

FEASIBILITY
STUDY
&
BUSINESS
PLAN

EVIDENCE OF
CAPITAL
AVAILABLE
TO
IMPLEMENT
PROJECT
(Bank statement of
Director)



Feasibility study

TEXTILE INDUSTRY IN TANZANIA

Introduction

The United Republic of Tanzania borders the Indian Ocean to the east, and has land borders with eight countries: (anti-clockwise from the north) Kenya, Uganda, Rwanda, Burundi, the Democratic Republic of Congo (across Lake Tanganyika), Zambia, Malawi and Mozambique. The country includes Zanzibar (consisting of the main island Unguja, plus Pemba and other smaller islands). Tanzania is a relatively large country in east Africa; it is the 23rd largest country by area in the world and the 13th largest in Africa. the estimated Population is **58.01 Million people**, ranking 25th in the world. The main towns include Dodoma (capital, pop. 410,956), Dar es Salaam (commercial and administrative centre, 4.8m), Mwanza (706,453), Zanzibar Town (501,459), Arusha (416,442), Mbeya (385,729), Morogoro (305,840), Tanga (221,127), Kigoma (215,458), Songea (203,309), Moshi (184,292), Tabora (160,608), Iringa (151,315), Musoma (134,327), Sumbawanga (124,204), Shinyanga (103,795), Mtwara (100,626) and Kasulu (67,704), according to internet sources.

Macroeconomic Overview of Tanzania

Real GDP growth was an estimated 6.7% in 2018, down from 7.1% in 2017. The services sector was the main contributor to GDP (39.3%). Private investment was the main demand-side contributor (63.9%). The external sector stymied economic growth as the current account deficit increased (despite the real depreciation of the Tanzanian shilling), due to a higher volume of imports in 2018 than in 2017. The increase is due largely to increased imports of transport equipment, building and construction materials, industrial raw materials,



and petroleum products for large public investment projects, such as the Standard Gauge Railway. The import bill also increased as a result of the rise in the price of key commodities, such as crude oil.

The fiscal deficit increased to an estimated 3.9% of GDP in 2018, due to increased capital spending on infrastructure projects. Public debt increased to an estimated 39.3% of GDP in 2018 from 38.2% in 2017. External debt accounted for about 74.9% of total public debt in 2018. The risk of debt distress remains low because public external debt, at 34.5% of GDP, is mostly concessional. Monetary policy was more accommodative in 2018 than in 2017. This increased domestic liquidity and reduced lending rates, leading to greater private credit supply. Due to improved food supply, inflation eased to an estimated 3.5% in 2018. The medium-term outlook is positive, with growth projected at 6.6% in both 2019 and 2020, supported by large infrastructure spending. Headline inflation is projected to marginally increase to 5.2% in 2019 and 5.1% in 2020 due to increased government spending. But the positive outlook faces several downside risks: growing private sector concerns about economic policy uncertainty and increased domestic arrears that could derail the government's fiscal consolidation and harm the private sector.

Key economic development challenges include slow progress towards inclusive growth, infrastructure bottlenecks, and vulnerability to climate change. Poverty and income inequality remain high despite high economic growth. Infrastructure bottlenecks are most notable in the transport and energy sectors. Reliance on rain-fed agriculture has exposed farmers to income shocks. And inefficient public enterprises present a fiscal risk. One of the development challenges on the social front is youth unemployment, which increased to 7.3% in 2016, compared with 5.7% in 2012. Key opportunities include peace and political stability, abundant natural resources, a strategic geographic location, and immense development potential for tourism. The Export Zone Processing Agency established in 2008 to accelerate manufacturing exports and help the country achieve structural transformation has helped attract close to \$1 billion in foreign direct investment and revive the manufacturing sector into one of the fastest growing in Africa.



Overview of the Textile Industry

Tanzania's textile sector has passed through various stages since independence to date, from a period where most of the textile industries were owned by the government to the period where private companies are the main owners. Since the independence of Tanzania in 1961, it has invested heavily in textile industry, so that it could satisfy the demand of the market in terms of clothes and cotton growing in Tanzania. According to the Ministry of Industry and Trade 2004 report on Status of Textile Industries in Tanzania, 50 textile industries were established by the year 2002 by the government and private companies. However, 23 (46%) of the established industries are operating. The industries are involved in dyeing, spinning, weaving, printing khanga and Kitenge, bed sheets, garments, knitting woven blankets and socks.

In the 1960s and 1970s, Tanzania was able to meet the demand of the market in terms of clothes. The industries produce adequate clothes and materials for making clothes. Furthermore, the industries were of the major employers and contributor to GDP. It employed about 25% of the working force and contributed 25% of GDP in manufacturing sector (SAILIN LTD (TIB 1996). According to Zuku A (2002), the development of the textile industry was attributed to the demand and deliberate government policies. Though the textile industries were able to satisfy the market but it could not meet the demand of some types of clothes i.e. suits and suiting materials and other specific dress materials. This was due to the lack of technology of producing them.

From 1980, the economy of the country started to decline. This also affected the textile industry. The capacity of the sector to produce adequate with good quality garments decline.

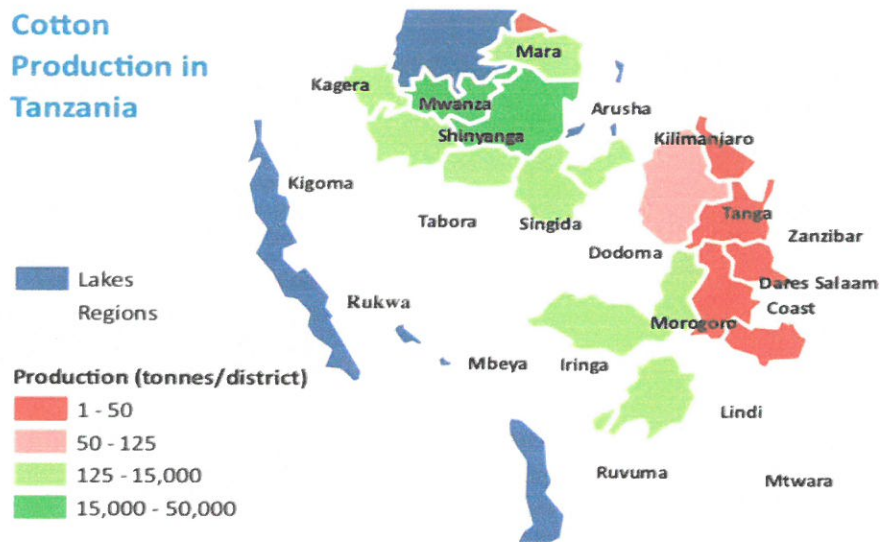
At the same time the government continued to restrict the importation of goods including clothes. This limited the availability of the clothes. As a result, individuals started to print batik and tie and dye. They were commonly known in Kiswahili as "MAWINGU" because most of them were on skies colour. The final nail of the coffin of the textile industry was



hammered in 1994/95. The sector collapsed due to poor economy and government policies emanating from the liberalization policy. According to Zuku, A, (2002) the collapse of the textile industry was due to inadequate supply of cotton lint, lack of power/power interruptions, high power tariffs, unfair competition from imports and devaluation of Tanzania shilling hence difficult to buy spare parts for the machines.

From 1980-1985, Tanzanian's experienced a shortage of goods including clothes. As it has already been mentioned that local initiatives of producing clothes emerged (batik and tie and dye) but with a poor quality and also expensive to the extent that not everybody could afford. Some people (rural areas e.g. Southern part of Tanzania) decided to wear sacks. The sacks became shirts and skirts or something to wrap-up. In order to fill the gap, some businessmen/women started to smuggle in used clothes. It is at this time; the used clothes became important and its status was raised. Despite the fact that textile sector in Tanzania is still in its infancy, according to Tanzania Cotton Board it still leads the East African countries in the export of textiles and apparel to the European Union, with annual average exports worth €14 million over the nine-year period, 2000-2008. However, the leading Eastern and Southern African country exporters of textiles and apparel to the European Union market are respectively Mauritius, Madagascar and South Africa, with such export's worth respectively €456 million, €229 million, and €170 million. In 2008 on the other hand Tanzania's textiles and apparel exports to the USA market amounted to a paltry USA\$ 2million compared with USA\$ 340million for Lesotho, US\$ 279million for Madagascar, and USA\$ 247million for Kenya.

Figure 1 Cotton Production In Tanzania



Source: Internet

Challenges faced by Textile Sector

- The importation of cheaper garments became rampant thus affecting negatively the growth of garments locally made in Tanzania. This was due to increase in the access to International markets. These from 1980-1985, Tanzanian's experienced a shortage of goods including clothes. As it has already been mentioned that local initiatives of producing clothes emerged (batik and tie and dye) but with a poor quality and also expensive to the extent that not everybody could afford. It is at this time, the second hand clothes became important and its status was raised.
- Lack of enough skilled labor and management has hindered the development of textile industries in Tanzania since they have a critical contribution in the production of quality textiles that have upgraded designs with marketing skills that can demonstrate the manufacturing capabilities. Low technical skills affect machinery operations and service. The quality of manufacturing products could be improved with investment in research and development activities; yet inadequate resources are allocated to research and development for various reasons, either because of shortage of financial resources or ignorance of the role of research and development in the improvement of quality (upgrading), efficiency and market



expansion. Hence there is a serious need to develop skills in the clothing and textile industry clothes. As it has already been mentioned that local initiatives of producing clothes emerged (batik and tie and dye) but with a poor quality and also expensive to the extent that not everybody could afford clothes. As it has already been mentioned that local initiatives of producing clothes emerged (batik and tie and dye) but with a poor quality and also expensive to the extent that not everybody could afford.

- Poor economy and government policies emanating from the liberalization policy, the policy allowed free trade and thus there were a great influx of clothes from other countries
 - The rise of macroeconomic and institutional constraints in Tanzania, these constraints make Tanzania to be an environment not easy to operate in. The constraints include the inadequate supply of cotton lint, lack of power/power interruptions, high power tariffs, unfair competition from imports and devaluation of Tanzania shilling hence difficult to buy spare parts for the machines.
 - According to Keregero (2016) from 1980Keregero -1985, Tanzania experienced a shortage of goods including clothes resulting in local initiatives of producing local clothes (batik, tie and dye) but with a poor quality and unaffordable for many. This is due to lack of appropriate and advanced technology to be used in the textile industry, resulting to production of low-quality textiles which make people opt for other sources of textiles outside the country.
 - The use of old machines and equipment. Outdated machines and equipment, and the inability to access timely new technology are revealed by a number of textile firms as a serious hindrance. Obsolete machinery needs constant costly maintenance and repair, which has multiplier effects on the competitiveness of manufactured goods. Although some manufacturers had made attempts to adopt new technology, several had not been able to use the state-of-art technology prevailing elsewhere especially in the advanced world and emerging economies of South East Asia. The solution to this challenge should come from both the manufacturers and the government through policies that support the acquisition of new technology, some of the firms have even failed to buy advanced equipment because of small capital they have.
 - Poor Information and Communication Technology. Nowadays, information and communication technology (ICT) is a prerequisite for any business to function effectively. ICT has made the
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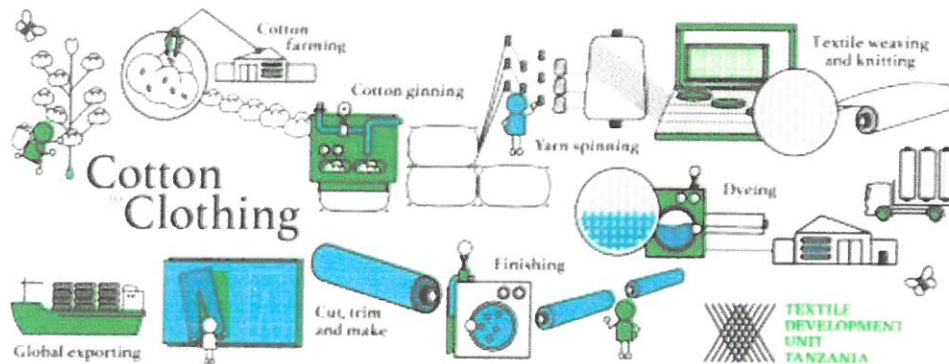
convergence of audio-visual and telephones with computer networks possible through a single inter-phase. There are large economic incentives for using a single unified system for management, production and distribution. Industries that have not managed to automate their systems lag behind and are comparatively inefficient. In the current world manual operations and management are deemed old-fashioned. But because automation requires reasonable human and financial resources, and may at times entail changes in technology, many manufacturing enterprises have not undertaken such a radical reformation. This has an adverse effect on the competitiveness of these firms once they enter international markets where efficiently produced high-quality goods sell at lower prices.

The Steps taken to revive the textile sector

- Power generation should be expanded to build confidence in the reliability of electricity supply to manufacturers. Gas and other reliable sources of energy, those not susceptible to weather changes like hydro-generation, have to be prioritized. Speeding up the implementation of the national Power Systems Master Plan is of utmost importance for the growth and development of the manufacturing sector.
- Enhanced investment in science and technology should be given greater weight to stimulate industrial development. On this front, allocation of more funds to postgraduate education on specialized manufacturing programmes such as textile and applied research are a prerequisite. This will promote knowledge and skills development as well as a wider application of ICT.

- To foster competition in the market, targeted action to control the import of cheap counterfeits should be put in place and enforced across all types of imported goods.
 - Further modification to tax reform is recommended. Tax rates have to be reviewed and synchronized to reduce multiple procedures, to lower compliance costs, and to eliminate all nuisance taxes.
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Figure 2: The Textile Value Chain of Tanzania



Internet

Source:

- Measures need to be taken to promote the consumption of domestic goods so as to build a tradition of consuming Tanzanian-made products and thus expand the market for local articles.
- Monetary policy, and in particular exchange rate management, have to be implemented for greater price stability. This is necessary for controlling the costs of machinery/equipment and intermediate inputs procurement.
- Financial reforms have to be continued. Attention needs to be directed on lowering financial risks in the market to help reduce interest rates. This is pertinent to decreasing the cost of capital.
- Development of Competitive Quality Yarn Production. Extensive effort should be applied to improving yarn quality and efficiency. Contract farming should address quality and contamination problems as the lint enters the production process. Industrialists need professional guidance to upgrade their production control policies and systems and build the capacity and skills of technicians to produce better quality product. If this is achieved, then the yarn could be an attractor for knit fabric producers to manufacture for the garment industry in Tanzania.



Some Figures

• Table 1. List of Textile Technology Supplying Markets to Tanzania

Exporters	Imported value in 2014	Imported value in 2015	Imported value in 2016	Imported value in 2017	Imported value in 2018
World	1,308,938	949,980	936,233	959,051	10,00,431
China	409,885	295,969	229,894	218,452	264,480
India	72,413	88,685	68,977	82,679	76,360
Norway	10,932	770	295	2,104	76,132
United States of America	152,116	68,027	100,105	56,895	68,214
Germany	85,423	55,407	46,494	52,523	66,464
Japan	20,099	21,952	29,103	128,268	48,260
South Africa	84,955	64,553	75,189	51,813	42,801
Turkey	21,647	15,474	10,931	9,121	41,840
Italy	16,761	30,127	28,131	32,433	29,957
United Kingdom	41,449	30,318	36,980	25,282	29,487
Sweden	28,422	15,272	37,315	13,811	27,063
United Arab Emirates	79,500	38,537	37,497	29,710	20,918
Thailand	12,244	10,778	10,984	8,788	16,969
Switzerland	15,657	9,351	4,578	4,002	16,691

Table 2 List of Textile Technology Supplying Markets to Tanzania

Exporters	Imports, % in 2014	Imports, % in 2015	Imports, % in 2016	Imports, % in 2017	Imports, % in 2018
World	100	100	100	100	100
China	31.3	31.2	24.6	22.8	26.4
India	5.5	9.3	7.4	8.6	7.6
Norway	0.8	0.1	0	0.2	7.6
United States of America	11.6	7.2	10.7	5.9	6.8
Germany	6.5	5.8	5	5.5	6.6
Japan	1.5	2.3	3.1	13.4	4.8
South Africa	6.5	6.8	8	5.4	4.3
Turkey	1.7	1.6	1.2	1	4.2
Italy	1.3	3.2	3	3.4	3
United Kingdom	3.2	3.2	3.9	2.6	2.9
Sweden	2.2	1.6	4	1.4	2.7



United Arab Emirates	6.1	4.1	4	3.1	2.1
Thailand	0.9	1.1	1.2	0.9	1.7
Switzerland	1.2	1	0.5	0.4	1.7

In 2017, the top partner countries from which Tanzania Imports Textiles and Clothing include China, India, Pakistan, Korea, Rep. and United Arab Emirates.

Partner Name	Import (US \$ Thousand)	Import Product Share (%)
China	117,661.52	7.82
India	27,219.57	2.33
Pakistan	11,451.42	47.88
Korea, Republic	10,197.41	7.25
United States	9,000.48	4.44
Hongkong, China	8,538.73	16.46
Vietnam	7,199.76	24.77
Kenya	6,590.34	3.27
South Africa	6,130.43	3.27
Japan	5,546.02	1.34
Indonesia	3,466.09	2.41
Germany	3,186.16	1.37
Canada	3,179.68	8.01
Turkey	2,936.69	3.77
Poland	2,298.08	4.58
Bangladesh	1,851.74	72.86
Other Asia nes	1,026.51	3.60
United Kingdom	928.33	0.58
Australia	738.45	1.13
Thailand	711.59	0.78
Egypt, Arab Rep	570.37	2.01
Norway	489.46	4.16
Malaysia	474.97	0.26
Singapore	472.87	0.76
Uganda	471.89	1.38
Franca	355.05	0.52
Mauritius	323.27	4.09
Italy	317.61	0.35
Belgium	282.93	0.44
Netherlands	265.40	0.31
Lesotho	247.62	91.15



List of Local Textile Sector Players: Work in Progress Expected Participants

SN	Company Name	City/Location
1	AFRITEX LTD	TANGA
2	21st CENTURY TEXTILE MOROGORO	MOROGORO
2	GINNING COMPANY	MWANZA
3	MUSOMA TEXTILE MILLS	MUSOMA
4	A TO Z TEXTILE MILLS	Kisongo area – Arusha
5	SUNFLAG TANZANIA LIMITED	Arusha
6	BLANKETS & TEXTILE MANUFACTURERS	DAR ES SALAAM
7	KIBOTRADE TEXTILES LTD	DAR ES SALAAM
8	NIDA TEXTILE MILLS	DAR ES SALAAM
9	AML	DAR ES SALAAM
10	CONGLIN & CO. LIMITED	DAR ES SALAAM
11	DERMA INTERNATIONAL LIMITED	DAR ES SALAAM
12	ELIAS MAGERE ENTERPRISES LTD	Musoma, MARA
13	FASHION FABRIC TEXTILE LTD	DAR ES SALAAM
14	FOMOKA TRADING AND INDUSTRY CO. LIMITED	DAR ES SALAAM
15	GLOBAL SYNTHETICS LTD	Moshi, KILIMANJARO
16	J.V. TEXTILES & GARMENTS LTD	DAR ES SALAAM
17	KARIBU TEXTILES MILLS LTD	DAR ES SALAAM
18	KILIMANJARO TEXTILES MILLS LTD	ARUSHA
19	MASUMIN TEXTILES	Songea, RUVUMA
20	MBEYA TEXTILES MILLS	MBEYA
21	M.B.TEXTILES LTD	ARUSHA
22	MOROGORO POLYSTER TEXTILES LTD	MOROGORO
23	MORCO TEXTILES LIMITED	DAR ES SALAAM
24	NATIONAL TEXTILES CORPORATION	TABORA
25	NEW MWANZA TEXTILES LTD	MWANZA
26	NEW MUSOMA TEXTILES	Mara, MUSOMA
27	NEW KILIMANJARO TEXTILE MILLS, LTD	ARUSHA
28	PABARI TEXTILES	DAR ES SALAAM



29	QUALITY TEXTILES	DAR ES SALAAM
30	TANZANIA UNIFORM & CLOTHING CORPORATION LTD	DAR ES SALAAM
31	TANZANIA CLOTHING CO. LTD	DAR ES SALAAM
32	TANGANYIKA TEXTILE INDUSTRIES LTD	DAR ES SALAAM
33	TANZANIA BUSINESS WOMEN'S TEXTILE PRODUCT	DAR ES SALAAM
34	TANZANIA KNITWEAR CO. LTD	DAR ES SALAAM
35	TANDALE CARPET COOPERATION	DAR ES SALAAM
36	TANGAMANO TEXTILE MANUFACTURERS	Central, TANGA
37	TEXTILE MANUFACTURERS ASSOCIATION	DAR ES SALAAM
38	TEXTILE MANUFACTURERS OF TANZANIA (T) LTD	DAR ES SALAAM

Cotton and Textile Sector Performance

COTTON PRODUCTION

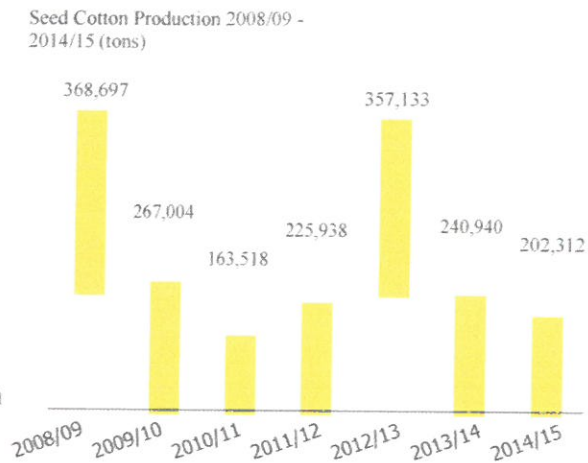
Approximately 40% of the population relies on cotton for income. Typically, 400,000 hectares are used to sow cotton by roughly 350,000 to 500,000 smallholder farmers. The crop typically yields 260 kilograms of lint per hectare and is completely rain-fed. Cotton is cultivated in 45 out of 127 districts and 15 out of 25 regions. In excess of 70% of cotton production is exported as lint, a situation that provides a big potential for a thriving spinning industry.

The Western Cotton Growing Area (WCGA), which comprises the nine areas of Mara, Singida, Simiyu, Kigoma, Geita, Mwanza, Shinyanga, Tabora and Kagera, produces 99% of the total production. The

rest is cultivated in the Eastern Cotton Growing Area (ECGA) in Kilimanjaro, Manyara, Coast, Iringa, Tanga and Morogoro. The ECGA has higher potential for escalated cotton production than WCGA. Due to WCGA's sustained cultivation, together with insufficient use of fertilisers, the region has largely become too exhausted to sustain a productive crop.

Tanzania is the fourth biggest global producer of organic cotton after Turkey, Syria and India. Organic cotton farming is undertaken in Meatu district and fetches a premium when compared to conventional cotton. This presents an opportunity to conquer the organic textile products niche market. Through the COMPACI project, Tanzania has started trading identity cottons in the brand of Cotton made in Africa (CmiA), where many retailers associate themselves with this brand.

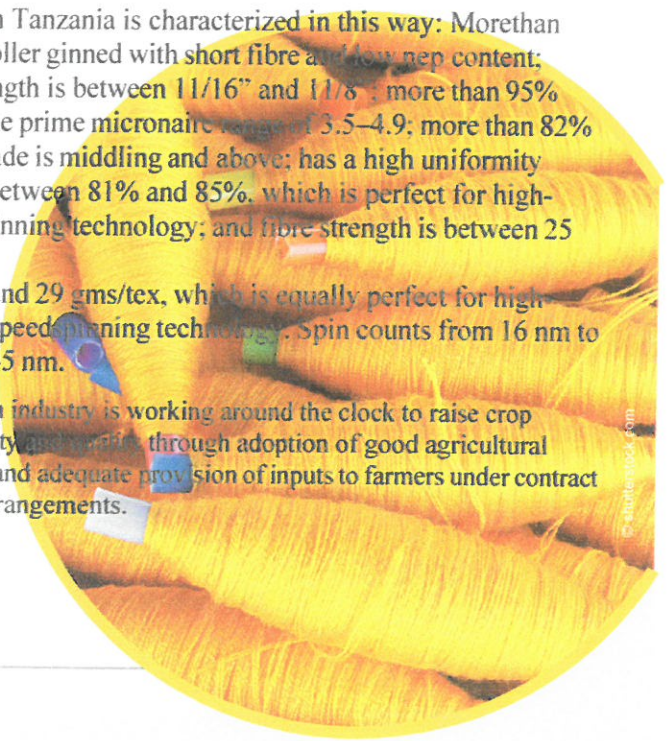
Figure 3: Tanzania's seed cotton production (2008/09-2014/15) (tons)



Cotton in Tanzania is characterized in this way: More than 50% is roller ginned with short fibre and low nep content; staple length is between 11/16" and 11/8"; more than 95% falls in the prime micronaire range of 3.5-4.9; more than 82% of the grade is middling and above; has a high uniformity ratio of between 81% and 85%, which is perfect for high-speed spinning technology; and fibre strength is between 25

gms/tex and 29 gms/tex, which is equally perfect for high-speed spinning technology. Spin counts from 16 nm to 45 nm.

The cotton industry is working around the clock to raise crop productivity and quality through adoption of good agricultural practices and adequate provision of inputs to farmers under contract farming arrangements.





TANZANIA'S GINNING INDUSTRY

Tanzania has 83 ginneries with installed capacity to gin 1.8 million bales within six months. Below is a summary of the ginning capacity.

- **Number of ginneries:** 83
- **Number of cooperatives:** 21
- **Number of private firms:** 62
- **Number of gins:** 1, 571
- **Number of roller gins:** 1, 453
- **Number of saw gins:** 118
- **Installed ginning capacity:**
1.8 million bales of 200 kg each
- **Ginning equipment:** 50% roller;
50% saw
- **Average ginning outturn:** 34%

The majority of ginners have oil mills as a vital part of their cotton business operations. Currently, 32 ginneries have oil mills processing roughly 20 MT of cotton oil per annum. This represents only 17% of the installed capacity, which is 115,150 MT. These mills produce roughly 52,000 MT of cotton cake.

TANZANIA'S TEXTILE SECTOR

Tanzania's textile sector comprises three standalone spinning mills and a number of integrated businesses. The industry chiefly spins cotton yarns for woven and knitted fabric. Some fabric mills focus on making printed and woven women's khangas and kitenges, along with home textiles, dyed-yarn woven kikoi fabrics and bed linen. The bulk of these traditional fabrics are retailed in Tanzania, but some are exported to its neighbouring countries.

According to data from the International Textile Manufacturers Federation (ITMF), Tanzania's installed capacity is around 16,000 open-end rotors and 415,000 ring spindles. The bulk of the spun yarn manufactured in Tanzania is 100% local carded cotton, with counts ranging between 1/12 Ne and 1/30 Ne. The country has some combing capacity that enables counts of up to 1/40 Ne to be manufactured, but there is not much demand for it. Most of the spun yarn manufactured is 1/24 Ne, which is made use of in the base fabric for sheeting and for printed kangas and kitenges, the national dress for women.



Figure 6: Tanzania's revealed comparative advantage

THE AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA)

The African Growth and Opportunity Act (AGOA) is a non-reciprocal trade preference programme that offers certain commodities from eligible Sub-Saharan African countries duty-free preference benefits to the United States of America's imports. There are 49 candidate SSA countries, of which 39 are presently eligible for these benefits. In 2000, Congress first authorized AGOA to boost economic development and export-led growth in SSA and develop US economic relations with the area. Its current authorization was due to expire on 30 September 2015 and has been extended for 10 years until 2025. With regards to general eligibility criteria and tariff benefits, AGOA is comparable to the Generalized System of Preferences (GSP), which is a USA trade preference programme applying

to more than 120 developing countries.

However, AGOA covers more commodities and includes extra eligibility criteria over and above those in GSP.

Furthermore, AGOA includes development and trade provisions over and above its duty-free preferences. This huge market opportunity has not been utilized to the level it is supposed to be and investors will benefit immensely from this preference programme.

Below is an indication of Tanzania's textile and apparel exports to the US under AGOA between 2011 and 2013.

- 2011 – to the value of US\$ 5,316
- 2012 – to the value of US\$ 11,840
- 2013 – to the value of US\$ 10,403

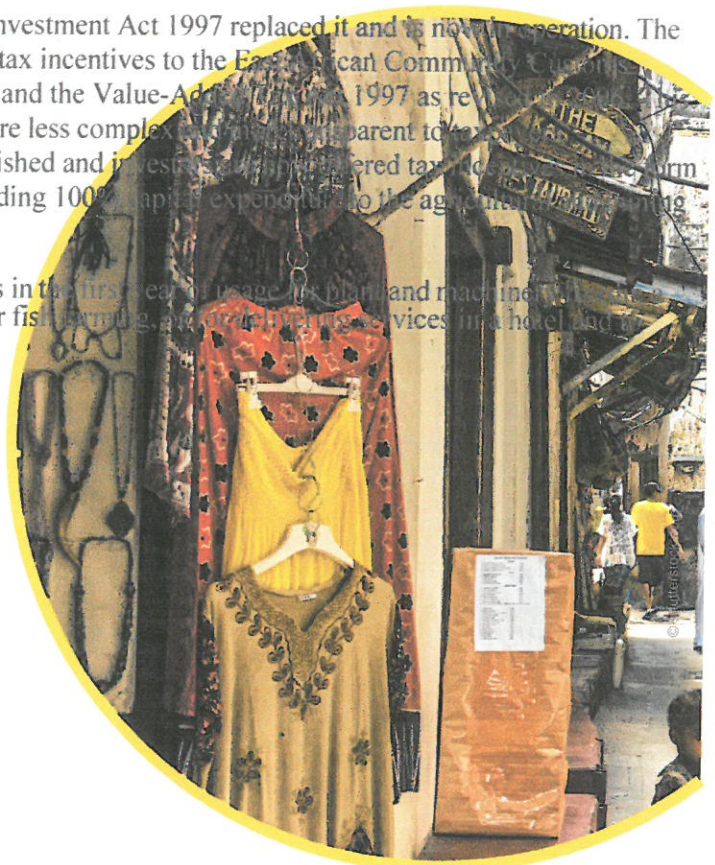


Investment Incentives And Institutional Support

Tanzania's fiscal regime is very predictable and stable, which offers all investors a soft landing. It is the type of regime that acknowledges that investors must recover their investment costs before paying corporate taxes. The country recognizes the value of investment in fuelling economic development and growth in the country and fostering a potential for maintainable future revenue generations. Several tax incentives are granted to foreign and local investors alike in a number of sectors in an attempt to boost investment. In 1990, an investment policy was established when the government passed the National Investment Promotion and Protection Act (NIPPA) 1990, which gave investors tax incentives in the form of tax holidays for a defined time period.

The NIPPA 1990 was repealed and the Tanzania Investment Act 1997 replaced it and is now in operation. The Tanzania Investment Act (TIA) 1997 passed on all tax incentives to the East African Community. The Investment Management Act 2004, the Income Tax Act 2004, and the Value-Added Tax Act 1997 as revised. The incentive's key purpose was to make the tax structure less complex and more transparent to investors. Subsequently, income tax holidays have been abolished and investors are now offered tax incentives in the form of greater capital deductions and allowances, including 100% capital expenditure in the agriculture and tourism sectors.

The income tax laws permit 50% capital allowances in the first year on new plant and machinery used in a factory and utilized in manufacturing processes, for fish farming, and for providing services in a hotel and for tourists.



PROJECTED CASH FLOW STATEMENT FOR THE NEXT FIVE YEARS INDICATES THE SUCCESSFUL PLAN OF THE PROJECT:

Five Years Projection Report				Value in US \$	
	2021	2022	2023	2024	2025
Income Statement					
<i>Revenue</i>	102,007	204,014	262,690	284,682	301,544
Cost of Goods Sold	53,044	106,087	105,076	85,405	90,463
Gross Profit	48,963	97,927	157,614	199,277	211,081
Expenses					
Salaries and Benefits	16,427	20,502	22,807	28,002	30,245
Rent and Overhead	10,963	10,125	10,087	10,020	11,412
Depreciation and Amortization	19,500	18,150	17,205	16,544	16,080
Interest	2,500	2,500	1,500	1,500	1,500
Other	8,820	2,225	1,659	2,911	3,412
Total Expenses	58,210	53,502	53,258	58,977	62,649
Earnings Before Tax	(9,247)	44,425	104,356	140,300	148,432
Taxes	-	13,328	31,307	42,090	44,530
Net Earnings	(9,247)	31,098	73,049	98,210	103,902
Cash Flow Statement					
Beginning Balance	300,000	345,747	401,082	496,412	496,571
Cash Inflow	1,237,007	204,014	262,690	284,682	301,544
Cash Outflow	1,191,260	148,680	167,360	284,523	391,099
Cash at the end of the year	345,747	401,082	496,412	496,571	407,016

Balance Sheet-Projections

Cash	345,747	401,082	496,412	496,571	407,016
Accounts Receivable	102,007	204,014	262,690	284,682	301,544
Inventory	37,131	74,261	73,553	59,784	63,324
Total Current Assets	484,885	679,356	832,655	841,036	771,884
Fixed Assets	660,000	577,500	505,313	442,148	386,880
Total Assets	1,144,885	1,256,856	1,337,967	1,283,185	1,158,764
Accounts Payable	-	31,826	31,523	25,622	27,139
Accrued Liabilities	8,000	12,000	17,000	19,000	25,000
Long Term Loan	815,000	652,000	489,000	326,000	163,000
Total Current Liabilities	823,000	695,826	537,523	370,622	215,139
Share Holders Equity	321,885	561,030	800,444	912,563	943,625
Total Equity and Liabilities	1,144,885	1,256,856	1,337,967	1,283,185	1,158,764

Project at a Glance

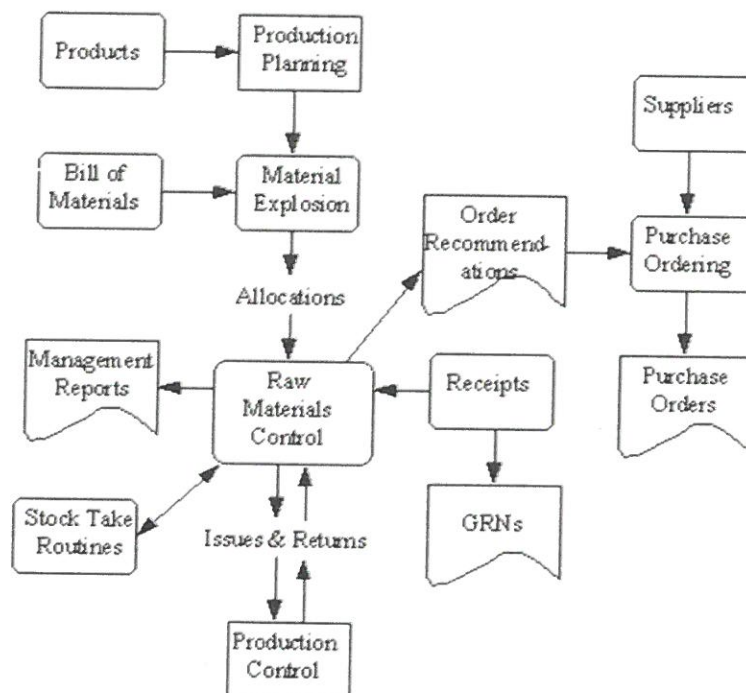
Particulars	Value in \$
Land and Site Development Expenses	200,000
Plant & Machinery	600,000
Motor Vehicles	60,000
Office Automation Equipment's	100,000
Technical Knowhow Fees & Expenses	50,000
Franchise and Other Marketing Expenses	100,000
Provision for Tax	25,000
Working Capital	300,000
Total Project Cost	1,435,000

Material Requirements Planning

The MRP module has been developed with the needs of the modern Apparel company in mind.

This module is designed to help business gain complete control over fabric & trim purchasing and stock holding. As the system is specific to the Apparel industry, bills of material are defined for Color, Length (fit) and Size for each finished product.

The MRP module provides the accurate information and forecasting required to enable you to reduce stock and free up your capital. Improved control system will reduce the costs of regular stock taking.



MATERIAL REQUIREMENTS PLANNING

Experience Tanzania's development pace by investing in Cotton, Textile and Apparel sector.

Agricultural sector is and will continue for some time to remain the backbone of the economy for Tanzania. It accounts for 28.7 per cent of the GDP, provides about 95 percent of food requirement; employs 74 per cent of the population and provides raw materials for industries. The sector has potential to lift many of the poor people out of poverty and

contribute to achieving our national development goal of graduating into middle income economy status by 2025. Cotton, Textile and Apparel sector profile is meant to harness the potential for investment, trade and socio-economic development in the respective sectors. The sector profile intends to review the investment outlook of Cotton, Textile and Apparel

sector and unveil investment opportunities and economic potentials that are offered by the sector. Tanzania is the fourth largest global producer of organic cotton after Turkey, Syria and India and cotton is the second largest export crop in the country after coffee. This sector if promoted effectively has a very high potential to immensely contribute to the economy in terms of foreign earnings, jobs creation, incomes and poverty reduction. Promotion of this sector will also encourage development of industries as Tanzania is moving towards industrialization.

