

UNION PROSPER STEEL TANZANIA LIMITED
BUSINESS PLAN
FOR
ESTABLISHMENT OF
GALVANIZED IRON (GI) AND PRE-PAINTED GALVANIZED IRON (PPGI) STEEL COILS
MANUFACTURING PLANT IN TANZANIA



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1.0. INTRODUCTION

This Business Plan has been prepared by **Union Prosper Steel Tanzania Limited**, a private company limited by shares, duly incorporated in the United Republic of Tanzania under **Certificate of Incorporation No. 191462513**, in accordance with the provisions of the **Companies Act, Cap. 212**.

The investment proposal outlines the financial, human, technical and other resources required for the project, assess ecumenic and commercial viability and guides capital allocation for **steel materials manufacturing industry**.

The Project qualifies for investment incentives through the **Tanzania Investment and Special Economic Zones Authority (TISEZA)**, including:

- a) Import duty exemption on deemed capital goods
- b) VAT deferment on approved capital equipment
- c) Tax incentives as applicable under the Strategic Investment Act
- d) Access to One-Stop Facilitation for permits, approvals, and work/residence permits

Eligible capital goods for the purposes of this project include, but are not limited to, the following:

- a) **Plant, machinery, and equipment** for the manufacture, processing, coating, rolling, cutting, and finishing of steel products, including GI and PPGI steel coils;
- b) **Cold rolling mills, galvanizing lines, colour coating lines, slitting lines, and associated production systems;**
- c) **Industrial furnaces, boilers, compressors, transformers, generators, and power control systems** used exclusively for the manufacturing process;
- d) **Material handling equipment**, including cranes, forklifts, conveyors, hoists, and storage systems for raw materials and finished products;
- e) **Laboratory, testing, and quality control equipment** necessary for ensuring compliance with applicable industrial and safety standards;
- f) **Spare parts and accessories** imported as part of or for the maintenance of approved capital machinery;
- g) **Information and communication technology (ICT) systems**, automation equipment, and software directly related to production, monitoring, and operational control of the plant; and

h) **Factory construction-related equipment and tools** directly linked to the installation and commissioning of the approved manufacturing plant.

The project will be financed primarily through long- term financing complemented by company capital.

2.0 COMPANY BACKGROUND

UNION PROSPER STEEL TANZANIA LIMITED is a private company based in **MKURANGA - PWANI**, The Company shareholders are **HONG KONG UNION PROSPER STEEL LIMITED** as a majority shareholder, **BRUNO HENRIQUE** who is a minority shareholder. **GANG WEILIANG** together with **SHI QINGRONG** are the directors of the company, who oversee its day-to-day operations. The board of Directors are responsible for governance, strategic oversight and policy direction, while management handles day to day operations.

UNION PROSPER STEEL TANZANIA LIMITED seeks to develop, operate, and manage **steel materials manufacturing industry** for the production of **Galvanized Iron (GI) and Pre-Painted Galvanized Iron (PPGI) steel coils**, including deep processing, manufacturing, and sale of steel products such as galvanized sheets, aluminium–zinc coated sheets, colour-coated products, cold-rolled coils, hot-dip aluminium–zinc coated steel coils, and colour-coated steel coils in **Mkuranga District, Pwani Region**, with the company’s head office and commercial operations based in **Dar es Salaam** designed to serve local, regional, and international markets.

The steel material manufacturing industry (**Galvanized Iron (GI) and Pre-Painted Galvanized Iron (PPGI) Steel Coils Manufacturing Plant**). It is becoming the most needed project as it is the major component in the country, regional wide and the world. There is a very high demand for such commodity in all around the country, **UNION PROSPER STEEL TANZANIA LIMITED** will be one of the only few major steels materials manufacturing industry companies in the country. It is on the basis of the above reasons that the management resolved to invest in establishing and operating a project of manufacturing business. In setting up the facility, the intended project will be established in three years in setting up facilities for the project and is estimated to be at a cost of **USD. USD. 84,740,000** as capital investment.

The objective of the project is to enhance accessibility of high-level and premium quality products, support local business growth, and contribute to government revenue through taxes and employment creation.

To reach its objective, the company intends to operate a modern steel materials manufacturing industry in Tanzania to meet high domestic, regional, and international demand, ensuring quality service and client satisfaction. The projected total capital investment is **USD. 84,740,000** depending on location, design, and capacity. The

development will be phased over 36 months while utilizing modern and international standards.

3.0. PROJECT OVERVIEW

Mission Statement

To manufacture and supply high-quality galvanized and pre-painted steel coils that meet international standards, support sustainable construction, and deliver long-term value to customers, investors, and the national economy.

Project components

- a) Mkuranga Pwani - manufacturing industry
- b) Dar es salaam - company's head office and commercial operations

4. MARKET ANALYSIS

4.1 Market Demand

Demand for galvanized and pre-painted steel products is driven by:

- a) Rapid urbanization and infrastructure development
- b) Expansion of industrial and residential construction
- c) Strong demand from roofing sheet manufacturers.
- d) Import substitution opportunities

4.2 Target Markets

- a) Domestic construction sector
- b) Roofing sheet manufacturers
- c) Regional export markets (EAC, Central Africa).

4.3 Competition

Despite the presence of several steel materials manufacturing companies in Tanzania, the current supply of steel products such as galvanized sheets, aluminium–zinc coated sheets, colour-coated products, cold-rolled coils, hot-dip aluminium–zinc coated steel coils, and colour-coated steel coils remains insufficient compared to the increasing national and international demand.

4.3.1. Competitive Advantages of the Project

The project is designed to achieve sustainable competitiveness in the market through:

- a) Modern and efficient production equipment and technology.
- b) Local production replacing imports.
- c) Shorter delivery times,
- d) Competitive and customer-friendly pricing
- e) To ensure the sustainable manufacturing of high-quality Galvanized Iron (GI) and Pre-Painted Galvanized Iron (PPGI) steel coils in compliance with applicable national and international standards.
- f) Custom product specifications
- g) Proximity to the Port of Dar es Salaam, reducing logistics costs
- h) Strong technical support from experienced shareholders.
- i) Excellent customer service standards
- j) Thickness and multiple product offerings (galvanized sheets, aluminium–zinc coated sheets, colour-coated products, cold-rolled coils, hot-dip aluminium–zinc coated steel coils, and colour-coated steel coils
- k) Position to serve landlocked neighboring countries (Rwanda, Burundi, Uganda, Zambia, Malawi and DRC) as a reliable customer.

These factors allow the company to compete effectively with both imported products and existing local manufacturers.

5. STEEL MATERIALS MANUFACTURING INDUSTRY FACILITIES

- a) Plant, machinery, and equipment
- b) Cold rolling mills, galvanizing lines, colour coating lines, slitting lines, and associated production systems;
- c) Industrial furnaces, boilers, compressors, transformers, generators, and power control systems
- d) Material handling equipment
- e) Laboratory, testing, and quality control equipment
- f) Spare parts and accessories
- g) Information and communication technology (ICT) systems,
- h) Factory construction-related equipment and tools

6. OBJECTIVE

- a) Development Trends of High-Quality Color-Coated Steel Coils.
- b) Generate sustainable revenue
- c) Support industrial employment
- d) Promote technology transfer
- e) Align with Tanzania's industrialization strategy

7. Plans and Future Prospects

- a) To ensure the stable, safe, and continuous operation of **UNION PROSPER STEEL TANZANIA LIMITED LIMITED**'s steel manufacturing plant, specializing in Galvanized Iron (GI) and Pre-Painted Galvanized Iron (PPGI) steel coils.
- b) To improve operational efficiency and effectiveness through optimized production processes, proper maintenance practices, and effective management systems.
- c) To expand and modernize project facilities by introducing advanced machinery and new technologies aimed at increasing productivity, product quality, and operational reliability.
- d) To enhance the overall production capacity of the project, including increased processing volumes and improved utilization of energy and fuel resources, in line with sustainable industrial development goals.

8. PROJECT PLAN & IMPLEMENTATION

Implementation Schedule

Phase 1: Pre- Construction and approval (Months 1–6)

- a) Land acquisition and site preparation
- b) Feasibility and detailed engineering studies
- c) TISEZA registration and Certificate of Incentives
- d) Application for import duty exemption
- e) Regulatory approvals (NEMC, OSHA, TBS, Fire & Safety)
- f) Project financing

Phase 2: Construction & Installation (Months 7–30)

- a) Civil works and factory construction
- b) Procurement and importation of machinery
- c) Installation of production lines
- d) Utilities and support systems setup

Phase 3: Commissioning (Months 31–36)

- a) Equipment testing and trial production
- b) Staff recruitment and training
- c) Quality certification
- d) Commercial operations launch

9. THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 2 shareholders, namely;

Name	Shares%	Nationality
HONG KONG UNION PROSPER STEEL LIMITED	99.08	HONG KONG
BRUNO HENRIQUES	0.02	BRAZIL

UNION PROSPER STEEL TANZANIA LIMITED is a joint-stock enterprise jointly established by Zhejiang Lianxin Sheet Technology Co., Ltd. of China, Hangzhou CIEC Group Co., Ltd. of China, and Tanzania's ALL CITY GROUP. Registered in Dar es Salaam, Tanzania, it specializes in the production and sales of aluminum-zinc coated sheets and color-coated sheets.

The shareholders and directors bring extensive experience in steel manufacturing, international trade, industrial project development, and operational management. The Board of Directors is responsible for strategic oversight, governance, and policy direction, while a professional management team will oversee daily operations.

10. LOCATION:

The project head quarter and commercial operations will be in **DAR ES SALAAM** and the project area will be in **MKURANGA- PWANI**.

11. CAPITAL INVESTMENT COST

COSTS AND ESTIMATE VALUE

Investment costs and estimate value

SN	Item	Description	Amount (In USD)
1	Investment Costs	Investment Cost	83,740,000
		Working Capital	1,000,000
		Total	84,740,000
2	Cost & Estimate Revenue Loss	Estimate of total annual revenue	300,000
		Total Operational Expenses of Project (Annual)	250000
		Interest of bank Facilities	8%
		Commissioning cost 10% material Total annual depreciation expenses	

		Annual Income Tax 30%	250,000
		Total Profit & Loss: (Annual)	200000
3.	Project Fixed Capital	The costs before commissioning	150000
		Land & Landscaping	11,000,000
		Civil & Building Implement	40,750,000
		Machinery, Office, Workshop & Lab Supplies	30,000,000
		Total	83,500,000
4.	The costs before commissioning	Costs before commissioning including feasibility study, periodical visits, acquiring investment permits, technology, TIC License of Incentive, Environment License, EWURA, Port Authority (TPA), Municipality, Road Administrative etc	100,000
		Training Before Commissioning	
		Total	100,000
6.	Transport, Work place & Supplies		
		Utility and Electricity	330000
		Total	
7.	Salary and Wages	Salaries and wages	20000
		Security & CCTV	20000
		Maintenances	20000
		License & Misc	20,000
		Marketing	30000
		Total	640,000

Fixed capital depreciation

S/N	Description	Production (Estimated)	Unit Price (USD)	Amount (USD)
1.	Production Average	1000 T per year	1000	84,740,000
Total Cash Income				84,740,000
Deduction (Current Costs)				10,770
Deduction (Depreciation Costs)				10,770
Deduction (Banking Fees 12%)				(23,486)
Total deduction				45,034
Net Profit (USD):				39,706

Period of Investment & Capital Return

1.	Period of Investment & Capital Return	Purchase of machinery, equipment, transport, set-up and putting into operation	1 year
		Commissioning, trial operation, financing & administrative affairs	1 year
		Settling the principal with interest	1 year
		Capital Annual Rate	1 year

COMPANY FINANCING

Description	Total (USD)	Banking Loan	Customer Share
Fixed Costs of Project		0	
Cost of Circulating Capital 15% of Current Expenses	-	-	-
Total		0	

The intended project is to be implemented within 3 years. The company promoters (shareholders) have resorted to register the project with Tanzania Investment Center (TIC) and securing the certificate of incentives.

12. FINANCIAL PLAN (SOURCE OF FUNDS)

UNION PROSPER STEEL TANZANIA LIMITED has firmed up finances for the implementation programmed by its fund and Loan.

Foreign equity	<u>USD \$ 84,740,000</u>
TOTAL	USD \$ 84,740,000

13. SUBMISSION

UNION PROSPER STEEL TANZANIA LIMITED submits the investment proposal and it's application to the Tanzania Investment and Special Economic Zones Authority (TISEZA) for registration and award of certificate of Incentives for the commencement of the processing project.

The project will soon commence after the company is registered under Tanzania Investment and Special Economic Zones Authority (TISEZA) and being issued the Certificate of Incentives.

14. ECONOMIC GROWTH

The current economic growth which had been registered in Tanzania, as the result of investment, business, constructing have attracted more investments as well as processing and business in the Tanzania such as the intended steel materials manufacturing project. The economic growth influenced such need of steel products such as galvanized sheets, aluminium–zinc coated sheets, colour-coated products, cold-rolled coils, hot-dip aluminium–zinc coated steel coils, and colour-coated steel coils especially business is in demand and are growing day by day.

15. BUSINESS STRATEGY

In order to meet the current demand and high productivity the management of the company will develop and implement additional strategies which will capture markets.

- a) Advertisement and promotion (media & street campaigns)
- b) Qualified and experienced operators
- c) On-the-job training
- d) Business discipline

16. ENVIRONMENTAL ISSUES

Project activities are environmentally friendly, with proper waste management and safety.

17. PROJECT MANAGEMENT

The overall management of the company is vested in the Board of Directors **FAN WEILIANG** together with **SHI QINGRONG** are the directors of the company, who oversee its day-to-day operations and they are well versed in distribution of the business.

18. MANPOWER & TECHNOLOGY TRANSFER

- a) Employment of ~300 local and foreign staff (direct and indirect)
- b) On-job training for technical skills
- c) Use of modern fuel storage and distribution equipment's.

19. ECONOMIC & SOCIAL BENEFITS

The project will:

- a) Create approximately **500 direct and indirect jobs**
- b) Develop skilled local manpower
- c) Increase government revenue through taxes, fees, license and permits
- d) Strengthen Tanzania's industrial base
- e) Promote technology transfer and industrial skills development
- f) Support for local businesses and transporters

20.0 RISK ANALYSIS & MITIGATION

Risk	Mitigation
Raw material price volatility	Long-term supply contracts
Power interruptions	Backup standby generators
Market competition	Product differentiation& quality
Exchange rate fluctuations	Hedging & local sourcing

21. CONCLUSION & RECOMMENDATION

The proposed GI and PPGI steel manufacturing project by **UNION PROSPER STEEL TANZANIA LIMITED** is **technically feasible, financially viable, and economically beneficial**. The project aligns fully with Tanzania's industrialization strategy agenda and regional trade objectives. With strong market demand, competitive pricing, and efficient operations, the project offers attractive returns to investors and long-term sustainable growth.

It is therefore **recommended that TISEZA grant a Certificate of Incentives** to facilitate project implementation and enhance its contribution to national development.