

**FEASIBILITY STUDY REPORT FOR  
M/S SUNNY ADVENTURE SAFARIS LIMITED  
OF P. O. BOX 972  
ARUSHA  
(Expansion Programme)**

**TOUR OPERATOR AT PLOT NO. 70 CORRIDOR AREA  
WITHIN ARUSHA CITY COUNCIL  
PHASES I, II, III & IV  
F/Y 2018 - 2022**

**PREPARED BY:  
ADM INTERNATIONAL BUSINESS  
AND MANAGEMENT CONSULTANTS  
LIMITED  
P. O. BOX 7392  
ARUSHA - TANZANIA**

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EXECUTIVE SUMMARY

## 1.0 EXECUTIVE SUMMARY

The Directors of M/S SUNNY ADVENTURE SAFARIS LTD want to take advantage of the unlimited market of hotels/tourism business in the northern circuit and indeed for the lodge safari business and expand their business. Due to this fact they approached our firm among others they wanted us to prepare on their behalf all legal and administrative documents connected to their expansion programme of their project which is located at Plot No. 70 the famous Corridor Area. We have managed to write this detailed feasibility study report which is supported with all legal and administrative documents. The said legal and administrative documents are annexed together with this study and ofcourse form part of this study. In this study, we have also analysed the capital structure of expansion programme - how much is expected to be invested now and what will be invested later. The details of the term loan, manpower structure is also debated in details in this project document. We have tried also to justify the implementation programme of the entire project by carefully but correctly analyzing key data and statistics connected to tourism and hotel industry in Tanzania. We have critically analyzed also both the tourism policy and act, the role of tourism to the Tanzania economy and the role of tourism for the city of Arusha and indeed to the United Republic of Tanzania. This approach has helped us to analyse the economic potentials connected to the entire project, the position of hotels in Arusha, room occupy ratio and bed occupancy connected to hotels in Tanzania all this helped us to plot the entire market share of this project, ofcourse all this was professionally tested by a critical analysis of SWOT connected to the entire project. We took trouble to compute key financial statement which are annexed under para 7.1 - 7.15 and under appendix I - VII respectively. To prove that there exist a proper management set up which guarantee a professional chain of command we have demonstrated the proposed administrative structure which we recommend to be in use. In this document, we have annexed also project financial statement of the entire project- To us this project (expansion programme) is viable profitable with a lot of social economic and political goodwill. - Once extension of its certificate of incentive is extended the project will have impact socially, politically and economically to the United Republic of Tanzania.

MAIN REPORT

## 1.0 BACKGROUND INFORMATION

### 1.1 LEGAL STRUCTURE

In order for the project to operate within the ambit of law the company need to have the following legal and administrative documents:-

- The memorandum & articles of association
- Certificate of incorporation
- Original certificate of incentive.
- Tax identification number
- Audited accounts among others

All these key documents are annexed together with this study and form part of this study.

#### 1.1.2 THE PROJECT CONCEPT

Moshi and indeed Arusha is located in the hub of tourism business which incorporate mountain climbing lodge safaris and camping business. The Head Office of this company is in Arusha due to this fact the promoter of this project plan to establish and modernize the current structure of their business. According to statistics annexed together with this study there exists room of expansion in tour business in both Dar es Salaam and the northern circuit to the advantage of the promoters.

#### 1.1.3 PROJECT OWNERSHIP

According to the registered memorandum and articles of association, the Directors of this company are as per annexed memorandum and articles of association. All Directors of this company are Tanzanians - We have taken trouble to annex the said memorandum and article of association for easy of reference.

## 2.0 THE ROLE OF TOURISM IN TANZANIA

Records of official statistics connected to tourism and tourism related projects prove that tourism business grew by 7.3% and the rate of contribution to the GDP has been at the rate of 16.2%. data and statistics from the economic survey show that trade hotels and restaurant is second from agriculture 46% - This fact justify the implementation of this project - (refer to annexed statistics.)

### 3.0 THE ROLE OF TOURISM TO THE CITY OF DAR ES SALAAM / ARUSHA

Going by official data/statistics from the treasury Dar es Salaam contributes more than 90% of total government revenue tourism industry employs second largest number in Tanzania next to mining and agriculture. - Thus for Arusha tourism and hotel activities is among key economic sectors which contribute handsomely to the Government GDP - This fact justify the implementation of this project.

### 4.0 POSITION OF HOTELS AND BED OCCUPANCY IN DAR ES SALAAM / ARUSHA

We seriously studied the current position of bed occupancy, room occupancy in Dar es Salaam and Arusha. Our study have revealed the following basic facts:-

- The current bed occupancy show that there is a need to increase room occupancy and bed occupancy capacity in Dar es Salaam and indeed in Tanzania this tour company will cover this gap.
- Number of hotels in beach areas need to be increased. - In order to do all this a fleet on new cars (four cars) need to be purchased.

The above facts can be supported by the annexed data/statistics in this study.

### 5.0 MARKET ANALYSIS

#### 5.1.1 THE SWOT ANALYSIS

In order to determine professionally the SWOT analysis, we were properly guided by several statutes - Policy data and statistics the facts from all this have enabled us to conclude as follows:-

#### 5.1.2 STRENGTH

The tourism master plan, the tourism policy the Tanzania Investment policy and act, the poverty eradication policy and the economic vision 2025 and the untapped potentials in tourism industry are among key strength of this project.

#### 5.1.3 WEAKNESSES

The only weakness we witnessed when we had a world with the promoters of this project is that a lot of cash is needed to purchase motor vehicles camping equipments e.t.c. The directors have plans to apply financial support which will cover the financial gap.

#### 5.1.4 OPPORTUNITIES

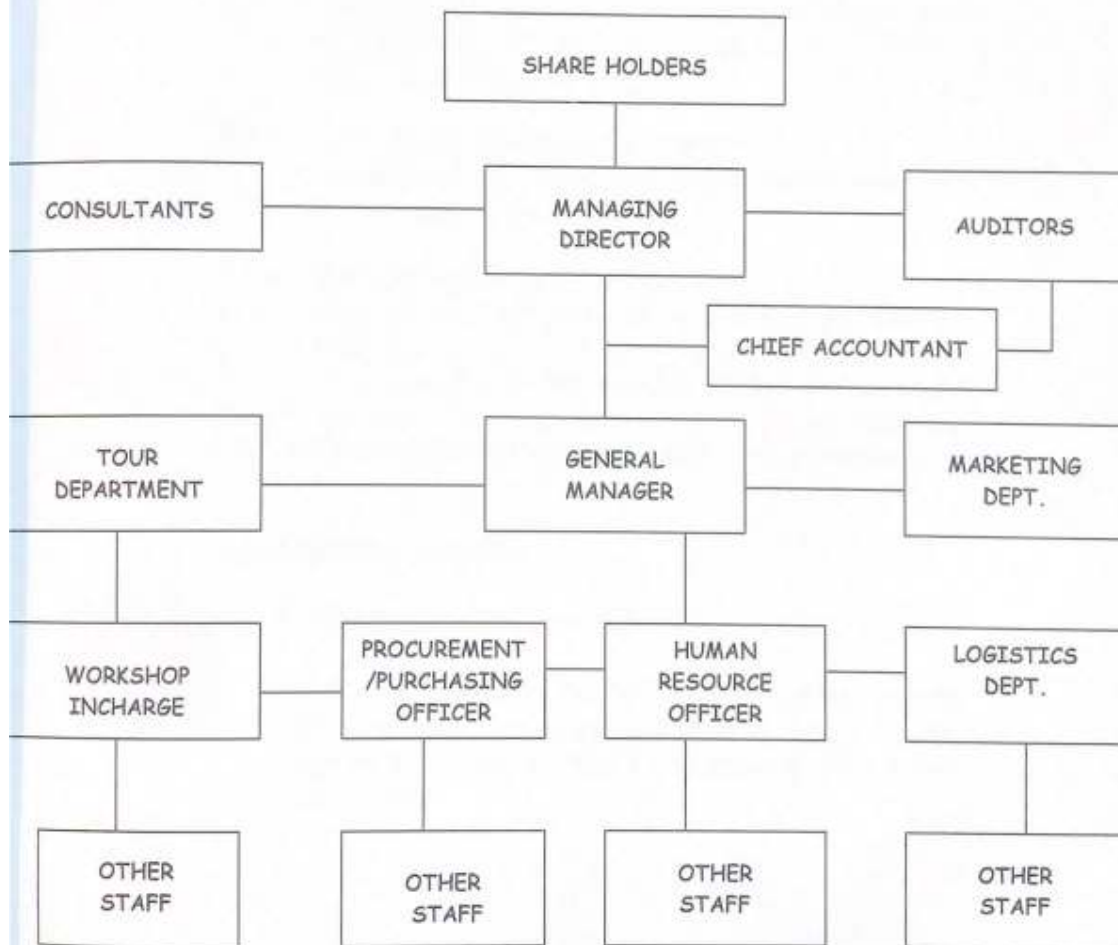
Data/statistics connected to trend of tour business have guided us properly and professionally to conclude that a lot of opportunities still exist in this business to the advantage of the promoters.

#### 5.1.5 THREATS

We don't anticipate any threat connected to this project save for a delay to get financial support from financial institutions for phase III of this project.

### 6.0 MANAGEMENT SET UP

Tourism business fall under hospitality industry due to this fact we expect that a firm proper, professional and well motivated staff will be recruited to run the day to day management of the company. The proposed management set up is expected to look as under:-



## **7.0 PROJECT COST & REVENUE PROJECTION**

### **7.1.1 THE INVESTMENT**

Computation of land and building is expected to take the lions share followed by motor vehicle & Mt. climbing gear. All in all total investment cost is expected to be to the tune of US Dollars 2,832,350/ and we expect the investment pattern to be at the ratio of 40% equity 60% term loan.

### **7.1.2 THE PROJECTED REPAYMENT SCHEDULE**

Computation of loan repayment schedule prove that this project is able to pay the principal amount of the term loan plus interest.

### **7.1.3 THE PROJECTED PROFIT & LOSS STATEMENT**

Computations of projected profit & loss statement as per annexed appendices show that the project is profitable during its life span with minimum profit of \$ 347,250/ and a maximum profit of \$622,800/.

### **7.1.4 THE PROJECTED BALANCE SHEET**

Computations of the projected balance sheet show very strong liquidity ratio.

### **7.1.5 THE INTERNAL RATE OF RETURN**

When we were testing the viability of this project we took trouble to compute the internal rate of return, according to the computation under Para VII in this feasibility study report an encouraging figure of FRR 21.2% was computed. This for hospitality industry is seen to be very favourable

## **8.0 PROFESSIONAL OPINION**

### **8.1 ECONOMIC CONSIDERATION**

A lot of tax (corporate tax, VAT payee etc) will be paid to the government this move have positive impact to the economy of the country. (Refer the annexed profit & loss statement).

## 8.2 SOCIAL BENEFITS

Petrol stations, curio shop owners bureau de change shops, street vendors, drivers porters at Kilimanjaro, local markets, boutique shops are among the groups which are going to benefit once this project is implemented.

## 9.0 CONCLUSION

The project is viable, economically sound profitable and in line with the economic vision 2025, the tourism policy, tourism act, wildlife policy, Tanzania Investment Policy and act, we thus recommend the same to be implemented and that we request Tanzania Investment Centre to extend its certificate of incentive to enable the directors to implement professionally phase II & III.

THE INVESTMENT PATTERN

**INVESTMENT PATTERN**  
(in US Dollars)

	EQUITY	TERM LOAN	TOTAL
Motor Vehicles, camping lorries/trucks, transfer cars e.t.c.	1,079,420	1,520,580	2,600,000
Furniture & Radio installation equipments	40,000	-	40,000
Mountain and other logistics equipments	30,290	29,710	60,000
Land and building	-	130,000	130,000
Workshop	2,000	-	2,000
Misc. expenses	350	-	350
<b>Total</b>	<b>1,152,060</b>	<b>1,680,290</b>	<b>2,832,350</b>
<b>Percentage</b>	<b>40%</b>	<b>60%</b>	<b>100%</b>

LOAN REPAYMENT SCHEDULE

**LOAN REPAYMENT SCHEDULE**  
(in US Dollars)

	LOAN AMOUNT	INTEREST	REPAYMENTS		BALANCE
			PRINCIPAL	INTEREST	
<b>YEAR 0</b>					
Loan Amount	1,680,290				2,000,000
<b>YEAR 1</b>					
Interest		180,000			2,180,000
Repayments					
Interest				180,000	2,000,000
<b>YEAR 2</b>					
Interest		180,000			2,180,000
Repayments					
Interest				180,000	2,000,000
<b>YEAR 3</b>					
Interest		180,000			2,180,000
Repayments					
Interest				180,000	2,000,000
Principal			200,000		1,800,000
<b>YEAR 4</b>					
Interest		162,000			1,962,000
Repayments					
Interest				162,000	1,800,000
Principal			200,000		1,600,000
<b>YEAR 5</b>					
Interest		144,000			1,744,000
Repayments					
Interest				144,000	1,600,000
Principal			200,000		1,400,000
<b>YEAR 6</b>					
Interest		126,000			1,526,000
Repayments					
Interest				126,000	1,400,000
Principal			200,000		1,200,000

**YEAR 7**  
 Interest  
Repayments  
 Interest  
 Principal

**YEAR 8**  
 Interest  
Repayments  
 Interest  
 Principal

**YEAR 9**  
 Interest  
Repayments  
 Interest  
 Principal

**YEAR 10**  
 Interest  
Repayments  
 Interest  
 Principal

**YEAR 11**  
 Interest  
Repayments  
 Interest  
 Principal

**YEAR 12**  
 Interest  
Repayments  
 Interest  
 Principal

LOAN AMOUNT	INTEREST	REPAYMENTS		BALANCE
		PRINCIPAL	INTEREST	
	108,000			1,308,000
			108,000	1,200,000
		200,000		1,000,000
	90,000			1,090,000
			90,000	1,000,000
		200,000		800,000
	72,000			872,000
			72,000	800,000
		200,000		600,000
	54,000			654,000
			54,000	600,000
		200,000		600,000
	36,000			436,000
			36,000	400,000
		200,000		200,000
	18,000			218,000
			18,000	200,000
		200,000		-
<b>2,000,000</b>	<b>1,350,000</b>	<b>2,000,000</b>	<b>1,350,000</b>	

**PROJECTED CASH FLOW  
STATEMENT**

**PROJECTED CASH FLOW STATEMENTS**  
(in US Dollars)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12
<b><u>INFLOWS</u></b>												
Net Profit/(Loss) after Tax & Dividends	243,075	282,100	320,746	135,895	248,460	271,895	193,995	208,730	213,955	218,741	226,825	235,960
Depreciation	218,500	196,255	177,465	161,450	147,640	138,855	168,075	150,370	135,490	122,860	112,015	102,625
	<u>461,575</u>	<u>478,355</u>	<u>498,211</u>	<u>297,345</u>	<u>396,100</u>	<u>410,750</u>	<u>362,070</u>	<u>359,100</u>	<u>349,445</u>	<u>341,601</u>	<u>338,840</u>	<u>338,585</u>
<b><u>OUTFLOWS</u></b>												
Loan Repayment			200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Trade Creditors	8,000	2,000	2,500	3,500	4,000	-	1,500	-	1,500	2,000	-	-
Capital Expenditure												
<b>Total Outflows</b>	<b>8,000</b>	<b>2,000</b>	<b>202,500</b>	<b>203,500</b>	<b>204,000</b>	<b>200,000</b>	<b>201,500</b>	<b>200,000</b>	<b>201,500</b>	<b>202,000</b>	<b>200,000</b>	<b>200,000</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>453,575</b>	<b>476,355</b>	<b>295,711</b>	<b>93,845</b>	<b>192,100</b>	<b>210,750</b>	<b>(89,430)</b>	<b>159,100</b>	<b>147,945</b>	<b>139,601</b>	<b>138,840</b>	<b>138,585</b>
<b><u>SUMMARY</u></b>												
OPENING BALANCE	-	453,575	929,930	1,225,641	1,319,486	1,511,586	1,722,336	1,632,906	1,792,006	1,939,951	2,079,552	2,218,392
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>453,575</b>	<b>476,355</b>	<b>295,711</b>	<b>93,845</b>	<b>192,100</b>	<b>210,750</b>	<b>(89,430)</b>	<b>159,100</b>	<b>147,945</b>	<b>139,601</b>	<b>138,840</b>	<b>138,585</b>
<b>TOTAL CASH - FLOW</b>	<b>453,575</b>	<b>929,930</b>	<b>1,225,641</b>	<b>1,319,486</b>	<b>1,511,586</b>	<b>1,722,336</b>	<b>1,632,906</b>	<b>1,792,006</b>	<b>1,939,951</b>	<b>2,079,552</b>	<b>2,218,392</b>	<b>2,356,977</b>

**PROJECTED PROFIT & LOSS  
STATEMENT**



PROJECTED BALANCE SHEETS

**PROJECTED BALANCE - SHEETS**  
(in US Dollars)

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12
<b>ASSETS</b>												
<b>CURRENT ASSETS</b>												
Cash & Bank Balances	453,575	929,930	1,225,641	1,319,486	1,511,586	1,722,336	1,632,906	1,792,006	1,939,951	2,079,552	2,218,392	2,356,977
Stocks	8,000	10,000	12,500	16,000	20,000	20,000	21,500	21,500	23,000	25,000	25,000	25,000
	<b>461,575</b>	<b>939,930</b>	<b>1,238,141</b>	<b>1,335,486</b>	<b>1,531,586</b>	<b>1,742,336</b>	<b>1,654,406</b>	<b>1,813,506</b>	<b>1,962,951</b>	<b>2,104,552</b>	<b>2,243,392</b>	<b>2,381,977</b>
<b>Less: CURRENT LIABILITIES</b>												
Term Loan	2,000,000	2,000,000	1,800,000	1,600,000	1,400,000	1,200,000	1,000,000	800,000	600,000	400,000	200,000	-
<b>NET CURRENT ASSETS</b>	(1,538,425)	(1,060,070)	(561,859)	(264,516)	131,586	542,336	654,406	1,013,506	1,362,951	1,704,552	2,043,392	2,381,977
<b>Add/Less: NET FIXED ASSETS</b>												
Land & Buildings	2,470,000	2,346,500	2,229,175	2,117,715	2,011,830	1,911,240	1,815,680	1,724,895	1,638,650	1,556,715	1,478,880	1,404,935
Furniture	87,500	76,560	66,990	58,615	51,290	44,880	38,770	32,675	26,575	20,475	14,375	8,275
Motor Vehicles	175,000	153,125	133,985	117,235	102,580	89,755	78,035	66,310	54,585	42,860	31,135	19,410
Camping Equipments	87,500	76,560	66,990	58,615	51,290	44,880	38,770	32,675	26,575	20,475	14,375	8,275
Radio and Other Logistics Equipments	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Mt. Climbing Equipments	112,500	84,375	63,280	47,460	35,595	23,490	11,395	6,200	3,100	1,550	775	387
Office Equipment	7,000	6,125	5,360	4,690	4,105	3,590	3,115	2,690	2,315	1,940	1,565	1,190
Tools	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	<b>3,081,500</b>	<b>2,885,245</b>	<b>2,717,350</b>	<b>2,546,330</b>	<b>2,398,690</b>	<b>2,259,835</b>	<b>2,134,455</b>	<b>2,013,570</b>	<b>1,897,825</b>	<b>1,786,940</b>	<b>1,680,855</b>	<b>1,579,710</b>
	<b>1,543,075</b>	<b>1,825,175</b>	<b>2,145,921</b>	<b>2,281,816</b>	<b>2,530,276</b>	<b>2,802,171</b>	<b>2,996,166</b>	<b>3,204,896</b>	<b>3,418,851</b>	<b>3,637,592</b>	<b>3,864,417</b>	<b>4,100,377</b>
<b>REPRESENTED BY</b>												
AUTHORISED SHARE - CAPITAL	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
ISSUED & PAID UP SHARE - CAPITAL	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Retained Earnings	243,075	525,175	845,921	981,816	1,230,276	1,502,171	1,696,166	1,904,896	2,118,851	2,337,592	2,564,417	2,800,377
	<b>1,543,075</b>	<b>1,825,175</b>	<b>2,145,921</b>	<b>2,281,816</b>	<b>2,530,276</b>	<b>2,802,171</b>	<b>2,996,166</b>	<b>3,204,896</b>	<b>3,418,851</b>	<b>3,637,592</b>	<b>3,864,417</b>	<b>4,100,377</b>

**SCHEDULE OF FIXED ASSETS AND  
DEPRECIATION**

**SCHEDULE OF FIXED ASSETS & DEPRECIATION**  
(in US Dollars)

	LAND & BUILDINGS	FURNITURE	WORKSHOP EQUIPMENTS	RADIO & OTHER LOGISTICS	SPARES & MT. CLIMBING EQUIPMENT	MOTOR VEHICLES	OFFICE EQUIPMENT	TOOLS	TOTAL
<b>YEAR 0</b>									
Investments	2,600,000	100,000	200,000	100,000	140,000	150,000	8,000	2,000	3,300,000
<b>YEAR 1</b>									
Balances b/f	2,600,000	100,000	200,000	100,000	140,000	150,000	8,000	2,000	3,300,000
Depreciation	130,000	12,500	25,000	12,500	-	37,500	1,000	-	218,500
	<b>2,470,000</b>	<b>87,500</b>	<b>175,000</b>	<b>87,500</b>	<b>140,000</b>	<b>112,500</b>	<b>7,000</b>	<b>2,000</b>	<b>3,081,500</b>
<b>YEAR 2</b>									
Balances b/f	2,470,000	87,500	175,000	87,500	140,000	112,500	7,000	2,000	3,081,500
Depreciation	123,500	10,940	21,875	10,940	-	28,125	875	-	196,255
	<b>2,346,500</b>	<b>76,560</b>	<b>153,125</b>	<b>76,560</b>	<b>140,000</b>	<b>84,375</b>	<b>6,125</b>	<b>2,000</b>	<b>2,885,245</b>
<b>YEAR 3</b>									
Balances b/f	2,346,500	76,560	153,125	76,560	140,000	84,375	6,125	2,000	2,885,245
Depreciation	117,325	9,570	19,140	9,570	-	21,095	765	-	177,465
	<b>2,229,175</b>	<b>66,990</b>	<b>133,985</b>	<b>66,990</b>	<b>140,000</b>	<b>63,280</b>	<b>5,360</b>	<b>2,000</b>	<b>2,707,780</b>
<b>YEAR 4</b>									
Balances b/f	229,175	66,990	133,985	66,990	140,000	63,280	5,360	2,000	2,707,780
Depreciation	11,460	8,375	16,750	8,375	-	15,820	670	-	161,450
	<b>217,715</b>	<b>58,615</b>	<b>117,235</b>	<b>58,615</b>	<b>140,000</b>	<b>47,460</b>	<b>4,690</b>	<b>2,000</b>	<b>2,546,330</b>
<b>YEAR 5</b>									
Balances b/f	2,117,715	58,615	117,235	58,615	140,000	47,460	4,690	2,000	2,546,330
Depreciation	105,885	7,325	14,655	7,325	-	11,865	585	-	147,640
	<b>2,011,830</b>	<b>51,290</b>	<b>102,580</b>	<b>51,290</b>	<b>140,000</b>	<b>35,595</b>	<b>4,105</b>	<b>2,000</b>	<b>2,398,690</b>

**YEAR 0**

Balances b/f	2,011,830	51,290	102,580	51,290	140,000	35,595	4,105	2,000	2,398,690
Depreciation	100,590	6,410	12,825	6,410	-	12,105	515	-	138,855
	<b>1,911,240</b>	<b>44,880</b>	<b>89,755</b>	<b>44,880</b>	<b>140,000</b>	<b>23,490</b>	<b>3,590</b>	<b>2,000</b>	<b>2,259,835</b>

**YEAR 7**

Balances b/f	1,911,240	44,880	89,755	44,880	140,000	23,490	3,590	2,000	2,259,835
Additions		20,000	100,000	20,000	-	100,000	10,000	-	250,000
Depreciation	95,560	8,110	23,720	8,110	-	30,875	1,700	-	168,075
	<b>1,815,680</b>	<b>56,770</b>	<b>166,035</b>	<b>56,770</b>	<b>140,000</b>	<b>92,615</b>	<b>11,890</b>	<b>2,000</b>	<b>2,341,760</b>

**YEAR 8**

Balances b/f	1,815,680	56,770	166,035	56,770	140,000	92,615	11,890	2,000	2,341,760
Depreciation	90,785	7,095	20,755	7,095	-	23,155	1,485	-	150,370
	<b>1,724,895</b>	<b>49,675</b>	<b>145,280</b>	<b>49,675</b>	<b>140,000</b>	<b>69,460</b>	<b>10,405</b>	<b>2,000</b>	<b>2,191,390</b>

**YEAR 9**

Balances b/f	1,724,895	49,675	145,280	49,675	140,000	69,460	10,405	2,000	2,191,390
Depreciation	86,245	6,210	18,160	6,210	-	17,365	1,300	-	135,490
	<b>1,638,650</b>	<b>43,465</b>	<b>127,120</b>	<b>43,465</b>	<b>140,000</b>	<b>52,095</b>	<b>9,105</b>	<b>2,000</b>	<b>2,055,900</b>

**YEAR 10**

Balances b/f	1,638,650	43,465	127,120	43,465	140,000	52,095	9,105	2,000	2,055,900
Depreciation	81,935	5,435	15,890	5,435	-	13,025	1,140	-	122,860
	<b>1,556,715</b>	<b>38,030</b>	<b>111,230</b>	<b>38,030</b>	<b>140,000</b>	<b>39,070</b>	<b>7,965</b>	<b>2,000</b>	<b>1,933,040</b>

**YEAR 11**

Balances b/f	1,556,715	38,030	111,230	38,030	140,000	39,070	7,965	2,000	1,933,040
Depreciation	77,835	4,755	13,905	4,755	-	9,770	995	-	112,015
	<b>1,478,880</b>	<b>33,275</b>	<b>97,325</b>	<b>33,275</b>	<b>140,000</b>	<b>29,300</b>	<b>6,970</b>	<b>2,000</b>	<b>1,821,025</b>

**YEAR 12**

Balances b/f	1,478,880	33,275	97,325	33,275	140,000	29,300	6,970	2,000	1,821,025
Depreciation	73,945	4,160	12,165	4,160	-	7,325	870	-	102,625
	<b>1,404,935</b>	<b>29,115</b>	<b>85,160</b>	<b>29,115</b>	<b>140,000</b>	<b>21,975</b>	<b>6,100</b>	<b>2,000</b>	<b>1,718,400</b>

FINANCIAL RATE OF RETURN  
COMPUTATION

**FINANCIAL RATE OF RETURN COMPUTATION**  
(in US Dollars)

	NPV	YEAR 0	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10	YEAR 11	YEAR 12
<b>INFLOWS</b>														
Net Profit/(Loss) before Tax			347,250	403,000	458,206	479,850	497,800	531,280	562,850	583,900	591,365	598,201	608,750	622,800
Depreciation			218,500	196,255	177,465	161,450	147,640	138,855	168,075	150,370	135,490	122,860	112,015	102,625
Loan Interest			180,000	180,000	180,000	162,000	144,000	126,000	108,000	90,000	72,000	54,000	36,000	18,000
<b>Total Inflows</b>			<b>745,750</b>	<b>779,255</b>	<b>815,671</b>	<b>803,300</b>	<b>789,440</b>	<b>796,135</b>	<b>838,925</b>	<b>824,270</b>	<b>798,855</b>	<b>775,061</b>	<b>757,765</b>	<b>743,425</b>
<b>OUTFLOWS</b>														
Investments		3,300,000												
Net Inflows		(3,300,000)	745,750	779,255	815,671	803,300	789,440	796,135	588,925	824,270	798,855	775,061	757,765	745,425
D. Factor at 20%			.833	.694	.579	.482	.402	.335	.279	.233	.194	.162	.135	.112
		128,005	(3,300,000)	621,210	540,803	472,274	387,191	317,355	266,706	164,310	192,055	154,978	102,289	83,264
D Factor at 25%			.800	.640	.512	.410	.328	.262	.210	.168	.134	.107	.086	.069
		(421,577)	586,600	498,724	417,624	329,353	258,937	208,588	123,675	138,478	107,047	82,932	65,168	51,297

FRR =  $20 + 5(128,005)$   
549,582

=  $20 + 1.17$

FRR = 21.2%

KEY DATA AND STATISTICS WHICH  
JUSTIFY IMPLEMENTATION OF THIS  
PROJECT (EXPANSION PROGRAMME)

BASIC FACTS:

Data and statistics from Appendix 1 - 7

- The market of tourism in Tanzania is not saturated
- The competitive atmosphere is not that still as a lot needs to be invested in the tourism sector.
- The tourism sector is the largest tax payer department in Tanzania
- The tourism sector employs a lot of people, this justifies the key multiplier effect connected to tourism

NUMBER OF VISITORS HOTEL  
BED NIGHTS AND FOREIGN  
EXCHANGE EARNINGS

**NUMBER OF VISITORS, HOTEL BED-NIGHTS AND FOREIGN EXCHANGE EARNINGS**

Description	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total number of visitors (000)	627	502	525	575	576	582	613	644	719	765	714	782
Total bednights (000)	3381	3837	5549	8430	9600	9625	10630	11792	12748	11390	10593	719097
Tanzanians	1686	2160	2917	3971	4100	4100	4500	4837	5350	4061	3708	-
Foreigners	1695	1677	2632	4459	5500	5525	6130	6955	7398	7329	6885	-
Visits to National Parks by Foreigners	627	778	880	1029	1031	1032	1083	1150	1214	1292	1163	-
Foreign exchange earnings (US \$ Mil.)	733	739	725	730	731	746	823	862	1037	1354	1159.82	1254.5

Source: National Bureau of Statistics, Ministry of Natural Resources and Tourism

NUMBER OF TOURISM AND  
FOREIGN EXCHANGE EARNINGS  
1995 - 2010

**NUMBER OF TOURISTS AND FOREIGN  
EXCHANGE EARNINGS: 1995-2010**

Year	Number of Tourists	% Change	Foreign exchange earnings (US \$ mil.)	% Change
1995	293834	12.3	258.14	34.4
1996	326192	11.0	322.00	24.7
1997	360000	10.4	392.41	21.9
1998	482331	34.0	570.00	45.3
1999	628188	30.2	733.30	28.6
2000	501668	-20.1	739.10	0.8
2001	525122	4.7	725.00	-1.9
2002	575000	9.5	730.00	0.7
2003	576000	0.2	731.00	0.1
2004	582000	1.0	746.08	2.1
2005	612754	5.3	823.05	10.3
2006	644124	5.1	950.00	15.4
2007	719031	11.6	1198.00	26.1
2008	965000	34.2	1354.00	13.0
2009	714367	-26.0	1159.80	-14.3
2010	782699	9.6	1254.50	8.2

Source: Ministry of Natural Resources and Tourism

TOURIST ACCOMMODATION IN  
TANZANIA 2005 - 2010

**TOURIST ACCOMMODATION IN TANZANIA (2005 - 2010)**

	Unit	2005	2006	2007	2008	2009	2010
Total number of tourists	Number	613000	644000	719013	770376	714367	782699
Number of tourists in hotels	Number	590000	605000	673722	770376	665480	719097
Total earnings	US \$ million	823.0	950.0	1037.0	1354.0	1159.8	1254.5
Average earnings per tourist	US \$	1342.0	1475.2	1666.0	1700.0	1625.0	-
Average number of bednights per visit	Days	12	12	12	12	11	11
Average daily expenditure per tourist*	US \$	140.0	1551.0	1981.0	265.0	231.0	328.0
Number of hotels	Number	495	503	515	520	529	-
Number of hotel rooms	Number	31365	31689	31870	32045	32315	-
Number of hotel beds	Number	56562	56781	56995	57205	58167	-
Total tourist bednights in hotels	Number	10587000	11792000	12748	13768	10710	-
Average hotel occupancy rate per year	%	48	48	48	49	47	-
Number of employees in the tourist sector	Number	199000	199300	250000	250500	250800	-

Source: Ministry of Tourism and Natural Resources, National Bureau of Statistics

- Data not Available

\* Package Travel Arrangement

HOTEL CAPACITY AND  
OCCUPANCY RATES 1996 - 2002

**HOTEL CAPACITY AND OCCUPANCY RATES**

Description	Dar es Salaam					Arusha/Moshi					++ National Parks										
	1996	1997	1998	1999	2000	2001	2002	1996	1997	1998	1999	2000	2001	2002	1996	1997	1998	1999	2000	2001	2002
Number of Hotels	57	58	65	87	89	92	-	43	43	46	73	75	75	-	10	10	10	10	10	10	-
Rooms available (number) +	2075	2083	2092	3342	3497	3745	-	2258	2379	2571	2998	3202	3227	-	629	707	794	783	796	802	-
Number of bednights (000)	691	976	1445	1316	1402	2027	2694	514	532	568	865	741	1045	1890	128	166	213	195	398	636	1039
Tanzanians	501	731	848	584	649	901	1013	410	398	395	298	344	435	793	13	17	22	42	68	92	189
Other African countries	53	69	183	324	322	513	724	26	34	44	81	114	160	360	3	4	5	8	25	39	84
Europe	90	116	308	225	267	376	505	56	72	93	355	175	276	427	74	96	123	72	178	333	478
America	17	21	57	74	66	101	206	15	19	25	98	81	134	237	33	43	55	41	87	119	213
Asia and Australia	30	39	49	109	98	136	246	7	9	11	33	27	40	73	5	6	8	32	40	53	76
Bednights (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Tanzanians	72.5	74.9	58.7	44.4	46.3	44.4		79.8	74.8	69.5	34.5	46.4	41.6	41.6	10.2	10.2	10.3	21.5	17.1	14.5	
Other African countries	7.7	7.1	12.7	24.6	23.0	25.3		5.1	6.4	7.7	9.4	15.4	15.3	15.3	2.3	2.4	2.3	4.1	6.3	6.1	
Europe	13.0	11.9	21.3	17.1	19.0	48.5		10.9	13.5	16.4	41.0	23.6	26.4	26.4	57.8	57.8	57.7	36.9	44.7	52.4	
America	2.5	2.2	3.9	5.6	4.7	5.0		2.9	3.6	4.4	11.3	10.9	12.8	12.8	25.8	25.9	25.8	21.0	21.9	18.7	
Asia and Australia	4.3	4.0	3.4	8.3	7.0	6.7		1.4	1.7	1.9	3.8	3.6	3.8	3.8	3.9	3.6	3.8	16.4	10.1	8.3	

.....this table continues on the next page

Source: National Bureau of Statistics

+ : As on 31st December

++ : Northern zone

HOTEL CAPACITY AND  
OCCUPANCY RATES

### HOTEL CAPACITY AND OCCUPANCY RATES

Description	Other Parts							Total					
	1996	1997	1998	1999	2000	2001	2002	1996	1997	1998	2000	2001	2002
Number of Hotels	102	102	94	151	152	152	152	212	213	215	326	329	-
Rooms available (number) +	2008	2301	2043	2452	2530	2551		6970	7470	7500	10025	10325	-
Number of bednights (000)	531	570	718	1005	1296	1741	2808	1864	2244	2944	3837	5549	5618
Tanzanians	478	499	624	762	1059	1489	1976	1402	1645	1889	2120	1917	3010
Other African countries	17	23	30	65	89	125	322	99	130	262	550	837	1053
Europe	24	32	43	120	69	110	324	244	316	567	689	1095	887
America	5	7	9	29	13	19	64	70	90	146	247	373	296
Asia and Australia	7	9	12	29	66	98	122	49	63	80	231	327	372
Bednights (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100
Tanzanians	90.0	87.5	86.9	75.8	81.7	80.9	74.9	75.2	73.3	64.2	55.3	52.6	53.6
Other African countries	3.2	4.0	4.2	6.5	6.9	6.8	7.3	5.3	5.8	8.9	14.3	15.1	18.7
Europe	4.5	5.6	6.0	11.9	5.3	6.0	11.4	13.1	14.1	19.3	18	19.7	15.8
America	0.9	1.2	1.3	2.9	1.0	1.0	3.9	3.8	4.0	5.0	6.4	6.7	5.3
Asia and Australia	1.3	1.6	1.7	2.9	5.1	5.3		2.6	2.8	2.7	6.0	5.9	6.6

Source: National Bureau of Statistics

+ : As on 31st December

++ : Northern zone

VISITS OF NATIONAL PARKS

Tourists visited National Parks 2008 - 2010

No.	National Park	Type of Tourists					
		Foreigners	Locals	Foreigners	Locals	Foreigners	Locals
		2008		2009		2010	
1	ARUSHA	39,778	43,484	40,268	9,235	34,308	30,162
2	GOMBE	1096	325	1,202	432	1,166	1,001
3	KATAVI	3,161	2250	1882	292	1,484	1,330
4	KILIMANJARO	155,275	6,954	41,879	1,183	50,193	3,545
5	KITULO	117	413	366	187	151	158
6	LAKE MANYARA	112,687	46,477	118,565	16,361	112,982	48,288
7	MAHALE	2,888	191	810	58	865	44
8	MIKUMI	21,038	17,629	25,282	10,616	18,936	22,872
9	MKOMAZI	433	552	647	263	566	572
10	RUAHA	21832	12355	14,125	3,118	12,623	8,797
11	RUBONDO	721	490	472	153	501	381
12	SAADANI	2,482	2,293	2,755	1,335	2,127	4,442
13	SERENGETI	225,606	218,375	202,537	58841	228,644	69,369
14	TARANGIRE	95,760	43,883	77,739	10,018	85,778	34,752
15	UDZUNGWA	2,837	1,731	3163	1395	2,945	2,707
<b>Total</b>		<b>685,711</b>	<b>397,402</b>	<b>531,692</b>	<b>113,487</b>	<b>553,269</b>	<b>228,420</b>

Source: Ministry of Natural Resources and Tourism, TANAPA

Tourists visited Ngorongoro Conservation Authority 2010

Month	Foreigners	Locals	Total
January	22,296	20,123	42,419
February	26,933	18,971	45,904
March	16,165	15,277	31,442
April	9,619	12,669	22,288
May	11,995	13,952	25,947
June	19,865	19,301	39,166
July	38,563	26,469	65,032
August	40,007	27,954	67,961
September	25,804	23,450	49,254
October	26,286	22,217	48,503
November	17,949	18,241	36,190
December	26,031	23,509	49,540
<b>Total</b>	<b>281,513</b>	<b>242,133</b>	<b>523,646</b>

Source: Ministry of Natural Resources and Tourism, Ngorongoro Conservation Authority