

**NLCOM (TZ) LIMITED**

**PROPOSED BUSINESS PLAN**

**FOR**

**THE ESTABLISHMENT OF TRASPORTATION AND  
LOGISTIC PROJECT, DAR ES SALAAM REGION,  
TANZANIA.**

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## **List of Abbreviations**

CAPEX - Capital Expenditure  
CIF- Central in Flight  
EU - European Union  
GDP - Growth Domestic Products  
IRR - Internal rate of return  
Kg - kilo gram  
LTD - Limited  
MT - Metric Ton  
MW - Mega Watts  
NBS - National Bureau of standard  
NEMC - National Environment Management Council  
OPEX - Operating Expenditure  
SIDO- Small Development Organization  
SWOC - Strength Weakness Opportunity Challenge  
TANESCO - Tanzania Electric Supply Company  
TIC- Tanzania Investment Centre  
TZS - Tanzania Shilling  
UK - United Kingdom  
US\$ - United State Dollar  
USA - United states of America  
VAT - Value Added tax  
VETA - Vocation Education Training Authority

## EXECUTIVE SUMMARY

NLCOM (TZ) LIMITED was established since 2014 in the United Republic of Tanzania as a Professional cargo and logistic transportation. The Company offering Road cargo transportation. The company was incorporated on the 3<sup>rd</sup> May, 2023 with registration No. 165347625 as a limited company by shares under the Companies Ordinance.

The company has expanded rapidly in the sub regional cargo transportation business services, the headquarters is in Dar es Salaam, Tanzania. The company main goal is focused on commitment, efficiency and customer satisfaction.

NLCOM (TZ) LIMITED is one of the Major Company in On-Shore Bunkering to various transportation and logistics hub in Tanzania and Burundi. The company has recently wanted to purchase 150 trucks with trailer capacity 32MT per single entry in Tanzania aimed at transportations of good dry products locally and internationally and has become one of the major players in the Tanzanian market in a very long time. The project will incorporate other related facilities for project establishment.

The proposed integrated project is estimated to cost a total of US\$ 18,680,326.09 as proceeds from capital contribution of the project. The Current asset of US\$ 3,650,514 during the first year of operation and it increase as the project will be in full operation, fixed assets 18,528,173.17US\$ and total liquidity of 9,333,788US\$. The project will be implemented within 5 years.

The basis for pricing has been from observations and data collected from various parts of Tanzania, market value for exploration is estimated to local transport dry is 4,230,000US\$, International transportations of dry is estimated to 6,020,000US\$, Local return of dry 3,630,000US\$ and international return of dry is 5,205,000US\$. The company anticipate to gain US\$ 19,085,000US\$ as sales for the above services per year; On the basis of all the analysis done on this Business Plan on all aspects of assessment on both SWOC Analysis, market analysis, risk analysis and the financial analysis, the proposed investment options in the drilling and exploration as prescribed on this business plan have shown that the project is commercially viable.

Financial analysis results show that when the construction of project facility is financed using a combination of equity debt ratio (40:60), it gives an IRR of about 10.37%. The computed IRR is well above Dollar market of the annual loan interest rate of (8.00%) which is technically interpreted that the project is financially viable. The payback period for the project is estimated to 4 years, which is within the range for this type of investment. Sensitivity analysis results also favor the project. The whole process of production lines is looking at providing direct employment to at least 192 permanent jobs on full implementation and operation of the project.

Based on the Impact Investment Index analysis, the company can develop projections that the project can deliver both value for money in the context of broad socioeconomic impact and return on investment while complying with governance requirements. In this regard therefore, NLCOM (TZ) LIMITED will promote the transportation and logistics services in Africa, create employment, attract new technologies, expand foreign exchange earnings and ultimately contribute substantially to the country's economic growth.

## **1.0. BUSINESS OVERVIEW AND BACK GROUND INFORMATION.**

### **1.1. Overview - Transportation sector in Tanzania.**

The transport system in Tanzania consists of five modes: roads, rail, water, air and pipelines. A high proportion of the infrastructure was not modernized over time due to limited resources to invest and a large amount of infrastructure and equipment is now beyond its economic life.

The transportation sector has delivered significant change to the structure of the economy through the introduction of market-based pricing and loosening controls on trade. The development of roads is urgently needed in rural areas where poor access to rural town.

The economy of the future will be almost entirely buoyed by the services industry, experts say. Countries that will fail to adequately invest and put in place strategies to shore-up their services industry will remain mere consumers of services from others, experts add. In fact, the advanced economies have already moved to the service industry, leaving behind less advanced economies in Africa and elsewhere. The Tanzanian economy is still largely characterized by the goods, but the service industry shows amazing potential. Data from the current account show that Tanzania's service economy consists almost entirely of transport and travel. Travel is normally referred to as tourism, but the two are so closely linked that they are referred to interchangeably. In addition, travel and transport sectors are also tightly linked. In the year ending August 2021 Tanzania earned \$2.4 billion from transport and travel, according to the monthly economic review of the Bank of Tanzania. The foreign currency inflows through transport and travel were only about 26 percent of total export receipts, but it used to be higher in the pre-pandemic period when it accounted for 40 percent of total foreign currency earnings. In the year ending August 2019, Tanzania earned \$3.8 billion, which is equivalent to 41 percent of total earnings.

Tanzania is committed in development of transport corridors with view of facilitating transit trade with neighboring countries, including: - Infrastructure development and inter-modal linkages; Interconnection of railway systems; Development of container terminals; Rehabilitation and revamping; Maintenance of existing infrastructure; and Resources mobilization. There are four major development corridors which need to be developed, including Central corridor (Dar es Salaam - Kigoma railway network); Tanzania Zambia Railway (TAZARA) Mtwara corridor (extending from Mtwara port in the southern part of Tanzania and joins the Dar es Salaam Corridor at Tunduma in Mbeya region); and Tanga Corridor (extending from Tanga port in the Northern part of Tanzania to Uganda through Lake Victoria) The opportunity of harnessing gas resources for investing in growth.

## **1.2. The company overviews**

NLCOM (TZ) LIMITED imports, distributes, and markets premium-quality dry cargo transportation across East and Central Africa. The company was registered by BRELA with a certificate of incorporated No. 165347625 on the 3<sup>rd</sup> May, 2023 as a company limited by shares.

The company has expanded rapidly in the sub regional dry cargo business. The headquarters of the company is in Dar es salaam, Tanzania, the main port and commercial capital of Tanzania, and from there the wings of investment spread out to the neighboring countries of Malawi, Rwanda, Zambia, Kenya, and the Democratic Republic of Congo. The main goal of the company is focused on commitment, efficiency and customer satisfaction. The company is located at Kariakoo, Lumumba Street, Plot No. 33 Block 77, Ilala District, in Dar es Salaam Region. The company is close to the port that provides assurance to clients to delivery their cargo faster efficient and secured to and from the port meeting their expectation.

NLCOM (TZ) LIMITED was registered in Tanzania 2023 as a cargo and logistic company, as a Professional Transport Company offering transportation Services. Building on a wealth of international expertise, local know-how and with a forward thinking attitude, we pay the utmost attention to creating strong, long-term partnerships with our customers. We stand behind our customers. We support them to meet their supply chain challenges head-on and help them to identify growth opportunities.

## **1.3. Project concept and objective**

The proposed aimed to expand her transport and logistic operation by purchasing trucks for transportation of cargo products in Tanzania, eastern and central Africa. However, the company is already involved in purchasing of trucks and related facilities in transport and logistic services as will result of the significant investment in Tanzanian operations, the company is looking to register at the Tanzania investment Center. For that purpose, this business plan is prepared to outline the required information about the company and the operations being conducted for the Tanzania Investment Centre only. It is to be considered private and confidential.

The company is already secure yard with necessary amenities for logistic services facilities. Other major capital expenditure will involve procurement of workshop tools and equipment, trucks, purchase of utility motor vehicles, furniture and fittings, and fencing of the project sites:

This project is being established with micro-objectives of: Entering into transit cargo business and serve in Tanzania ports for their Domestic cargo and Transit cargo for neighboring landlocked countries of East and Central Africa namely:

Rwanda, Burundi, Uganda, Zambia, Malawi, the Democratic Republic of Congo; as well as Kenya. Serving upcountry areas in general Dodoma, Shinyanga, Kagera, Tabora, and Singida in particular by efficient distribution of products and the general cargo including agricultural inputs such as farm implements, fertilizers, insecticides and consumer goods to rural areas.

Transporting goods and services in Tanzania and other countries and export outlets. The macro-objectives of establishing the project are to support economic, social and administrative activities in the mentioned areas. Also, to increase the competitiveness of Tanzania goods in the export markets and improve the building and construction industry by offering competitive transport rates.

Others include, To carry on the business of freight transport by road, other passenger land transport, urban and sub urban passenger land transport, sea and coastal freight water transport, inland freight transportation, freight air transportation etc

## 2.0. PROJECT SHARE AND OWNERSHIP

### 2.1. Share and ownership

The initial Authorized Share Capital of the company is TZS 100,000,000/= divided into 10,000 ordinary shares of TZS 100,000 each and the company have the power to divide the original or any increased capital into several classes, and to attach thereto any preferential, deferred, qualified or other special rights privileges, restrictions or conditions. Unless the conditions of issues shall otherwise expressly declare, every issue of shares, whether preference or otherwise, or any such rights, privileges or conditions shall not be altered or modified except in accordance with the registered Articles or Association. The liability of the members is limited and the following names compromise the company ownership and principal shareholding as illustrated on Table 1 below.

**Table 2.1. Company Ownership and Principal Shareholders**

S/No	Shareholder's Name	Address	Occupation of Subscriber	Number of Shares
1.	FRANCOIS UWIRAGIYE, (BURUNDIAN)	HOUSE No.8, KIRIRI STREET, NEAR BY KIRIRI GARDEN HOTEL, BUJUMBURA, BURUNDI	Private Company by Share, Domicile in Tanzania- Incorporate Number 165347625	950
2.	ALBERT UWIRAGIYE, (BURUNDIAN)	HOUSE No.8, KIRIRI STREET, NEAR BY KIRIRI GARDEN HOTEL, BUJUMBURA, BURUNDI	Private Company by Share, Domicile in Tanzania- Incorporate Number 165347625	50

### 2.2. Business Plan Objectives

The objectives of this study are two-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 (1997).

## **2.4. Project establishment Overview**

### **2.4.1. Project description**

NLCOM (TZ) LIMITED, the project is about to purchase a fleet of heavy-duty trucks complete with trailers with a carrying capacity of 30 to 40 tons. The proposed project capacity is **150 heavy-duty trucks, and 150 trailers**, which will be a combination of both semi-trailers/tanker trailers with tractor units and rigid trucks with drawbar trailers at full project implementation estimated to 5 years. 150 trucks are earmarked for transportation of dry cargo. The proposed project will establish a workshop with modern tools and equipment to service the fleet. It will also involve procurement of communication and truck monitoring and control facilities.

### **2.4.2. Improved Technology/Product Innovation**

Only corporate bodies that have strong financial muscles are capable to invest in better technology and be able to attain product differentiation as a cutting edge against rival firms. The use of Global Positioning System (GPS) has by and large enabled certain transport firms to instantly locate their trucks in transit. Hence, it has become possible to identify problems that drivers are facing far away from the base. This implies that should there be some break down or accident then would be reported to the firms base upon which a solution would be identified and dispatched. This is critical as many clients are becoming conscious of a transportation firms' ability to meet delivery times.

### **2.4.3. Market Analysis Summary**

Recent reforms taking place in economy indicate that there is an increase in demand for transit dry cargo. The following are some of the factors that have contributed to such an increase in demand for these products in the country.

- Increased level of rehabilitation and expansion of urban and trunk roads by the Government and international assistance agencies, which has subsequently resulted in increased kilometers of passable roads by small and heavy-duty vehicles.
- Increased level of engagement on transit trade and investment between Tanzania and its EAC and SADC counterpart regions especially Zambia, Uganda, Rwanda, Malawi, Burundi and the Democratic Republic of Congo.
- Rise in people's standard of living and change in people's consumption patterns;
- General improvement in the national economy, especially the

balance of payments which has made it possible for the Government of Tanzania to achieve greater capability to import and export critical products into and off the country;

- Increase general level of investments in industrial activities which are the major users of industrial inputs;

The factors have led to increase demand for transportation services for products in the country. Furthermore, these factors have created the impetus for increased inflow of investment capital by foreign and local private investors who now have decided to venture in the importation and industrial raw materials. The reforms, which are now being introduced in the sector, aim at influencing the inflow of and increased supply of both capital goods and other industrial products and their distribution in the country and beyond the national borders.

#### **2.4.4. Market Segmentation**

The company have segmented her business into four main categories' which will apply to every country;

1. Local transportation Dry
2. International transportation Dry
3. Return Local transportation Dry
4. Return International transportation Dry

There is a wide market for domestic as well as transit cargo transport. Likewise, the market for transportation of building and construction materials is huge, especially for the rural road contractors and builders in general as well as the mining industry. Hence, it can be expected that the sponsors would not face marketing and operational problems in managing the proposed project.

The ports of Dar es Salaam and Mombasa have recently been undergoing major rehabilitation, modernization and expansion so as not only to be able to compete with South African ports in handling the East, Central and Southern African import and export trade but also, as a strategy for meeting the national demands for cargo handling that have grown steadily following expansion of agricultural, mining and industrial activities especially in Tanzania. These factors would provide the proposed freight haulage project the necessary condition for its soft establishment and expansion of its future operations.

NLCOM (TZ) LIMITED, endeavor to achieve the projected sales for both domestic and transits business in the neighboring countries of Kenya, Rwanda, Burundi and Eastern parts of the Democratic Republic of Congo, Uganda and Eastern parts of Zambia.

### **3.0. TECHNICAL CHARACTERISTIC OF THE PROJECT.**

#### **3.1. Project Location and site analysis**

Based on physical inspection of the proposed site at Kariakoo business logistic hub, the availability of basic and essential industrial infrastructure such transport, water supply, effluent disposal, electric power supply, telecommunication system and security were all checked out and are ok for factory 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 already installed necessary utilities such as reliable supplies of energy, water, transportation, telecommunications services, waste disposal and other services are in place.

#### **3.2. Buildings and related fixed cost**

The floor plan and elevation of buildings and other related structures will be rehabilitating to NLCOM (TZ) LIMITED as rented area by the shareholders. However, the total major rehabilitation of the yard and buildings, Storage of raw materials and finished processing a structure, the estimated cost of buildings 200,000US\$, the cost includes Renting, rehabilitation of administration building and offices, Laboratories, storages of chemicals and spare parts, workshop, and camp.

#### **3.3. Machinery and Equipment.**

Proper machinery 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 production. 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 production programs, average equipment utilization and normal productivity level of an average worker etc. While working out details of equipment required, it has been assumed that the plant will be working in a double shift of 16 hours a day, 25 days a month or a total of 300 days a year.

The projects machinery and equipment will be sourced from Europe and Asia, these includes, Firefighting system; Electrical system and cubbing; Other utilities include; wheel balance, weighing scale, communication equipment, sapre parts etc. all these machines and equipment's will be imported from different countries in the world..

The total cost of machineries and equipment's is estimated to 172,500US\$ these cost assumptions are C.I.F Dar es Salaam and include installation, commissioning, consultancy, port charges and transport to the project site. Calculated depreciation

of machines and other working facilities is estimated to cost 886,710US\$ and increases tremendously.

### **3.4. Motor Vehicles**

150 heavy Trucks with trailers will be imported worth 120,000US\$ each for distribution purpose totaling to 18,000,000US\$ and Heavy folk lift worth 20,000US\$ totaling to 60,000US\$.

### **3.5. Furniture & Fittings and computers**

This cost item includes the purchase of various office furniture: tables, chairs cabinets, safes, telecommunication gadgets, firefighting equipment, air conditioners etc. A budget of 43,478.26US\$ will be allocated from general administration budget for furniture fittings and computer accessories. The total budget for furniture and fittings is small due to nature of industry as few or minor requirement of furniture and fittings.

### **3.6. Pre-Operational Expenses**

Under pre-operational expenses are considered costs like company formation, preliminary project studies, business plan preparation costs, licenses, permits and authorization, including processing of TIC Certificate of Incentives, and legal fees, travelling expenses, initial recruitment and training expenses, and interest accrued during project construction period. Budget allocated for this is 21,739.13US\$.

### **3.7. 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 130,434.78US\$.

### **3.8. Project Financing**

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

### **3.9. Project Implementation**

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

### **3.10. 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 plant premises so that certain maintenance operations could be carried out following sudden breakdowns and major routine matters. The facility will comprise of necessary machines like small centre lathe, drilling machine, welding set, soldering and gas-cutting equipment including complete electrical kit to take care of necessary electrical maintenance as well as to replace worn-out parts and periodic oil and greases needs for the 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 Kinyerezi, Dar es Salaam the main power station distributor. There also a diesel generator with a capacity 40KVA each. Lighting system well head Lamps, flamed enclosed with 40W led light will be installed. As part of an alternative power supply, the company will install UPS system in case of abruptly power cut off with a capacity of 50KVA minimum with a battery bank.

#### **(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 DAWASCO - Dar es Salaam Urban water supply Authority water network, the agency is major supplier of water to urban and peri urban area in the region. 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.

### **3.12. Warehousing and distribution**

The company's warehousing service is ready to meet 24/7/365 in provision of logistics and transportation service. The efficiency of on-site combined with focal lift is already accommodated all needs and reduce supply chain costs. The industry uses electronics inventory management system means will ready for the efficiently movements of goods to next level.

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

### **3.13. 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 companies; 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 at attitude of industrial 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.

## **4.0. MANPOWER AND SALARY BUDGET**

### **4.1. Employment**

The whole process of production lines is looking at providing direct employment to at least 192 permanent jobs on full implementation and operation of the project. The industry is divided into 5 Departments; Administration and finance (4), Management (7), Maintenance (12), Operation (161) and store and logistic (8)

### **4.2. Recruitment**

Recruitment of the operation department personnel's will be carried out by giving first preference to ex-technician from our local technical institutes such as Vocation Education Training Authority "VETA" and employees of NLCOM (TZ) LIMITED in Tanzania, based on demonstration of skills and aptitude basis and their willingness to work for the company. Careful methodology is being worked out by a competent management consultant who will set the job descriptions. To ensure that the right calibre is recruited. Recruitment of expatriate personnel will be carried out in consultation with the relevant authorities in Government and the collaborating agencies.

### **4.3. Training and the use of consultants**

The Company plans to initially carry out on the job training for most of the technical staff to be dispatched to the project site by the suppliers of the plant which will be specified under sales agreement. In general, the company will ensure that employees acquire new skills and procedures to increase their productivity fourfold. Educational materials will be subsidized or paid for to motivate the workers to develop themselves.

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

### **4.4. Organization and Management**

The project will be managed by qualified professionals given the vast experience that the promoters have acquired over years in running and managing similar businesses. The Board of Directors formulates policy and offer strategic business guidance to management and regularly monitor and evaluate performance of the company.

All the production line will be under the administrator under which the day-to-day leader/management of production line will be vested in the management team headed by a Administrator. The Administrator is to be assisted by qualified and experienced personnel.

Table 4.1. Proposed organization and manpower requirement for the plant is as follows:

S/No.	DEPARTMENT	STRENGTH /NUMBERS	MONTHLY SALARY US\$	ANNUAL BUDGET US\$
A	<b>ADMINISTRATION AND FINANCE</b>			
	HR Coordinator (based in Dar es salaam)	1	782.61	9,391.32
	Office Administrator	1	382.61	4,591.32
	Marketing officer	2	291.30	6,991.20
	<b>SUB TOTAL</b>	<b>4</b>	<b>1,591.30</b>	<b>20,973.84</b>
B	<b>MANAGEMENT</b>			
	Chief Financial Officer (based in DAR)	1	617.00	7,404.00
	Project manager	1	573.91	6,886.92
	Accountant	2	652.17	15,652.08
	Asst. Accountant	3	521.74	18,782.64
	<b>SUB TOTAL</b>	<b>7</b>	<b>2,364.82</b>	<b>48,725.64</b>
C	<b>MAINTAINANCE</b>			
	Mechanics	4	913.00	43,824.00
	Electro - Mechanics	2	913.00	21,912.00
	Technician	5	783.00	46,980.00
	Senior ICT	1	348.00	4,176.00
D	<b>SUB TOTAL</b>	<b>12</b>	<b>4,044.09</b>	<b>116,892.00</b>
	<b>OPERATION</b>			
	Supervisors	2	243.00	5,832.00
	Project coordinators	2	609.00	14,616.00
	Drivers	150	326.00	586,800.00
	Tank filling personals	2	274.00	6,576.00
	Utility worker	5	122.00	7,320.00
	<b>SUB TOTAL</b>	<b>161</b>	<b>1,848.00</b>	<b>621,144.00</b>

	<b>STORE AND LOGISTIC</b>			
E	Logistic Liaison	2	957.00	22,968.00
	Store supervisor	3	252.00	9,072.00
	Store person	3	152.00	5,472.00
	<b>SUB TOTAL</b>	<b>8</b>	<b>1,361.00</b>	<b>37,512.00</b>
	<b>GRAND TOTAL</b>	<b>192</b>	<b>11209.21</b>	<b>845,247.48</b>

## 5.0. PROJECT FINANCING AND CAPITAL INVESTMENT SUMMARY

### 5.1. Project Cost & Financing Pattern

The proposed integrated project is estimated to cost a total of US\$18,680,326.09 this including, own equity of 40% US\$ as proceeds from capital contribution of the project equivalent to 7,472,130.43US\$. The Current asset of US\$ 3,650,514 during the first year of operation and it increase as the project will be in full operation (see income statement), fixed assets 18,528,152US\$ and total liquidity of 9,333,788US\$. The project will be implemented within 5 years.

### 5.2. Project investment summary.

Investment Summary	
<b>Fixed Assets</b>	
<b>A. Land and Buildings</b>	
Civil Works Structures& I Parking Yard, Godowns and Workshop Sheds	\$ 200,000.00
<b>B. Moto vehicles</b>	
150 Heavy Vehicles 32MT @120,000	\$ 18,000,000.00
Heavy Folk Lift32.5MT 3 @20,000	\$ 60,000.00
<b>Subtotal - Moto vehicles</b>	<b>\$ 18,060,000.00</b>
<b>C. Machineries and Equipments</b>	
Wheel balance machines 4 sets @10000	\$ 40,000.00
Weighing Bridge 1@100,000	\$ 75,000.00
Communication equipments (Car trucks, Radio calls, GPS, etc) 150@1500	\$ 22,500.00
Spare parts and other facilities	\$ 35,000.00
<b>Sub Total Machineries</b>	<b>\$ 172,500.00</b>
<b>D. Furniture's and other cost</b>	
Furniture and fittings (computer, printers, photocopies etc)	\$ 43,478.26
Other cost	\$ 52,173.91
<b>Sub total Fixed Assets</b>	<b>\$ 95,652.17</b>
<b>Total Fixed asset</b>	<b>\$ 18,528,152.17</b>
<b>E. Current Asset</b>	
Pre operational expenses	\$ 21,739.13
Initial working capital	\$ 130,434.78
<b>Sub total current Assets</b>	<b>\$ 152,173.91</b>
<b>Total Investment</b>	<b>\$ 18,680,326.09</b>
<b>Equity + Loan</b>	
<b>Equity 40%</b>	<b>\$ 7,472,130.43</b>
<b>Loan 60%</b>	<b>\$ 11,208,195.65</b>
<b>Total Equity</b>	<b>\$ 18,680,326.09</b>

## 6.0. RISK ANALYSIS

### 6.1. Risk Analysis

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

### 6.2. Macroeconomic risk analysis

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

### 5.3. Finance risk analysis

- a) **Supply Risk:** The risk in Primary production relates to reliable transportation orders and price fluctuations. There is no assurance of enough supply of raw materials in the local market instead mostly of raw materials are imported.
- b) **Sales/market risk:** Placing value added products on the consumer markets bears risk of demand fluctuations and rejections through retailers. Furthermore, distributor is not aware of the selling price mostly are controlled by world market.

### 5.4. Other potential external risk

- a) **Lack of Governance:** the governance mechanism in the value chain is underdeveloped, actors operate in an uncoordinated and unorganized fashion, and if rules exist, they are often ignored;
- b) **Lack of market coordination:** No lead organization has a coordinating role in relation to markets, technology and information such that producers and processors have no incentives for improving neither their product nor the chain process to promote sustainable income earning opportunities;

- c) **Unclear and conflicting roles regulatory authorities:** Regulatory Agencies are responsible for quality control as well as enforcing TBS, NEMC etc, are regulatory role in issuing licensing in Tanzania
- d) **Industry associations:** Associations are weak at all levels of the chain;
- e) **Operating procedures:** Standard procedures are inadequately enforced, or not enforced at all, because of relaxed production and trade regulations; and
- f) **Integration:** there is little vertical integration of importers, mid chain actors and processors.

#### **5.4. Mitigating potential risk**

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

## 7.0. ECONOMIC AND SOCIAL ASPECTS

The project is also likely to have a positive impact on the economy of coastal regions and Tanzania as a whole by creating employment, and contributing to Government revenues through various taxes, which will be paid. It also has potential for substantial exporting to foreign markets especially to neighboring countries in the Great Lakes countries. In summary the following table will show impact investment index framework

### 7.1. Impact Investment Index Framework

<b>Impact Investment Index</b>		
<b>Frame Work for NLCOM (TZ) LIMITED (T) LIMITED</b>		
<b>Performance Area</b>	<b>Quantitative Indicator</b>	<b>Remarks</b>
<b>Investment Capital</b>	Total investment capital, CAPEX and OPEX US\$ 18.68Million US\$	Substantial amount of capital invested into the domestic economy.
<b>Export Earnings</b>	Indicative Annual sales of earnings of 19,085,000US\$ out of annual average collection	Increased foreign earnings.
<b>Job requirements</b>	Job creation after plant in operation 2022-2027. DIRECT TANZANIAN JOBS 192 local employed workers	<ul style="list-style-type: none"> <li>• Reasonable number of direct jobs created to local Tanzanians with direct impact on poverty reduction through enhanced income generation; and</li> <li>• Improving skills development for Industrial production</li> </ul>
<b>Technology applied</b>	High Tech Environmentally friendly machinery	<ul style="list-style-type: none"> <li>• Enhancing technological transfer; and</li> <li>• Applied technology which is free from environmental pollution,</li> </ul>
<b>Other Implied Project Benefits</b>		
<ul style="list-style-type: none"> <li>▪ Increased sales to the Utility Companies providing services of electricity, water and sewerage, telecommunications;</li> <li>▪ Increased business transacted by local banks and institutions providing financial services;</li> <li>▪ Business opportunities for local entrepreneurs in market distribution channels,</li> <li>▪ Business opportunities to contractors and sub-contractors during the minor construction phase;</li> </ul>		

- Increased regional intra-trade and international trade due to better infrastructure facility and links to markets;
- Increase of technology transfer & expertise to local employed staff,
- Capital spends in local economy over 18.68US\$ Millions and
- Contribution to GDP growth through increased economic activities

Based on the Impact Investment Index analysis, the company can develop projections that the project can deliver both value for money in the context of broad socioeconomic impact and return on investment while complying with governance requirements. In this regard therefore, the company will promote the industrialization process in the country, create employment, attract new technologies, expand foreign exchange earnings and ultimately contribute substantially to the country's economic growth.

## 8.0. FINANCIAL MODELLING AND ANALYSIS

The Financial Modelling and analysis, is the main source of information for assessing the potential financial viability of the NLCOM (TZ) LIMITED. The analysis is based on the assumptions that have been taken for the implementation of the site development, demand and the associated potential investment requirements for a 5-year time period. The purpose of establishing this project is to speed up the country's economic development by being a catalyst for restructuring the existing local industrial set up and attracting new, both foreign and domestic entrepreneurs to a liberalized legal business framework.

### 8.1. Project investment inputs and revenue projects

<i>SALES PROJECTION</i>	<i>ANNUALLY UNIT/KG/M CUBIC</i>
<i>LOCAL TRANSPORT DRY</i>	\$ 4,230,000.00
<i>INTERNATIONAL TRANSPORT DRY</i>	\$ 6,020,000.00
<i>LOCAL RETURN DRY</i>	\$ 3,630,000.00
<i>INTERNATIONAL RETURN DRY</i>	\$ 5,205,000.00
<i>SALES IN USD</i>	<i>\$ 19,085,000.00</i>

NB: Selling price per tonne is 1800US\$, average capacity 10,602MT annually

### 8.2. Production, Revenue and project viability

- ✦ The estimated revenue gain in provision of logistic and transport service annually 19,085,000US\$ in the first year of project implementation and increases positively.
- ✦ Net profit before tax is 9,333,788US\$, second year earning is ten times to 9,995,788US\$, which show the profit is increasing, (see Income statement)
- ✦ Net profit after tax for the first years in production is 3,650,514US\$ and second year of the project the net profit 4,384,644US\$ for remaining year increasing positively, (see Income statement).
- ✦ Gross sales contribution in the first year of service is quietly promising (see Income statement)
- ✦ The expected sales increase in a second year over 5%, this is due to the company will utilize all necessary machine and equipment during the operation of the project after imposed
- ✦ Total investment cost of the project is 18.680326.09US\$ whereas the own equity is 40% and loan-able amount 60% (see investment summary)
- ✦ The end balance of project in cash flow statement is positive and increases tremendous. (see cash flow statement)

- ✚ Testing the project viability is positive whereas IRR is positive 10.37% which is above bank assumed loan interest of 8%, and payback period of project is within 4 years. Which is project economic life
- ✚ Return on investment is positive and increases tremendously (see balance sheet)
- ✚ Breakeven point is positive and is above 1 from the first year of operation.

### **8.3. Objective and Scope of Financial Model**

#### **8.3.1. Objective**

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

#### **8.3.2. Scope**

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

#### **8.3.3. Project financial plan.**

The project financial plan primarily consists of income statement, cash flow projection and balance sheet. From these 3 financial statements the project will derive Break even points, internal rate of returns, loan payment schedules, payback period and other financial ratios. These reports constitute reasonable estimate of company financial future. More importantly, the process of thinking through the financial plan improves insight into inner financial working of company.

## ANNEX I - INCOME STATEMENT

<i>INCOME STATEMENT PROJECTIONS</i>							
	ALL NUMBER IN US\$						
	<u>REVENUE</u>						
	<u>YEAR 0</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>	<u>TOTAL</u>
LOCAL TRANSPORT DRY	-	4,230,000	4,441,500	4,663,575	4,896,754	4,896,754	23,128,583
INTERNATIONAL TRANSPORT DRY		6,020,000	6,321,000	6,637,050	6,968,903	6,968,903	32,915,855
LOCAL RETURN DRY		3,630,000	3,811,500	4,002,075	4,202,179	4,202,179	19,847,933
INTERNATIONAL RETURN DRY		5,205,000	5,465,250	5,738,513	6,025,438	6,025,438	28,459,639
<b>TOTAL OPERATING REVENUE</b>	<b>-</b>	<b>19,085,000</b>	<b>20,039,250</b>	<b>21,041,213</b>	<b>22,093,273</b>	<b>22,093,273</b>	<b>104,352,009</b>
	<u>EXPENSES</u>						
	<u>YEAR 0</u>	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>	<u>TOTAL</u>
SALARIES		845,247	870,605	896,723	923,625	923,625	4,459,825
SOCIAL CHARGES & PENSION PAYMENTS		169,049	174,121	179,345	184,725	184,725	891,965
FUEL		1,032,567	1,063,544	1,095,450	1,128,314	1,128,314	5,448,189
LUBRICANTS		782,609	806,087	846,391	888,711	888,711	4,212,509
TIRES AND TUBES		1,878,261	1,934,609	1,992,647	2,052,426	2,052,426	9,910,369
REPAIR AND MAINTENANCE		1,173,913	1,209,130	1,245,404	1,282,766	1,282,766	6,193,981
INSURANCE/LICENSING/OTHER CHARGES		391,304	403,043	415,135	427,589	427,589	2,064,660
OTHER COSTS		3,478,261	3,582,609	3,690,087	3,800,790	3,800,790	18,352,536
<b>TOTAL OPERATING COSTS</b>		<b>9,751,212</b>	<b>10,043,748</b>	<b>10,361,182</b>	<b>10,688,946</b>	<b>10,688,946</b>	<b>51,534,034</b>
<b>OPERATIONAL NET EARNINGS BEFORE DEPRECIATION, INTEREST &amp; TAX</b>		<b>9,333,788</b>	<b>9,995,502</b>	<b>10,680,030</b>	<b>11,404,327</b>	<b>11,404,327</b>	<b>52,817,975</b>
<i>%AGE GROSS CONTRIBUTION</i>		49	50	51	52	52	1

DEPRECIATION AT 5% (MOSTLY CIVIL WORKS)	886,710	874,606	934,503	997,879	997,879	4,753,618
NET EARNINGS BEFORE TAX & INTEREST	8,447,078	9,120,895	9,745,528	10,406,449	10,406,449	48,064,357
INTEREST PAID (BANK LOAN)	2,017,475	1,735,477	1,402,719	1,010,064	546,732	6,712,467
TAX (30%)	2,779,089	3,000,775	3,206,279	3,423,722	3,423,722	15,833,585
NET EARNINGS	3,650,514	4,384,644	5,136,530	5,972,663	6,435,995	25,580,346

## ANNEX II - CASH FLOW

<i>(ALL NUMBERS IN USD)</i>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>					
CASH RECEIPTS FROM SALES	19,085,000	20,039,250	21,041,213	22,093,273	22,093,273
CASH PAID TO SUPPLIERS AND EMPLOYEES	(9,751,212)	(10,043,748)	(10,361,182)	(10,688,946)	(10,688,946)
CASH GENERATED FROM OPERATIONS	9,333,788	9,995,502	10,680,030	11,404,327	11,404,327
DIVIDENDS RECEIVED*	0	0	0	0	0
INTEREST RECEIVED	0	0	0	0	0
INTEREST PAID	(2,017,475)	(1,735,477)	(1,402,719)	(1,010,064)	(546,732)
TAX PAID	(2,779,089)	(3,000,775)	(3,206,279)	(3,423,722)	(3,423,722)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>4,537,224</b>	<b>5,259,250</b>	<b>6,071,033</b>	<b>6,970,541</b>	<b>7,433,874</b>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>					
REPLACEMENT OF EQUIPMENT	0	0	0	0	0
PROCEEDS** FROM SALE OF EQUIPMENT	0	0	0	0	0
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>					
PROCEEDS FROM CAPITAL CONTRIBUTED	7,472,130	0	0	0	0
PROCEEDS FROM LOAN	11,208,196	0	0	0	0
PAYMENT OF LOAN	(1,566,657)	(1,848,656)	(2,181,414)	(2,574,068)	(3,037,401)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>17,113,669</b>	<b>(1,848,656)</b>	<b>(2,181,414)</b>	<b>(2,574,068)</b>	<b>(3,037,401)</b>
<b><u>NET INCREASE/DECREASE IN CASH</u></b>	<b>21,650,893</b>	<b>3,410,595</b>	<b>3,889,619</b>	<b>4,396,473</b>	<b>4,396,473</b>
CASH AT THE BEGINNING OF THE PERIOD	3,650,514	4,384,644	5,136,530	5,972,663	6,435,995
<b>CASH AT THE END OF THE PERIOD</b>	<b>25,301,407</b>	<b>7,795,239</b>	<b>9,026,149</b>	<b>10,369,136</b>	<b>10,832,468</b>

## ANNEX III - BALANCE SHEET

<b>PRO FORMA BALANCE SHEET</b>					
<b>(ALL NUMBERS IN USD)</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>
<b><u>ASSET</u></b>					
CURRENT ASSET	3,650,514	4,384,644	5,136,530	5,972,663	6,435,995
FIXED ASSET	18,528,152	18,898,715	19,276,690	19,662,223	20,055,468
LIQUIDITY	9,333,788	9,995,502	10,680,030	11,404,327	11,404,327
<b>TOTAL ASSET</b>	<b>31,512,455</b>	<b>33,278,861</b>	<b>35,093,250</b>	<b>37,039,214</b>	<b>37,895,790</b>
<b>NET ASSET MINUS DEPRECIATION</b>	<b>30,625,745</b>	<b>32,404,255</b>	<b>34,158,747</b>	<b>36,041,335</b>	<b>36,897,912</b>
<b><u>EQUITY &amp; LIABILITIES</u></b>					
<b>EQUITY</b>	<b>7,472,130</b>	<b>8,966,557</b>	<b>10,759,868</b>	<b>12,911,841</b>	<b>15,494,210</b>
RESERVES					
<b>TOTAL OWN EQUITY</b>	<b>7,472,130</b>	<b>8,966,557</b>	<b>10,759,868</b>	<b>12,911,841</b>	<b>15,494,210</b>
PROVISIONS	15,903,683	15,978,184	15,673,966	15,123,761	13,397,969
LONG TERM LOAN	3,584,133	3,584,133	3,584,133	3,584,133	3,584,133
SHORT TERM LIABILITIES	3,665,799	3,875,381	4,140,781	4,421,600	4,421,600
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>30,625,745</b>	<b>32,404,255</b>	<b>34,158,747</b>	<b>36,041,335</b>	<b>36,897,912</b>
NET FA/CL	5.17	5.27	5.38	5.49	5.60
CL/CA	1.00	0.88	0.81	0.74	0.69
DEBIT/CAPITAL RATIOS	0.76	0.72	0.69	0.64	0.58
ROI	48.9	48.9	47.7	46.3	41.5
BREAK EVEN POINT	1.99	1.89	1.80	1.72	1.76
BREAK EVEN RATIO	1.82	1.75	1.69	1.64	1.64
EQUITY/TOTAL LIABILITIES	24	28	31	36	42

## ANNEX IV - LOAN PAYMENT SCHEDULE

Loan Information and Payment Schedule					
Loan Data	All number in USD		Loan Summary		
Original Principal	11,208,195.65		Scheduled Payments		3,584,132.62
Loan Term (Years)	5.00		Scheduled number of payment		5.00
Annual Interest Rate	0.18		Actual number of payment		5.00
Payments per Year	1.00		Total Early Payment		-
Payment	3,584,132.62		Total Interest		6,712,467.43

  

Year	Payment	Interest	Cumulative Interest	Principal	Balance
-					11,208,195.65
1.00	3,584,132.62	2,017,475.22	2,017,475.22	1,566,657.40	9,641,538.25
2.00	3,584,132.62	1,735,476.89	3,752,952.10	1,848,655.73	7,792,882.52
3.00	3,584,132.62	1,402,718.85	5,155,670.96	2,181,413.76	5,611,468.76
4.00	3,584,132.62	1,010,064.38	6,165,735.33	2,574,068.24	3,037,400.52
5.00	3,584,132.62	546,732.09	6,712,467.43	3,037,400.52	-
		6,712,467.43			

## ANNEX V - IRR

### IRR for the Project

(all numbers inUSD)

	Initial Investment	-18,680,326
Year 1	Additional Annual Net Profit	3,650,514
Year 2	Additional Annual Net Profit	4,384,644
Year 3	Additional Annual Net Profit	5,136,530
Year 4	Additional Annual Net Profit	5,972,663
Year 5	Additional Annual Net Profit	6,435,995
	<b>IRR (in 5years)</b>	<b>10.37%</b>

The IRR above indicates that the expected return on the US\$ 18,630,326 initial investment after 5 years is 10.37%.

## ANNEX V PAY BACK PERIOD

### Payback Period Analysis

	Year	Beginning Balance	Net Cash Flows	Ending Balance
Cost of investment	0.00	18,680,326.09	0.00	18,680,326.09
	1.00	18,680,326.09	3,650,514.33	15,029,811.75
	2.00	15,029,811.75	4,384,643.95	10,645,167.80
	3.00	10,645,167.80	5,136,530.11	5,508,637.69
	4.00	5,508,637.69	5,972,662.79	464,025.10
	5.00	464,025.10	6,435,995.07	6,900,020.17

<b>Payback Period =</b>	<b>4.00</b>	<b>Years</b>
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## **9.0. CONCLUDING REMARKS AND WAY FORWARD**

### **9.1. Evidence of project viability based on financial model and policy Framework support**

On the basis of all the analysis done on this Business Plan on all aspects of assessment on both SWOC Analysis, market analysis, risk analysis and the financial analysis, the proposed investment options in the project as prescribed on this business plan have shown that the project is commercially viable. Nonetheless, the company through professional consultative manner, will continue to find ways of implementing cost effective options given time and financial resources that will be made available. Financial analysis results show that when the construction of plant facility is financed using a combination of equity debt ratio (40:60), it gives an IRR of about 10.37%. The computed IRR is well above Dollar market of the annual loan interest rate of (8.00%) which is technically interpreted that the project is financially viable. The payback period for the project is estimated at 3-4 years, which is within the range for this type of investment. Sensitivity analysis results also favor the project. Financial analysis for the project has shown feasible returns. Based on the investment scope and the assumptions taken in this Business Plan, the project will not face any difficulties during establishment, according to the projected cash flow be in a position to accomplish repayment of the loan and start generating profit.

### **9.2. Policy Framework Support**

The development of the NLCOM (TZ) LIMITED is designed to take advantages of the current Tanzanian market-oriented reforms. The Project will be developed and established to accelerate the industrialization process. The vision 2025 emphasizes the importance of the allocation of public funds for strategic investments and private sector financing for development investments.

The 15 years Perspective Plan (2020-2025); Prioritize private investment in the context of Public Private Partnership. The First Five Years Development Plan (2020-2025) recognizes the fundamental role of the private sector in enabling the government to allocate its fund to strategic projects to facilitate a higher level of development. MKUKUTA III (2020-2025) identifies Public Private Partnership as a means of increasing the level of stakeholder participation and of easing the financial burden on the government. It should be noted that existing public resources are clearly insufficient to meet Tanzania's huge development needs. The increased use of private enterprises participation in development projects can help alleviate the

financing gap. This approach is now applied by NLCOM (TZ) LIMITED to ensure development of one among the ultra-modern plant in Dar es Salaam Region. Private sector and investment have been recognized as the most significant potential source of additional funding required to facilitate development projects.

### **9.3. Conclusive Remarks and Way Forward**

The development of this project will be funded by private finances. The company acting through its various shareholders and structures will provide the initial risk capital amounting to 18.68MilionUS\$. The company will fund the development of the project minor rehabilitations of factory building, business facilities and purchasing trucks as stated on this business plan. Before the Company engages into the development of this project as a private enterprise, it needs to accomplish the pre development activities to make way for the development of the designated project. The company has to accomplish the following;

#### **a) Apply for TIC certificate**

The company by using this Business Plan and other required supporting documents should apply for the TIC Certificate at Tanzania investment centre Office. With this certificate, the company will be able to access tax reliefs which to a large extent will help to in reducing project costs, particularly in the purchasing of machineries and minor building of area of proposed industrial area.

#### **b) Conduct Environmental Impact Assessment.**

The company has to engage a consultant to conduct EIA in order to ensure that environmental and possibly other sustainability aspects are considered effectively in policy, plan and project development. The EIA Directive aims at introducing systematic assessment of the environmental effects of strategic land use related plans and programs. It typically applies to regional and local, development, waste and transport plans, within the country. EIA ensures that plans and programs take into consideration the environmental effects they cause.

#### **c) Minor rehabilitation to suit project Industrial requirement**

The company should engage a firm to make minor rehabilitation of existing structure that will suit project manufacturing requirements. The structure should include all vital service facilities described in this business plan.

When possible, the process of design of the facility should be consultative insomuch that it should allow and incorporate ideas from experienced professionals from the industry.

**d) Mobilizing Funds**

As previously discussed on the Financial Analysis of this business plan, financing mechanism for plant should be scrutinized well before commencing the project implementation. There may be several options of financing the project development but the company will find the best option. The investment team should do consultation with relevant financial institutions (Banks and non-bank Financial Institutions), both within and outside the country. This exercise should be more effective if the team works closely with central government agencies, particularly TIC and the Ministry of Industry & Trade and Investment.