NUTRICOM FOOD
&
BEVERAGES COMPANY LIMITED

P.O. BOX 2860
DAR ES SALAAM

Feasibility Study Report

On

Establishment of A Modern Food & Beverages Manufacturing Facility.

At

Plot 21/22 Ubungo - Dar es Salaam, Tanzania

Prepared by:
M/s NUTRICOM FOOD & BEVERAGES COMPANY LIMITED,
P.O. Box 2860
Dar es salaam

NUTRICOM FOOD & BEVERAGES CIMPANY LIMITED

P.O. Box 2860

Dar es salaam

Index

List of Appendices: -

0.1 INTRODUCTION:

This feasibility study report is being prepared for M/S Nutricom Food & Beverages Company Limited. of P.O. Box 2860, Dar es salaam, Tanzania hereinafter referred to as NFBC.

NFBC has undertaken a project to venture into the manufacturing of Food & Beverages and other allied products including trading.

The promoters are non-Tanzanians and are well experienced in the envisaged line of business. The promoters have enough financial resources to see through the project and will bring in foreign exchangeright from the inception stage of the project.

The purpose of this study is to assess the commercial viability and operational feasibility of the project being undertaken by NFBC. Most of the data has been complied by the promoters' own research and study in Tanzania and is first hand information. The financials have also been worked out on the basis of market and cost information provided by the promoters of the project.

This report has additionally deliberated upon the social and related economic benefits (net) that will accrue to the nation and has given adequate weight age for the same in the conclusion & recommendation paragraph.

02. COMPANY DETAILS:

Registration:

M/s NFBC has been registered with the Registrar of Companies on 29Th of JANUARY 2022 as a limited liability company with a paid- up share capital of T.shs 1,000,000/= (1,000 shares each of T.shs 1,000/= shillings). The Authorized share capital of the company is same as the paid-up share capital. The registration number of the company is 154908161.

Object Clause:

"To carry on the business of Food & Beverages Manufacturing and also to include manufacturing of allied products as well"

Other object clauses include the business of import and export.

Promoters/Shareholders & Directors:

The Shareholders of NFBC are as under:

Name of the Share Holder	**Nationality**	**No. of Shares Held**	**% Holding**
MR. YUGANDHAR REDDY BOMMAREDDY	Indian	550	55%
MISS. HIMABINDU GAVIREDDYGARI	Indian	150	15%

The first directors of the company are:

01. MR. YUGANDHAR REDDY BOMMAREDDY
02. MISS. HIMABINDU GAVIREDDYGARI

Location of the Proposed Factory:

The site for the factory shall be in Plot 21/22 – Ubungo – Dar es Salaam.

Registered Office Address:

Plot/Block NO: 96/43 Mwenge.
Dar es Salaam.

03. THE PROJECT:

As stated in the paragraph on introduction, the project is "to establish a modern food & beverages manufacturing facility" by utilizing local inputs to its maximum and thereby contribute towards the manufacturing sector of the economy and create wealth and employment resulting into a positive cascading impact on the entire economy.

The basic purpose of the entire project is to add value to the abundantly available inputs, which have hitherto not been adequately exploited. The project will create more wealth for the nation and shall endeavor to bring in more prosperity and economic independence.

The project will create nearly 100/- employment opportunities directly and more than that indirectly. Apart from adding to the wealth of the nation, it shall also increase the purchasing power of the community thereby leading to an overall increase in demand for other consumer products, which shall in turn lead to better economy conditions.

Since the entire project cost is to be borne by the promoters there will be inflow of previous foreign exchange. Since the output of the project is in the nature of import substitution, it will restrict the outgo of foreign exchange. In other words, the project shall prove to be very much beneficial from foreign trade point of view.

The project shall bring in plant and machinery from outside the country and shall eventually train the local population in the running of the plant. The project will thus contribute towards the manufacturing sector of the economy. As power the latest findings of CTI (confederation of Tanzanian Industries), manufacturing contributes less than 10% of contribution towards this sector which is very much welcome by the government. The manufacturing process being undertaken shall also ensure that value addition is being done within the country, which is added advantage.

04. PROJECT LOCATION & INPUTS:

The promoters reportedly carried out a survey of various regions in Tanzania where such project can be established with minimal obstacles. Their study led them to the Dar es Salaam region.
Dar es salaam shall also prove to be one of the most important markets and as such enjoys the benefits of being near to the source of raw material, relatively better infrastructure and also being quite near to the main market.

The local authorities have assured the promoters about adequate supply of power and water, which is required for the successful running of the business. Power requirement has been estimated at 1,100 h.p. With 24 hours running. A log pond will be constructed at the site and will require considerable amount of water, however since the

Water will be stored in one place no major bottleneck on that count is envisaged or anticipated.

0.5 THE MARKET & DEMAND: -

Tanzania as a country has been enjoying a steady economic growth rate of nearly 4.5% to 5% for last more than 5 years and that has resulted into spurt of demand for quality products. The demand has been more pronounced in the basic necessity sector.

From marketing angle, apart from the points noted above, this project enjoyed a distinct advantage.

AMPL plans to establish the entire project into two phases. In the first phase (which shall run for first six months), output expected form the project is nearly cub 10000 Units and in further twelve months (being the second phase) the capacity will be increased to 20000 Units.

AMPL promoters firmly believe that they will not encounter any major hurdle in marketing their produce. Some time will definitely be required as the product boast of being import substitute and the products are not meant for direct consumption (which imply that they are being sold to an intermediary). However, in long run AMPL promoters and management are very much sure about the successful operation of the project.

06. PROMOTERS & MANAGEMENT:

The importance of well-informed promoters and professional management can never be over estimated for successful implementation of the any project. It is said that well – informed promoter and professional management can make even a not so viable project otherwise and vice-a-versa.

NFBC has been promoted Mr. Yugandhar Reddy Bommareddy (his cv is enclosed)

Mr. Yugandhar Reddy Bommareddy is an accomplished business person with interests in various parts of the world, especially in India and U.K He has worldwide experience of establishing and running business. He has the knack of working at grass root level for any project. Even for the project of NFBC,

Mr. Yugandhar Reddy Bommareddy has personally conducted the survey of entire Tanzania and has decided to establish a factory for manufacture of food & beverages.
This shows the level of interest and commitment the promoters have towards this project. In a way such commitment itself can be considered as an important edge compared to the existing units.

07. MANUFACTURING PROCESS & TECHNOLOGY:

The factory to be put-up for manufacture of Food & Beverages shall be a very simple and target oriented structure. Pillars will support the roof and the sidewalls will leave open. This will not only ensure that the initial set – up cost of the project will be minimal but will also enable NFBC to increase the factory will maintain a very large open space to accommodate the storage of raw materials received in form of logs waiting for further processing. A log pond will also be constructed in which every log will be soaked to avoid end cracks. In other works, the factory will be consuming a very large area of land.

8. MANPOWER:

Although the project of manufacturing Food & Beverages will require lot of automatic machines, lot of man power especially at lower end shall be required to carry out preparatory processes as well as for quick movement of logs within the factory premises.

NFBC estimated that total manpower required will nearly 100/= however in the first stage of project implementation nearly 50 workers will be required. The first phase of the project will result into an output of nearly 1000 Units (per day). The first stage will be achieved within two the three

months and the second and final stage of current project will take another 21 months from the date of completion of the first project. Once the second and the final stage is completed the output per day will increase to 1500 Units a day.
The manpower requirement after the completion of both the phases will be 100.

NFBC will hire expatriates to oversee the operations. Workers will be guided and trained by the expatriate technical experts to run machines. Organization hierarchy shall be as under: -

a. Top level

Chairman cum Managing Director
General Manager

b. Middle Level

Production Manager
Chief Engineer
Finance Manager
Marketing Manager

c. Lower Level

Production Supervisors
Personnel and Administrative Officer
Accounts Officer.
Sales Officer

NFBC shall endeavor to promote local staff as much as possible to ensure better employment opportunities to the

local populace. However, it shall always ensure that efficiency of the unit is kept intact.

NFBC shall run simultaneously a small in-house training house, where the experts will provide training to the new recruits before they are put on the jobs for on-job training. NFBC believes that a motivated and skilled manpower can for sure bring in immense benefits to the industry and can ensure peaceful co-existence of all concerned.

09. COST OF THE PROJECT & MEANS OF FINANCE:

A. Cost of the Project:

Sr. NO.	Details	US $
1	Land & Building (as described later)	350,000/=
2.	Plant & Machinery (as per list below)	1,400,000/=
3.	Furniture, Computers & Fixtures	20,000/=
4.	Vehicles (3).	30,000/=
5.	Pre-operating Costs	50,000/=
6.	Initial working capital	150,000/=
	Total Cost of the Project	**2,000,000/=**

B. Means of Finance: -

Sr. NO.	**Details**	**US $**
1	Equity Funds	21,000/=
2	Promoters' Loan	1,979,000/=
	Total Means of finance	2,000,000/=

The total cost of the project consisting of both the phases has been estimated at US $ 2,000,000/= As can be seen from the above chart, majority of the expenses involved will be on plant and machinery. Nearly 73.33%. Besides considerable money will be required in the starting up of the unit which has been grouped under the head pre-operating and initial working capital costs.

Phase I will be implemented within a span of three months and the second and the final phase will be completed within a span of nearly 21 months from the date of the completion of the first phase.

Building will be a simple structure based on pillars with sidewalls open to facilitate future expansions. The height of the factory shed will be 15 feet. A small training house and a rest room for the workers will also be constructed.

Details of Plant & Machinery to be imported is as under:

S.No	Equipment Name	Description	Qty
	Automatic Rotary Monoblock Filling Machine	Automatic Filling Machine with Conveyors with Cap Elevator	2
	Semi Automatic Filling Machine	Vaccum Filling machine 6-8 nozzels	4
	SS Slatchain Conveyor	6 mtrs lengths	10
	Videojet coding machine		4
	Autosleeve Applicator		2
	Labelling Machine	Label Applicator for Self Adhesive Labels	2
	Shrink Sleeve Machine		2
	Shrink Tunnel		2
	Steam Generators		2
	ROPP Capping machines		4
	Hand Held Capping		4
	Carton Box Sealing machine		4
	Pallet Jacks 2 tons		4
	Pallet Jacks 3 tons		2
	Pumps 2 HP		4
	Pumps 1.5HP		4
	Pumps 5 HP		2
	Reverse Osmosis Plant	complete setup	1
	Membrane housing		4
	R.O Membranes		4
	UV light		2
	5000 Ltrs Jacketted Vessel		4
	5000 Ltrs SS tanks with agitators		4
	Diesel Fired Boiler 1		2

	ton		
	Coal Fired Boiler 1 ton		2
	Filter Press		4
	Filter Housings and Micron Filters		4
	Filter Pads		200
	Filters 50 Micron		200
	Filters 75 Micron		200
	Filters 100 Micron		200
	Filters 125 Micron		200
	Filters 200 Micron		200
	SS Tanks 10,000 ltrs		12
	SS Tanks 5000 ltrs		6
	SS Sheets 3 mm in roll form		10
	Toyota Corolla		2
	Suzuki Grand Vitara		1
	Toyota IST		2
	Toyota HIACE		4
	Toyota Fortuner		1
	Toyota Harrier		1
	Toyota Prado		1
	Canter 3 ton		5
	Fuso 4 ton		4
	Fuso 10 ton		4
	FAW 380 HP		4
	FAW 420 HP		4
	Submersible Pump		2
	Generator 170 KVA		1
	Generator 400 KVA		1
	Generator 750 KVA		1

LIST OF EQUIPMENT

S.No	Equipment Name	Description	Qty
1	Automatic Rotary Monoblock Filling Machine	Automatic Filling Machine with Conveyors with Cap Elevator	2
2	Semi Automatic Filling Machine	Vaccum Filling machine 6-8 nozzels	4
3	SS Slatchain Conveyor	6 mtrs lengths	10
4	Videojet coding machine		4
5	Autosleeve Applicator		2
6	Labelling Machine	Label Applicator for Self Adhesive Labels	2
7	Shrink Sleeve Machine		2
8	Shrink Tunnel		2
9	Steam Generators		2
10	ROPP Capping machines		4
11	Hand Held Capping		4
12	Carton Box Sealing machine		4
13	Pallet Jacks 2 tons		4
14	Pallet Jacks 3 tons		2
15	Pumps 2 HP		4
16	Pumps 1.5HP		4
17	Pumps 5 HP		2
18	Food Grade hose pipes 1.5" 30 mtrs with end fittings		10
19	Food Grade hose pipes 1.5" 20 mtrs with end fittings		10
20	Food Grade hose pipes 1.5" 10 mtrs with end fittings		10
21	Food Grade hose pipes 1.5" 4 mtrs with end fittings		10
22	Food Grade hose pipes 1.5" 2 mtrs		10

23	1.5 Inch Tri Clamp SS304 Sanitary fittings		150
24	1.5 Inch Tri Clamp Seals		500
25	SS 304 Pipe Fittings(eg. Nipples, connectors,unions etc)		500
26	Reverse Osmosis Plant	complete setup	1
27	High Density tool box		2
28	Aluminium Ladder with Wheels		4
29	Electrical Panel Box		4
30	Membrane housing		4
31	R.O Membranes		4
32	UV light		2
33	6000 Ltrs Jacketted Vessel		4
34	6000 Ltrs SS tanks with agitators. Mixer Tanks		4
35	10,000 Ltrs SS tanks with agitators		100
36	Diesel Fired Boiler 1 ton		2
37	Coal Fired Boiler 1 ton		2
38	Filter Plus filtration system		4
39	Filter Housings and Micron Filters		4
40	Filter Pads		200
41	Filters 50 Micron		200
42	Filters 75 Micron		200
43	Filters 100 Micron		200
44	Filters 125 Micron		200
45	Filters 200 Micron		200
46	SS Tanks 10,000 ltrs		12
47	SS Tanks 5000 ltrs		6
48	SS Sheets 3 mm in roll form		10
49	Toyota Corolla		2

50	Suzuki Grand Vitara		1
51	Toyota IST		2
52	Toyota HIACE		4
53	Toyota Fortuner		1
54	Toyota Harrier		1
55	Toyota Prado		1
56	Canter 3 ton		5
57	Fuso 4 ton		4
58	Hino 5 ton		4
59	Hino 10 ton		4
60	Fuso 10 ton		4
61	FAW 380 HP		4
62	FAW 420 HP		4
63	Submersible Pump		2
64	Generator 170 KVA		1
65	Generator 400 KVA		1
66	Generator 750 KVA		1

LIST OF EQUIPMENT

S. No	Equipment Name	Description	Qty
1	Automatic Rotary Monoblock Filling Machine	Automatic Filling Machine with Conveyors with Cap Elevator	2
2	Semi Automatic Filling Machine	Vaccum Filling machine 6-8 nozzels	4
3	SS Slatchain Conveyor	6 mtrs lengths	10
4	Videojet coding machine		4
5	Autosleeve Applicator		2
6	Labelling Machine	Label Applicator for Self Adhesive Labels	2
7	Shrink Sleeve Machine		2
8	Shrink Tunnel		2
9	Steam Generators		2
10	ROPP Capping machines		4
11	Hand Held Capping		4
12	Carton Box Sealing		4

	machine		
13	Pallet Jacks 2 tons		4
14	Pallet Jacks 3 tons		2
15	Pumps 2 HP		4
16	Pumps 1.5HP		4
17	Pumps 5 HP		2
18	Food Grade hose pipes 1.5" 30 mtrs with end fittings		10
19	Food Grade hose pipes 1.5" 20 mtrs with end fittings		10
20	Food Grade hose pipes 1.5" 10 mtrs with end fittings		10
21	Food Grade hose pipes 1.5" 4 mtrs with end fittings		10
22	Food Grade hose pipes 1.5" 2 mtrs		10
23	1.5 Inch Tri Clamp SS304 Sanitary fittings		150
24	1.5 Inch Tri Clamp Seals		500
25	SS 304 Pipe Fittings(eg. Nipples, connectors,unions etc)		500
26	Reverse Osmosis Plant	complete setup	1
27	High Density tool box		2
28	Aluminium Ladder with Wheels		4
29	Electrical Panel Box		4
30	Membrane housing		4
31	R.O Membranes		4
32	UV light		2
33	6000 Ltrs Jacketted Vessel		4
34	6000 Ltrs SS tanks with agitators. Mixer Tanks		4
35	10,000 Ltrs SS tanks with		100

	agitators		
36	Diesel Fired Boiler 1 ton		2
37	Coal Fired Boiler 1 ton		2
38	Filter Plus filtration system		4
39	Filter Housings and Micron Filters		4
40	Filter Pads		200
41	Filters 50 Micron		200
42	Filters 75 Micron		200
43	Filters 100 Micron		200
44	Filters 125 Micron		200
45	Filters 200 Micron		200
46	SS Tanks 10,000 ltrs		12
47	SS Tanks 5000 ltrs		6
48	SS Sheets 3 mm in roll form		10
49	Toyota Corolla		2
50	Suzuki Grand Vitara		1
51	Toyota IST		2
52	Toyota HIACE		4
53	Toyota Fortuner		1
54	Toyota Harrier		1
55	Toyota Prado		1
56	Canter 3 ton		5
57	Fuso 4 ton		4
58	Hino 5 ton		4
59	Hino 10 ton		4
60	Fuso 10 ton		4
61	FAW 380 HP		4
62	FAW 420 HP		4
63	Submersible Pump		2
64	Generator 170 KVA		1
65	Generator 400 KVA		1
66	Generator 750 KVA		1

Three in-house utility vehicles will be needed to transport

the finished goods from the factory to the buyers' place and also for moving the logs within the factory premises wherever required.

Office furniture will be bare minimum and so will be computers (may be three sets). Telephone lines; fax line and Interest line will be kept handy at the factory to ensure speedy and cheap communication.

Pre-operating costs will take care of the preliminary expenses, initial survey and travel costs including accommodation charges, professional charges for preparation of reports etc and shall also cover for the initial joining costs of various key personnel till the real operations commence.

Initial working capital shall include the money required to bring in enough quantity of logs, spend for the revenue expenses for the process carried out on them and the financing of other revenue costs till the time money starts flowing back from the debtors for the goods sold to them on credit.

The promoters of NFBC are in possession of required finances and are committed to put in the same as and when required. The initial capital has been created at 21 million Tanzanian Shillings and balance amount will be treated as loan from promoters, interest free.

10. PROJECT IMPLEMENTATION SCHEDULE

As has been stated in the earlier paragraphs the entire project will be implemented in two phases within a period of 24 months. The first phase is expected to be completed within a span of nearly two to three months and the next phase is expected to be completed in another 21 months. The initial capacity shall be 500 Units a day and after completion of the second phase the manufacturing capacity shall be 1000 Units a day.

Considering September 2022 as the first month, the first phase is expected to be completed by December 2022 and commercial operations expected form January 2023. Whereas the increased production will be achieved gradually, however optimum capacity will be reached within 24 months.

The project implementation schedule is shown in form of a table hereunder : (PHASE I).

Sr. No	Activity	Completion Period
01	Company Formation, Registrering with statutory authorities, like Income tax, VAT NSSF, etc., securing TIC certificate of incentive Industrial license etc.	January 2022 & September 2022
02	Site identification, purchasing the same, designing of plant layout and commencing of construction of factory shed.	August-September 2022
03	Order placement for various machineries, recruitment of key personnel.	September-December 2022
04	Installation of Machines	September – December 2022
05	Procurement of logs for initial trial runs as also for future.	December 2022
06	Commencement of Trial Runs	April 2003
07	Commencement of commercial Operations.	January 2023

The project implementation schedule is shown in form of a table hereunder (PHASE II)

Sr. NO.	**Activity**	**Completion Period**

01	Site Mobilization & Factory Construction	January – March 2023
02	Factory Shed Complete & Plant Layout finalized for implementation.	March – June 2023
03	Order placement for various machineries, recruitment of key personnel	March – June 2023.
04	Installation of Plant & Machines	June – December 2023
05	Procurement of logs for initial trial runs and plant commissioning.	January 2024
06	Commencement of Trial Runs	June 2024
07	Commencement of Commercial Operations.	December 2024

The second phase implementation will begin immediately after twelve months and it is expected that within a span of another nine months major expansion as envisaged will be completed. Improvements will be introduced in the next phase based on the experiences of the first phase.

11. PROJECT FINANCIALS:

11.01 Assumptions

- The rate of one US $ is equal to TShs 2,330/=
- Required labor force will be available
- Required permits will be granted within the limited time schedule to ensure implementation as per schedule.

- The first phase will be operational within a span of three months.
- Output in first phase will be 500 Units per day.
- The second phase will take nearly 21 months to complete after the start of first year and will increase the capacity to 1000 Units per day.
- Total investment will be US $ 2 million
- The project will have own finance
- Land will be available on lease in future as and when required.
- Import duty exemption and deferment of VAT will be available on import of plant and machinery.

PROJECTED FIVE YEARS PROFITABILITY STATEMENTS;

As can be seen from the enclosed projected profitability statement, the company will not earn profits in the first year where the operations are to run only for six months, however there will be cash- profits.

The company will attain a turnover of US $ 4.62 million in first six months; will go up to US $ 9.240 millions in the next years and from third year of operation will remain steady at US $ 41.580 millions.

The profits will start coming from the 2nd year of operations. From the year 4 and onwards the annual profits will be in the range of US $ 1.0 million and above. The project enjoys a payback period of 5 years.

The company will be earning gross profit @ 6% and net profit of nearly 2.5%. For a very large project, like this a net profit of 2% is quite reasonable. Government will earn lot of revenues due to such high turnover.

Selling costs have been assumed at 2% of the sales and other overheads have been assumed not to cross US $ 50,000 a month including manpower costs.

Depreciation has been provided as per the prevailing income tax rates. Further full depreciation has been provided on assets purchased during the year. Separate schedules are attached with this report for calculation of depreciation.

11.03 PROJECTED FIVE YEARS BALANCE SHEET:

The enclosed balance sheet shows a very sound position of the company. The current assets ration is in excess of 1.2 from the beginning and by the year 5 it reaches 2.

Inventory will be maintained only for a period of one week. The reason being the plant is going to be located in the close proximity of timber.

Since majority of sales will be done outside Tanzania, vide advance TT or L.C debtors are not expected to be on the higher side. However, for demotic sales on month credit has been considered.

Creditors will be outstanding for a period of 15 days and suppliers of services will be paid at the expiry of one month.

11.04 PROJECTED FIVE YEARS FUNDS FLOW STATEMENTS:

As can be seen from the appended projected funds flow statement the company will be financed by the promoter's own funds. In the initial year (2003) the investment will be of US $ 700,000/= and by the year 2005 total investment of US $ 2,000,000/= will be completed.

Operating profits will be ploughed in to the business. Once the operations are steadied form the year 2006, the annual contribution of operational profits shall be ton the tune of US $ 900,000/=

Depending on the surplus available, promoters' loan will be re-paid. As can be seen the company shall be in a position to commence repayment or promoters' loan by the year 2006.

As the operations will grow, the net working capital requirement will also grow. As can be seen the increase in net current assets will be from US $ 90,000/= (year 2003) to US $ 680,000/= (year 2007).

The company assumes to maintain a positive cash balance of US $ 25,000/= to US $ 50,000/=.

11.05 PROJECTED FIVE YEARS TAXATION SCHEDULE:

The company will enjoy tax incentives as per the governing laws of the country. It will have taxable profits only from the

year 2006 and will then onwards contribute to the exchequer in excess of US $ 150,000/= in the first year and then onwards in excess of US $ 340,000/= The company may reduce its tax burden by investing or expanding its operations and in either case the country benefits.

12. SOCIAL & DEVELOPMENT BENEFITS:

- **Employment creation**

  As has been observed earlier this project will provide direct employment opportunities to more than 100/= locals inclusive of skilled, semi- skilled and un-skilled class. Few expatriates will also be employed as per the requirement of the project.

  This direct employment of more than 100 individuals will generate indirect employment for more than 1,000 individuals. In nutshell it can be concluded that this project will have a very positive impact on the level of employment in the country and will be welcome change.

- **Transfer of technology**

This project being a manufacturing project will usher in the country technology. Although the technology is simple the advantages to the country are quite significant. The country will get the advantage of value addition due to such incoming technology. Further the country can reduce its dependence on imports for the finished products manufactured by this project. Local employees will get on-the-job training from the experts (expatriate) employed and in long run will improve the technical competence of the local population.

- **Inflow of foreign exchange**

  Majority of the output will be exported out of the country. This will have tow positive effects on the foreign exchange reserves of the country. IN the first place the imports of the output will be reduced which will enable the country to save on the outgo of foreign currency and secondly the output produced will be exported which will bring in the country foreign currency.

  Thus, this project will provide positive impact on the foreign currency reserves of the country.

- ***Lowering of construction cost.***

  As the plywood and timber will be available from within the country the country will get the benefit of lower cost of manufacture. In a very small way this will have a positive bearing on the cost of manufacture of various items using timber or plywood as a part of its manufacturing process and also for all other factories and business houses using timber and plywood as a part and parcel of its furniture and fittings.

- ***Contribution to the exchequer.***

  This project will contribute substantially to the society in general and to the exchequer in particular. As has been observed the total turnover at 100% utilization will be in the range of US $ 40 million. This will result into VAT outflow of substantial amounts. Besides the company will be contributing tremendously in terms of PAYE and NSSF. In addition, the company will also be contributing in terms of corporate taxation from the year 2024 onwards.

- ***Positive cascading impact on the nation's economy.***

  This project will have overall positive impact on the society. It will not only save the precious foreign currency reserves of the country by producing import substitute products, and by exporting the final product, but will also generate direct employment to more than 100 individuals and will provide means of livelihood to more than 1,000 individuals. The cascading positive impact on the society will be too great. This project will lead to creation of national wealth. Its contribution to the exchequer will also be quite significant in terms of NSSF, PAYE, VAT and direct taxation apart from skills and development levy.

  One more advantage of this project is its location. Since it is located at Morogoro, which is not fully developed, will get more opportunities to commercially expand and develop. This project will thus result into regional development. This project will thus held the government to further its own objective of promoting regional development.

13. CONCLUSION & RECOMMENDATION:

The foregoing write-up indicates following benefits to the country, which in turn pleads for immediate acceptance of this project as a feasible project.

- The country will get a manufacturing unit, which will add to its scarce manufacturing base. As on date the country's manufacturing base is very low with contribution of 9% to the GDP and thereby making the economy pre-dominantly agriculture oriented.

- The project will bring in latest technology in the relevant field and will ensure training or development of skilled labor force in the country. The labor force will get on –job training and will thus make them more and more competent.

- All products envisaged to be manufactured are basically import substitute and will therefore save the scarce foreign currency for the country. Apart from that the country will save in terms of lowering of cost of manufacture and lower construction cost which will again lead to lower cost of other manufactured items.

- The project when implemented in full over a period of 24 months will ensure that there will be a direct flow of foreign currency in the country to the tune of US $ 2,000,000/= which is considerable by any standard.

- The project will lead to regional development besides Dar es salaam as it will be located in Morogoro Region. This advantage has many other advantages running parallel. There will be tremendous boost to the economic development in the region. It will arrest migration of individuals and will also alleviate the problem of congestion and concentration of working force in Dar es salaam region.

- It will generate employment to 100/= locals at the expiry of 24 months. Further this direct employment generation will lead to creation of employment opportunities of nearly 1,000 individuals .

- It will provide cascading positive impact on the economic situation in Morogoro region.

- Last but not the least this project, even when initially depends on cutting of trees, its long-term vision is to do more forestation than deforestation. This will ensure that the project will negate and negative impact on environment if any in long-run.

There are many other benefits direct and indirect of this project and therefore we conclude that this project is feasible technically as well as economically.

We also therefore recommend that this project be supported in totality, as it will be in favor of the nation on a whole.