

NYSSA TOURISM HOLDING LIMITED

BUSINESS PLAN

FOR

ESTABLISHMENT

OF

TOUR OPERATIONS BUSINESS

1.0. **EXECUTIVE SUMMARY.**

NYSSA TOURISM HOLDING LIMITED a company registered in the country under the Companies Act, 2002. The project promoters are well established business carrying out various businesses but majoring in tourism sector. Having been in the business for over 5 years the directors are now well prepared for establishment of tour operations business focusing on permanent camp site operation and Hot air balloon operation in five major national parks namely, The Serengeti, Arusha, Tarangire, Ruaha and Lake Manyara.

The document has been prepared to serve as a business plan for **NYSSA TOURISM HOLDING LIMITED** for the tour operator project specializing in Hot air Ballooning operation and camp site. The implementation of this project will comprise of the following activities:-

- The purchase of 10 Land cruisers,
- Construction or renovation of base camp sites
- 2 Hot Air Balloons procurement
- The construction of a modern workshop, office and
- Purchasing CCTV and communication equipment
- Equipping the company with relevant facilities

The proposed project is estimated to cost about TZS 2,217,600,000. The project sponsors will provide full funding amounting 1,251,150,000 in terms of equity contribution while the rest TZS 966,450,000 will be re investment of cash generated from operations.

1.1 THE PROJECT PROMOTERS

The shareholders of this project are all entrepreneurs with a diverse professional and business backgrounds. The company is owned by 3 shareholders, namely:-

Name	Shares %	Nationality
ULUER HALIL	50	TURKISH
MAHMOOD OTHMAN	30	TANZANIAN
ENDLESS SAVANNAHS LIMITED	20	TANZANIAN

1.2 LOCATION.

The project head quarter will be in Dar es Salaam, plot 31 7th floor Hifadhi house. The operation at five national parks namely Serengeti, Arusha, Tarangire, Ruaha and Lake Manyara.

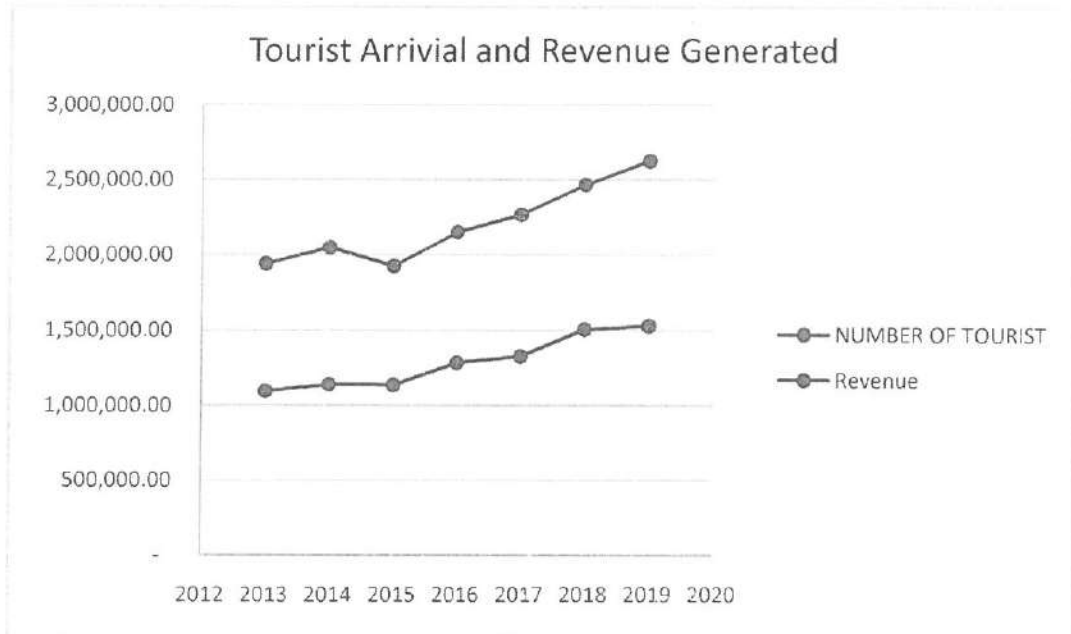
1.3 TOURISM OVER VIEW

Tanzania is among the few countries in the world endowed with such a vast range of tourist attractions, Tanzania has 22 national parks, 29 game reserves, 40 controlled conservation areas and marine parks that are located in the Northern and Southern parts of the country. More than 25% of the Tanzania's land area of about one million square kilometers covered with magnificent game reserves and national parks. Tanzania is also a home to Mt. Kilimanjaro, The miles long silver sand beaches and the rich historical site of the spicy islands of Zanzibar are yet another attraction that Tanzania is blessed with.

According to World Bank group data the tourism industry have been positively growing from 2013 to 2019. From 1,096,000 tourists in 2013 up to 1,527,000 in 2019, this represent the growth of 39.3% increase for international arrivals.

Revenue generated from the arrival during this period also increased accordingly. From 1,939 billion usd in 2013 up to 2,624 billion in 2019.

The table below further elaborate.



Source: <https://data.worldbank.org/indicator>

1.4 TANZANIA TOURISM GEO MAP

Tanzania tourism attraction are distributed all over the country, there are old developed and well developed tourist attraction site and newly developed sites which there accessibility have been enhanced by infrastructure development on their respective location areas. These sites are mainly found on southern highlands region of Mbeya, Songwe and Katavi and on the western region zones of Tabora, Geita, Kigoma and Kagera. Traditionally the Tanzania tourism geo map is divide into two circuits, Northern and southern circuit

1.4.1 THE NORTHERN CIRCUIT

The northern circuit is the most popular tourist destination in Tanzania, it covers Arusha, Manyara, Mara, Moshi and Tanga region. It's on this circuit is where the popular destination are found, the like of Serengeti, Tarangire, Arusha , Lake Manyara and Mkomazi national parks and Ngorongoro crater. All these sites have different attraction below is insight on the few of them.

The Ngorongoro conservation area is the world's largest crater. Ngorongoro crater is also a renowned world heritage site and a natural wonder that earned the title of the Eighth Wonder of the World. Ngorongoro crater is 2,286 meters above sea level surrounded by steep walls rising 610 meters from the crater floor sprawls over 250 square kilometers. The crater is home to thousands of animals. The Ngorongoro crater has some of the world famous attractions that include Olduvai and Laetoli Gorges. These are archeological and pale ontological sites famous for the discovery made by Dr Louis Leakey of the remains of *Homohabilis* or ‘‘handyman’’ and trails of footprints left by the three hominids 3.8 million years ago. Other discoveries include those of prehistoric elephants, giant sheep and enormous ostriches.

Serengeti National Park is the best known wildlife sanctuary in the world. It is also famously known for its great migration of animals, thus making it the only place on the earth where there is a spectacle of 1.5 to 2 million animals on the Match. Toward the end of May or early June, huge herds of wildebeest, gazelle and zebra begin their spectacular migration to Masai Mara. Following the migration closely are the predators, the Lions, cheetahs, wild dogs, hyenas and vultures circling overhead.

Serengeti is also home to 35 species of plains animals including the ‘big five’ – elephants, Rhinos, Lions, Leopards and Buffalos. Tarangire National Park also located in the Northern circuit is another park famous for its dense wildlife population, which is most spectacular between June and September. During this period thousands of animals including wildebeest, Zebras, Elands, Elephants,

Buffalos and Oryx's, migrate from the Masai steppe to the Tarangire River in search of water

Lake Manyara Park is home to millions of flamingos, tree climbing lions and pythons. This is yet another unique attraction, which Tanzania is blessed with.

1.4.2 THE SOUTHERN CIRCUIT

The Southern circuit boasts of National Parks and Africa's greatest protected game reserve the "Selous". Which in 2019 was divided and new Nyerere National park was established on the north side of the reserve and become the largest national park in Tanzania and also one of the world's largest wildlife sanctuaries. The total area of the park is 30,893 km² (11,928 sq mi) and covers the Matemwe, Morogoro, Lindi, Mtwara and Ruvuma regions. The park is home to largest population of Elephants, Buffalos, Hippos and Wild Dogs. Other commonly seen species are Lions, Bush Boars, Impalas, Giraffes, Great Kudus, Zebra, and Baboons.

Selous Game Reserve area have been significantly reduced due to establishment of Nyerere national park, Most of the reserve remains set aside for game hunting through a number of privately leased hunting concessions, but a section of the northern park along the Rufiji River has been designated a photographic zone and is a popular tourist destination. Selous contains some of the finest virgin bush life in Africa.

Ruaha National Park is Tanzania's third largest park and largest elephant sanctuary. The park derives its name from the great Ruaha River ,Which flows along its entire eastern boarder creating spectacular gorges and scenery .Flowing in to the Rufiji River, the Great Ruaha is home if Hippos, Crocodiles, Waterbucks, Reedbucks and Buffalos ,Birds life is prolific, over 370 species have been recorded some of which are not found in Northern Tanzania .Eurasian migrants flock to Ruaha twice a year, March to November, joining the resident Kingfishers ,Hornbills, Egrets and Plovers.

1.4.3 OTHER TRADITIONAL TOURIST ATTRACTION

Gombe Stream National Park is among the few areas in Africa, which harbor some of the rarest species of animals- Chimpanzees, such as Yellow Baboon, Sykes, Monkeys, Red tailed, and Savannah Colobus Monkeys. Gombe Park is famous for its Chimpanzees. The famous British researchers Ms. Jane Goodall and her foundation continue to spend great deal of time to study Gombe Chimpanzees' communities. The park is found in the western part of Tanzania in Kigoma region.

Spicy Islands of Zanzibar a visit to Tanzania cannot be complete without a visit to the Spicy Island of Zanzibar- a paradise where Arabia meets Africa. The islands of Unguja and Pemba that constitute the Spicy islands of Zanzibar have a long history that dates back to the time when Zanzibar was the Eastern gateway to the Middle East and Far East. It was therefore not by accident that the explorers Livingstone and Burton established their homes there. Zanzibar was the center of the infamous slave trade. It was also famous for ivory trade. In the 19th Century, cloves were introduced to Zanzibar. To date Zanzibar is still the world's largest clove producer. Its fame and beauty mesmerized and attracted the Sultan of Oman who designated Zanzibar his capital. "Beit-el Ajab"(House of Wonders), which was the Sultan's Palace is worth seeing

2.0 MARKET ANALYSIS

Tanzania's tourism industry is thriving and is rated among the fastest growing sectors in the country and it takes a lead in bringing foreign exchange. According to World Bank group data the tourism industry have been positively growing from 2013 to 2019. From 1,096,000 tourists in 2013 up to 1,527,000 in 2019, this represent the growth of 39.3% increase for international arrivals. Revenue generated from the arrival during this period also increased accordingly. From 1,939 billion usd in 2013 up to 2,624 billion in 2019.

Up to 2016 the sector was providing direct and indirect employment to 1,389 million people in Tanzania

In the first quarter of 2020 the world was hit by the Covid 19 pandemic affect almost all economic activities including tourism. Different countries took strict measures and close their border to control the pandemic. Tanzania took a complete different approach to the pandemic, after first wave of the pandemic the then president of Tanzania John Pombe Magufuli opened the country and declared Tanzania is free form the pandemic. The act left the country open for tourist however there is not official data to show how many tourist arrived during this period and how much revenue was generated.

2.2 DOMESTIC TOURISM

Apart from international tourism, the government of Tanzania has recognized the importance of domestic tourism in its contribution to economic growth. Both the public and private sectors have increased efforts to promote domestic tourism. These efforts include advertisements through the media and participation in local fairs such as "Karibu Travel Fair", "NaneNane" and "Saba Saba". As a way of encouraging residents to visit the national parks, museums' and antiquities' entrance fees have remained low, on average adults pay TZS 10,000 and children pay TZS 2,000 to visit the parks, while for museums and antiquities the entrance fees for adults and children average TZS 2,000 and TZS 1,000, respectively. The

available data the number of domestic tourists who visited such attractions has increased to 639,749 from 536,341, recorded in 2007/08. (Table

Table 1.1: Domestic Visitors by Tourist Attractions

Attraction	2007/2008	2008/2009	% change
National Parks	258,039	280,537	8.7
Museums	73,520	92,787	26.2
Antiquities Sites	35,039	45,209	29
Ngorongoro	169,743	221,216	30.3
Total	536,341	639,749	19.3

Source: Ministry of Natural resource and Tourism

2.3 EMERGING SOURCE MARKETS

Since 2006, the Tanzania Tourist Board has been stepping up promotions in new emerging markets of China, Japan, Singapore, India and Russia by participating in tourism fairs and conducting Road Shows. Table 1.2 shows the number of tourist arrivals from emerging markets.

Table 1.2: Tourist Arrivals from emerging countries

Country	2006	2007	2008
China	4,798	6,353	8,982
Japan	3,989	4,021	3,890
Singapore	320	384	347
India	13,020	14,042	17,530
Russia	415	2,091	2,224
Total	22,542	26,855	32973

Source: Ministry of Natural Resource and Tourism

Table 2: Top 15 Source Markets to Tanzania

	Country of residence	Number of visitors	Percentage of total
1	Italy	962	15.1
2	USA	816	12.8
3	United Kingdom	601	9.4
4	South Africa	353	5.5
5	Kenya	315	4.9
6	Germany	312	4.9
7	France	234	3.7
8	Canada	222	3.5
9	Australia	207	3.2
10	Netherlands	205	3.2
11	United Arab Emirate	195	3.1
12	Zambia	155	2.4
13	Norway	147	2.3
14	Sweden	127	2
15	Switzerland	127	2
16	Others	1,410	22.1
	Total	6,388	100

Table 2. Presents a total of 6,388 visitors who visited Tanzania from **106 countries** during the two weeks survey. As shown in the Table, Italy, the United States of America and the United Kingdom took the lead, accounting for about 37 percent of all the visitors. Like in the previous surveys, Europe and North America continued to be the prominent tourist source markets. The results also point out new developments, whereby the United Arab Emirates (UAE) and Kenya were among the top fifteen source markets. The appearance of Kenya was also observed during the survey conducted in 2001. The increase in the visitors from Kenya can partly be explained by the increasing trade relations between the two countries. On the other hand, the appearance of UAE in the top 15 source markets is partly associated with the introduction of daily direct flights by Emirates and Qatar Airways to the country.

The United Kingdom led in bringing more visitors for leisure and holidays followed by the United States of America. Under Visiting Friends and Relatives category, the United States took the lead.

However, promotional efforts need to be enhanced in order to tap more visitors from other markets like the Middle East as well as regional markets. It has been observed that over-dependence on few traditional source markets (Europe and North America) is risky and might cause adverse effects in time of crises such as the recent Global Financial Crisis.

The major tourist attractions in **Zanzibar** are the sandy beaches and the historical sites. As observed in the previous surveys, Italy continued to take the lead by bringing about 27 percent of the visitors, followed by the United States of America (10 percent) and South Africa (9 percent) as shown in Table 2. The significance of the Italian market is largely associated with the existing Italian hotel establishments in Zanzibar coupled with direct chartered flights from Italy. Likewise, the increase of the visitors from South Africa is largely explained by the launching of ONE TIME AIR, which flies directly from South Africa to the island three times a week. It is worth noting that, the United Arab Emirates also appeared in the top fifteen source markets partly due to the participation of Zanzibar in the Arab Travel Market (ATM), which takes place in Dubai.(Russian connection)

2.7 TARGETED MARKETS.

The company will focus on the prime market of USA, Canada, UAE and Europe, these have been primary source of tourist who are coming to Tanzania, and the company focus will be to get the premium tourist who pays will be able to pay for the premium service the company is expecting to be providing. The business strategy the company has chosen require the company to focus on such kind of customers. The company will also focus on the same kind of customers from the emerging markets to support the Government tourism expansion strategy.

2.8 MARKETING STRATEGY

In order to penetrate and expand to the targeted markets the company has come up with the following marketing strategy;

- Participation in Tourism exhibitions, the focus will be on exhibition in America, Europe, Dubai and Far East (China)
- Billboard Advertising and radio campaign for local tourism promotion
- Advertising through internet and social Medias, through the use of influencer's both local and international (sports and Music celebrities)
- Translating the company website
- Opening up an overseas agent in UAE, America Middle east countries & Europe
- Joining membership to various travel and trade associations.

Thus a successful implementation of the outlined plan will yield the desired level or threshold of client from worldwide focus.

2.9 PRICING STRATEGY

NYSSA TOURISM HOLDING LIMITED will sell its service using the package model, where the guest will be offered a package for all services provided by the

company, this will vary from 2 days up 7 days depending on the guest request. The package will also include All Fees and Taxes, Private transportation, Air-conditioned vehicle, Accommodation as per itinerary, breakfast, Dinner, lunch and Airport pick up

The company intend to offer best quality and customized services that comply to the price charged as indicated earlier, there is a market segment that has spending power and can afford this pricing. Therefore, this pricing will reflect the targeted market segment in focus. Annually the company will analyze its pricing structure once again to reflect the cost of the various components of its products and will adjust accordingly.

3.0 SALES AND MARKETING COMMUNICATION

Under the implementation plan the following sales and marketing communication approaches will be carried out:-

Billboard and Radio Advertising campaign

This strategy is drawn mainly to attract the domestic market, numerous billboards will be displayed in strategic locations in order to optimize cleanness for any public/audience some of the strategic locations under this implementation plan include: airports and on the main city roads of Arusha, Moshi and Dar es salaam.

3.1 TOURISM EXHIBITIONS

The company is planning to be participating in every year in USA, the World Travel Market (WTM) exhibitions in the UK, Indaba Travel Exhibitions in South Africa as well as the domestic Karibu Travel & Trade fair in Arusha.

3.2 MARKETING THROUGH THE INTERNET

Technology has indeed transformed our lives. There are countless tourism related websites on the internet world wide that advertise and promote products and services either directly through their web pages or through email marketing. Another option under this plan will be to get the company website listed on major search engines waiting for customers. Search engines have proven to be valuable and informative tool in the Marketing world. Also through social media of the company and the use of sports and music personnel both local and international social media platforms.

4.0 COMPETITION

The company is expecting to face competition from various tour operators globally, however due to specialized service provided by the company to targeted market, the company is expecting to gain the expected market share due to the kind of products it will be offering.

5.0 MANPOWER AND ORGANIZATION STRUCTURE

The project will be managed by a Board of Directors of **NYSSA TOURISM HOLDING LIMITED**. The Board, like all other boards is responsible for the formulation and supervision of company policies and guidelines. The project's day to day operations will be under the supervision of Managing Director assisted by Director of Finance and Administration and Director of Logistic and Marketing.

In order to ensure timely services delivery, Management will provide on the job training in the field of tour operations and management and will provide bonus and other incentives as a means of instilling and boosting employee work morale. Once the project is completed it is estimating to create direct employment of 50 people, 45 local Tanzanian and 5 foreign nationals

6.0 PROJECT DETAILS

6.1 INTRODUCTION

Tanzania is endowed with natural tourist attractions and is geographically strategically located in relation to her neighbors. Because of the above mentioned factors, the country's tourism sector has a great potential in contributing to the economic growth of Tanzania.

With this view Nyssa tours plans to establish operation which will create new tourism experience to the country by establishing state of the art camp site and introduce Hot air balloons operation in five selected national parks of Serengeti, Arusha, Tarangire, Ruaha and Lake Manyara.

Key steps have been taken toward achieving this goal, the company has already obtained necessary approvals from relevant authorities to undertake the project in the said areas. There are few pending approval for the project to take off. Project implementation is expected to take two year for the project to reach its optimal operation

7.0 THE PROJECT

NYSSA TOURISM HOLDING LIMITED is planning to establish permanent camp sites and Hot air balloon operation in five national parks in Tanzania

This study is based on operation of the two Hot Air balloon and camp sites based in five national parks.

The company will undertake construction of base camps with 310 bed capacity, distributed into the parks as follows, Serengeti national park, and lodge with maximum bed capacity of 80 beds situated at Lumakau site. In Tarangire national park, lodge with maximum capacity of 75 beds situates at Badhayo site. In Lake Manyara National park, construct permanent tented camps with maximum 40 bed (20 luxury tents) at Nyamkifu site. In Ruaha national park, construct permanent tented camps with maximum 40 bed (20 luxury tents) at Mgoda site. In Arusha national park, lodge with maximum of 75 bed capacity.

8.0 PROJECT SPONSORS

NYSSA TOURISM HOLDING LIMITED is owned by 3 shareholders with vast experience as far as tourism industry is concerned. NYSSA TOURISM HOLDING LIMITED shareholders have an adequate experience in running the business of Hot Air Balloon and camp site operation

9.0 PROJECT IMPLEMENTATION

For the project to be a reality a total investment amounting to TZS 2,217,600,000 is needed. The timeline for implementation of the project is two, with scheduled soft opening to start six months after commencement of project implementation. Below is the cost structure indicating funding requirements for the project

SCHEDULE 5.0: NYSSA TOURISM HOLDING LIMITED COST STRUCTURE

PARTICULAR	TZS
Camp site construction	231,000,000
2 Hot Air Balloon	646,800,000
Motor Vehicles 10	1,155,000,000
Furniture & Fittings	23,100,000
Pre expenses	23,100,000
Consultancy and operational permit	11,550,000
Permit	11,550,000
TOTAL	2,217,600,000

(i) Camp site contraction: TZS 231,000,000

The project to be constructed in five national parks of Serengeti, Arusha, Tarangire, Ruaha and Lake Manyara. A total of 310 bed capacity camps are expected to be built

- (ii) **Hot Air Balloon TZS 646,800,000**
Some TZS 646,800,000 is anticipated to be spent on the purchase of two Hot Air Balloons
- (iii) **Motor Vehicles: 1,155,000,000**
The project will need 10 vehicles at the estimated cost of TZS 1,155,000,000. According to the plans it will involve the purchase of several vehicles as it has been mentioned above in detail. These vehicles will be used in transportation of tourists who will be visiting camp sites located in the said five national parks
- (iv) **Office Furniture and Equipment: 23,100,000**
This investment cost item has been estimated to cost TZS 23,100,000. It will consist of office tables, chairs, telephone, fax, machines, etc.
- (v) **Pre-Operational Expenses: 23,100,000**
They cover things like company registration; expenses spent by **NYSSA TOURISM HOLDING LIMITED** in exploring the viability of the project, especially the market/client identification exercise; also included under this item are issues like consultancy fees.
- (vi) **Permits TZS 11,550,000**
The some will be used to obtain different permits and approvals from different government authorities

10 FINANCING PATTERN

The project will be financed full by equity, where Uluer halil From Turkish will provide 50% , and other local investors Mahmoud Othman (Tanzanian) 30% and Endless Savannahs Limited (Tanzanian) will provide 20%

11 PROJECT REVENUE AND COST PROJECTION ASSUMPTION

Upon approval the construction work is expected to take six (6) months for the planned soft opening of the operation, for the period of construction the company will have few staff who will be involved on the construction work, office set up and marketing team. The project is scheduled to be fully operation in two years' time. Below is the two year financial forecast indication the cost involved on the implementation of the project and revenue which will be generated during soft opening.

There are four assumption to be considered for the purposes of cost and revenue estimate

- 1) Its assumed the project will be completed by 25% after six month ready for soft opening
- 2) The project will be at 50% one from that date the construction was started
- 3) The project will at 75% after 18 month and be at 100% in after 24 months.

Below is the forecasted cost and revenue schedule based on the above assumption, At full capacity the bed occupancy rate have been assumed to be 62%. These assumption have taken into account the current pandemic impact on the world economy.

Month	PHASE 1	PHASE 2	PHASE 3	PHASE 4
Cash takings				
Sales revenue		1,486,881,093.75	3,172,013,000.00	5,195,337,468.75
OPERATIONAL COST				
Labor costs	21,000,000.00	21,000,000.00	21,000,000.00	21,000,000.00
Staff social costs	150,000,000.00	187,500,000.00	234,375,000.00	316,406,250.00
TANAPA Investment Site	5,779,620.00	5,779,620.00	5,779,620.00	5,779,620.00
TANAPA Annual Land Base Rent	23,104,620.00	23,104,620.00	23,104,620.00	23,104,620.00
Food and beverages	-	148,688,109.38	317,201,300.00	519,533,746.88
Cleaning	-	-	-	-
Office (Mobile, Internet, Postage)	13,860,000.00	13,860,000.00	13,860,000.00	13,860,000.00
Executive bonus Net GP	-	-	-	-
Company vehicle costs	60,000,000.00	223,032,164.06	475,801,950.00	779,300,620.31
Marketing Expenses	150,000,000.00	111,516,082.03	237,900,975.00	389,650,310.16
Tax advisor / Accountants	86,550,000.00	90,000,000.00	90,000,000.00	90,000,000.00
Park fees and other charges	-	520,408,382.81	1,110,204,550.00	1,818,368,114.06
Insurance / Fees	41,580,000.00	41,580,000.00	41,580,000.00	41,580,000.00
Construction cost	115,500,000.00	57,750,000.00	57,750,000.00	-
Hot Air Balloon	646,800,000.00	-	-	-
Motor Vehicles	1,155,000,000.00	-	-	-
Depreciation	62,321,875.00	112,612,500.00	112,612,500.00	112,612,500.00
Incidental financial costs	-	-	-	-
Maintanance cost	-	74,344,054.69	158,600,650.00	259,766,873.44
Leasing/Rent	34,725,000.00	34,725,000.00	34,725,000.00	34,725,000.00
	2,566,221,115.00	1,665,900,532.97	2,934,496,165.00	4,425,687,654.84
<i>Pre-tax profit</i>	<i>(2,566,221,115.00)</i>	<i>(179,019,439.22)</i>	<i>237,516,835.00</i>	<i>769,649,813.91</i>

12.0. FINANCIAL ASPECTS FOR THE PROJECT

12.1 Projected Profit and Loss Statement

The Income and Expenditure Statement shows the projected income and expenditure for two years during which the project will be on its construction phase which is divided into 4 phases. The position depicted is that the project starts to generate positive pre-tax profit during phase 3 implementation stage. At this stage the project is at 75% completion level.

12.2 Projected Cash Flows

The project's cash flows depict a good liquid position right from the soft opening during the end of phase 1. The project will be able to sustain itself and meet its monthly obligation right after the first month of launching soft operation. As the completion continues to grow the start to recover some of the capital invested, where by the end of phase 4, 64% of the capital invested will be recovered

12.3 Projected Balance Sheet

Project total assets will be 2.032 billion by the end of project implementation

13.0 PROJECT IMPLEMENTATION SCHEDULE

It is expected that the Project will take relative short period to be implement as shown below:-

SCHEDULE 10.0: PROJECT IMPLEMENTATION SCHEDULE

	ACTIVITY	PERIOD
1.	Processing TIC Certificate of Incentive and Funds Mobilization	On going
2.	Commencement of construction work and ordering of initial five vehicles	Phase 1
3.	Ordering of Hot Air Balloons and final vehicles	Phase 1
5.	Soft opening and completion of phase 1	Phase 2
6.	Continue with constructions to take the project to 75%	Phase 3
7.	Commercial Operations at full capacity	Phase 4

14.0 ECONOMIC ASPECTS OF THE PROJECTS

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

(i) Employment Opportunities

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the project is going to provide employment of 50 of which 45 are Tanzanian. This is a significant contribution coming from investors.

(ii) Revenue to the Government

The Project is expected to pay a substantial annual amount in the form of corporation tax, VAT, and other forms of taxes related to tourism sector. Also there is a significant contribution toward the sector through park fees and other fees applicable to the industry. Its estimated 35% of total turnover can be paid to the government by way of taxes and fees

(iii) Foreign Exchange Earning

Since the project's clientele is mostly towards tourists, the project will thus earn foreign currency for the United Republic of Tanzania.

15.0 CONCLUSION AND RECOMMENDATION

15.1 CONCLUSION

- (i) The project is profitable and contributes to government revenue by way of taxes, and it's a good venture for investors
- (ii) The project provides employment to **50** people all of whom 45 are Tanzanians national.
- (iii) The timing of the project is perfect as most of countries are recovering from the Corona pandemic, this makes people hungry for travelling to new destinations after spending most of last year at their home countries.
- (iv) The project is an encouraging sign for investors' confidence to the new Government, this goes hand in hand with Government effort to encourage investment

15.2 RECOMMENDATION

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority (TRA) and the Tanzania Investment Centre – (TIC). The project deserves this support because of its viability, since it is technically feasible, economically viable and socially acceptable.