Geographic Focus

- Dar es Salaam (primary market)
- Expansion to Dodoma, Arusha, Mwanza, Mbeya, and industrial corridors

6.3 Market Opportunity

Rapid growth in trade, ports, logistics corridors, and industrial zones has significantly increased demand for warehouse facilities. Mega Advertising Limited is positioned to capture this demand through adequate capital investment, equipment ownership, and efficient execution capacity.

7. Employment & Job Creation

Category	Number	Employment Type
Management & Administration	4	Permanent
Engineers & Site Supervisors	5	Permanent
Machine Operators & Drivers	7	permanent
Skilled & Casual Laborers	9	Contract
Support Staff	5	Contract
Total Employment	30-35	

8. Investment & Capital Structure

8.1 Project Cost Breakdown (USD 820,000)

No. (USD)	Category	Description	Amount (USD)
1	Land & Building	Warehouse land acquisition and construction works	210,000
2	Plant & Machinery	Construction equipment, tools, and machinery	180,000
4	Vehicles	Project vehicles and transport	90,000
5	Furniture & Fittings	Office furniture, fittings, and site facilities	25,000
6	Pre-Operating Expenses	Registration, permits, consultancy, approvals	20,000
7	Others	Miscellaneous assets, minor tools, contingency	50,000
8	Operating Expenses	Utilities, fuel, insurance, site setup	45,000
TOTAL PROJECT COST			820,000

8.2 Source of Funds

The total project cost will be fully financed through foreign equity contribution by the project sponsor. No external borrowing is anticipated.

9. Source of Inputs

Supplier Type	Inputs
Local Suppliers	Cement, aggregates, steel, labour, fuel, transport
International Suppliers	Construction machinery and specialized equipment

10. Implementation Schedule

Activity	Duration	Period
Business permits & approvals	1 month	Month 1
Land preparation & mobilization	1month	Month 2
Importation of machinery	1–2 months	Months 2–3
Recruitment & training	1 month	Month 3
Warehouse construction	Month 3	Frm month 4-On going

11. Financial Projections (5 Years)

Year	Revenue (USD)	Cost of Sales Net	Gross Profit	Operating Expenses	Profit Before (30%) Tax	(30%) Tax	Net Profit
1	420,000	315,000	105,000	75,000	30,000	9,000	21,000
2	600,000	450,000	150,000	85,000	65,000	19,500	45,500
3	850,000	630,000	220,000	100,000	120,000	36,000	84,000
4	1,100,000	800,000	300,000	115,000	185,000	55,500	129,500
5	1,400,000	1,000,000	400,000	135,000	265,000	79,500	185,500

Break-Even Period: Between Year 2 and Year 3

12. Project Capacity

- Handling capacity 180,000-250,000 metric tons /year
- Client accommodated 30-45 clients per year

13. Risk Management

Potential risks include construction delays, material price fluctuations, equipment downtime, and occupational safety risks. These risks will be mitigated through adequate working capital, supplier diversification, preventive maintenance, skilled supervision, and strict safety compliance.

14. Conclusion

Mega Advertising Limited is strategically positioned to operate as a commercial building company specializing in warehousing, supported by foreign equity investment of USD 820,000. The project will contribute to employment creation, logistics development, and Tanzania's commercial and industrial infrastructure growth.