

## PROJECT REPORT FEI YUE SHOES CO. LIMITED

### **INTRODUCTION 128 030425**

Fei Yue Co. Limited is a company limited by shares, and registered under the Companies Act of 2002 with certificate of Incorporation Number 66642. The Company is registered with Tanzania Investment Centre with the Certificate of Incentive No. 0224067.

The manufacturing plant is located at Plot No. 19/20 Keko Mwanga Gerezani Industrial Area. We have our sales offices at Congo Aggrey Street, Block No.8-9.

The company intends to create plastic shoes that have would be available to the local market especially low and medium income earners a market estimated to be largest population in Tanzania. According to the research conducted by the Company to understand whether the concept was feasible, it was found out that people are willing to purchase such products as they were considered durable and affordable to the large population.

### **Resources/ Competence:**

We have a highly qualified human capital at the disposal of the Company to meet the demand as well as support the government policy of creating employment opportunity to the local community while sharpening their experiences and skills in the manufacturing industry.

The Company has acquired the following over the period of implementation;

- 3D Shoes Modeling Scanner
- 3D modeling Machine
- Double Servo Rotary Plastic Welding Machine
- Plastic Mould hardware Laser welding machine
- Office spaces
- Furniture for the employee
- Other manufacturing equipment used in a manufacturing plant.
- Three cars; Mitsubishi Canter, Toyota Alphard and Toyota Prado

### **Planned Activities For The Period**

The company has established a modern plastics manufacturing plant at Keko Mwanga Gerezani Industrial Area in Dar es Salaam. The company has acquired all the necessary regulatory permits. There is always an ever increasing demand for plastic goods in the country as they are considered affordable and practical in the day to day business of the local community in Tanzania.

The process of manufacturing the plastic shoes involves two processes. First is the process shoe shape designing and second is customization of the modal through a 3D modeling done through software.

### **Project development Objectives:**

Production commenced at the manufacturing plant in the early June 2008. A lot of consideration has been given on the technology to be adopted in making this production plant to be successfully. After considering various options, a proven technology was chosen that is not only energy efficient but also is environmental friendly. The project shall have complete independent manufacturing plant from raw materials mixing to packing and loading station.

### **The major benefits from the project would be:**

There is always an ever-increasing demand for plastics shoes to the local community as it is increasingly affordable and longevity compared to other low priced shoes in the market. Thus, it is anticipated that the establishment of plant in Gerezani industrial area will increase supply and reduce competition and high price in the local market. In view of that, the company has established the manufacturing plant in the area to cure this shortage. Also through this the company is be able to generate profits, benefit communities surrounding the project and also creation of additional revenues to the government through payment of royalty, corporate taxes, import duties and many other taxes that are resulting from various business transactions within the industry. Increase in foreign currency earnings hence a positive fiscal impact.

### **Achievements made on the Project Implementation to date:**

The project has undergone various rehabilitation and expansion to broaden and modernize the manufacturing plant by providing state of the art products that will save local markets from the reliability of foreign market and lose of foreign exchange. The company is seeking to boost foreign exchange generation and developing the national economy policy industrialization. With these objectives at hand the company went through:

- Project site selection phase;
- Constriction and Installation phase;
- Purchasing new modern manufacturing plant equipment;

### **Problems and Solution:**

From market point of view; strong competition from imports and environment concerns; lack of recycling and waste collection, poor plastic waste management and lack of extended producer responsibility. For cost and capacity; high logistic costs, high energy costs and high cost of input material were highlighted. Finally under quality and demand; lack of testing facilities, low domestic demand for recycled products, high quality demand for recycled materials, price of the recycled material determined by quality.

The company identified the obstacles facing manufacturing industries as; Technology, quality and demand, cost and capacity, market share and legislations and environmental concerns. These obstacles have affected the sustainable growth of manufacturing industry from the economic, environmental and social aspects.

The following is recommended;

- Creation of domestic markets for plastics
- Ensuring material applicability in the manufacturing process
- Substitution of virgin materials and prevention of down cycling
- Transactional cooperation on plastic waste recycling
- Enforcement of legislations and laws on plastic waste recycling

### **Future Plans:**

The company is intending to expand its project we are planning to create new employment opportunity of 700(directly and indirectly) during the coming year of 2021, local employees to work under the different departments that are being established. As a company, we are looking to improve the domestic manufacturing sector by getting the financial, technological and management resources to spearhead this local market to a global economy on its own.

### **Recommendations and any other comments:**

Notwithstanding the positive development the manufacturing sector in the country, as manufacturers we are still facing difficulties. The sector is picking up slowly and is expected to do so for the foreseeable future. The problems of inadequate infrastructure and adjusting to globalization which could be said to constitute an internal and external dimension respectively are intimately related. Hence, the fact that the cost of electricity currently exceeds that of most countries in some Africa is the main barrier to investors to Tanzania.