



Qiro Tanzania Limited.

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**A Brief Business Plan
For Boat building industry in Mwanza**

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EXECUTIVE SUMMARY

Mwanza City is a leading business hub on the side of Tanzania, competing with Kisumu, Entebbe and Jinja on the Kenyan and Ugandan side, respectively. The city hosts annual East African business forum which brings exhibitors from within and outside East Africa. The region has some geographic advantage; with positive historical business and socio-cultural links with other towns within the great lakes region.

The city offers a potential attraction for water economic activities although not yet to be fully developed. Visitors to Mwanza are usually mesmerized by the choreographically arranged natural stones on and around Lake Victoria, hence the nickname “Rock City”.

The Boat building market is expected to be driven in the forecast period by the increase demand for E-commerce. Several factors such as urbanization, increased mobile and internet penetration, the availability of a wide range of products online and a rise in online marketing increased the market for e-commerce, driving the market for boat building.

This article aims at setting up a new concept of manufacturing of marine equipment mainly about boats/ships/vessels for various use .This proposal will give the readers a new idea that how these industries can be implemented in Mwanza and how great potential opportunities and development there are in this industry and will help the government and local people to get new ideas and provide more jobs.

The whole process of production lines is looking at providing direct employment to at least 20 permanent jobs on full implementation and operation of the project. The proposed integrated project is estimated to cost a total of TZS 1,692,600,000 this including, own equity of TZS 483,600,000 as proceeds from capital contribution of the project, total loan debt of TZS 483,600,000 with 9% interest rate. The project will be implemented within 2 years.

SECTION ONE

1.1. Overview – Mwanza Region

Mwanza Region, with its headquarters in Mwanza City (“Rock City”), has a surface area of 25,233Km². It is located on southern shores of Lake Victoria, about 1200-1400M above sea level. About 53.25% of the surface area is water of Lake Victoria (13,437 km²)¹. The region has a population of 2,772,509 grouped in 481,107 households, with an average family size of 5.8 (2012 census). The region has eight local government authorities (LGAs): Ukerewe, Magu, Kwimba, Sengerema, Buchosa, Misungwi, Nyamagana and Ilemela

Mwanza city is one of the fastest growing city in Tanzania. It has a prime location on the Lake Victoria and has a greatest potential to become a leading urban center in the lake region and all-East African community. Due to its location advantage, Mwanza offer great investment opportunities that will increasingly attract investors and visitor from all over the globe.

Mwanza is the second biggest city of Tanzania located along the coast of the largest lake of Africa -Lake Victoria. The advantage of the location and convenience of transportation makes it become the most famous city for fish and fishing industry. Mwanza city provided most of freshwater fish for domestic market and more than 95% of exporting market for freshwater fish and fish products in Tanzania.

1.2. Why Should One Consider Investing in Mwanza City?

Mwanza City is a leading business hub on the side of Tanzania, competing with Kisumu, Entebbe and Jinja on the Kenyan and Ugandan side, respectively. The city hosts annual East African business forum which brings exhibitors from within and outside East Africa. The region has some geographic advantage; with positive historical business and socio-

cultural links with other towns within the great lakes region. Traders from Kenya, Uganda, Rwanda, and Burundi and from as far as DR Congo and Malawi frequent Mwanza region. Mwanza hosts the secretariat for the Lake Victoria Association of Local Authorities, which brings together mayors and town clerks from cities, municipalities and towns from Tanzania, Kenya and Uganda. The lake offers a potential attraction for water sports although yet to be fully developed. Visitors to Mwanza are usually mesmerized by the choreographically arranged natural stones on and around Lake Victoria, hence the nickname “Rock City”. Its people are naturally polite, hospitable, faithful and hard working. This is a special combination which not many regions have, and so any newcomer to Mwanza will certainly feel most welcome. It is our hope that you will be one those who will enjoy the hospitality and charm of Mwanza City and its people.

1.3. Project Concept

Technology advancement and economic growth has resulted into emerging of new market and increase in lake and sea borne trade as well as e- commerce. Despite the technology advancement majority of fisherman still use old technologies which affects their capacity and this has resulted to the sector to be considered as unpredictable. Fisherman are still using wooden boats for fishing which are of less efficiency and high maintenance costs.

Following various initiatives of the government of Tanzania to conserve environment, investing in the manufacturing/construction of fiber boat as an alternative to wooden boats will be of greater value in conserving environment as well as increasing production efficiency to fisherman.

Qiro Tanzania Limited is a professional boat manufacturer focusing on fiber glass fishing, aluminum, and steel vessels designing and building as well professional at providing good service and maintenance for the vessels. The company has a vast experience in this industry and has supplied various types of fishing boats in Tanzania by bidding various government tenders.

The company intends to invest in the manufacturing of fiber boats in Sengerema. The company decided to set a project in Mwanza due to the availability of Lake Victoria and Mwanza being one of the famous city for water transportation as 53% of the region is covered with water with a total of 3000 islands ranging from big to small where fishing is

the mainstay for the majority of the population in the region. The demand of advanced water vessels is growing day by day due to the increase in the population and economic activities such as fishing, transportation, tourism, aquaculture and patrol services.

1.3.1. Fishing activity

Local fishermen in Lake Victoria have been using wooden boats which have been constructed by soft woods and of low quality and they require frequent maintenance for them to work efficiently which affects their day-to-day operations and increases operational costs.

1.3.2. Water transportation

There are two types of water transportation in Mwanza. Wooden vessels with capacity about 10-20 tons which mainly collect the agriculture products from the remote areas to Mwanza city and supply some of the daily goods to those places. Land craft and bigger shipping vessels with capacity of hundreds of tons usually transport the large quantity goods, vehicles, and passengers where the ports are available.

1.3.3. Aquaculture, Tourism and Patrol

Following different initiative of promoting blue economy, there is a huge increase of investment in Aquaculture investments from locals and foreigners, therefore the increase in demand of boats is increasing as well.

The increase in tourism activities in Mwanza following the increase in the number of hotels at the beach area which offers cruising in the lake to various islands such as Saa Nane and many others available in Lake Victoria.

For all the activities in Lake Victoria, the government always have to make sure everything is going well so patrol is very necessary, we noticed that the government now using ordinary boat for patrol and rescue purpose, it means a big space of market for the special patrol, investigation, and rescue boats

1.6. Project Design breakdown

A fishing vessel is a boat or a ship used to catch fish in the sea, lake, or river. According to statistics, rising demand for fishing equipment in fishery technology will boost the global fishing vessel market. Starting a fishing vessel business can be a profitable venture. To start, research the market and identify the potential markets to focus on. Options in this business include manufacturing the fishing vessels, becoming a fishing vessel reseller, renting fishing vessels, or repairing damaged fishing vessels. The company plans to divide project in to 3 sections. These includes:

- Boat Building Industry
- Shipping Vessels Maintenance and Service
- Water Transportation Industry.

Each section is independent has its special characteristics and functions, together they constitute the whole project.

1.6.1. Boat Building

For this project, an approximate size of 1ha land will be needed for the buildings and docking. The main construction of workshop for new boat building, maintenance and service purpose will be about 2000 sqm, and 300 sqm for storage of material and equipment. For administrative purposes a total 500 sqm will be used for office building and 1000 sqm will be used for facilities for setting up different facilities such as hostel and canteen. The left space will be garden and ground for displaying of the boats.

The dock for boats/vessels will be stretch into water on beach side, planed size will be 60m long and 15m wide built by strong concrete with all necessary dock facilities and equipment.

The companies target to sell its products to both individuals, companies and government, the biggest market will be Mwanza and neighboring regions such as Mara, Geita and Bukoba. The service will also be extended to other regions with in the country and other countries such as Kenya and Uganda. Our products will be of higher quality, the boats will be built with different materials such as fiber glass, alluminium steel sheet and they can be used for various purposes such as fishing, cargo transportation, search and rescue,

navigation, investigation, tourist, passengers and so on. Each boat will be suitably designed for the certain purpose and size of the boat will differ according to its use.

1.6.2. Boat/Ships/Vessel Service and Maintenance

With the facilities of the project, we can provide much more service than just build new boats. According to the research, the dock for good service and maintenance of ships/vessels remains a very low stage as there is no good dock facilities in Mwanza city. Most of the current shipping vessels are not appropriately serviced. With time shipping vessels will need more service and maintenance, the numbers of vessels keep increasing and in the near future there will be big demand of maintenance and service for ships/vessels.

Just like vehicles, trains, and airplanes, boats will break down. When they break down, the boat owners contact a nearby technician to help with the repair service. According to reports, the global boat repairing market will grow at a CARG of 7.6%. The growth is mainly because of the increased adoption of boats as a means of modern fishing. Therefore, starting to provide boat repair business can be profitable. To start the boat repair services can offer to cover the gap of the service needed in Mwanza. Focus on providing the services to meet customer satisfaction and earn referrals. To make a sustainable development we Qiro Tanzania Limited is ready to provide reasonable price but also best service for all the potential clients who need this service. Thus we believe that we can see the prosperity of this business in the near future by the marketing strategy of “ Best Service but Best Price”

1.6.3. Water Transportation Industry

Mwanza is well known for the water transportation industry in Tanzania. There are several government and private ports both for cargo and passengers to the nearby islands, neighbor cities.

Compared with road transportation, water transportation has a great advantage of capacity and capability. Capacity means the quantity of cargo and passengers the shipping vessels can take will be much bigger than buses or trucks. Capability is that for some certain area

especially beach area, it is much easier for the land craft to send the cargo and passengers rather than the buses or trucks.

When we refer to the maps, we can see that there are numbers of big or small cities surrounding Lake Victoria, which are connected by few poor condition road. Through the research we have done, people prefer much faster, safe, convenient water transportation for they daily activities. It means there are very good opportunities in the water transportation as the current facilities in this industry is not yet well developed.

In this proposal Qiro Tanzania Limited shows an interest in the water transportation industry by building some certain designs of improved vessels which can preferably meet the demand of the market.

2.0. PROJECT OVERVIEW

2.1. The company registration and ownership

The proposed project will be located at Kasomeko street, Katunguru ward in Sengerema District in Mwanza Region. The project is spread in three areas:

1. Boat Building Industry,
2. Shipping Vessels Maintenance and Service
3. Water Transportation Industry

The site is accessible by good road from Mwanza town to Kasomeko Centre. It is connected to the national grid electricity. Water will be drawn from the lake. The plots sizes are considered adequate to accommodate all the current and future planned activities.

The project is promoted by **M/s QIRO GROUP (SMC-PRIVATE) Company Limited**, the company is incorporated in Zanzibar and also complied according to the provision of section 435 of the company Act, 2002 with Certificate of Compliance No. 156853054 on 19th July 2022.

COMPANY SHAREHOLDERS AND SHAREHOLDING STRUCTURE

NAME AND ADDRESS OF SHARE HOLDER	NUMBER OF SHARES TAKEN	NATIONALITY
1. PHILIPHINA COSTACK MUSHI	(76%)	Tanzania
2. QIRO GROUP COMPANY LIMITED	24%	Zanzibar
TOTAL	100	

Company Director:

Mr. Yang Hao

2.2. Business Plan Objectives

The objectives of this study are three-fold. First is to determine the viability of the proposed project and serve as a business plan for the company's development program. Secondly, 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 (2022).

Thirdly, it will be presented to Banks/Financial Institutions for application of Term Loan US\$ 200,000 to support smooth implementation and running of the proposed projects. The project promoters have commissioned a reputable engineering and project planning consulting firm to advice on detailed technical and economic evaluation of the project and in determining its viability. As the report will be used to raise debt financing for the project, it is tailored to meet standard requirements of financial institutions in the region.

2.3. Project Location and overview

2.3.1. Location

The proposed project will be located at Kasomeko street, Katunguru ward in Sengerema District in Mwanza Region. The project is spread in three areas: 1. Boat Building Industry, 2. Shipping Vessels Maintenance and Service 3. Water Transportation Industry.

The site is accessible by good road from Mwanza town to Kasomeko Centre. It is connected to the national grid electricity. Water will be drawn from the lake. The plots sizes are considered adequate to accommodate all the current and future planned activities.

2.3.2. Overview

The project involves development of working place and buildings on an area of 1 Ha in Mwanza city under Tanzania investment scheme. The project entails construction of basic

onsite infrastructure including roads, telecommunication networks; water systems, electricity, sewerage systems and technical support facilities.

2.4. Project site analysis

The realization of the working business area development project requires successful completion of a number of necessary activities and facilities, some of which are already under implementation as work-in-progress to enable a successful development of the project.

Based on physical inspection of the proposed site at kasomeko road, the availability of basic and essential boat construction infrastructure such transport, water supply, effluent disposal, electric power supply, telecommunication system and security were all checked out and are ok for work establishment. 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. The project location is very close to necessary utilities such as reliable supplies of energy, water, transportation, telecommunications services and other services are in place.

2.4.1. Availability of land

The area is all surveyed and land use plan are in place. There is no any payment for compensation and the resolution of all land issues including local population and settlement relocations were done during the process of acquiring the land. This unencumbered land. Through the mutual agreement of lease between QIRO TANZANIA LIMITED and TANZANIA ZHONGZHI AQUACULTURE COMPANY LIMITED will ensure sustainable availability of the work place. All this will ensure smooth operation of the company activities.

2.4.2. Electricity Supply

The existing power demand in Mwanza City is 45MW, of which half of the demand comes from city centre, whereas 30% of total population is connected by electricity. There is one

main sub-station and five distribution in Mwanza city. Power supplied to Nyakato main station from National grid 220kv main transmission. Then it goes to existing distributions via 33kv power line. The project anticipates to consumer 0.1-0.2% of regional demand. This will ensure the entity smoothly operation, although will have the backup Generator that won't break or stop operation and being between the time interval due estimated.

2.5. Project Land Use Plan

QIRO TANZANIA LIMITED plans are to develop the working and offices in phases based on potentiality and the need of the building construction plan for major development of water front. Phase I of the project will involve construction of both basic onsite infrastructure to an area of 1 Ha. Key infrastructure to be constructed will include land reclamation, expansion, Roads, and Systems of power, water and sewerage. Onsite common infrastructure on this Business Plan refers to facilities that will facilitate smooth operations of the processing project which include but not limited to roads, power lines and substation if need be, sewerage lines, septic tanks, fencing and lighting.

Depending on the market demand and the company's future strategic plan, the next phase will be developed in line with market forces. The initial activities will incorporate land reclamation, land clearance and leveling, and construction basic need.

2.6 Machinery and Equipment.

Proper machinery equipment's and tools selection is one of the key problems in the development of an industry. The machinery must suit the two-fold requirements of the developing countries, i.e. it should be up-to-date to allow for competitive specially growth and sustainable reliable service supply to the QIRO TANZANIA LIMITED. 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. The requirements of various items of equipment have been worked out taking into consideration the implementation programs, average equipment utilization level of an average worker etc. The projects machinery and

equipment will be sourced from Europe this includes, stand by generators, water pump steal lift, CCTV Camera and electrical wire fence system, Water pump and accessories, collection and clearing machine, and Alarm and detectors for fire/emergency.

These cost assumptions are C.I.F Dar es Salaam and include installation, commissioning, consultancy, port charges and transport to the project site.

2.7 Initial Working Capital

This item will mainly cover initial imports of raw materials estimated to last for the first three months of operations. Otherwise, raw materials will generally be maintained at one month's stock and debtors at one month's sales volume constitute the biggest portion of current assets. Trade credits will be 15 days for the items listed. The initial working capital allocated budget is Tshs. 144,101,000/= as shown in investment summary.

<i>INVESTMENT SUMMARY IN TSHS.</i>	
<i>FIXED ASSETS</i>	
<i>LAND ACQUISITION & CLEARING</i>	160,000,000
<i>BUILDING</i>	240,000,000
<i>WORKSHOP</i>	340,000,000
<i>SUB TOTAL</i>	740,000,000
<i>MACHINERIES AND EQUIPMENT'S</i>	
<i>EQUIPMENTS</i>	458,000,000
<i>RAW MATERIALS</i>	834,099,000
<i>SUB TOTAL</i>	1,292,099,000
<i>SUB TOTAL FIXED ASSETS</i>	2,032,099,000
<i>CURRENT ASSET</i>	
<i>WORKING CAPITAL</i>	144,101,000
<i>SUB TOTAL CURRENT ASSETS</i>	144,101,000
<i>TOTAL ASSET</i>	2,176,200,000
<i>TOTAL INVESTMENT</i>	2,176,200,000
<i>EQUITY</i>	
<i>FOREIGN EQUITY 80%</i>	1,692,600,000
<i>LOAN 20%</i>	438,600,000
<i>TOTAL EQUITY</i>	2,176,200,000

2.8 Project Cost and Financing Pattern

The project costs, including fixed costs (building materials, machinery, equipment, building, office furniture and equipment and pre-operation expenses will be financed by a combination of bank term loan and shareholders own resources

The proposed project is estimated to cost a total of Tsh. 2,176,200,000/= and will start by phases this including own equity Tshs. 1,692,600,000/= and term loan of 483,600,000 Tshs. from NMB with 9% interest rate. The project promoters are planning to finance project cost in the following pattern:

<i>EQUITY</i>	
<i>FOREIGN EQUITY 80%</i>	1,692,600,000
<i>LOAN 20%</i>	483,600,000
<i>TOTAL EQUITY</i>	2,176,200,000/=

2.9 Project Implementation

Full implementation of the project is planned to take place by end of year 2023. some building materials, Machineries and motor vehicles will be imported immediately while construction/renovation works are in process.

2.10. Auxiliary Materials/ services

Falling under this category is packing bags, paper for bags for bran, lubricants, grease and other miscellaneous items.

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 working premises so that certain maintenance operations could be carried out following major routine matters. The facility will comprise of necessary machines like small center 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 plant. 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 Shinyanga to Mwanza Region.

(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 Sengerema water supply and Authority “SEUWASA” water network, the agency is major supplier of water to urban and peri urban area in the District. The main line from this source will be tapped and let to the land site and water collected in an overhead reservoir provided at the top of the building of the plant. Adequate provision has been made in the project cost for the overhead tank and supply and laying of pipelines etc.

(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 production, 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.
- Necessary provision for furniture and office equipment has been made in the Capital Cost estimates.
- Provision has also been made for the various types of weighing equipment in various sections for material-handling equipment etc.

2.11. Warehousing and distribution

As The QIRO TANZANIA LIMITED's involved in warehousing service is ready to meet 24/7/365 in provision Of boats construction equipment and necessary material and chemicals imported. The efficiency of on-site combined with focal lift is already accommodated all needs and reduce supply chain costs. The project uses electronics inventory management system means will ready for the efficiently movements of building services to next level.

The project will use quick dispatch for fast distribution of final materials and packed by manual means or by semi-automatic machines. The men workshop will take Extra care is therefore taken to make it hygienic so that the materials do not get spoiled during storage.

2.12. Waste management for industry

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 living is fiber wastes. Fiber wastes are generally divided to nonindustrial (organic chemicals) and industrial wastes (inorganic Chemicals)

In his strategic management for an QIRO TANZANIA LIMITED, the industry has to move from an understanding of improvement at all costs to an understanding of

continuous and balanced improvement once established. In modern times, environmental protection is being implemented not because it is enforced law, but as an administrative philosophy.

Rapid degradation in environmental conditions has changed the attitude of project managers toward ecological environment and had them consider ecology a significant factor while taking decisions related to industrial management. Parameters responsible for environmental pollution include chemicals discharged into air, water and soil as well as energy pollution all these will be taken into consideration of the proposed project.

Noise pollution caused by poorly planned settlement programs is also included in this plan. Furthermore, safety and health of those working in production will be also taken into account by installing modern machines free from noise pollution.

SECTION THREE

3.0. MARKETING STRATEGIES

3.1. Customer Focused Solution

Qiro Tanzania Limited will constantly search for ways to make improvements to their products and services and enhance relationships with suppliers and customers. The business world moves very quickly, in the spirit of this pace, the company will develop ongoing relationships with their key stakeholders that are serious and positive. The company will make meaningful contributions to the success of those customers. The best way to build these key relationships to best-practice level is on a base of trust and shared communication. Qiro Tanzania Limited will focus on customer's operations from a business process perspective. The company will always keep abreast in understanding and responding to the constantly changing needs of our customers. The focus here is to understand the broader market and the entire value chain, and not just the customer. The total market environment has a direct impact on our customer's business needs and prospects. This will include factors such as, new trends in society, new products offered in other industries, supplier trends and developments, the general economic and the political climate. The company will look at the broader perspective, and factor in how those changes may impact on their customers in the future. Qiro Tanzania Limited will survey customers frequently for ideas and opinions. This strategy goes further than determining customer satisfaction.

3.2. Service Delivery Model

QIRO Group Limited Company will use the Service Delivery Model to ensure that client's services are fully met to support their productivity in the services needed. Service delivery models describe the practical implementation of utility supply service provisions as part of a [service delivery approach](#). They provide agreed legal and institutional frameworks for delivering a service, including commonly understood and accepted [roles for actors](#) involved in the development and provision of the water service, electricity and gas supply.

The company will ensure that the type of physical infrastructure used to deliver water services, electricity and gas if applicable is available for the standard for levels of service to be provided. Service delivery models are thus an integral part of a service delivery approach. Supporting the further development and strengthening of service delivery models that provide reliable utility services, is a key area of focus for water front at Kasomeko road in Sengerema District. The approach of a service delivery model will describe the service to be provided under the model, as well as the infrastructure and the management model needed to operate and maintain the infrastructure in order to provide the service. Utility services such as water, electricity and gas can be described in terms of levels of service with attributes such as quality, quantity, reliability and accessibility. The management model refers to the institutional arrangements for the service provider. This model will have a combination input of both public sector utilities; private sector; and self-supply. Even more variations can be identified when considering differences in terms of combinations of management models, type of infrastructure and service levels.

3.3. Market Forecast and Targets

The development of ship/boat building in Mwanza is planned to attract the participation of National and International commercial entities because Tanzania has opportunities to invest, to do business and hence to create wealth and make profits. Many investors are interested to invest in Tanzania because the investment environment is conducive. The proposed boat building will provide opportunities for equity participation in the various lake economic investments, and further translate into business opportunities in the provision of utility services and other related commercial, technical, financial and legal services.

The target biggest market for our products are fisherman in the Lake Victoria which covers Mwanza, Geita, Kagera, Mara and Simiyu. Other targeted customers are tourist hotels/companies, investors in the aquaculture subsector, marine transportation companies and Government as one of the key stakeholders in Marine transportation as well as patrol services.

3.4. Pricing analysis and production capacity

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 boat building project on the Market Analysis. The pricing will differ from one boat to the other depending on the size of the boat. The pricing will depend on the size of boat, the company will have for different boat size but also the company is not limited to this size only we can receive special order from our clients.

In the initial years of our operations the production will be average and the project will keep on increasing its production as it penetrates in the market. The pricing and annual production capacity is as it is shown in the below table:

Prices for different boat size

	Product description	Average price	Annual production capacity
1	5meters fiber glass boat	6,000,000/=	50
2	7meter fiber glass boat	11,500,000/=	30
3	8 meters fiber glass boat	23,000,000/=	20
4	9-meter fiber glass boat	45,000,000/=	10

3.5 Job Creation

The project plans to use local available skills from VETA and other learning institutions by employing majority of local employees and 1 expatriate as a supervisor and trainer to transfer skills. The workshop is looking at providing direct employment to at least 20 permanent jobs on full implementation and operation of the project.

3.6. Project SWOC Analysis

The SWOC (Strengths, Weaknesses, Opportunities and Challenges) analysis provides a quantitative and qualitative review of internal strengths and weaknesses and their relationship with external challenges and opportunities. The results of the analysis provide a basis for determining the project future goals and for identifying strategies and initiatives that would be required to develop the project. The matrix below summarizes the project strengths, weaknesses, opportunities and threats.

SWOC ANALYSIS	
Strengths	Weaknesses
<ul style="list-style-type: none"> ❖ Close proximity with the largest consumption market in Lake zone ❖ Proximity to the lake Victoria which will serve as an import/export hub for passenger and cargo transportation in Lake zone regions ❖ Preferential operational and incentives scheme enshrined in the TIC law ❖ Proximity to the city CBD ❖ Political will, the government's legal and policy framework support development of the project 	<ul style="list-style-type: none"> ❖ Inadequate ICT system in place thus hindering effective and efficient service delivery. ❖ Weak collaboration/facilitative links with TRA,TPA,TANESCO, and other Government departments which may create bottlenecks in investor facilitation; ❖ The infrastructure in Tanzania is inadequate. National blackouts are common phenomena, proving to be a major bottleneck for project development
Opportunities	Challenges
<ul style="list-style-type: none"> ❖ Strategic location of Lake zone regions and Tanzania which is a hub for international business ❖ Existence of preferential markets ; e.g. EU, COMESA, EAC, USA; and Regional markets like EAC,SADC and COMESA ❖ Political and macroeconomic stability of the country ❖ Goodwill and support from the Government and the parent ministry; 	<ul style="list-style-type: none"> ❖ High cost of doing business due to inefficiencies in the infrastructure system e.g. electricity, roads and air; ❖ Lack of industrial linkages between research institutions and investors; ❖ Government activities not fully coordinated and lack of appreciation of the TIC programmers by other arms of the Government ❖ Regional competition from other countries investment and markets.

SECTION FOUR: FINANCIAL ANALYSIS

4.0. Generating Startup Capital

No matter how fantastic your business idea might be, if you don't have the required money to finance the business, the business might not become a reality. Finance is a very important factor when it comes to starting a business. No doubt, raising startup capital for a business might not come cheap, but it is a task that an entrepreneur must go through.

4.1 Financial Analysis, Forecasting and Strategy

The Financial Plan involves the development of the company's revenue and profitability model. It includes detailed explanations of the key assumptions used in building the model, sensitivity analysis on key revenue and cost variables, and description of comparable valuations for existing organization with similar business models. In addition, the financial plan assesses the amount of capital **QIRO TANZANIA LIMITED** needs, the proposed use of these funds, and the expected future earnings. It includes Projected Income Statements, balance sheet and Cash Flow Statements.

The boat manufacturing project will be funded by Owner's equity of 1,692,600,000 TSH which is contributions from shareholders and a loan of 483,600,000 TSH which will be secured in the first year from NMB BANK at an annual internal rate of 9%, term loan will be for 60 months at a monthly rate of 0.72% having a monthly repayment of 9,956,509.72 TSH using a reducing balance method hence having a total amount payable of 597,390,583.32 TSH as it will be depicted in the financial statements.

Importantly, all of the assumptions and projections in the financial plan must flow from and be supported by the descriptions and explanations offered in the other sections of the plan. The Financial Plan is where the entrepreneur communicates how he/she plans to "monetize" the overall vision for the new venture.

The following are key financial assumptions for our project:

FORECASTED REVENUE			
	Boats sold annually	Average price per Boat	Annual revenue per product
		6,000,000.00	300,000,000.00
7meter fiber glass boat	30	11,500,000.00	345,000,000.00
8meter fiber glass boat	20	23,000,000.00	460,000,000.00
10meter fiber glass boat	10	45,000,000.00	450,000,000.00
TOTAL OF FORECASTED REVENUE			1,555,000,000.00

COST OF GOODS SOLD

Particulars	Expected Cost of Manufacturing over Sales	Annual cost of goods sold
5meter fiber glass boat	40%	120,000,000.00
7meter fiber glass boat	45%	155,250,000.00
8meter fiber glass boat	45%	207,000,000.00
10meter fiber glass boat	40%	180,000,000.00
TOTAL COST OF GOODS SOLD		662,250,000.00

- ANNUAL MAINTANANCE, REPAIR AND OVERHAUL will have a 15% factor on Capital equipment
- ASSET DEPRECIATION will be for 5 year
- ANNUAL TAX RATE will be 30%
- ANNUAL INFLATION RATE will be 4%
- ANNUAL BOAT PRICE INCREASE will be 2%
- For operating expenses, the forecasts will be as follows.
 - Marketing expenses will be 3% of the total revenue of the first year.
 - Payroll and other taxes will be 5% of the total revenue of the first year.
 - Utilities will be 4% of the total revenue of the first year.
 - Other administrative expenses will be 1.5% of the total revenue of the first year.
 - Other expenses will be 1% of the total revenue of the first year.

It is expected that QIRO TANZANIA LIMITED will earn income from Boat manufacturing activities during year 1 amounting to TZS 1,555,000.00 which will subsequently grow fast from year 2 when the business will have been more promoted and become well known to many users, both foreign customers and Local customers mainly fishing companies.

4.2. PROFIT AND LOSS PROJECTION

QIRO TANZANIA LIMITED

PROFIT AND LOSS ASSUMPTION

	2024	2025	2026	2027	2028
Annual cumulative price (revenue) increase	0.00%	2.00%	4.00%	6.00%	8.00%
Annual cumulative inflation (expense) increase	0.00%	2.00%	4.00%	6.00%	8.00%

INCOME

	2024	2025	2026	2027	2028
5meter fiber glass boat	300,000,000	306,000,000	318,240,000	337,334,400	364,321,152
7meter fiber glass boat	345,000,000	351,900,000	365,976,000	387,934,560	418,969,325
8meter fiber glass boat	460,000,000	469,200,000	487,968,000	517,246,080	558,625,766
10meter fiber glass boat	450,000,000	459,000,000	477,360,000	506,001,600	546,481,728
Total revenue	1,555,000,000	1,586,100,000	1,649,544,000	1,748,516,640	1,888,397,971

Cost of Sales

5meter fiber glass boat	120,000,000	122,400,000	127,296,000	134,933,760	145,728,461
7meter fiber glass boat	155,250,000	158,355,000	164,689,200	174,570,552	188,536,196
8meter fiber glass boat	207,000,000	211,140,000	219,585,600	232,760,736	251,381,595
10meter fiber glass boat	180,000,000	183,600,000	190,944,000	202,400,640	218,592,691
Cost of boats sold	662,250,000	675,495,000	702,514,800	744,665,688	804,238,943
Gross profit	892,750,000	910,605,000	947,029,200	1,003,850,952	1,084,159,028

Non-Operation Income

Rental	-	-	-	-	-
Interest income	-	-	-	-	-
Loss (gain) on sale of assets	-	-	-	-	-
Other income (specify)	-	-	-	-	-

Total Non-Operation Income	-	-	-	-	-
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TOTAL INCOME	892,750,000	910,605,000	947,029,200	1,003,850,952	1,084,159,028
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EXPENSES					
Operating expenses					
Sales and marketing	46,650,000.0	47,583,000.0	49,486,320.0	52,455,499.2	56,651,939.1
Depreciation	207,600,000.0	150,960,000.0	153,920,000.0	156,880,000.0	159,840,000.0
Insurance	10,500,000.0	10,710,000.0	11,138,400.0	11,806,704.0	12,751,240.3
Payroll and Other Taxes	77,750,000.0	79,305,000.0	82,477,200.0	87,425,832.0	94,419,898.6
Other taxes	6,055,000.0	6,176,100.0	6,423,144.0	6,808,532.6	7,353,215.3
Maintenance, repair, and overhaul	68,700,000.0	70,074,000.0	71,448,000.0	72,822,000.0	74,196,000.0
Utilities	62,200,000.0	63,444,000.0	65,981,760.0	69,940,665.6	75,535,918.8
Other Administrative Expenses	23,325,000.0	23,791,500.0	24,743,160.0	26,227,749.6	28,325,969.6
Interest expense on long-term debt	38,672,204.5	31,399,672.4	23,472,612.4	14,832,117.0	5,413,977.1
Other	15,550,000.0	15,861,000.0	16,495,440.0	17,485,166.4	18,883,979.7
Total operating expenses	557,002,204.5	499,304,272.4	505,586,036.4	516,684,266.5	533,372,138.4

TAXES

Income tax	88,128,838.66	110,542,808.29	119,328,590.88	132,783,560.30	151,602,292.64
Other Tax (specify)	-	-	-	-	-

TOTAL TAXES	88,128,838.66	110,542,808.29	119,328,590.88	132,783,560.30	151,602,292.64
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NET PROFIT

205,633,956.86	257,933,219.33	278,433,378.72	309,828,307.37	353,738,682.84
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4.3. BALANCE SHEET PROJECTION

QIRO TANZANIA LIMITED

ASSETS

Current Assets	Initial balance	2024	2025	2026	2027	2028
Cash and short-term investments	144,101,000	476,529,045	797,343,820	1,133,691,694	1,495,754,002	1,895,268,545
Accounts receivable	-	-	-	-	-	-
Total inventory	834,099,000	834,099,000	834,099,000	834,099,000	834,099,000	834,099,000
Prepaid expenses	-	-	-	-	-	-
Deferred income tax	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
Total current assets	978,200,000	1,310,628,045	1,631,442,820	1,967,790,694	2,329,853,002	2,729,367,545

Property and Equipment	Initial balance	2024	2025	2026	2027	2028
Buildings	240,000,000	240,000,000	240,000,000	240,000,000	240,000,000	240,000,000
Land	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000	160,000,000
workshop for boat building	340,000,000	340,000,000	340,000,000	340,000,000	340,000,000	340,000,000
Machinery and equipment	458,000,000	458,000,000	458,000,000	458,000,000	458,000,000	458,000,000
Less Accumulated depreciation expense		207,600,000	358,560,000	512,480,000	669,360,000	829,200,000
Total Property and Equipment	1,198,000,000	990,400,000	839,440,000	685,520,000	528,640,000	368,800,000

Other Assets	Initial balance	Year 1	Year 2	Year 3	Year 4	Year 5
Goodwill	-	-	-	-	-	-
Deferred income tax	-	-	-	-	-	-
Long-term investments	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Other long-term assets	-	-	-	-	-	-
Total Other Assets	-	-	-	-	-	-
TOTAL ASSETS	2,176,200,000	2,301,028,045	2,470,882,820	2,653,310,694	2,858,493,002	3,098,167,545

LIABILITIES

Current Liabilities	Initial balance	2024	2025	2026	2027	2028
Accounts payable	-	-	-	-	-	-
Accrued expenses	-	-	-	-	-	-
Notes payable/short-term debt	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total Current Liabilities	-	-	-	-	-	-
Debt	Initial balance	2024	2025	2026	2027	2028
Long-term debt/loan	483,600,000	402,794,088	314,715,644	218,710,139	114,064,140	-
Other long-term debt	-	-	-	-	-	-
Total Debt	483,600,000	402,794,088	314,715,644	218,710,139	114,064,140	-
Other Liabilities	Initial balance	2024	2025	2026	2027	2028
Other liabilities (specify)	-	-	-	-	-	-
Other liabilities (specify)	-	-	-	-	-	-
Total Other Liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	483,600,000	402,794,088	314,715,644	218,710,139	114,064,140	-

EQUITY

	Initial balance	2024	2025	2026	2027	2028
Owner's equity (common)	1,692,600,000	1,692,600,000	1,692,600,000	1,692,600,000	1,692,600,000	1,692,600,000
Paid-in capital	-	-	-	-	-	-
Preferred equity	-	-	-	-	-	-
Retained earnings	-	205,633,957	463,567,176	742,000,555	1,051,828,862	1,405,567,545
TOTAL EQUITY	1,692,600,000	1,898,233,957	2,156,167,176	2,434,600,555	2,744,428,862	3,098,167,545
TOTAL LIABILITIES AND EQUITY	2,176,200,000	2,301,028,045	2,470,882,820	2,653,310,694	2,858,493,002	3,098,167,545

Financing activities	2024	2025	2026	2027	2028	Total
Long-term debt/financing	-	-	-	-	-	-
Preferred stock	80,805,912	88,078,444	96,005,504	104,646,000	114,064,140	483,600,000
Total cash dividends paid	-	-	-	-	-	-
Common stock	-	-	-	-	-	-
Other financing cash flow items	-	-	-	-	-	-
Total financing activities	80,805,912	88,078,444	96,005,504	104,646,000	114,064,140	483,600,000
Cumulative cash flow	332,428,045	320,814,775	336,347,874	362,062,308	399,514,543	1,751,167,545
Beginning cash balance	144,101,000	476,529,045	797,343,820	1,133,691,694	1,495,754,002	
Ending cash balance	476,529,045	797,343,820	1,133,691,694	1,495,754,002	1,895,268,545	

4.4 Regulatory issues

We will need a manufacturing license and a permit to deal in boats manufacturing and the relevant local authority licenses to operate business in Mwanza region. The one advantage we have is the fact that, we are working very closely with the central Government as well as local government. This will just be a formality since it is in the interests of the government to promote income generating and job providing initiatives more so, by the locals themselves

4.5 Sustainability and Expansion Strategy

The future of a business lies in the number of loyal customers that they have the capacity and competence of their employees, their investment strategy and their business structure. If all of these factors are missing from a business, then it won't be too long before the business close shop.

One of our major goals of starting **QIRO TANZANIA LIMITED** is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running. We know that one of the ways of gaining approval and winning customers over is to maintain quality in the boats manufactured in terms of speed comfortability and luxury and sell them at a sustainable price than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

QIRO TANZANIA LIMITED will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and retraining of our workforce is at the top burner.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of three years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

4.6 LOAN AMORTIZATION SCHEDULE

QIRO TANZANIA LIMITED

MONTH	BALANCE	SCHEDULED PAYMENT	PRINCIPAL	INTEREST
1	483,600,000.00	9,956,509.72	6,471,048.17	3,485,461.56
2	477,128,951.83	9,956,509.72	6,517,687.10	3,438,822.62
3	470,611,264.73	9,956,509.72	6,564,662.18	3,391,847.54
4	464,046,602.55	9,956,509.72	6,611,975.82	3,344,533.90
5	457,434,626.73	9,956,509.72	6,659,630.47	3,296,879.25
6	450,774,996.26	9,956,509.72	6,707,628.58	3,248,881.14
7	444,067,367.67	9,956,509.72	6,755,972.63	3,200,537.09
8	437,311,395.05	9,956,509.72	6,804,665.11	3,151,844.61
9	430,506,729.94	9,956,509.72	6,853,708.53	3,102,801.19
10	423,653,021.41	9,956,509.72	6,903,105.42	3,053,404.30
11	416,749,915.98	9,956,509.72	6,952,858.34	3,003,651.39
12	409,797,057.65	9,956,509.72	7,002,969.83	2,953,539.89
13	402,794,087.82	9,956,509.72	7,053,442.50	2,903,067.22
14	395,740,645.31	9,956,509.72	7,104,278.94	2,852,230.78
15	388,636,366.37	9,956,509.72	7,155,481.78	2,801,027.94
16	381,480,884.60	9,956,509.72	7,207,053.65	2,749,456.07
17	374,273,830.95	9,956,509.72	7,258,997.21	2,697,512.51



18	367,014,833.73	9,956,509.72	7,311,315.15	2,645,194.57
19	359,703,518.58	9,956,509.72	7,364,010.17	2,592,499.56
20	352,339,508.42	9,956,509.72	7,417,084.97	2,539,424.75
21	344,922,423.45	9,956,509.72	7,470,542.30	2,485,967.42
22	337,451,881.15	9,956,509.72	7,524,384.91	2,432,124.81
23	329,927,496.24	9,956,509.72	7,578,615.59	2,377,894.14
24	322,348,880.65	9,956,509.72	7,633,237.12	2,323,272.60
25	314,715,643.53	9,956,509.72	7,688,252.33	2,268,257.40
26	307,027,391.21	9,956,509.72	7,743,664.05	2,212,845.68
27	299,283,727.16	9,956,509.72	7,799,475.14	2,157,034.58
28	291,484,252.02	9,956,509.72	7,855,688.48	2,100,821.25
29	283,628,563.55	9,956,509.72	7,912,306.96	2,044,202.76
30	275,716,256.59	9,956,509.72	7,969,333.52	1,987,176.20
31	267,746,923.07	9,956,509.72	8,026,771.08	1,929,738.64
32	259,720,151.99	9,956,509.72	8,084,622.61	1,871,887.11
33	251,635,529.37	9,956,509.72	8,142,891.10	1,813,618.62
34	243,492,638.27	9,956,509.72	8,201,579.55	1,754,930.17
35	235,291,058.72	9,956,509.72	8,260,690.99	1,695,818.73
36	227,030,367.73	9,956,509.72	8,320,228.46	1,636,281.26
37	218,710,139.27	9,956,509.72	8,380,195.04	1,576,314.69
38	210,329,944.23	9,956,509.72	8,440,593.81	1,515,915.91
39	201,889,350.42	9,956,509.72	8,501,427.90	1,455,081.82
40	193,387,922.52	9,956,509.72	8,562,700.44	1,393,809.28
41	184,825,222.08	9,956,509.72	8,624,414.59	1,332,095.13
42	176,200,807.49	9,956,509.72	8,686,573.53	1,269,936.19
43	167,514,233.96	9,956,509.72	8,749,180.48	1,207,329.24
44	158,765,053.48	9,956,509.72	8,812,238.65	1,144,271.07
45	149,952,814.83	9,956,509.72	8,875,751.30	1,080,758.42



46	141,077,063.53	9,956,509.72	8,939,721.71	1,016,788.01
47	132,137,341.82	9,956,509.72	9,004,153.18	952,356.54
48	123,133,188.64	9,956,509.72	9,069,049.02	887,460.70
49	114,064,139.62	9,956,509.72	9,134,412.59	822,097.13
50	104,929,727.03	9,956,509.72	9,200,247.25	756,262.47
51	95,729,479.78	9,956,509.72	9,266,556.41	689,953.31
52	86,462,923.37	9,956,509.72	9,333,343.48	623,166.24
53	77,129,579.89	9,956,509.72	9,400,611.90	555,897.82
54	67,728,967.98	9,956,509.72	9,468,365.15	488,144.57
55	58,260,602.83	9,956,509.72	9,536,606.72	419,903.00
56	48,723,996.11	9,956,509.72	9,605,340.13	351,169.59
57	39,118,655.98	9,956,509.72	9,674,568.92	281,940.80
58	29,444,087.06	9,956,509.72	9,744,296.67	212,213.06
59	19,699,790.40	9,956,509.72	9,814,526.96	141,982.76
60	9,885,263.43	9,956,509.72	9,885,263.43	71,246.29