

## 1. EXECUTIVE SUMMARY

This feasibility study evaluates the viability of establishing TangaTech Admixtures (T) Limited, a company specializing in the importation and distribution of concrete admixture chemicals for use in concrete poles, precast products, and general construction works in Tanzania. The project will be located at Plot No. 6386, Minazi Mikinda Village, Ruvu Ward, Kibaha District, Pwani Region.

The project proposes an initial investment of approximately Nine Hundred Thousand United States Dollars (**USD 900,000/**) to finance inventory imports, warehouse and logistics infrastructure, regulatory compliance, and working capital. The study confirms that the project is technically feasible, commercially viable, financially profitable, and aligned with Tanzania's industrialization and infrastructure development agenda. The project is suitable for registration with TISEZA.

## 2. PROJECT BACKGROUND AND RATIONALE

Tanzania continues to experience rapid growth in infrastructure development, including power transmission, road construction, housing, and industrial facilities. Concrete products, particularly concrete poles and precast elements, are in high demand. Concrete admixtures are essential inputs that improve strength, durability, curing time, and overall performance of concrete.

Currently, a significant portion of high-quality admixture chemicals is imported, with limited local distribution capacity. This project aims to bridge this gap by establishing a reliable supply chain for quality admixture chemicals sourced mainly from China and other international manufacturers.

### 3. PROJECT OBJECTIVES

#### 3.1. General Objective

To establish a sustainable and profitable business for importing and distributing concrete admixture chemicals in Tanzania.

#### 3.2. Specific Objectives

- a) To import high-quality concrete admixture chemicals from reputable international suppliers;
- b) To supply admixtures to concrete pole manufacturers, precast plants, and construction companies;
- c) To provide technical support and product guidance to customers;
- d) To contribute to cost-effective and durable construction practices in Tanzania

### 4. PROJECT LOCATION

- **Physical Location:** Plot No. 6386, Minazi Mikinda Village
- **Ward:** Ruvu Ward
- **District:** Kibaha District
- **Region:** Pwani, Tanzania

#### **Location Advantages**

- Proximity to Dar es Salaam Port
- Easy access to major highways and industrial zones
- Suitable for warehouse and light industrial activities

### 5. PROJECT DESCRIPTION

#### 5.1. Products

The project will focus on importing and distributing the following concrete admixtures:

- i. Plasticizers and water reducers;
- ii. Superplasticizers;
- iii. Setting retarders;
- iv. Accelerators;
- v. Air-entraining agents

## 5.2. **Target Market**

- i. Concrete pole manufacturers,
- ii. Precast concrete producers,
- iii. Ready-mix concrete companies,
- iv. Large construction and infrastructure contractors,
- v. Government and utility projects.

## 6. **MARKET ANALYSIS**

The construction sector in Tanzania is supported by government infrastructure programs, private real estate development, and industrial expansion. Demand for quality concrete inputs continues to grow.

### **Market Opportunity**

- Increasing adoption of admixtures to reduce cement usage and improve performance.
- Limited local suppliers with consistent quality and technical support.
- Strong repeat-purchase nature of admixture products.

### **Competitive Advantages**

- Direct sourcing from manufacturers.
- Competitive pricing through bulk imports.
- Strategic location near the port.
- Technical product support to customers.

## **7. TECHNICAL FEASIBILITY**

### **7.1. Supply Chain**

- Suppliers: China and selected international manufacturers.
- Shipping: Sea freight via Dar es Salaam Port.
- Importation: Licensed clearing and forwarding agents.

### **7.2. Facilities and Equipment**

- Warehouse and storage facilities.
- Forklifts and handling equipment.
- Delivery trucks.
- Safety and chemical handling equipment.

### **7.3. Compliance**

- Tanzania Bureau of Standards (TBS).
- Tanzania Revenue Authority (TRA).
- OSHA regulations for chemical storage.
- Environmental and safety compliance.

## **8. LEGAL AND INSTITUTIONAL FRAMEWORK**

The project will comply with all applicable laws and regulations, including:

- i. Business registration with BRELA;
- ii. Tax registration and VAT compliance with TRA;
- iii. Import permits and licenses;
- iv. TISEZA project registration requirements

## **9. ORGANIZATIONAL AND MANAGEMENT STRUCTURE.**

1. Managing Director
2. Procurement and Imports Manager.
3. Sales and Marketing Manager.
4. Warehouse and Logistics Supervisor.
5. Finance and Administration Officer

The management team will ensure efficient operations, compliance, and market growth.

## **10. FINANCIAL FEASIBILITY**

### **10.1. Total Project Cost**

The project is estimated to cost a Total of **900,000/ USD.**

### **10.2. Key Financial Assumptions**

These assumptions drive all projections.

#### **Market & Sales**

- Average **gross margin:** 35–40% (industry standard for chemical admixtures).
- Sales mainly to:
  - i. Concrete pole manufacturers.
  - ii. Precast plants.
  - iii. Large contractors.
- Payment terms: 30–60 days (cash flow planning included)

## Use of the USD 900,000 Investment

Item	Amount (USD)
Initial inventory (bulk admixtures)	450,000
Warehouse construction & improvements	120,000
Import duties, freight & clearing (first cycles)	100,000
Trucks & forklifts	90,000
Office setup, IT, ERP, furniture	30,000
Licensing, TBS, legal & compliance	20,000
Marketing & technical training	25,000
Working capital reserve	65,000
<b>TOTAL</b>	<b>900,000</b>

### 11. Projected Income Statement (5 Years).

#### Revenue Growth Assumptions.

- a) Year 1: Market entry & customer onboarding.
- b) Year 2–3: Rapid expansion (repeat buyers).
- c) Year 4–5: Market stabilization + new regions

#### Annual Revenue Projection

Year	Revenue (USD)
Year 1	1,200,000
Year 2	1,650,000
Year 3	2,300,000
Year 4	3,000,000
Year 5	3,800,000

## **Cost of Goods Sold (COGS)**

(Imports, freight, duties, insurance)

Assumed at **60% of revenue**

<b>Year</b>	<b>COGS (USD)</b>
Year 1	720,000
Year 2	990,000
Year 3	1,380,000
Year 4	1,800,000
Year 5	2,280,000

## **Gross Profit**

<b>Year</b>	<b>Gross Profit (USD)</b>
Year 1	480,000
Year 2	660,000
Year 3	920,000
Year 4	1,200,000
Year 5	1,520,000

## **12. Operating Expenses (Annual)**

<b>Expense</b>	<b>Year 1 (USD)</b>
Salaries & wages	140,000
Transport & fuel	60,000
Warehouse & utilities	40,000
Marketing & sales	35,000

<b>Expense</b>	<b>Year 1 (USD)</b>
Admin, IT & insurance	30,000
Maintenance & depreciation	45,000
<b>Total OPEX (Y1)</b>	<b>350,000</b>

OPEX grows ~10–12% annually as operations expand.

### **13. Net Profit Projection**

<b>Year</b>	<b>Net Profit (USD)</b>
Year 1	130,000
Year 2	250,000
Year 3	420,000
Year 4	620,000
Year 5	900,000

### **14. Cash Flow Summary**

- Positive cash flow from **Year 1**
- Working capital buffer covers 6 months of operations
- Inventory turnover: **3–4x per year.**
- No additional capital injection required after Year 1.

### **15. Return on Investment (ROI)**

Cumulative Net Profit (5 Years)

- USD 2.32 million

Payback Period

- 3.2 – 3.5 years.

## 16. Internal Rate of Return (IRR)

- Estimated **28–32%**

### 16.1. Profitability

The project is expected to generate cumulative net profits exceeding USD 2.3 million within five years, confirming strong financial viability.

## 17. ECONOMIC AND SOCIAL BENEFITS

### 17.1. Local Content Contribution

The TangaTech Admixtures project is designed to significantly promote **local content participation** in accordance with Tanzania's industrial development and localization policies.

Key local content elements include:

- Engagement of **local transporters, clearing and forwarding agents,** and port service providers.
- Procurement of locally available packaging materials, pallets, safety gear, and consumables.
- Use of **local professional services,** including accounting, legal, security, and maintenance services.
- Progressive skills transfer to Tanzanian staff through on-the-job training and supplier-led technical programs.

Although the core admixture chemicals will be imported, the project emphasizes **value addition within Tanzania** through bulk storage, repackaging (where applicable), technical application support, and distribution.

### 17.2. **Employment Creation.**

The project will generate **direct and indirect employment opportunities** for Tanzanians during both establishment and operational phases.

#### **Direct Employment (Year 1)**

<b>Position</b>	<b>Number of Employees</b>
Managing Director	1
Procurement & Imports Manager	1
Sales & Marketing Manager	2
Warehouse & Logistics Supervisor	5
Warehouse Assistants	10
Drivers	5
Finance & Administration Officers	4
Support Staff (Security/Cleaning)	40
<b>Total Direct Employment</b>	<b>68</b>

### 17.3. **Employment Growth Projection**

- Year 3: 105 employees.
- Year 5: 250 employees.

### 17.4. **Indirect Employment**

The project will indirectly support employment for:

- Transport and logistics providers.
- Port handling and clearing agents.
- Maintenance and service contractors.
- Local suppliers and distributors

It is estimated that **over 60 indirect jobs** will be supported annually through the project's supply chain.

#### 17.5. **Skills Development and Technology Transfer**

The project will introduce modern concrete admixture technologies into the local market. Training programs will be conducted for Tanzanian staff and customers covering:

- Safe handling and storage of chemical admixtures.
- Correct dosing and application techniques.
- Quality control and performance optimization

This will enhance local technical capacity in the construction materials sector.

### 18. **RISK ANALYSIS AND MITIGATION**

<b>Risk</b>	<b>Mitigation Measure</b>
Exchange rate fluctuations	Pricing adjustments and diversification of suppliers
Import delays	Reliable freight forwarders and buffer stock
Market competition	Quality assurance and customer support

### 19. **ENVIRONMENTAL AND SAFETY CONSIDERATIONS**

The project will follow proper chemical storage, handling, and disposal procedures in line with OSHA and environmental guidelines to minimize risks to workers and the environment.

## **20. CONCLUSION AND RECOMMENDATION**

Based on the technical, market, financial, and socio-economic analysis, the proposed TangaTech Admixtures (T) Limited project is **feasible and viable**. It is recommended for implementation and registration with **TISEZA** as it aligns with Tanzania's investment and industrial development objectives.