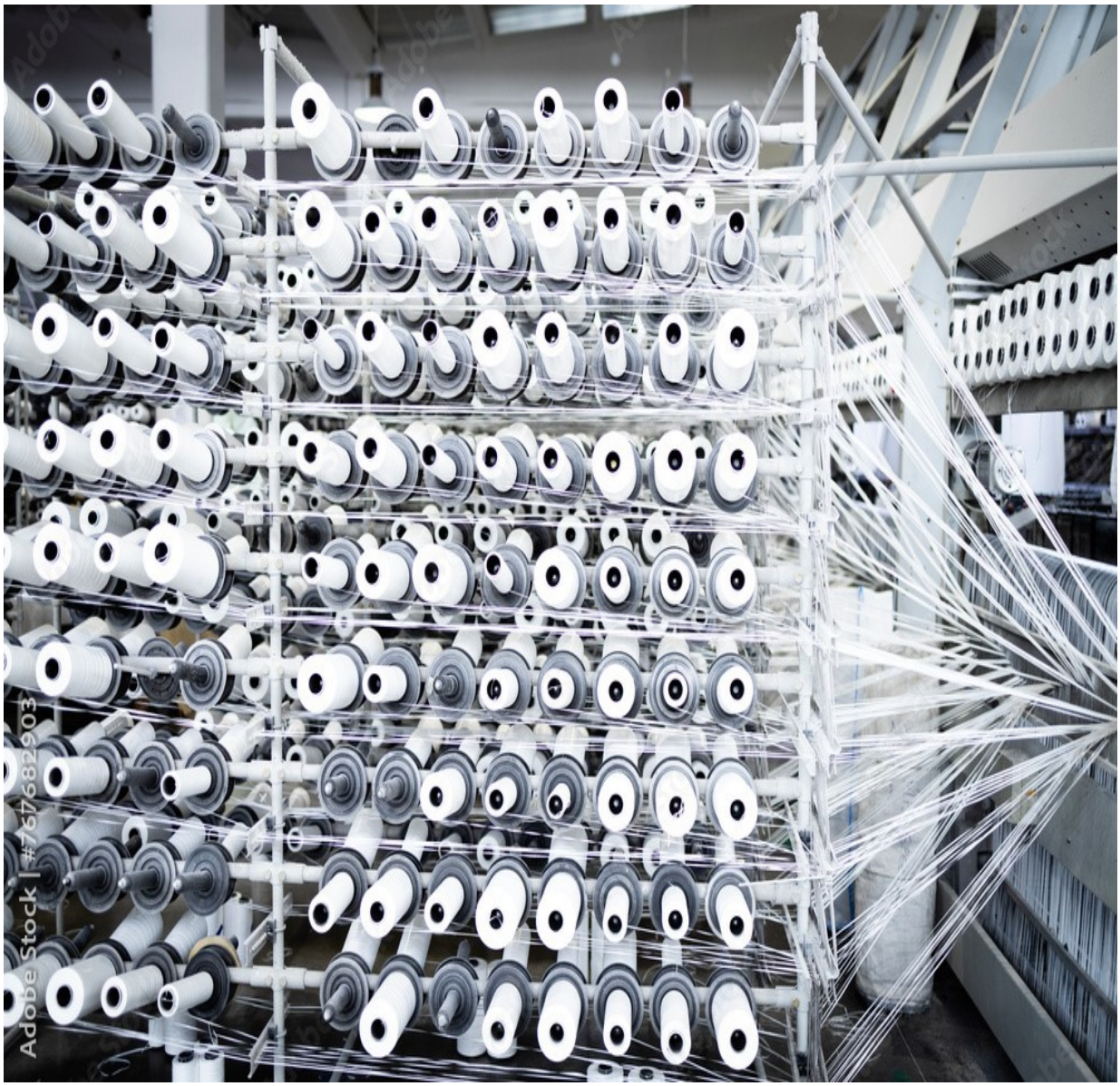
PP SUCKS MANUFACTURING PROJECT IN NYAMHONGOLO MWANZA



Project Name: H & J FIBER INVESTMENT TANZANIA LIMITED

Location: Plot No Block B Nyamhongolo, Mwanza

Sector: Manufacturing

SECTION ONE: BACKGROUND INFORMATIONS

1.1 Polypropylene Sack Industry in Africa:

PP sacks are essential for packaging grains, cereals, fertilizers, and seeds. As agriculture remains a cornerstone of many African economies, the demand for durable and cost-effective packaging solutions like PP sacks is substantial. Apart from agriculture, construction is another sector that is booming across the Africa and utilization of PP sacks in cement and other building materials, further driving demand. Beyond agriculture and construction, industries such as chemicals and textiles also rely on PP sacks for packaging and transportation needs.

The Dangote Petrochemical Plant in Lagos, inaugurated in March 2025 is one of the biggest factory in Africa with a production capacity of 830,000 metric tonnes of polypropylene. This development positions Nigeria to transition from importing 90% of its PP needs to becoming a net exporter, significantly impacting the regional supply chain. Followed by south Africa with a well established plastic industry but the country still import a portion of its PP requirements to meet domestic demand.

1.2 Primary Raw Material:

Polypropylene granules, derived from petroleum, are the main input for PP sack production. The availability and price of these granules are influenced by global crude oil markets. Materials such as calcium carbonate, masterbatch (for coloring), and UV stabilizers are incorporated to enhance the properties of PP sacks. Production involves processes like extrusion, weaving, lamination, cutting, stitching, and printing. Access to modern machinery is crucial for efficient and high-quality production.

The African polypropylene market is expected to grow at a CAGR of 1.1%, reaching 5.8 million tonnes by 2035. This growth is driven by increasing demand across various sectors and the expansion of domestic production capacities.

1.3 East Africa Polypropylene Sack Industry

The global PP woven sacks market is projected to grow at a Compound Annual Growth Rate (CAGR) of 4.2%, expanding from USD 4.0 billion in 2024 to USD 6.1 billion by 2034. This global trend suggests a positive outlook for the Tanzanian market, especially given the country's reliance on agriculture and infrastructure development. The demand for PP woven sacks is bolstered by the need for durable and cost-effective packaging solutions in agriculture and construction. Tanzania, being a significant player in these sectors, is expected to mirror this regional growth.

The PP Sacks production across east Africa still is highly dependent on imports despite having some local manufacturers but they have not managed to meet the demand of the local marker. The countries rely heavily on imports. The demand is mainly driven by the growth of the sectors such as agriculture, construction and transportation.

This presents investment on the PP Sack as a promising investment opportunity for any investors with the interest to penetrate in the EAC market.

Major Manufacturers

Several companies operate within Tanzania's PP woven sacks industry, including:

- **Azania Poly Bag Industries Ltd (APBIL)**: One of the largest manufacturers, with an annual production capacity exceeding 40 million bags.
- **Hill Packaging (Hill Group)**: A leading producer known for high-quality woven bags tailored to customer specifications.
- **Global Packaging (T) Ltd**: Established in 2013, specializing in PP woven bags for various sectors, including agriculture and construction.

1.4 Proposed Factory Capacity for Polypropylene (PP) Sacks in Tanzania

The proposed factory will utilize advanced manufacturing technology to produce high-quality polypropylene (PP) woven bags. The production process will primarily rely on imported granules from China, complemented by recycled plastic waste sourced locally to support circular economy efforts and reduce environmental impact.

The planned production capacity is **800,000 PP sacks per month**, amounting to an **annual output of 9.6 million sacks**. This scale is aimed at meeting both domestic demand and potential regional export opportunities, particularly in agriculture and construction sectors where PP sacks are in high demand.

1.5 Capital Investment and Financing Plan

The proposed Establishment of the factory will attract investment capital of 500,000USD (excluding interest and depreciations of machineries and equipments). The project promoters are planning to finance project cost by 35.6% which includes project initial operational cost and pre operational cost amounted to 178,000USD.

The 64.4% investment capital will be purchased from commercial banks at a long-term payment not less than 5 years project economic life, all these will be for major construction of the site, purchase of machineries and equipments, purchasing of cold room trucks and Light vehicles, furniture's, pre operational cost and initial working capitals of project. The proposed long-term loan is approximated to 322,000USD.

SECTION TWO: PROJECT OVERVIEW

2.1 The project location and ownership structure

H & J Fibre Investment (Tanzania) Co. Ltd is a limited company incorporated in Tanzania under the companies Act, 2002 with the certificate of Incorporation No. 139454 from Registrar of Companies with effect from 20th November, 2017.The office of the company is located in Bagamoyo, Pwani.

The initial Authorized Share Capital of the company is TZS 20,400,0000,000/= divided into 10,200 ordinary shares of TZS 200,000 each and the company have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights privileges, restrictions or conditions. Unless the conditions of issues shall otherwise expressly declare, every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the registered Articles or Association. The liability of the members is limited and the following names compromise the company ownership and principal shareholding as illustrated on Table 2.1 below.

Table 2.1: Company Ownership and Principal Shareholders

S/No.	Shareholder's Name	Occupation of Subscriber	Number of Shares
1.	YUEBO LI **(Chinese)** (BUSINESS MAN)	Private Company By Share, Domicile In Tanzania- Incorporate Number 1394541	9800
2.	SIJUN LI **(Chinese)** (BUSINESS MAN)	Private Company By Share, Domicile In Tanzania- Incorporate Number 139454	200
3.	CHUNFANG LI	Private Company By Share, Domicile In Tanzania- Incorporate Number 139454	200

2.2. Project site analysis

2.2.1. Utilities and Other supporting Facilities

The realization of the project development requires successful completion of a number of necessary activities and facilities to enable a successful development of the project. Strategic and situational analysis of project, the project needs reliable supplies of energy, water, transportation, telecommunications services, waste disposal and other services. The regional government under Mwanza Urban Water Supply Authority" and TANESCO has distributed power and water to ensure water network reaches peri urban areas especially where the project will be located. The following are reliable utilities found at the site;

A. Electricity and water supply

The proposed site will be supplied with industrial production 2-phase standard power supply from Tanzania Electric Supply Company (TANESCO), the electricity is available through the National Grid Line. As part of project budget, the factory will be installed with a stand by generator with a capacity of 50KVA that will be installed for power supply. Solar energy will be alternative source for administration and other miscellaneous activities and not processing activities.
Based on physical inspection of the proposed site, the availability of basic and essential industrial infrastructure such transport, water supply, effluent disposal, electric power supply, telecommunication system and security were all checked out. The current physical condition of infrastructure and utilities on the proposed site is as shown on the pictorial overview of the project site as follows:

B.Transportation network and communication system

The proposed project is located in Plot No 1244 Block B Nyamhongolo which is connected to the nearby District by good road passable throughout the year the project is accessible in all mean of ground transport, such as heavy vehicles, Light Vehicle and public transports. The mobile tower operators and service providers available to the project area are such as Vodacom, Tigo, Airtel and Halotel The particular business communication system with external world/entities is expected to improve once the company becomes operational. The National Fibre Optical line transmission is closer the project area, actually just close to project area.

2.3. Project Description

2.3.1. Basic requirement of the project establishments

H & J Fibre Investment (Tanzania) Co. Ltd is a private company based in Mwanza region. The company intends PP sacks manufacturing facility in Mwanza region. The factory's objective includes; To carrying out business in the manufacturing of PP sacks and sell them to middle men and other end users.

The plant that will be set up will have a maximum capacity of processing 800,000 USD od bags. The company will start by constructing administration block, importation and installation of the machine, building quality laboratory and develop a waste disposal. The proposed land and structure is estimated to be 60,000USD

The Business Plan report explores the viability of the proposed Establishment and modernization project in an economy whose liberalization in recent years has witnessed private sector increasing in number and the demand of these commodities. In addition, the study will enable the sponsors to present the parameters and objectives of the proposed project to external financiers such as development and commercial banks, NGOs etc based in Tanzania.

2.4. Project Cost & Financing Pattern

The proposed project is estimated to cost a total of USD 500,000 which includes 35.6% (178,000USD) owner's equity and long-term loan of 64.4% (322,000USD) as proceeds from capital contribution of the project, anticipated current assets of 203,212USD, liquidity of 351,724 USD, total assets 875,936 USD after incorporate project income and operational cost. The project has no provisioning and reserves. The project fixed assets is 321,000USD - see Annex I and III,

	EQUITY + LOAN	USD
1	**EQUITY (35.6%)**	**178,000.00**
2	**LOAN (64.4%)**	**322,000.00**
	TOTAL FINANCING	**500,000.00**

2.5. Business Plan Objectives

The objectives of this study are three-fold. First is to determine the viability of the proposed integrated project and serve as a business plan for the company's development program. Secondly, it is meant to facilitate initial Joint-venture process to local and Chinese investors.
Thirdly, the business plan will act as a supporting document in the company's application for Tanzania Investment Centre (TIC) Certificate of Incentives so as to

access exemptions on duties, VAT deferments and other benefits and protections as statutorily provided for under Tanzania Investment Act (1997).

2.6. Market and pricing Analysis

Furthermore, the market trend is encouraging. In fact, PP sacks manufacturing Noghas shown to be a lucrative business. Nigeria has continued to maintain the market lead in Africa for a long time and up to now.

2.7 Technical aspect and related cost

2.7.1. Land acquisition and Buildings

The project is located in Plot No 1244 Block B Nyamhongolo Mwanza. Based on physical inspection of the proposed site, the availability of basic and essential project Establishment development is in place. The shareholder will build some of the administration building and water treatment plant 12,800USD.

Office buildings and other related structures will be renovated by provision of loan-able facilities, the proposed structure is designed to meet highly security this will total to 60000 USD.

2.7.2. Machinery and Equipment.

Proper machinery and equipment selection is one of the key problems in the production of high-quality products in Tanzania. To increase effectiveness and production efficiency one needs to have a modern technology machinery. In view of the foregoing, an effort has been made to choose from modern technological alternatives, a level that strikes a balance between fixed costs based on depreciation and variable costs based essentially on wages.

While working out details of equipment required, it has been assumed that the factory will work 300 days in a year. The projects machinery and equipment will be sourced from China and local market in Tanzania Estimated total cost is 200,000USD. Calculated depreciation of buildings, machines and other working facilities is estimated to cost USD 24,621 please see Appendices I on income statement.

2.7.3. Motor Vehicles

The project anticipated to purchase motor vehicles costing to 42,000USD, these includes trucks costing to 36,000USD and two light vehicles costing to 6,000USD. All these vehicles will facilitate plant operations and management of the project. Hence increases plant performance and administrative work.

2.7.4. Furniture & Fittings and office equipments

The project building and structures are not enough to run smoothly project implementations; promoters during assessment keep asides a total budget of 1,000USD. The cost of furniture and fittings. Apart from furniture and office equipment, the project will allocate 19,000USD for unforeseen other office facilities in case the budget goes above limit.

2.7.5. Pre-Operational Expenses and initial working capital

Under pre-operational expenses are considered costs like company formation, preliminary project studies, business plan preparation costs, licenses, permits and authorization, including processing of Incentives, legal fees, etc set aside of 8,000USD. While 170,000USD for Initial working capital of the project which includes initial imports of consumable goods and material estimated to last for the 1st three months of operations. Otherwise, raw materials will generally be maintained at one month's stock and debtors at one month's sales volume total 178,000USD set aside.

2.7.8. Project Financing

The project costs, including fixed costs (machinery, equipment, building renovations, motor vehicles, office furniture and equipment and pre-operation expenses will be financed by a combination of bank term loan and shareholders own resources. Working capital requirements will be financed by short term bank financing in form of overdraft facility:

2.7.9. Operating and Administrative Costs

The major operating costs are salaries, wages and allowances; and food and beverages for hostel students. Consumable goods and material like chemicals, administrative expenses, fuel and lubricants, general cleaness and security, uniforms and other related goods, insurance, licensing, tax, utilities have been stipulated to this report (see income statement Annex I) total operational and administrative cost 1,148,276USD

2.7.11. Auxiliary Materials/ services

Falling under this category of factory, utilities and service facilities must be considered,

Utilities and service facilities that will need to be provided in this plant are as follows:

(i) Workshop
(ii) Electric power
(iii) Water supply
(iv) Miscellaneous facilities {Canteen; First Aid Kit, Storage and transport and Office Facilities}

(i) Workshop

It is necessary to make provision for a small workshop in the factory premises so that certain maintenance operations could be carried out following sudden breakdowns and major routine matters.

The facility will comprise of necessary machines like small centre lathe, drilling machine, welding set, soldering and gas-cutting equipment including complete electrical kit to take care of necessary electrical maintenance as well as to replace worn-out parts and periodic oil and greases needs for the factory. Equipment provision has been restricted to the minimum.

(ii) Electric Power and Generator

The proposed site will be supplied with industrial production 3-phase standard power supply from Tanzania Electric Supply Company (TANESCO), the electricity is available through the National Grid Line from Mwanza Region. As part of an alternative power supply, the factory will heavy duty 50KVA power generator automated generator that will be connected to the all-necessary factory compound for standby power supply. The factory will install an online UPS system that secures clean and uninterrupted power free of surges, brownouts, fluctuations and other power problems.

(iii) Water Supply

Apart from the needs of electric power, water is also required for the actual process and other social needs. The proposed site has close to water network, the agency is major supplier of water to urban and peri urban area in the city

(iv) Miscellaneous Facilities e.g. First Aid Kit, Storage and Transport, Office Facilities etc

- Provision has been made in the project costs for necessary facilities for external telephones and fire alarm system;
- Sickness and ill-health are recognized to be among the cause of absenteeism and low morale leading to decreased provision of factory, increased waste and bad employee-management relations. Therefore, necessary provision has been made for the canteen and first aid facilities in case of accidents, sudden sickness etc.
- Storage and transport needs of the factory have been duly recognized and been attempted mostly manual. Regarding transport, 3 light vehicles will be purchased and some will be hired during the start of project
- Necessary provision for furniture and office equipment has been made in the Capital Cost estimates.

2.7.12. Waste management for the project

In order to create a sustainable society, it is necessary to develop effective utilization of all sorts of wastes. One of the major wastes from our project site is chemicals used in the manufacturing of soap and detergents. The mix of chemical and water waste will be treated before disposing to avoid effects to the living organisms. In modern times, environmental protection is being implemented not because it is enforced law, but as an administrative philosophy.

3.0. PROPOSED SALARY BUDGET AND MANPOWER

3.1. Employment

The plant is looking at providing direct employment to 82 peoples on full implementation and operation of the project and 173 as part time employments basically these will be engineers and geologist in the gold processing plant. The company will have 9 foreign works, and the remaining are from local perspectives.
The project is divided into 3 Departments; Administration (13), Finance and marketing departments (5), Operational department (64).

3.2. Recruitment

Recruitment of the 73 persons will be carried out by recognized institutes SIDO and VETA by recruiting qualified operational department especially geologist and factory engineers.

3.3. Training and the use of consultants

H & J Fibre Investment (Tanzania) Co. Ltd plans to initially carry out on the job training for most of the technical staff to be dispatched to the project site by the suppliers of the machineries and equipments of the factory which will be specified under sales agreement. In general, the factory will ensure that employees acquire new skills and procedures to increase their productivity fourfold. Educational materials will be subsidized or paid for to motivate the workers to develop themselves.

Whereas the factory will endeavor to obtain the best talents to fill the permanent posts in the organization, it is intended where necessary, to continue with the policy of hiring out some specialized skills by way of consultants. Alternatively, those skills not required throughout the year will be left to consultants. To ensure efficient and scientific management, operational manuals will be prepared for the core functions of the factory.

The project will be managed by qualified professionals given the vast experience that the promoters have acquired over years in running and managing similar businesses,

guidance to management and regularly monitor and evaluate performance of the project.

Table 3.1. Manpower requirement:

A.ADMINISTRATION DEPARTMENT	FULL TIME STAFF	MONTHLY SALARY FULL TIME STAFF	MONTHLY ALLOWANCE	TOTAL ANNUAL SALARY
DEPARTMENT	**POSTS**	**AMOUNT USD**	**AMOUNT USD**	**AMOUNT USD**
EXCUTIVE DIRECTOR - FOREIGN	2	1,800		43,200
DIRECTOR ADMINISTRATION	1	800		9,600
LOGISTIC - FOREIGN	2	900		21,600
DRIVER	3	270		9,720
SECURITY GUARD	5	250		15,000
SUB TOTAL	**13**	**4020**	**0**	**99,120**
B.FINANCE AND MARKETING DEPARTMENT	**FULL TIME STAFF**	**MONTHLY SALARY FULL TIME STAFF**	**MONTHLY ALLOWANCE**	**TOTAL ANNUAL SALARY**
DEPARTMENT	**POSTS**	**AMOUNT USD**	**AMOUNT USD**	**AMOUNT USD**
DIRECTOR FINANCE-FOREIGN	1	1,000		12,000
ACCOUNTANT	1	600		7,200
PROCUREMENT OFFICER	2	500		12,000
DRIVER	1	350		4,200
TOTAL	**5**	**2450**	**0**	**35,400**
C. OPERATIONAL DEPARTMENT	**FULL TIME STAFF**	**MONTHLY SALARY FULL TIME STAFF**	**MONTHLY ALLOWANCE**	**TOTAL ANNUAL SALARY**
DEPARTMENT	**POSTS**	**AMOUNT USD**	**AMOUNT USD**	**AMOUNT USD**
Quality Control	2	1,000		24,000

PLANT OPERATOR - FOREIGN	2	1,000		24,000
Casual labors	60		90	64,800
TOTAL	**64**	**2000**	**90**	**112,800**

GRAND TOTAL	**82.00**	**8,470.00**	**90.00**	**247,320.00**

4.0. FINANCIAL ANALYSIS

4.1. Production, Revenue and project viability

- The estimated revenue gain from PP bags is estimated to be 1,500,000USD annually excluding Value Added Tax during the first year in operation of the factory,
- Net profit before tax is 351,724USD for the first year, and increases to second year to the fifth years of economic production life of project
- Percentage of gross contribution for the first year 23% and increases tremendously as shown in income statement,
- Net profit after tax and depreciation for the first years in operational is 203,212USD and increases positively, the project is able to pay corporate tax 98,131USD which has positive contribution to GDP of the country,
- The expected sales increase annually is 5% while expenses increase by 3% which depends on inflation rate of the country
- Total investment cost of the project is 500,000USD whereas the own equity is 35.6% while remaining percentage will be borrowed from commercial banks,
- Project current assets for the first year is 203,212 USD and is increases positively, project has a good liquidity in case the shareholders will quit the project its easily to sales shares.
- The end balance of project in cash flow statement is positive and increases tremendous. And Cash generated from operation and net cash from operational activities increases positively of project (see cash flow sheet)
- The Discounted Cash flow yields an Internal Rate of Return (IRR) of 13.59% which is above discounted bank interest rate of 8%, and payback period of project is within 3 years. This confirms the financial viability of the proposed project.
- Return on Investment is anticipated to 26.49% which is increases positively to 33.9% to the fifth year of project economic life - see balance sheet,
- Depreciation of fixed assets and amortization of the pre-operational expenses rates used are as follows: land 5%, Civil Works/ Structures/Buildings 5.00% on straight line basis, Plant Machinery & Technical Equipment 12.50% on straight line basis, Motor Vehicles. 20.00% on straight line basis. The business plan use 12.5% as depreciation factors. To this project after including depreciation factors, the first year depreciation value is 24,621USD and increases gradually due to wear and tear of fixed asset. Whereas asset value decreases with time – see annex I and III
- Salaries and Wages have been based on the prevailing scales in the project. There is provision of 20% to cover company contribution to NSSSF (10%) and other social welfare (10%). Included to the total amount (see Income statement)

5.0. RISK ANALYSIS

5.1. Risk Analysis

Risk is the probability that an event or action will adversely affect the organization. Risk assessment is the identification and analysis of risks associated with the achievement of operations, financial reporting and compliance goals and objectives. Risk management is a central part of the factory. The factory's management will determine the level of operations, financial and compliance risk they are willing to assume. Risk assessment is one of the Factory's management responsibilities.

5.2. Macroeconomic risk analysis

Since early 1986, the government of Tanzania has launched a comprehensive economic policy and stabilization plan with the aim to enhance the amount of infrastructure construction and improve the lives of the poor. During this time the main economic indicators significantly improved. However, uneven development of various region in the country, lack of relevant infrastructure in transportation, telecommunications, networking, factory facilities, electricity and water supplies have proven to be investment barriers. Overall, Tanzania has a weak economic foundation but the project can achieve a greater impact in attaining social and economic goals for the country.

5.3. Finance risk analysis

a) Supply Risk: The risk in consumable good relates to supply of raw material, transportation and price fluctuations. There is no assurance of enough supply of raw materials in the local market instead mostly of raw materials are imported.

b) Processing Risks: The technology, machines and equipment used in factory are in rudimentary stages all of which contribute to reducing output efficiency.

c) Sales/market risk: Placing on the tuition fees markets bears risk of demand fluctuations and rejections through the implementation. Furthermore, beneficiaries/students are not aware of the factory and are usually very pricing sensitive.

5.4. Other potential external risk

a) Lack of Governance: the governance mechanism is underdeveloped, actors operate in an uncoordinated and unorganized fashion, and if rules exist they are often ignored;

b) Lack of market coordination: No lead organization has a coordinating role in relation to markets, technology and information such no incentives for improving mental health education and promote sustainable income earning opportunities;

c) Unclear and conflicting roles regulatory authorities: Regulatory Agencies are responsible for quality control education and as well as enforcing such as NEMC, TBS, TMA, Ministry of industries etc, are regulatory role in issuing licensing etc

d) Operating procedures: Standard procedures are inadequately enforced, or not enforced at all, because of relaxed regulations; and

e) Integration: there is little vertical integration of education system

5.5. Mitigating potential risk

The development of a large and complex project such as H & J Fibre Investment (Tanzania) Co. Ltd is necessarily accompanied by multiple risks during all the phases of the project development, construction, operation and maintenance. The right approach to manage the project in a manner which is fairly and adequately address the multiple risks in a comprehensive as well as systematic manner is to use the risk analysis and management methodology which identifies the risk issues and their instrumental cause. In this regard, the risk is eliminated or effectively managed by the party best suited with capacity to handle or deal with the risk factors.

6.0. FINANCIAL MODELLING AND ANALYSIS

The Financial Modelling and analysis, is the main source of information for assessing the potential financial viability of the H & J Fibre Investment (Tanzania) Co. Ltd. The analysis is based on the assumptions that have been taken for the implementation of the site development, demand and the associated potential investment requirements for a 5-year time period. The purpose of Establishment of the factory will speed up the country´s economic development by being a catalyst for restructuring the existing factory to set up and attracting new, both foreign and domestic entrepreneurs to a liberalized legal business framework.

7.2. Project investment summary.

INVESTMENT SUMMARY – H & J FIBRE INVESTMENT (TANZANIA) CO. LTD				
S/NO.	**CAPITAL ITEM**	**No. OF UNITS**	**UNIT OF MEASURE**	**ESTIMATED COST (USD)**
NB	**ALL FIGURES IN "USD"**			
	A. LAND AND BUILDINGS			
1	Land Acquisition	4000+	M^2	12,800
2	Building	100	M^2	47,200
	SUB TOTAL			**60,000**
	B. MACHINERY EQUIPMENT	**No. OF UNITS**	**UNIT OF MEASURE**	**ESTIMATED COST USD**
11	Plant and Machineries	1	set	170,000
12	Other equipments	5	unit	30,000
	SUB TOTAL			**200,000**
	C. MOTOR VEHICLES	**No. OF UNITS**	**UNIT OF MEASURE**	**ESTIMATED COST USD**
28	Trucks	2	Unit	36,000
29	Light Vehicles	2	unit	6,000
	SUB TOTAL	**4**		**42,000**
	D. FURNITURE	**No. OF UNITS**	**UNIT OF MEASURE**	**ESTIMATED COST USD**
30	Tables	20	unit	400
31	Office Furniture	set in lump sum		600

	SUB TOTAL			**1,000**
	E.OTHER COST/CHARGES	**No. OF UNITS**	**UNIT OF MEASURE**	**ESTIMATED COST USD**
32	Contiguous			19,000
	SUB TOTAL			**19,000**
	TOTAL FIXED ASSET			**321,000**
	F. CURRENT ASSETS	**No. OF UNITS**	**UNIT OF MEASURE**	**ESTIMATED COST USD**
33	Pre operational expenses			8,000
34	Initial working capital			170,000
	SUB TOTAL			**178,000**
	TOTAL INVESTMENT			**500,000**

7.2. Objective and Scope of Financial Mode

7.2.1. Objective

The main objective of the financial modelling and analysis is to setup a financial model framework for potential generated revenues and operational & maintenance costs for the full operation of H & J Fibre Investment (Tanzania) Co. Ltd based on the assumptions taken for the Market Analysis, the plan for the facility development, unit production costs and other overhead and operational charges.

7.2.2. Scope

The scope consists of a financial model that will be used to analyse the potential financial viability of the project based on the assumptions taken for the concept and scope of the factory on the Market Analysis. The financial model has been developed in excel spread sheet and include information on costs, expenses and the subsequent sales revenue based on the average market prices and linked to the financial cash flow.