TANTRAIL COMPANY LIMITED

PROJECT TITLE: TOUR OPERATING COMPANY

BUSINESS PLAN: ESTABLISHMENT AND OPERATING TOUR COMPANY

APRIL 21, 2021

TANTRAIL COMPANY LIMITED
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1. EXECUTIVE SUMMARY

Table 1: Project Information

Project Name	Tour Operating Project.
Sector	Tourism Industry
Project Location	Dar es Salaam Region, Tanzania
Project Proponent	Tantrail Company Limited
Services	a. Provision of Foreign Tourism for: i. Travel Adventure ii. Entertainments iii. Sightseeing and Photographic Safari iv. Cultural b. Provision of Local Tourism for: i. Travel Adventure ii. Entertainments iii. Sightseeing and Photographic Safari iv. Cultural
Project Description	The project involves establishment and operating tour operating company to save for all foreign and local tourists. It involves investment in the following areas a. Purchase of brand-new motor vehicles b. Purchase of Safari and Mountain Climbing Equipment c. Purchase of furniture and Equipment d. Working Capital to cater for day to day Operating Cost
Target Market/Customers	Local and Foreign Tourists:

Investment Cost-Phase 1	USD 500,000 Debt TZS 0 (0%) and Equity Finance-USD 500,000 million (100%)
The Average Return on Investment	51%
Payback Period	3 years
Internal Rate of Return	57.76% at 7% cost of capital
Average Break-Even Capacity	54.39%
Net Present Value of the Project-NPV	USD 2.211 million
Project Justification	Increasing numbers of foreign and local tourists
Partners/Stakeholders	Tanzania Tourist Board, TANAP, Ministry of Tourisms etc

2. Project Summary

2.1 Background Information

Tantrail Company Limited ("TCL") is the new company which was incorporated on 4th February 2021 under the laws of United Republic of Tanzania and issued with Certificate of Incorporation No. 150317797. TCL is owned by Mr. Holger Andreas Schwarmer (58.33%), the Germany Citizen and Mr. Lenard Romel Mosha (41.67%), the Tanzanian Citizen. TCL has authorized share capital of TZS 10 billion divided into 10,000 shares of TZS 1 million each. Mr. Lenard Romel Mosha, the Founder of the company has been in tourism business as employee in the various tour operating companies for more than seventeen years while Mr. Holger Andreas Schwarmer has more than twenty years' experience in marketing tourisms services and he also owns schools and colleges for physical education in Germany, Spain and England. Their decision to establish TCL is a result of the founders' experience in the business and their conviction of the success to their company can achieve if they join hands and work together. The implementation of the proposed project for Convention Centre will be done into three phases:

Phase 1: The investment will be USD 500,000 to start tour operating company to provide tourism services. The implementation of this phase starts from June 2021-May 2024

Phase 2: The Investment will be USD 1.50 million to expand tour operating company. The implementation of this phase is projected to start from June 2024-May 2027

Phase 3: The investment will be USD 2.0 million to expand tour operating company and construction of tourism lodge. The implementation of this phase is planned to start from June 2027-

Therefore, this business plan provides goals, methods, time frame, capital requirement, market analysis, Operation Plan, financial projections and strategies to implement and operate the project of phase one successfully.

TCL is planning to invest in tourism business an amount of USD 500,000 in the phase one which will enable the company to acquire a reasonable fleet of motor vehicles for tourist excursions to the various tourist attractions in the country, as well as administrative errands and some of the basic safari and mountain climbing equipment. This move will make the company's business operations reasonably competitive in the market, add value to its services and thereby earn the needed turnovers and profits for its growth.

The company's objective is to enter into business with the necessary ability to penetrate the market and scoop enough market share for its economic viability. The company will use modern technology in its marketing strategies including e-marketing and electronic information management to streamline its operations for efficiency and cost effectiveness. TCL will also participate to a large extent in the domestic tourism promotion in collaboration with other stakeholders i.e. the Tanzania Tourist Board, TANAPA and the Tourism Department in the Ministry of Tourism, Natural Resources and Minerals and other local business entities that are engaged in this exercise. The growth of Domestic Tourism is in essence a creation of a reliable local market and a movement away from the current situation of almost total dependence on foreign tourist market. The key concept here is not only to increase the company's market share by sharing the limited foreign market, but to increase the market share by tapping (*or creating*) the potential *"new"* local market.

The project promoters are confident of making their business a success given their experience in the field and the insight they have gained into the available business opportunities in tourism industry. The company intends to scoop at least 5% of tourism in the next five years. The biggest competitors of the company that are considered to be the most serious contenders operating from Moshi and Arusha. All these companies will be superior to TCL, not only in operational capacity but also in experience. They have large fleets of vehicles, the optimal number of equipment and skilled personnel. However, all of them are using traditional marketing methods and are not promoting domestic tourism. TCL will achieve its objective by excelling in these two areas where its competitors have shown weakness

2.2 Overview of Tourism Industry:

Tourism industry is one of the fast-growing industries in Tanzania despite the fact that it was slightly affected by Global Pandemic of Covid 19 at the end of year 2019 and early of 2020 which caused reduction of tourists' arrivals to Tanzania. Tanzania's tourism is the country's primary foreign exchange earners generating USD 2.4 billion in 2018 versus USD 2.2 billion in 2017 marking an increase of 9.1%. Revenues from tourism in Tanzania reached USD 2.43 billion in 2018, up 11% from USD 2.19 billion in 2017 and the sector also employ more than 600,000 people. International tourists' arrivals reached 1.4 million in 2018 compared to 1.3 million in 2017 and 754,000 in 2010.

As the first quarter of 2020, the number of visitors to tourist's attraction sites in Tanzania declined to 368,232 from 391,023 in the corresponding quarter in 2019. A decrease in the amount of tourists' arrivals was registered in the Northern, Dar es Salaam and Southern Zones as an effect of measures adopted to control the spread of Covid-19 pandemic in the country.

Tourism is one of the world's largest industries with global revenues accounting to over 10% of world Gross National Product (GNP). In Tanzania, tourism accounts for nearly 17.2% of Gross Domestic product (GDP) and over 25% of total export earnings. It is a fast-growing industry in Tanzania, at an annual growth rate of 15% on average in the last ten years (*Tanzania Tourist Board*).

According to International Visitor's Exit Survey Report of 2017 by the National Bureau of Statistics of Tanzania (NBS) tourism earnings were USD 2.13 billion in 2016 with 1.2 million arrivals. The Direct and indirect contribution of tourism was 14% of Tanzania GDP with USD 6.7 billion. This expect to rise by 6.6% annually in the next ten years according to World Travel and Tourism Council. According to Tanzania's National Five-Year Development Plan for 2016/17-2020/21, the tourism sector share of the country should be 18.3% by 2020 with real growth rate of 6.2%.

The growth of the sector has created increased demand for hospitality/hotel and tour operators' services in the country, creating business opportunity in the provision of the two services. One of the reasons for this growth is the global growth of the industry. Some of the reasons for the growth at the national level, include improved services in the industry after privatization of service provision in the sector, and other linked sectors such as transport, *(particularly air transport)* resulting in improved efficiency in handling passengers. This development has attracted more airlines using the country's airports and has increased the number of flights using the airports as their destinations, hence increasing the inflow of direct visitors into the country, unlike in the past where most of them used to come through the neighbouring countries. To some extent, improved standards and services in the local hotels and lodges after privatization has also contributed to the industry's growth in the country.

Lack of sufficient facilities however, such as hotels, lodges and excursion services to various tourist attractions in the country, providing quality services, commensurate with the standards that attract international visitors, is still a constraint to the enhanced growth of the sector. Opportunity for these businesses is therefore evidently abundant in the country. TCL is therefore planning to exploit the opportunity to build-up its tour operations business to achieve the objects set-forth in this plan. Furthermore, TCL will also focus on the development of Domestic Tourism as a special area for its growth.

2.3 Company/Business Description:

a. Vision:

TCL envisages being the leading pioneer in propagating Cultural Tourism and in promoting Domestic Tourism to enable it to grow alongside foreign client-based tourism in Tanzania.

b. Mission:

Prompt and professionally high-quality service delivery to customers, aimed at increasing the market share and seizure of every available opportunity for the company's growth.

c. Core Values:

Service provision with commitment, integrity and creativity while treating each client as if they were the company's only client. Ownership structure of the company is composed of two shareholders who are also the directors of the company. These are: Mr. Holger Andreas Schwarmer, the Germany Citizen and Mr. Lenard Romel Mosha. The Tanzanian Citizen. Although TCL is a new company, the founders are experienced businessmen in tourism business.

TCL believes that in tourism business, the challenge is not only in scooping a larger market share than the other competitors. The main contention lies in creating a larger market rather than sharing the existing *small* or *limited* market with one's competitors. With the expansion of the concept of tourism to include, eco-tourism, agro-tourism, cultural tourism and other versions, it is quite possible to create new tourist attractions. By creating new attractions TCL will also be expanding tourism business market. Promotion of domestic tourism is another area to which tourism market can be expanded by creating new markets. TCL plans to work diligently in the promotion of domestic tourism. This is in conformity with the National Tourism Policy which emphasizes on the efforts to move away from almost total dependence on tourism's foreign market.

d. Objectives/Goals

- To generate revenues of USD 702,128 and net profit of USD 71,939 in the first year once the company start operation at 50% capacity utilization and maintain its profitability during the life span of the project as the capacity utilization increases at 10% per annum.
- To generate adequate annual net cashflow of at least USD 102 166,083 after payment of all company financial obligation.
- To employ at least 20 unskilled, skilled and professionals' people in the project.

- To capture market share of at least 5% in Tourism industry.
- To generate return on Investment of at least 51% per annum to shareholders and investors
- To contribute to the country's economy through taxes and other levies at least TZS 20 million per annum

2.4 Service Description:

Tourist services that are going to be offered by TCL shall be based on the traditional services which include: travel adventures and tourist/entertainment activities ranging from game viewing safaris, mountain climbing, sightseeing and photographic safaris. Eco, cultural and agro-tourism activities will be designed as part of sightseeing and photographic visits.

The core service products to be sold by TCL are: Kilimanjaro, Meru and Lengai Mountains Climbing and day-walk treks; Holidaying excursions to national parks in the Northern Tourist Circuit. Combined or alternative service products packages including tailor made eco, cultural and agro-tourism services, according to needs and special requests by clients/customers. These shall normally be conducted in Day or Overnight tours to prepared sites or villages.

The Northern Tourist Circuit within which TCL's business activity will be concentrated to begin with, extends from Kilimanjaro region to Arusha and Manyara regions. This tourist zone is endowed with the most glamorous tourist attractions that are renowned all over the world. These include:

a. Kilimanjaro Mountain and National Park
b. Arusha, Tarangire, Manyara and Serengeti National Parks.
c. Ngorongoro Crater (*610 mts. deep and 20 km. in diameter*).
d. A historic and archaeological site in Olduvai Gorge.

TCL is also preparing itself to provide extensive services in the emerging new "Eastern Tourist Circuit" which includes Pare and Usambara mountains, Mkomazi and Saadani National Parks, the coastal area and the islands of Mafia, Zanzibar and Pemba. The mainland's more than 850 kms Indian Ocean coastline extending from Vanga on the Tanzania/Kenya border in the North to Mwambo on the mouth of Ruvuma River in the South is the longest and most un-spoilt on the African coast. It has beautiful, un-crowded palm clad beaches and undersea coral gardens, many within easy reach of Dar es Salaam. Situated offshore are the exotic islands of Zanzibar and Pemba nestled in the sun, easily reached by a 20-minute flight, or by boat from Dar es Salaam. The Dar es Salaam urban waterfront also faces the smaller islands of Mbudya, Bongoyo, Kenwa and Sinda. There is also the Mafia Island, a 40-minute flight to the South of Dar es Salaam over the ocean, one of the most exciting big game fishing and diving locations in the world.

To complement this array of incomparable attractions, there are pre-historic sites, rock paintings, ancient towns, mosques, palaces, together with the folklore and artistry of some tribes, which offer the richest of African tapestries to international visitors. TCL shall tap to the maximum, the potentiality of these extra-ordinary attractions to design, package and sell tourism service products to both international visitors and local/domestic tourists, thereby creating and expanding its business market

2.5 Company/Business Positioning:

TCL is a new company which expects to operate its business in a competitive environment, where there are many long experienced small, medium and big operators. TCL is quite aware that it has to start small, but with a vision to grow big. Considering the existing tourism market segments –in the foreign market which can roughly be categorized into: Upper Class; Middle Class and Lower-Class clients, TCL is poised to serve the middle-class segment at this infantile stage of the company. With the growth of capital and operational capacity of the company TCL shall gradually move upwards to serve the upper-class clients. The middle-class market segment is composed of mainly young individuals with middle to high income, often adventurous, who tend to go for the best outfits but are more flexible when given the right combination of price and quality. These are normally young executives, successful professionals and up-coming businesspeople who would like to learn alongside enjoying their holidays.

In the promotion of domestic tourism TCL is planning to work with TANAPA in its annual domestic tourism promotion campaigns. The company will extend the campaign to schools and colleges where the future consumers of the services are being prepared to give them the taste of the company's services. This is in a bid to create a reliable clientele from these young people in a few years when they leave schools and colleges for their various employments. The campaigns will not be costly to the company since the government is offering special entry fees (*which are very low*) to locals in the various tourist attractions in the country. For example, while foreigners pay USD 50 the locals are charged only TZS 1,500 as entry fees to national Parks. The company will use incentives given by the government to market its services to locals in the building-up of the domestic tourism market component.

2.6 Pricing Strategy:

Like with all service-oriented businesses, TCL's pricing is based on the cost of rendering services and overhead expenses and consideration of fluctuation of costs, especially because in tourism bookings are made between 2 and 6 months in advance. The company's pricing policy is also based on the possibility of using pricing as a marketing tool. Powerful competitors with strong capital base are in a better position to cut down their operating expenses, hence their ability to be more competitive in the market. TCL will use price discrimination whenever necessary, (*not as a policy principle*) to penetrate new markets/market segments and for the sake of competitiveness in the market.

TCL's pricing formula is as follows: T + PF + A = TCS + 10% + 20% = Prices for wildlife safaris – to the national parks. Where T is transport; PF is park fees; A is accommodation and TCS is total cost of services rendered. The additional 10% covers any changes on service cost price, while the 20% is profit margin. As for Mountain Climbing the formula is: $T + PF + A + L + F = TCS + 10\% + 20\%$ = Prices for mountain climbing services. Where the additional L represents labour charge (*for porters*) and F is cost of food while camping on the way up the mountain. The actual prices differ depending on the service package i.e. during high season mountain climbing for 5 days will cost USD 1,500 per person. Every increased day after 5 days will be charged USD 100 extra. For wildlife safaris for 3 days costs USD 1,266 per person. Every one day more is charged USD 150. Cultural tourism packages will be charged fixed rates since they are either for 1 day or 1 night only.

3.0 PRODUCTION PLAN/SERVICE DESCRIPTION:

3.1 Production and Operation Processes:

As a business service provider TCL shall design, package and sell its services to clients in two types of packages. The first type is the company's ready-made service packages, which include 3 days wildlife safaris; 5 days mountain trekking and 1 day or night cultural tourism. The second type is tailor made packages as per clients' requests/orders. In this second type the company will be flexible according to the clients' wish. Two or more packages can be sold together depending on the clients' needs and the negotiated packaging.

Production of tour service packages is attained by arranging for accommodation for the expected visitors after confirming bookings; arranging for transportation of their outfit to the appropriate destination; making bookings at the appropriate game reserve or national park entry points; making bookings at the relevant park or game reserve lodges or camping sites as appropriate and organizing for the provision of the visitors needs and amenities on their way to, and from their tour destinations.

In short, tour service packages must cover the whole range of the client's needs and activities from his/her touch down at the airport, to the moment he/she boards the plane back home. TCL operates from Dar es Salaam and the company's activities are therefore in Moshi – particularly for Kilimanjaro Mountain climbing and in Arusha for wildlife safaris to the National Parks. Kilimanjaro International Airport facilitates the arrival of many tourists, while some of them still come through the neighbouring Kenya, especially for mountain climbing.

3.2 Cost of Service Development:

Costs of service product development are mostly internally absorbed because they involve mostly human resource (*hence absorbed in wages*). A limited amount is involved with communication costs – through reception of orders and details for tailor made service packages. One can hardly quantify a fixed rate for the development of a package. As for production costs of service packages, these are determined by the market and as such, they always fluctuate although with limited variation – particularly in transportation charges. Transportation charges range from USD 150 to 200 per day for wildlife safaris.

One vehicle is for 6 passengers. Accommodation ranges from USD 30 to 120 per bed & breakfast in most hotels and lodges, while camping charges are USD 50 to 150 per bed & breakfast.

3.3 Labour Requirements:

Tourism industry does not have any shortage of qualified people, particularly in this part of the country, because the area is the hub of the Northern Tourist Circuit as already explained above. Professionals in tour guiding and hotel industry are readily available and in sufficient numbers. TCL does not envisage incurring for any staff training in the foreseeable future. The company needs a core staff of 11 employees as follows:

The company's CEO, Tour Operations Director, two Marketing Officers, an Accounts Assistant/Cashier, Chief Guide and five Professional Guides/drivers. Up to 20 porters shall also be needed but these and other support staff shall be outsourced to streamline management and cut down operational expenses. The 11 permanent staff members are all skilled personnel, while the outsourced labour is all semi-skilled (*the porters*) and unskilled. The average labour cost for professionals TZS. 250,000 per month, while the outsourced labour usually costs TZS. 5,000 per day.

3.4 Expenses and Capital Requirements:

All financial projections are shown in financial analysis section below. They include the investment costs needed, operating expenses, income statements, cashflow statements and balance sheets covering the first five years of business operations.

Operating expenses are shown in the income statement to this business plan. They are categorized into variable and fixed and semi-fixed expenses. They include direct costs, and overhead expenses. Like with all the financial projections in this plan, they are for the first five years.

This business plan shows the capital requirements of the business amounting to TZS. 300 million will be funded by equity of TZS 300 million.

4.0 THE MARKET AND COMPETITION:

4.1 Customers:

Tourists are the customers of TCL. Currently most of the customers/clients in the tourism industry are foreign visitors. Development of Domestic Tourism which currently is estimated to be only less than 5% of the total tourist market is one of the strategies to be used in the creation of a larger local market and increase the company's market share and that of other tour operators.

Overseas tourists' market which forms over 90% of tourism business market presently, is largely classified into three main categories or market segments:

a. Upper Class Market:
This is composed of mainly affluent individuals; mostly senior corporate executives with high incomes. They tend to go with the best outfits and strictly intolerant to compromised quality in the services they are offered.

b. Middle Class Market
This is comprised of mostly younger people with middle to high incomes. They are often adventurous and opt for the best outfits but are more flexible when they are offered the right combination of price and quality.

c. Lower Class Market
This market segment consists mainly of what are known as backpackers i.e. college students and volunteer groups. Individuals in this segment are low income earners with limited spending power. They often travel in groups so that they can share costs and they usually shop around for, and bargain for the basic services.

The main source of tourists destined for the Northern Tourist Circuit is the Continental European countries mainly, Germany, Switzerland, Spain, France and Italy. From Asia the main source country is Japan and from the Americas it is the U.S.A. and Canada. The planned domestic tourism promotion campaign will target students to start with, but the currently growing middle class in the Tanzanian society will also be the prime target of the company in the near future. This is because it is the population's social stratum with the financial ability to spend in holidaying and leisure activities such as tourism.

4.2 Market Size and Trends:
In this report, considerable attention has been paid to the growth trend of tourism as a sector, and the ever-increasing number of foreign visitors into the country as tourists has been demonstrated. That is a clear evidence of the growing foreign market component of tourism business in Tanzania.

Apart from the factors which have been extensively dealt with elsewhere in this report Tanzania's overall potential for the growth of tourism is further enhanced by her vast land area, and territorial waters providing tremendous opportunities to develop the best tourist/entertainment activities for tourism business. The potential guarantees the possibility of further growth of the sector's business hence the growth of its market as well. Tanzania's National Parks occupy 4.5% of the country's total area including historic sites. Its superb vast and impressive game reserves cover nearly one third of its total area.

4.3 Market Potential:
Basic indicator of demand and market potential for the company's services, particularly for the foreign market component will be the volume of advance bookings, reservations and enquiries from individuals, group organizers and tour agents to the company and other tour operators particularly in the Northern and Eastern tourist circuits. In marketing its

services, the company shall always use and make special efforts to exploit the experience and knowledge of its management, sales agents and collaborating operators.

Diligence of its Managing Director, Operations Director, Marketing Officers, the qualified and competent manpower in the field will always be directed towards achievement of set out goals.

Tanzania's Tourism's potential for growth is characterized by special attractions represented by the extra-ordinary extent and diversity of wildlife which is unsurpassed by any other country in the world. The aspect of diversity is of the highest importance in marketing as it forms the basis for securing a competitive advantage in the international market. It is clearly evident here that, with appropriate marketing strategies Tanzania can attract more tourists than other sub-Saharan African countries.

For example, the situation in the East African countries in the year 2007 was that, Kenya was the leader in attracting international tourists. Of the 2.5 million tourists who visited the region, Kenya received 1.4 million, followed by Tanzania 719,000 and Uganda 380,000. The situation leaves a lot to be desired since Kenya does not posses even 20% of the attractions that Tanzania has.

Table 2: Tourist Arrivals in Tanzania from 2000- 2017

Year	Foreign arrivals	Year	Foreign arrivals
2000	501,669	2009	714,367
2001	525,122	2010	754,000
2002	575,296	2011	843,000
2003	576,198	2012	1,043,000
2004	582,807	2013	1,063,000
2005	612,754	2014	1,093,000
2006	644,124	2015	1,137,182
2007	719,031	2016	1,284,279
2008	770,376	2017	1,327,143

Source: Tanzania Tourist Board and World Tourism Organization.

In the first quarter of **2020**, the number of visitors to **tourist** attraction sites in **Tanzania** resulted in earnings of roughly five billion **Tanzanian** shillings (approximately 2.2 mil U.S. dollars).

	Earnings in million Tanzanian shillings
Central	497
Southern Highlands	261.1
South Eastern	97.5
Dar es Salaam	53.4

4.3.1 Profiles of the Major Tourist Attractions in Tanzania:

a. Northern Tourist Circuit:

This zone includes the national parks and conservation areas with nature-based attractions and exceptional scenery particularly around Ngorongoro, Lake Manyara, Lake Natron and the escarpment of the Rift Valley as follows:

Ngorongoro Conservation Area*:* is Tanzania's sole conservation area, specially designated by UNESCO as Biosphere Reserve and a designated World Heritage Site. It contains many attractions within a vast and diverse area with mountains, major archaeological sites, plains, rivers, swamps, lakes, extensive forest reserves and the culturally rich Maasai tribe. Half of the regular visitors in this area are non – resident.

Lake Manyara National Park*:* lies about 130 kms. from Arusha and covers an area of 325 sq. kms, of which approximately one third is occupied by Lake Manyara. The park is 30 km. in length, and has a wide variety of wildlife that can be easily seen, and is outstanding in the extent of its bird life. About 70% of the park's regular visited are non– resident.

Serengeti National Park*:* encompasses an area of 14,760 sq. kms, with the extra-ordinary Ngorongoro Crater as its central part. It is Tanzania's best-known national park, and is renowned for its number of animals, especially during the migration season. The park can be accessed by a major road from Arusha and from Nairobi via Bologonja border post near Keekrok in the Maasai Mara. It has two airstrips and accounts for about 35% of all visitors to national parks in the country.

Tarangire National Park*:* is endowed with Tarangire River running through the length of the park, creating the core wildlife zone in which the population of wildebeest, zebra, eland, elephant, buffalo, etc. is drawn to. The park has an area of 2,600 sq. kms.

Arusha National Park: covers 137 sq. kms, and is located only 32 kms, from Arusha municipality thus making it easy to access. It has a wealth of important tourist attractions including the Ngurdoto Crater, the seven Momella Lakes and Mount Meru.

Kilimanjaro National Park: has of an area of 756 sq. kms, with the permanently snow–capped peak of Mt. Kilimanjaro as the primary attraction. The Mountain with the highest peak in Africa, which rises suddenly from surrounding plains at around 2,600 feet to 19,430 feet above sea level, yet it can be conquered by any amateur climber, is an attraction in itself. The snow–capped peak attracts many climbers, botanists and gliders from different parts of the world. The three volcanoes of the mountain namely: Kibo, Mawenzi and Shira, and the many routes around them provide numerous trekking and climbing challenges that attract visitors from around the world.

b. The Coastal Attractions and Historical Sites:
Tanzania also has miles of beautiful un-spoilt palm beaches along its Indian Ocean coast which extend from Vanga on the Tanzania/Kenya border in the North to Mwambo on the mouth of the Ruvuma river in the South. The beach resources of Unguja and Pemba are generally superior to the mainland. The quality of the marine resource in these areas is very high providing a basis and potential for several tourist activities. The beaches are beautified with abundance of sun throughout the year, and therefore offer beach holiday destinations along the coast and nearby exotic islands, particularly the principal islands of Zanzibar (Unguja and Pemba) and Mafia. The Pemba Channel is world renowned as amarine habitat and as a fishing, cruising, sailing and sport diving area while Mafia Island presents one of the most attractive propositions for the development of special interest marine tourist and resort tourism.

c. Southern Tourist Circuit:
Includes Mikumi National Park, Udzungwa, Ruaha National Park, Selous, and Rungwa game Reserves.

Mikumi National Park*:* covering an area of 3,230 sq. kms. the park is located in the lee of Uluguru Mountains. By road the park is 283 kms. from Dar-es-Salaam. Visitors to this zone are dominantly resident – up to 80%.

Ruaha National Park: is a large park covering 10,300 sq kms in the West of Iringa (about 120 kms) in the Southern Highlands. The park, combined with Selous Game Reserve form the basis of the natural wildlife resources that will provide strong Southern tourist circuit and distinctive product from that of the attractions in the Northern wildlife Zone. Visitors to this are mostly residents – up to 70%

d. The Eastern Tourist Circuit*:*
Runs through Mkomazi Game Reserve, Usambara Mountains and the Northern Coast including Tanga, Pangani and Saadani Game Reserve.

e. Southern Coast and Islands:
This is the area from Ras Kimbiji to Rufiji Delta in the South including offshore islands of Mafia and Songosongo. Dar es Salaam area is also included with urban waterfront, and islands of Mbudya, Bongoyo, Kenwa and Sinda.

Others: are Lake Tanganyika including Gombe, Katavi and Mahale Mountain National Parks, while Lake Victoria Hinterland includes Rubondo National Park, Biharamulo – Buringi, Orungondu and Rumanyika Game Reserves. Tanzania has the three great lakes of

East Africa namely: Lakes Victoria, Tanganyika and Nyasa within its boarders and also a variety of spectacular landscapes and settlements.

f. Cultural Attractions:

The other important feature of the coastline are the historical sites along the coast in places like Bagamoyo (*historically an outlet of the slave trade*) Zanzibar, Kilwa (*Islamicsites*) and Tanga, all of which are rich in arts and handicrafts. Zanzibar is particularly well endowed culturally with stone town as a great attraction, and the traditional bull fighting sport. Equally famous is the Olduvai Gorge the site of the oldest mankind fossil finds, and where the skull of "Australopithecus Zinjanthropus" (or ***The Southern Ape man***) was discovered by Dr. Leakey. The finds of hominid fossils is of importance to the study of physiological and anthropological/cultural development of man. There are also a number of important Stone Age sites in Tanzania many of them remarkably rich in rock paintings.

4.4 Competition:

After liberalization of tourism business, investors and businesspeople of different capabilities, both foreign and local, have ventured into the sector, creating considerable competition in tourism business. Fortunately, the nature of business has automatically stratified these service providers into categories fitting well into the available tourist market segments.

The main categories of tour operators in the country are three:

a. **Large Foreign Owned Tour Operation Companies** – These are well equipped, with large fleets of vehicles, highly skilled manpower and huge financial resources at their disposal. Their main target market segment is that of upper-class tourists. Such companies are: A&K Limited and Ranger Safaris Limited to mention just a few, are good cases in point.

b. **Large Tour Operation Companies Owned by Tanzanians***:* This category of service providers has some similarities to the above category of foreign owned companies, but with slightly lower capacity. They target medium and upper-class market segments. They also have large fleets of vehicles, skilled personnel and can access considerable financial resources. Some of these companies are: Leopard Tours Ltd, Zara International Tavels Ltd, and Simba Safaris Ltd, among others.

c. **Small Tour Operators***:* This category embraces all the remaining tour operators in the field. This group of tour operators is composed mainly of indigenous people. Their target market is the budget/lower class market. They have limited access to financial resources. Some of them possess basic equipment and one or two vehicles, while most of them outsource these essential working facilities and utilities to enable them to offer basic services to their clients. TCL belongs to this category, which is why it is embarking into the business with special efforts to climb the ladder to the middle category of service providers in the shortest possible time.

In the Northern Tourist Circuit within which TCL operates, there is a total of eleven serious competitors in the business which belong to the medium and low class of service providers. More than six of these are based in Moshi – where TCL plan to set up operation office and the remaining more than five are in Arusha. Most of the small operators are found in Arusha. Those are not considered to be serious contenders to TCL. The following is the ranking of competitors with their capacities in terms of fleet of vehicles they own and their market share, both present and the forecast situation after 5 years of implementation of this Business Plan:

Table 3: Competitor Ranking by Capacities and Market Share:

Moshi: Market Share Market Share	
Zara International Travel Agency:	40%
Ahsante Tour & Safaris Ltd	21%
Mem Tours & Safaris Ltd	13%
Keys Hotels & Tours Ltd	12%
Mauly Tours Ltd	5%
The Really Wild Ltd	2%
Domestic Tourism Safaris Prom. Ltd	5%
Others	2%
Total	**100%**
Arusha:	
Simba Safaris Ltd	35%
Leopard Tours & Safaris Ltd	18%
Into Africa Tours Ltd	18%
Thompson Safaris Ltd	15%
Sunny Safaris Ltd	10%
Others	4%
Total	**100%**

The main reason for the projected changes in market share after five years is that, TCL will have acquired the planned motor vehicles as projected in this plan to handle a large part of its business. Parts of its business will be handled by outsourcing facilities like what is practiced by other small operators. The domestic tourism campaign will increase TCL's business volume. This is the area where the big tour operators such as Zara, Ahsante Tours, Simba Safaris, Leopard Tours and others, are not making any efforts to venture into. Only the small operators so far are engaged in the domestic tourism promotion. This is probably because the big operators have larger volumes of business in the foreign tourism market segment, hence not bothering to go for locals.

However, TCL projects an increased market through domestic tourism promotion activities in the next 5 years, the largest share of which will go to small operators who are currently participating in promoting it.

4.5 Estimated Sales:
The estimates are based on a very conservative figure of 400 foreign tourists and 8,000 local tourists per annum as 100% operation capacity. It is estimated therefore that, in the first year the company will operate at 50% capacity, 60%; 70%; 80% and 90% in the second to the fifth year respectively. The average rate used per person is USD 3000 for all the services that the company will offer to that particular person for the foreign tourists and TZS 60,000 per person for the local tourists. These estimates are very modest compared to the available opportunity and the planned marketing thrust which the company will execute in implementing this plan.

5.0 MARKETING AND SELLING STRATEGY/PLAN:

5.1 SWOT Analysis:

5.1.1. Internal Appraisal:

Strengths:

a. Available business office premises where the company's operations are coordinated i.e Moshi and Arusha.
b. Experienced management in tour operations business for more than 5 years in the fireld.
c. Availability of both specialized and non-skilled support services for tourism, such as professional guides and porters.
d. Availability of utilities for hire, by professional operators i.e. trained drivers etc.

Weaknesses:

a. Inadequate investment and working capital for the smooth and profitable take-off of the company's business.

5.1.2 External Appraisal:

Opportunities:

a. Completely untapped domestic market.
b. Ample room for innovative creation of new tourist attractions in cultural, eco and agritourism.
c. Improved infrastructure particularly Airlines, roads, facilitating transportation, reducing operational costs.
d. Most of the common tourist attractions being in the vicinity i.e. in Kilimanjaro and Arusha regions.

Threats:

a. High competition among tour operators threatening raised operational costs
b. Competitors with higher capital base may decide to penetrate local market by lowering their prices to levels that are unaffordable to the company.

5.2 Marketing Strategy:

TCL's marketing is targeting both foreign tourists and the promotion of domestic tourism. For the foreign market segment, the objective is to raise the company's share to at least 5% of the total sales in the all Tourist Circuits in the next five years. In the promotion of domestic tourism, the company shall network with TANAPA and other interested stakeholders in the promotion activities that are organized and carried out every year. The company will especially target schools and colleges in this endeavour, as a way of creating a reliable future local market. Door to door campaigns to entice the middle-class workers and businesspeople to start enjoying their holidays by visiting the various tourist attractions in the country will be conducted.

a. Electronic Marketing:

This is a new phenomenon in business, particularly in this part of the world, but one that is growing popular very fast especially in the travel and tourism business. The importance of electronic marketing stems from the two main facts, namely:

i. The extensive use of internet in the world today. There were close to 2 billion web surfers and internet users in the world up to the year 2010 and the number keeps increasing. With the proper information of any tourist or travel business availed to this growing number of people in the world, a huge potential market can easily be created.

ii. Linkage between Database Marketing and Direct Marketing. In practice these two areas are integrated. Internet marketing includes capturing of data and feeding it into the company's database, where it is used to develop profiles and lists, which enable the company to plan effective direct marketing campaigns. The internet, using e-mails and CD-ROMs with hyperlinks to the internet are two of the media for direct marketing. TCL is planning to use electronic marketing intensively, particularly for the foreign market because of the advantages explained above. This will be part of the company's establishment.

Effective use of electronic marketing will be achieved through establishment of the three electronic networks known as electronic platforms, namely:

i. The Internet: Connecting the company and internet users the world over through the amazingly large electronic *"information superhighway".*
ii. The Extranet: Connecting the company with other companies and individuals with which the company is doing business i.e. suppliers, customers, agents and sales executives.
iii. The Intranet: This is the network connecting people and employees within the company. It may be inter-branch/office connection or branch/office to head office/management and field operatives and vice versa.

Establishment of these electronic platforms shall help the company to evolve marketing strategy that focuses on customization and personalization of service products. Information can be quickly gathered about individual customers, tour agents and business partners, stored and usefully applied to individualize service products. This system shall also enable the company to identify which customers are most valuable or have the potential of being most valuable to it and therefore plan marketing offers which fit their needs, in a bid to attract and retain them. Translation of the company's website into about 5 key international languages will also facilitate its e-marketing endeavors.

b. Participation in Tourism Exhibitions:

Experience in tourism business has proved that exhibitions are very effective marketing vehicles. Direct contact to foreign tour agencies and tourism wholesalers during exhibitions helps in making acquaintances with these very important people in advertising tourism service products to foreign markets.

TCL shall make sure it participates in at least two or more tourism exhibitions out of these: The Indaba in South Africa, the UK, Spain, Germany and Switzerland in the Continental Europe in the next five years.

5.3 Methods of Sales:

For the foreign clients who have to make bookings well in advance, electronic communication is extensively used in doing business with them. After the client has seen the company's service products and chosen one, either from the website or by direct communication with the company's staff, the client will then book for the services. The bookings are normally made in not less than two months prior to the date of the clients' arrival. This is to enable the company to make appropriate arrangements and bookings at the local hotels, wildlife lodges and national park entry points, and car hire (*where necessary*) for its clients. The clients may pay in advance while still in their countries or on their arrival to the company's office. What follows is the long-awaited delivery of services to the clients as per the sold service product packages to them.

5.4 Advertising and Promotion:

Sales promotion and advertisements by TCL will be carried out by way of brochures, fliers, posters in the printed materials form of advertisements. In the area of electronic media, the company has its website and it shall use e-mail communication to known tour agents and operators the world over. Arrangements are underway to have radio and TV casual announcements and jingle runs for the company's advertisements in the local FM radios and TVs.

As already explained in the Marketing Strategy, the company shall attend and participate in both, local and international tourism trade fairs. Local exhibitions are organized every year in Arusha by TATO (*Tanzania Association of Tour Operators*), TTB (*Tanzania Tourist Board*) in collaboration with ITB (*International Tourist Board*) conducted in Germany, WTM (*World Travel Market*) conducting shows in England and Tourism Mart in Beijing. The Indaba of South Africa pulls-in participants from almost all over the world. In these exhibitions the company will not only advertise, but as explained above, contacts will be established between the company and international tour agents, and advertisers who are selling Tanzania as a suitable destination to tourist the world over, and tourist wholesalers who come to shop for the best tour companies for them clients in Tanzania.

6.0 MANAGEMENT AND ORGANISATION:

6.1 Description:

Being a private company limited by shares TCL is managed under the Board of Directors. The core management of the company dealing with day to day managerial functions has the Managing Director as the Chief Executive Officer. Being small the company's business shall need only eleven permanent employees at this stage. A Tour Operations Director, Chief Guide, four Professional Guides, Two Sales Officers, two Tourist Drivers and one Accounts Assistant/Cashier. The company plans to streamline its management by outsourcing some of the key services to professional firms and other support services business entities. Accountancy and audit, cleaning and security services are some of the services that will be outsourced.

Management Team*:* The C.E.O of the company in tourism business with over ten years of experience and Tour Operations Director has more than seventeen years' experience in Tourism Business. The company will employ the tour guide with a professional guide of at least 8 years working experience in the field.

Staff Members*:* The four professional guides to be employed by the company shall need to have at least certificates in tour guiding, valid mountain climbing licenses with a minimum of two years' experience. The two Tourist Drivers will need not less than 5 years old Class "C" driving licenses, certificates from registered driving schools and clean track record of service throughout their driving experience from known tour companies. The Sales Officers will need to possess at least diplomas in marketing with at least three years of post-training experience. Priority will be given to those with experience in tourism business. The company's management will use "TQM" (*Total Quality Management*) style by mainstreaming service provision functions of the company including that of marketing and sales promotion to be part of the duties of each staff member, individually and collectively as a team.

6.2 Organizational Structure of TCL:

Key:

a. Line Management Relations
b. Functional Relationship

6.3 Ownership:

TCL is a private company limited by shares, incorporated under the Companies Act the Republic of Tanzania. Two shareholders own the company as follows:

a. Mr. Holger Andreas Schwarmer-58.33% shares
b. Mr. Leonard Romel Mosha-41.67 shares

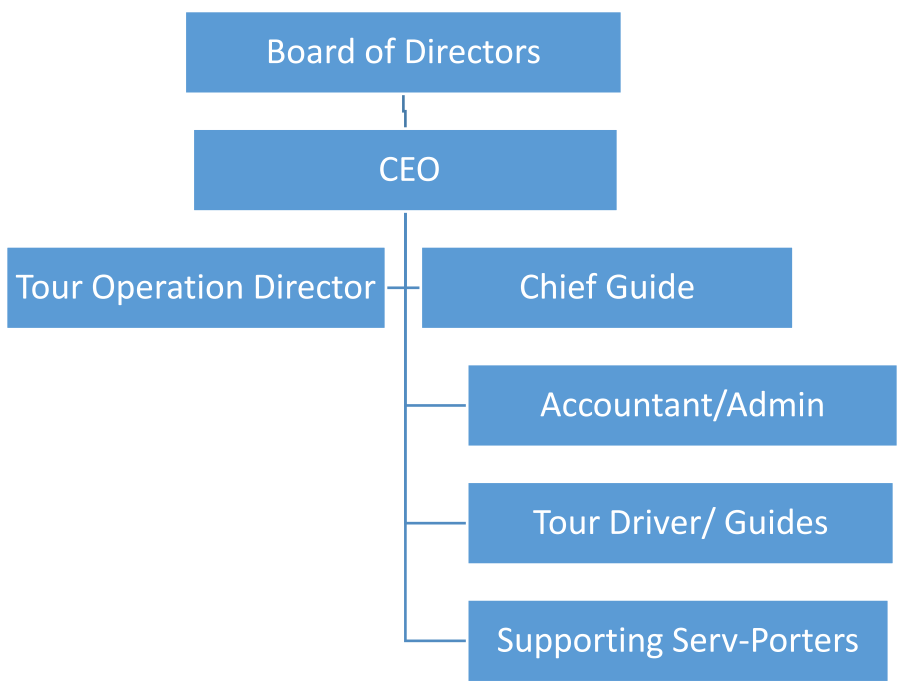
6.4 Board of Directors:

The TCL Board of Directors is at the top of the company's management. It is the final decision-making body of the company. It is composed of Mr. Holger Andreas Schwarmer the Chair and Managing Director (C.E.O. of the company) and Mr. Lenard Romel Mosha. The company is contemplating the appointment and co-option of two more distinguished individuals with impeccable integrity and rectitude who are well versed and experienced in tourism industry and finance business to reinforce the Board. The two Board members to be co-opted must have held executive positions in reputable tourist and financial bodies for a reasonable time.

6.5 Support Services:

The company shall outsource all professional services which cannot be carried out by the small staff of the company. These services include: legal services; accountancy and audit; security services; marketing and advertising and motor vehicle maintenance. Hiring of equipment for service provision will be greatly reduced on acquisition of the planned vehicles and some of the equipment. There will be gradual phasing out of outsourced services because in tourism one can hardly be completely self-sufficient. Even the big tour companies outsource some of these services when overwhelmed by large outfits during high season.

Organization Structure



7.0 FINANCIAL PLAN:

7.1 Investment cost and Financing Plan

Table 4: Details of Investment cost and Financing Plan

Sn	Item	Equity Amount-USD	Loan Amount-USD	Total Amount-USD
1	Motor Vehicles	200,000		200,000
2	Furniture and Fittings	15,000		15,000
2	Office Equipment	10,000		10,000
3	Safari and Mountain Equipment	15,000		15,000
4	Camping Site	200,000		200,000
4	Pre-Operation Expense	30,000		30,000
5	Working Capital	30,000		30,000
	Total	**500,000**		**500,000**

Debt to equity ratio is 0% by 100%

Note: Pre-operation expenses include registration and licenses fees, insurances, profession fees and travelling expenses

7.2 Financial Risks:

The following are the major financial risks that can affect the company's business:

a. Failure to get the planned investment finance.
b. Large competitors lowering their prices to unaffordable levels.
c. Inability to achieve the projected of sales.
d. Small operators dominating the envisaged domestic tourism market.

Failure to get the planned investment finance, especially the loan, will result in the company's inability to acquire the planned motor vehicles, furniture, camping and mountain climbing gear and equipment. Under such circumstances the company will acquire the most necessary equipment with the funds that can be made available and continue to outsource the missing services just like all small operators are doing at the moment. The fact that very small tour businesses has can survive with limited resources at their disposal, proves that the company can endure for some time until alternative measures are taken to have the business plan implemented.

If large competitors lower their prices to unaffordable levels, (*which is most unlikely as they are making good profits presently*) the company will intensify marketing drive through innovative and stepped-up sales promotion. Cutting down of profits to compete will be the last option. Domestic tourism promotion will take the lion's share of the company's marketing efforts and costs. This is because the large companies do not value the local market as viable in their business strategies hence their little or no participation in the promotion of domestic tourism.

The two factors in the two preceding paragraphs may result in non-achievement of sales projections. Should this be the case, the company will take measures as explained in the two paragraphs above and also review its marketing plan, sales methods and study methods used by others operators which are the secret behind their success to the achievement of the desired levels of sales. Diversification of service packaging, marketing strategies and methodologies and innovations in service provision and sales strategies will be employed to enhance the business' economic viability.

In case small operators dominate the domestic market which the company relies in increasing its business volume, the company will aggressively compete with them by employing the door to door marketing strategy as explained earlier. Carrying out of schools and colleges canvassing and penetration of the market by operating at break-even to start with, will be the last resort when, and if necessary.

7.3 Financial Analysis

7.3.1 Financial Assumptions

This section outlines the key assumptions considered in the financial projections:

7.3.1.1 Basic Assumptions

a. Implementation is foreseen to start in June 2021 while the financial closure to be in place before December 2021.
b. The project is foreseen to be completed in 6 months whereby all items to be in place ready operation.
c. Financial projection is in USD projected for 10 years
d. Depreciation is calculated using straight-line method.
e. The project operates in Dar es Salaam Region, Moshi and Arusha.

7.3.1.2 Financing Structure

a. Debt – Equity structure considered at 00:100%
b. There is no term loan. The whole project will be financed by equity.
c. The cost of equity is assumed at 7%

7.3.1.3 Revenue Assumptions

a. The project revenue drivers are tourist fee.
    - Average Rate Per Foreign Tourist is USD 3,000 equivalent TZS 4,700,000
    - Average Rate Per Local Tourist is TZS 60,000

- Average Number of foreign Tourist per Annum is 400
- Average Number of local Tourism per Annum is 8,000

b. Capacity utilization for the function hall in the first year is 50% and is growing at 10% per annum

7.3.2 Operating cost

7.3.2.1 Direct cost

a. Fuel, oils and Lubricants-15% of Revenue Per Annum
b. Spares, Repairs and Maintance-2.9% of Revenues per annum
c. Tyres and Tubes-1.46% of Revenues per annum
d. Repairing-0.54% of Revenues per annum

7.3.2.2 Personnel Expenses

a. Salary and Wage-2% of revenues
b. Staff Cost-0.3% of revenues
c. Medical Expenses-1% of Revenues

7.3.2.3 Administrative Expenses

a. License and Fee-0.15% of revenue
b. Telecommunication and Internet Expenses-1.15% of Revenues
c. Insurance Expenses-1.23% of Revenues
d. Newspaper and Periodicals-0.1% of revenues
e. Printing and Stationery-0.5% of revenues
f. Utilities Expenses-0.5% of Revenue
g. Transport and Travelling Expenses-12.75% of Revenues
h. Marketing Expenses-2%
i. Other Administration expense (i.e. professional, etc.)-3.5% of revenues

7.3.3. Depreciation

Details	Rate
Land	0%
Buildings	2%
Tools & Equipment	12.5%
Furniture & Fittings	12.5%
Motor Vehicles	25%
Pre-operation Expenses	20%

7.4 Financial Projections

The projected financial statement presents the following

- Projected Income Statement
- Projected Balance Sheet
- Projected Cashflow
- Discounted Cashflow
- Ratio Analysis

7.4.2 Projected Income Statement (Amount in USD)

Particulars/ Year	1	2	3	4	5	6
Total Revenue	702,128	884,681	1,083,734	1,300,481	1,536,193	1,613,003
Less: Direct Costs	146,745	176,094	205,443	234,791	264,140	264,140
Gross Profit	**555,383**	**708,587**	**878,291**	**1,065,689**	**1,272,053**	**1,348,862**
Less: Indirect Costs	360,613	396,674	436,341	479,976	527,973	580,770
Net Profit Before Interest & Tax	**194,770**	**311,913**	**441,950**	**585,714**	**744,079**	**768,092**
Less: Financial Costs/Interest	0	-	-	-	-	-
Less: Capital Costs/Depreciation	92,000	92,000	92,000	92,000	42,000	30,000
Net Profit Before Tax	**102,770**	**219,913**	**349,950**	**493,714**	**702,079**	**738,092**
Less: Corporate Tax (30%)	30,831	65,974	104,985	148,114	210,624	221,428
Net Profit After Tax	71,939	153,939	244,965	345,600	491,456	516,664
Net Profit/(Loss) b/f	-	71,939	225,878	470,843	816,443	1,307,899
Retained Profit	**71,939**	**225,878**	**470,843**	**816,443**	**1,307,899**	**1,824,563**

7.4.3 Cashflow Statements (Amount in USD)

Particular/Year	1	2	3	4	5	6
INFLOWS:						
Net Profit Before Tax	102,770	219,913	349,950	493,714	702,079	738,092
Depreciation	92,000	92,000	92,000	92,000	42,000	30,000
Shareholders Equity	500,000					
Long Term Loan	-					
Total Inflows	**694,770**	**311,913**	**441,950**	**585,714**	**744,079**	**768,092**
OUTFLOWS:						
Corporate Tax	30,831	65,974	104,985	148,114	210,624	221,428
Working Capital Increase(Decrease)	-2,143	251	284	319	357	154
Investments	500,000					
Loan Repayment-Long Term	-	-	-	-	-	-
Total outflows	**528,688**	**66,225**	**105,269**	**148,433**	**210,981**	**221,581**
Net Cashflow	166,083	245,688	336,681	437,280	533,098	546,511
Balance b/f	0	166,083	411,771	748,452	1,185,732	1,718,830
Closing Balance	**166,083**	**411,771**	**748,452**	**1,185,732**	**1,718,830**	**2,265,341**

7.4.4 Discounted Cashflow (Amount in USD)

Particular/Year	0	1	2	3	4	5
INFLOWS:						
Net Profit After Tax		71,939	153,939	244,965	345,600	491,456
Capital and Financial Charges		92,000	92,000	92,000	92,000	42,000
Salvage Value of Assets		-	-	-		
Recovery of Working capital		-	-	-		
Total Inflows		163,939	245,939	336,965	437,600	533,456
OUTFLOWS:						
Investment/Reinvestment	500,000					
Working capital Increase/(Decrease)		-2,143	251	284	319	357
Loan Repayment-Long Term		-	-	-	-	-
Total Outflows	500,000	-2,143	251	284	319	357
Net Flows	-500,000	166,083	245,688	336,681	437,280	533,098
Present values		155,217	214,594	274,832	333,599	380,092
Total present value	2,866,553					
Net Present Value at 7%	2,211,732					
Internal Rate of Return	57.76%					

7.4.5 Balance Sheet (Amount in USD)

Particular/year	1	2	3	4	5	6
FIXED ASSETS:						
Total Fixed Assets Cost	440,000	440,000	440,000	440,000	440,000	440,000
Less: Accumulated Depreciation	80,000	160,000	240,000	320,000	350,000	380,000
Net Fixed Assets	**360,000**	**280,000**	**200,000**	**120,000**	**90,000**	**60,000**
CURRENT ASSETS:						
Cash	166,083	411,771	748,452	1,185,732	1,718,830	2,265,341
Debtors	702	885	1,084	1,300	1,536	1,613
Stocks	2,170	2,646	3,138	3,648	4,178	4,254
Total Current Assets	**168,954**	**415,301**	**752,674**	**1,190,681**	**1,724,544**	**2,271,208**
CURRENT LIABILITIES:						
Trade creditors	2,038	2,446	2,853	3,261	3,669	3,669
Other current liabilities	2,977	2,977	2,977	2,977	2,977	2,977
Total Current Liabilities	5,015	5,423	5,830	6,238	6,646	6,646
Net Current Assets	163,939	409,878	746,843	1,184,443	1,717,899	2,264,563
Armotised expenses	48,000	36,000	24,000	12,000	-	-
Total Net Assets	**571,939**	**725,878**	**970,844**	**1,316,444**	**1,807,900**	**2,324,564**
FINANCING:						
Promoters Equity	500,000	500,000	500,000	500,000	500,000	500,000
Retained Profit	71,939	225,878	470,843	816,443	1,307,899	1,824,563
Net Worth	571,939	725,878	970,843	1,316,443	1,807,899	2,324,563
Long Term Loan	-	-	-	-	-	-
Total Financing	**571,939**	**725,878**	**970,844**	**1,316,444**	**1,807,900**	**2,324,564**

7.4.6 Ratio Analysis

Particular/Year	1	2	3	4	5	6
PROFITABILITY RATIOS:						
Gross Profit Margin	79%	80%	81%	82%	83%	84%
Net Profit Margin	10%	17%	23%	27%	32%	32%
Return on Investment/Total Assets	8%	23%	51%	117%	218%	332%
Return on Equity	10%	26%	43%	63%	85%	113%
LIQUIDITY RATIOS:						
Current Ratio	34	77	129	191	260	342
Quick Ratio	33.26	76.10	128.56	190.29	258.87	341.12
Net Working Capital	(2,143)	(1,892) -	1,608 -	1,289 -	932 -	778
ASSET MANAGEMENT/ACTIVITY RATIOS:						
Average Collection Period/Debtor days	0.37	0.37	0.37	0.37	0.37	0.37
Inventory Turnover	0.01	0.02	0.02	0.02	0.02	0.02
Fixed Assets Turnover	1.95	3.16	5.42	10.84	17.07	26.88
Total Assets Turnover	1.23	1.22	1.12	0.99	0.85	0.69
Average Stock Period/Stock days	1.13	1.09	1.06	1.02	0.99	0.96
FINANCIAL LEVERAGE/GEARING RATIOS:						
Equity Ratio	100%	100%	100%	100%	100%	100%
Debt Ratio	0%	0%	0%	0%	0%	0%
Debt to Equity Ratio	-	-	-	-	-	-
Times-Interest-Earned Ratio						
Interest Cover	-					
Debt Servicing Coverage Ratio						
Security Cover						

8. ECONOMIC AND SOCIAL IMPACT

The function hall has social-economic impacts as follows:

a. The project is found to be financially viable and generate profit within the project life span. Such results induce the project promoters to reinvest the profit which therefore increase the investment magnitude in the region and hence increase employment opportunities and taxes.
b. In the project life under consideration, the region will collect corporate tax. Such results create additional fund for the government that will be used in expanding social and other basic services.
c. The project is expected to create employment opportunity to several citizens of the country. That is will provide employment of 20 professionals as well as support staff.
d. The project promotes tourism sector of Tanzania.

9 CONCLUTION

TCL is establishing and operate tour operating company. The promoters are confidence that the project will operate successfully of which investors and lenders are assured their return of capital to be invested due to the following reasons

a. The company has competent management team to run the project.
b. Currently, there is high demand for tour operating companies in Tanzania due to growth of tourism industry.
c. The project is technically, financially and commercially feasible and hence worth for implementation.