

TWIGA CHEMICAL INDUSTRIES (T) LIMITED

Business Plan
for
Agrochemicals repackaging

PREPARED FOR

TWIGA CHEMICAL INDUSTRIES (T) LTD

Dar es Salaam

1.0 INTRODUCTION

Twiga Chemical Industries (T) Ltd is a subsidiary company of **AJ group of companies** which is an international company with presence in Kenya, Uganda, Malawi, DRC, Zambia and Tanzania, with staff strength exceeding 1200 across several countries, The Group has diversified business interest starting from construction, Hotels, logistics, Office automation and Agriculture.

Agriculture being the backbone of Tanzania economy, the board of directors of AJ group of companies decided to incorporate a new company namely **Twiga Chemical Industries (T) Ltd** is a company incorporated in Tanzania with Certificate of Incorporation No.3929 dated 27th July 1966 dealing with its quality chemical products both for the animal husbandry and agrochemical sector.

Twiga Chemical Industries (T) Ltd. is over 55 years old, engaged in manufacturing, importation and marketing of a wide range of products.

In Tanzania Twiga Chemical Industries (T) has three Business Divisions namely Agrochemicals, Veterinary Medicines and water treatment chemicals

For all our businesses, we are getting products from various overseas countries as per the requirements of the market. In Agrochemicals, we are a major distributor of the full range of

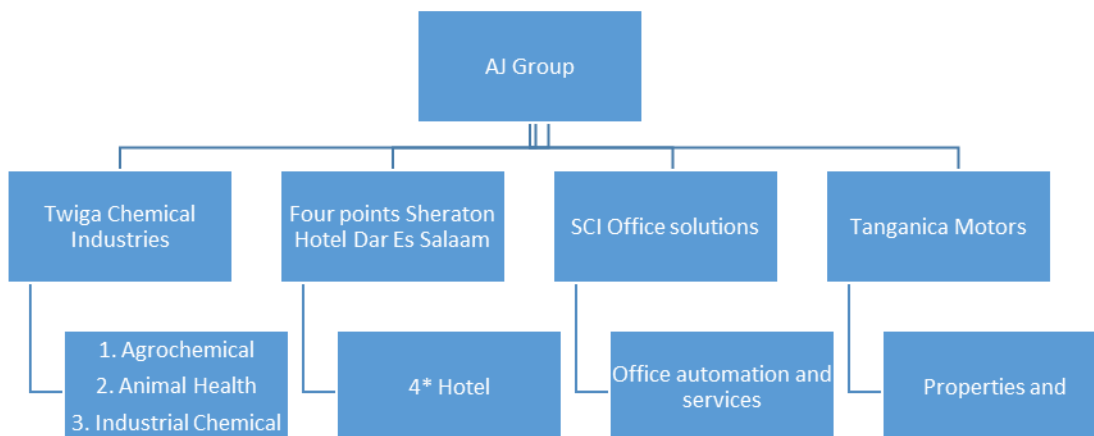
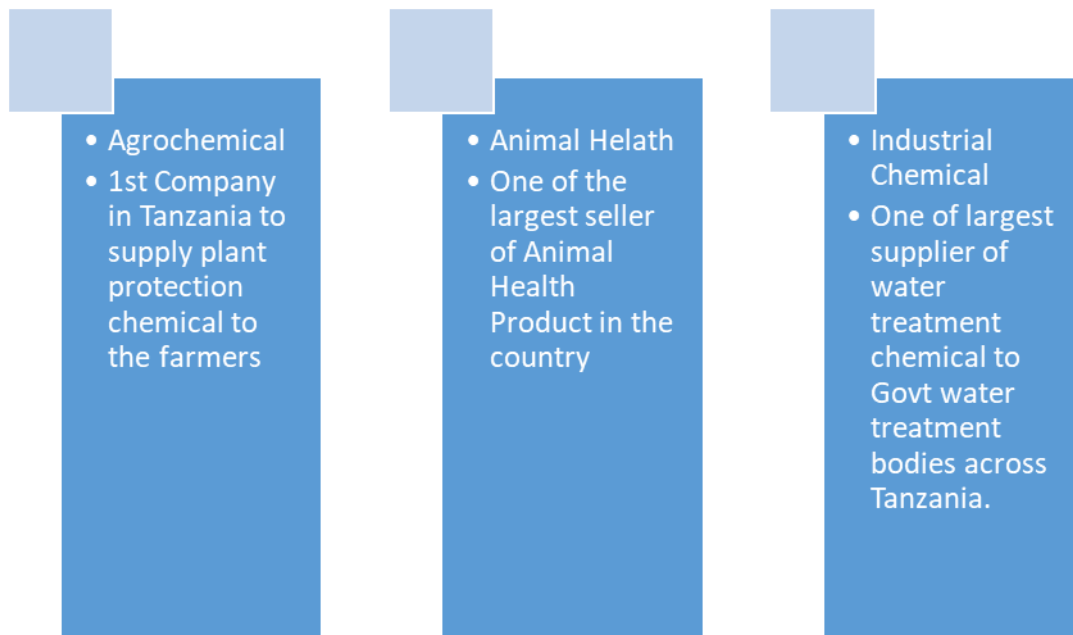
Agrochemicals being manufactured by M/s Syngenta Agro of Switzerland- a world-renowned agrochemicals company. In addition to it we are also the distributors for Atul Ltd India, Deepak fertilizer and petrochemical India and Laprovet- France for Animal Health Product Our business also encompasses quality agrochemical and industrial products from Kenya, South Africa, China, India and many European countries. These agrochemicals and animal health products are used by the farmers all over Tanzania to protect their crops, livestock and poultry and increasing output in several industries across Tanzania.

Twiga Chemical Industries (T) Ltd products are well established in the market and we supply quality crop protection chemicals and veterinary products all over Tanzania.

In Tanzania we are having 3 branches located at Arusha, Mbeya and Mwanza. Additionally we have Distributors all over Tanzania for ensuring that products marketed by us reach every part of the Country.

Twiga Chemical Industries (T) Ltd products are well established in the market and we supply quality crop protection chemicals and veterinary products all over Tanzania.

Our Company



Twiga Chemical Industries (T) Ltd has almost finalized almost finalized a land be used and warehouse facility, the location is strategic in terms of our expansion plan of repacking and distribution business. The company expect to have our own godown and office at Mbeya and cater effectively through our products in the region.

Twiga Chemical Industries (T) Ltd has got all government institutions approval for the kind of chemical we are dealing.

Twiga Chemical Industries (T) Ltd is involved in importing Agrochemical, Animal Health and Industrial Chemical products in bulk and repackaging into various sizes depending to the market requirement. **Twiga Chemical Industries (T) Ltd** is determined to serve a wide range of clientele in Tanzania.

The board of directors are aware that there are several chemical trading companies all around the United Republic of Tanzania, which is why we have spent time and resources to conduct thorough feasibility studies and market survey so as to be positioned to favourably compete with all our competitors.

Twiga Chemical Industries (T) Ltd is committed at all times demonstrate her commitment to sustainability, both individually and as a firm by actively participating in our communities and integrating sustainable business practices wherever possible. The company will ensure that we hold ourselves accountable to the

highest standards by meeting our customers' needs precisely and completely whenever they patronize our products.

Twiga Chemical Industries (T) Ltd will ensure that all our customers are given first class treatment whenever they visit our warehouse. We have a CRM software that will enable us manage a one on one relationship with our customers no matter how large they may grow to. We will ensure that we get our customers involved when making some business decisions that will directly or indirectly affect them.

1.2 THE PROJECT PROMOTERS

The company is owned by shareholders namely: -

Name	Nationality	No of Share subscribed
A.J Group Holding Ltd Email: ajgroupholdings@gmail.com	Canadian	27,999,800
Shabir Shamshudin Abji Email: sabji@ajgroup.org	Tanzanian	200

1.3 LOCATION

The project is located at Plot No 15, district, Dar Es Salamm region.

1.4 **OBJECTIVE OF STUDY**

The purpose of this study is to work out the technical and commercial details and financial viability of a project for operating agrochemicals repackaging and warehouse facility.

2.0 **PRODUCT OFFERING**

Twiga Chemical Industries (T) Ltd is in the agro chemical repackaging and whole seller servicing a wide range of clients and of course to make profits, which is why ensure we go all the way to give our clients and potential clients options.

The company is committed to do all that is permitted by the law of the United Republic of Tanzania to achieve our business goal. Our product offerings are listed below;

- Repackaging of Copper Oxychloride 87% W.p.
- Repackaging of Mancozeb 80% W.P
- Repackaging of 2-4 D Amine 720 Sl
- Repackaging of Glyfosate 480 Slan
- Repackaging of Hexaconazole 5% EC
- Repackaging of NPK 19: 19: 19 + Mg + Mgo +Te
- Repackaging of Indoxacarb 14.5% SC
- Repackaging of Chlorpiriphos 480 Ec

2.1 **VISION STATEMENT**

The company vision is to become one of the leading brands in the agrochemical production not just in Southern highland but in the whole of the United Republic of Tanzania and East Africa.

2.2 **MISSION STATEMENT**

The company mission is to establish a one stop agrochemicals production and wholesaling company that will become a major distributor for topflight agrochemicals products manufacturing in the United Republic of Tanzania.

2.3 **LEGAL REQUIREMENTS**

All agrochemicals must be tested and approved by the Tropical Pesticides Research Institute (TPRI) and the Tanzania Atomic Energy Commission TAEC. Suppliers of agrochemicals are required to register under the Tropical Pesticides Research Institute Act (1979). This Act sets out the requirement for the importation, storage and distribution of pesticides and mandates the TPRI to conduct testing and certification of pesticides. The TPRI is also empowered to license agrochemical traders.

In addition to the TPRI, the Plant Health Services (PHS) plays a role in regulating the agrochemical sector. It oversees phytosanitary controls and is responsible for ensuring that phytosanitary certificates are in compliance with the importing country

requirements. It maintains additional facilities and inspectors at the main overland border crossings at Namanga and Tunduma as well as at the country's main airports and harbours.

Tanzania Atomic Energy Commission (TAEC) is a regulatory agency operating under the mandate of the Ministry of Communication, Science and Technology. Since 2003, the TAEC has conducted mandatory radiation testing of pesticides – along with other food and agricultural imports and exports – regardless of the origin of the product.

Key legislation includes:

- Plant Protection Act, No. 13 of 1997 (Cap. 133 R.E 2002) & its Regulations of 1998
- The Tropical Pesticides Research Institute Act, No. 18 of 1979 (Cap.161 R.E 2002) & Regulations 1984
- Environmental Management Act (2004)
- Tanzanian Biosafety Regulations (2009)

Any person or entity wishing to start agrochemical business must meet the minimum requirement set in the above mentioned laws

2.4 **PROJECT SUSTAINABILITY**

The project sponsors having studied market conditions are convinced that the project will be able to operate undisturbed

provided the government rules and regulations are adhered by players.

2.5 **QUALITY CONTROL SYSTEM**

The required quality control system will be employed ensuring that final products maintain the same standard as provided by government regulatory institutions

2.6 **ENVIRONMENT PROTECTION**

The company intends to make environment friendly products, the is planning to hire a reputable and recommended environment consultant, the company is committed to adhere to NEMC law and regulation accordingly

2.7 **BUSINESS STRUCTURE**

Twiga Chemical Industries (T) Ltd board of directors do not intend to operate agrochemical business like the usual mom and pop business; the company intention of operating agrochemical repackaging and distribution is to build a standard business whose business influence will transcend Tanzania to other neighboring countries in EAC and SADC.

The company has put the right structures in place that supports the kind of growth that we have in mind while setting up the business. We will ensure that we hire people that are qualified,

honest, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders.

The company will cater to employment opportunity with 75 people of whom 70 are Tanzanians.

Employment	Foreign Skilled	Local Skilled	Local Unskilled	Total
Women	1	10	4	15
Men	4	40	16	59
TOTAL	5	50	20	75

2.8 EXPANSION STRATEGY

The future of a business lies in the number of loyal customers that they have, the capacity and competence of their employees, their investment strategy and business structure. If all of these factors are missing from a business, then it won't be too long before the business closes.

One of our major goals of starting **Twiga Chemical Industries (T) Ltd** is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to distribute a wide range of chemicals a little bit

cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

Twiga Chemical Industries (T) Ltd will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and retraining of our workforce is at the top burner.

3.0 SWOT ANALYSIS

Twiga Chemical Industries (T) Ltd is in business for more than 50 years, the board of directors are determined to become one of the leading agrochemical producers and distributor in EAC and SADC region and the company is fully aware that it will take the right business concept, management and organizational structure to achieve our goal.

Twiga Chemical Industries (T) Ltd is quite aware that there are several agrochemical manufacturers, importers, wholesalers all over Tanzania, which is why we are following the due process of expanding our business in Tanzania.

We know that if a proper SWOT analysis is conducted for our business, we will be able to position our business to maximize our strength, leverage on the opportunities that will be available to us, mitigate our risks and be well equipped to confront our threats.

Twiga Chemical Industries (T) Ltd employed the services of an expert HR and Business Analyst with bias in wholesaling business to help us conduct a thorough SWOT analysis and to help us create a Business model that will help us achieve our business goals and objectives.

This is the summary of the SWOT analysis that was conducted for **Twiga Chemical Industries (T) Ltd**;

- **Strength:**

Part of what is going to count as positives for **Twiga Chemical Industries (T) Ltd** is the 50 years vast experience of our management team; we have people on board who understand how to grow business from the scratch to becoming a national phenomenon. So also, our large distribution network and of course our excellent customer service culture will definitely count as a strong strength for the business.

- **Weakness:**

A major weakness that may count against us is the fact that we are importing in bulk the reputable and genuine agrochemical brand and we don't have any plan to compromise the quality of our products compared with our competitors who are importing agrochemical with low quality and sell them at cheap price.

- **Opportunities:**

The opportunities for agrochemical companies are enormous. This is because agrochemical products are used in our daily life of the farmers. As a result of that, we were able to conduct a thorough market survey and feasibility studies so as to position our business to take advantage of the existing market and also to create our own new market. We know that it is going to require hard work, and we are determined to achieve it.

- **Threat:**

We are quite aware that one of the major threats that we are likely going to face is economic downturn and world's response to the present pandemic. Another threat that may likely confront us is the arrival of a new agrochemical companies in same location where ours is located.

4.0 MARKET ANALYSIS

- **Market Trends**

If you are conversant with the trends in the agrochemical industry, you will agree that the industry has benefited from improved agricultural activities over the last 10 years. Revenue from generic chemicals and related products has been falling due to product standardization, with increasing competition from low-cost, low-priced imports produced in China and elsewhere.

Agriculture is undoubtedly the largest and most important sector of the Tanzanian economy, with the country benefitting from a diverse production base that includes livestock, staple food crops and a variety of cash crops. The sector's contribution to GDP has more than tripled in the last 10 years, supported by rising cash crop production, an emerging agro-processing segment and strong domestic demand for processed food. At the same time, however, farmers and other sector stakeholders face considerable challenges in modernising the industry to increase yields, exports and value-added processing. Nonetheless, the diversity of the sector leaves it well positioned to benefit from substantial investment inflows in the coming years. Increasing use of agrichemical gives assurance of strong market to the company products in Tanzania. Agrochemicals in the coming years, is expected to benefit from growth of agricultural sector and heavy government investment in the sector.

- **Our Target Market**

It will be safe to submit that the agrochemical products have the widest range of customers all over Tanzania.

In view of that, we have positioned our agrochemical products to service a wide range of clientele in and all over Tanzania and neighboring countries and every other location where we intend distributing our products. We have conducted our market research

and feasibility studies and we have ideas of what our target market would be expecting from us.

Our competitive advantage

A close study of the agrochemical industry reveals that the market has become much more intensely competitive over the last decade. As a matter of fact, you have to be highly creative, customer centric and proactive if you must survive in this industry. We are aware of the competition and we are prepared to compete favourably with other leading agrochemical trading.

Twiga Chemical Industries (T) Ltd products will become the preferred choice of businesses in Tanzania, The Mbeya location is in an ideal area and highly suitable for the kind of a robust warehousing facility coupled with semi automation in the Dar Es Salaam plant for manufacturing and repacking where the company intends to invest.

Parts of our competitive advantages are guaranteed supply of key inputs; we have robust links with suppliers and we have a loyal customer base cum far reaching national distribution network.

One thing is certain; we will ensure that we trade in a wide range of agrochemicals meeting international standards. One of our business goals is to make **Twiga Chemical Industries (T) Ltd** a one stop agrochemical trading company. Our excellent customer service

culture, various payment options and highly secured facility will serve as a competitive advantage for us.

Lastly, our employees will be well taken care of, and their welfare package will be among the best within our category in the industry meaning that they will be more than willing to build the business with us and help deliver our set goals and achieve all our aims and objectives. We will also give good working conditions.

5.0 SALES AND MARKETING STRATEGY

- **Sources of Income**

Twiga Chemical Industries (T) Ltd is in business to trade a wide range of agrochemicals to clients in Tanzania. We are in the agrochemical industry serve the farming community of Tanzania with good products, knowledge thereby improving their productivity. In the process we will also have reasonable margin to run our business and we are going to go all the way out to ensure that we achieve our business goals and objectives.

Twiga Chemical Industries (T) Ltd will generate income by engaging in;

- Whole selling and retailing of Copper Oxchloride 87% W.p.
- Whole selling and retailing of Mancozeb 80% W.P
- Whole selling and retailing of 2-4 D Amine 720 SI
- Whole selling and retailing of Glyfosate 480 SI

- Whole selling and retailing of Hexaconazole 5% EC
- Whole selling and retailing of NPK 19: 19: 19 + Mg + Mgo +Te
- Whole selling and retailing of Indoxacarb 14.5% SC
- Whole selling and retailing of Chlorpiriphos 480 Ec

6.0 **MARKETING STRATEGY AND SALES STRATEGY**

Prior to deciding on the improvement to be made in repacking and having a warehouse the company conducted thorough market survey and feasibility studies in order for us to penetrate the available market and become the preferred choice for stakeholders in Tanzania. We have detailed information and data that we were able to utilize to structure our business to attract the number of customers we want to attract per time.

We hired experts who have good understanding of the agrochemical industry to help us develop marketing strategies that will help us achieve our business goal of winning a larger percentage of the available market in Southern Highland and in Tanzania at large.

In summary, **Twiga Chemical Industries (T) Ltd** will adopt the following sales and marketing approach to win customers over;

- Introduce our agrochemical products by sending introductory letters alongside our brochure to key stake holders in Tanzania

- Ensure that we distribute a wide range of agrochemicals and related products
- Make use of attractive hand bills to create awareness and also to give direction to our warehouse
- Position our signage / flexi banners at strategic places
- Position our greeters to welcome and direct potential customers
- Create a loyalty plan that will enable us reward our regular customers
- List our business and products on yellow pages ads (local directories)
- Leverage on the internet to promote our business
- Engage in direct marketing and sales
- Encourage the use of Word of mouth marketing (referrals)
- Join local chambers of commerce and industries with the aim of networking and marketing our products
- Use of Cooperative societies and other farmers associations

7.0 PUBLICITY AND ADVERTISING STRATEGY

Regardless of the fact that our agrochemical company is well located, we will still go ahead to intensify publicity for the business. We are going to explore all available means to promote our company.

Twiga Chemical Industries (T) Ltd has a long – term plan of opening warehouse outlets in various locations agriculture key regions and districts within 10 years which is why we will deliberately build our brand to be well accepted in Tanzania before venturing out.

Here are the platforms we intend leveraging on to promote and advertise **Twiga Chemical Industries (T) Ltd;**

- Place adverts on community-based newspapers, radio and TV stations.
- Encourage the use of word of mouth publicity from our loyal customers
- Leverage on the internet and social media platforms like; YouTube, Instagram, Facebook, Twitter, LinkedIn, Snapchat, and other platforms to promote our business.
- Ensure that our we position our banners and billboards in strategic positions
- Distribute our fliers and handbills in target areas
- Advertise our agro chemical products in our official website and employ strategies that will help us pull traffic to the site
- Brand all our official cars and trucks and ensure that all our staff members and management staff wear our branded shirt or cap at regular intervals.
-

8.0 PRODUCTION CAPACITY

Twiga Chemical Industries (T) Ltd is planning to operate packaging facility with the packaging capacity of **600,000 ltrs - kgs** per year

9.0 UNIT PRODUCTION COST

Twiga Chemical Industries (T) Ltd products' Unite cost will differ package to package and product to product average 100ml – US\$ 0.67, 1ltr -- US\$2.91

10.0 ANNUAL OPERATING COST

Twiga Chemical Industries (T) Ltd Management has estimated that operating cost will be amounting to US\$ 1,300,448 per year

11.0 PRICING STRATEGY

The fact that agrochemicals repackaging companies are in the position to determine the price .The company we will ensure that we get the best deal when it comes to suppliers, minimize operating cost, increase productivity etc. in order to have affordable price in the market, we will be able to distribute our chemical products at prices below the average prices amongst chemical trading companies. Unite price will differ package to package & product to product an average - **100 ml – US&0.80 & 1let—US\$3.81** etc.

12.0 PROJECT INVESTMENT COST

The estimated capital investment cost of the project is **US\$559,000**

TWIGA CHEMICAL INDUSTRIES (T) LTD COST STRUCTURE

PARTICULAR	US\$
Land and Buildings	200,000.00
Machinery & Equipment	150,000.00
Motor Vehicles	95,000.00
Furniture & Fittings	2,000.00
Pre exp	5,000.00
Others	2,000.00
Working Capital	105,000.00
TOTAL	559,000.00

For the project to be a reality a total investment amounting to US\$ 559,000 is needed

(i) Land and Building: Us \$200,000

Land costing - US\$100,000 and erection of store US\$ 100,000

(ii) Machinery and Other equipment: US\$ 180,000

The company anticipates purchasing various machines, equipment and other tools which will accommodate new technology such as:

➤ Plant and Machinery:

- Packaging Machine- 2 US\$ 10,000
- Forklift US\$ 25,000
- Automatic 6 Head liq filler USD\$ 15,000

- Auger Filler 2 US\$ 20000
- Semi-automatic filling machine Liquid 1 US\$ 15,000
- New product introduction – US\$ 30,000
- Sea weed based fertilizer plant – US\$ 35,000

(iii) Motor Vehicles:US\$100,000

The project will need 4trucks, 1 double single pick up. These vehicles will be used to facilitate project business.

(iv) Furniture: US\$2,000

This investment cost item has been estimated to cost US\$2,000. It will consist of, tables, chairs, telephone, fax, machines, file cabinets, sofa chairs etc.

(v) Pre-Operational Expenses: US\$ 5,000

They cover things like company registration, expenses spent in exploring the viability of the project, especially the market/client identification exercise. Also included under this item are issues like consultancy fees, legal fees and recruitment and training costs of personnel.

(vi) Other cost US\$ 2,000

The company estimates other cost to be amounting to US\$2,000

(v) **Initial Working Capital: US\$50,000**

An assumption for working capital requirements has been budgeted at US \$ 100,000

12.0 FINANCING PATTERN

The project will be financed by equity US\$..111,800 and loan from financial institutions US\$447,200

The loan to be repaid within...5....years with interest of %...14... per year

13.0 FINANCIAL ANALYSIS

13.1 Considerations and Assumptions:

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight line method to depreciate the project's capital items has been applied.

Revenues have been conservatively estimated based on experience of the promoters.

13.2 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income for the 6 years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax

profits grow from. US\$ **21,400** in first year to US \$ **572,000** in the 5
 yea

**TWIGA CHEMICAL INDUSTRIES (T) LTD PROJECTED INCOME & EXPENDITURE
 STATEMENT (US\$)**

PARTICULARS	2021	2022	2023	2024	2025	TOTAL
-	\$	\$	\$	\$	\$	\$
REVENUE	65,000.0	145,000.0	184,000.0	208,000.0	250,000.0	852,000.0
-						
COGS	85,000.0	133,000.0	121,000.0	120,000.0	100,000.0	559,000.0
-						
GROSS PROFIT	- 20,000.0	12,000.0	63,000.0	88,000.0	150,000.0	293,000.0
ADMINISTRATION COST						
OOPEARATING EXPENSES	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	5,000.0
OTHER MISCLINIUS EXPENSES	400.0	400.0	400.0	400.0	400.0	2,000.0
TOTAL ADMINISTRATION COST	1,400.0	1,400.0	1,400.0	1,400.0	1,400.0	7,000.0
NET PROFIT	- 21,400.0	10,600.0	61,600.0	86,600.0	148,600.0	286,000.0
CUMMULATIVE PROFIT	- 21,400.0	- 10,800.0	50,800.0	137,400.0	286,000.0	572,000.0

13.3 Projected Cash Flows

This is shown in the financial statements. The project has a positive end of year cash flow from year, net cash flow grow from US\$ 18,600.8 in the first year of operation to the 6th year i.e. US\$ 285,803 in 5th year

TWIGA CHEMICAL INDUSTRIES (T) LTD PROJECTED CASH FLOW STATEMENT (US\$)

PARTICULARS	2021	2022	2023	2024	2025	TOTAL
-	\$	\$	\$	\$	\$	\$
OPENING BALANCE	20,000.0	18,600.8	48,099.8	73,441.7	193,058.6	-
INFLOWS						
CASH SALES	65,000.0	145,000.0	184,000.0	208,000.0	250,000.0	852,000.0
TOTAL	85,000.0	163,600.8	1,432.0	2,000.0	2,000.0	852,000.0
OUTFLOWS						
REMITTANCES TO SUPPLIERS	78,703.0	122,872.0	112,568.0	111,312.0	92,320.0	517,775.0
IMPORT DUTIES & VAT	6,296.2	9,829.8	9,005.4	8,905.0	7,385.6	41,422.0
OOPEARATING EXPENSES	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	5,000.0
OTHER MISCLENIUS EXPNSES	400.0	400.0	400.0	400.0	400.0	2,000.0
Total Out Flow						-
TAXATION	-	-	-	-	-	-
TOTAL	86,399.2	134,101.8	122,973.4	121,617.0	101,105.6	566,197.0
NET CASH FLOW	1,399.2	29,499.0	121,541.4	119,617.0	99,105.6	285,803.0
CLOSING BALANCE	18,600.8	48,099.8	73,441.7	193,058.6	292,164.2	285,803.0

14.4 Projected Balance Sheet

The projected Balance Sheet of the projected is shown in the financial statements under same heading.

Net assets increase from US\$85,000 of the project increases from US\$ 559,000 in the 5th year of operation year

TWIGA CHEMICAL INDUSTRIES (T) LTD PROJECTED BALANCE SHEET STATEMENT (US\$)

PARTICULARS	2021	2022	2023	2024	2025	
-	₹	₹	₹	₹	₹	
FIXED ASSETS						
Land and Building	30,000.00	50,000.00	40,000.00	40,000.00	40,000.00	200,000.00
Machinery and Equipment's	30,000.00	20,000.00	30,000.00	30,000.00	40,000.00	150,000.00
Motor vehicles		35,000.00	30,000.00	30,000.00		95,000.00
Furniture and Fittings	2,000.00					2,000.00
Misc.	3000	3,000.0	1,000.00			7,000.00
TOTAL FIXED ASSET	65,000.00	108,000.0	101,000.00	100,000.00	80,000.00	
ACCUMULATED DIPRESSION						
NET FIXED ASSET	65,000.00	108,000.00	101,000.00	100,000.00	80,000.00	
NET WORKING CAPITAL	20,000.00	25,000.00	20,000.00	20,000.00	20,000.00	105,000.00
NET ASSET	85,000.00	133,000.0	121,000.00	120,000.00	100,000.00	559,000.00
FINANCED BY	-	-				
SHARE CAPITAL	17,000.00	26,600.00	24,200.00	24,000.00	20,000.00	111,800.00
LONG TERM LOAN	68,000.00	106,400.00	96,800.00	96,000.00	80,000.00	447,200.00
TOTAL CAPITAL EMPLOYED	85,000.00	133,000.00	121,000.00	120,000.00	100,000.00	559,000.00
	130,000.0	110,000.0	105,000.0	100,000.0	114,000.0	559,000.0

13.5 Projected payback period

Total investment is US \$ **559,000** cash accumulation 6th year is US\$ **596,453** which is more than the initial investment by US\$ **37,453** the project payback Period is within 2 years.

TWIGA CHEMICAL INDUSTRIES (T) LTD PROJECTED PAYBACK PERIOD

Year	Profit After Tax	Depreciation	Total Cash Flow	Accumulated Cash Flow
1				-
1	-21,400	65,000.00	43,600.00	128,653.00
2	10,600	108,000.00	118,600.00	247,253.00
3	61,600	101,000.00	162,600.00	409,853.00
4	86,600	100,000.00	186,600.00	596,453.00
5	148,600	80,000.00	228,600.00	825,053.00

14.0 IMPLEMENTATION

Project implementation is expected to be relatively very short once TIC approval is received. Currently, the supplier of machines and equipment already been identified and supply is awaiting word from the project promoters.

S/N	Activity	Period
1	Processing and obtaining Government registration and approvals	3 months
2	Construction	18 months
3	Machines installation	6-7 months
4	Recruiting	On going
5	In house training	Regular
6	Purchasing of motor vehicles	24 months

7	Market testing	12 months
8	Commercial operations	12 months

15.0 ECONOMIC ASPECTS OF THE PROJECTS

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

(i) Employment Opportunities

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that **TWIGA CHEMICAL INDUSTRIES (T) LTD** will cater to employment to 75 people. This is a significant contribution coming from private sector.

(ii) Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

(iii) Increase of agriculture sector productivity

The project is expecting to contribute agriculture productivity by providing quality agro chemicals to farmers

16.0 CONCLUSION AND RECOMMENDATION

17.1 Conclusion

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 70 Tanzanians.
- The project is an encouraging sign to prove that we have favorable investment and trade environment and investors have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment.

17.2 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 Tanzania Investment Centre – (TIC) etc. the project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

