

COTEX INDUSTRIES LIMITED

PROJECT EXPANSION FOR MANUFACTURING OF METAL AND PLASTIC PRODUCTS

BUSINESS PLAN

FIVE YEARS: 2024-2029

Prepared by;

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JULY, 2024

CORPORATE INFORMATION

Date of Incorporation : 30th November, 2015

Company Registration

Number : 121964

TIN : 129-064-064

Business Activity: The Company among other activities engaged in manufacturing of plastics and metals

Shareholders:

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LIST OF ABBREVIATIONS

AfCFTA	-	African Continental Free Trade Area
CEO	-	Chief Executive Officer
CIF	-	Cost Insurance and Freight
DRC	-	Democratic Republic of Congo
EAC	-	East African Community
GDP	-	Gross Domestic Product
SADC	-	Southern African Development Community
SWOT/SWOC-		Strengths, Weaknesses, Opportunities and Threats/Challenges
TIN	-	Taxpayer Identification Number
US\$	-	United Stated Dollar

1.0 EXECUTIVE SUMMARY

Cotex Industries limited is one of East Africa's leading plastic and metal processing companies. The company is engaged in manufacturing and supply of plastic and metal products in the country and foreign markets. The company is embarking on project expansion in Morogoro region. The main goal is to enhance the capacity and introduction of new Stock Keeping Units (SKUs). The company has leased a space at Mwenge Industrial Park in Morogoro region where it is going to shift all its manufacturing unit and also acquire new machineries to enhance the capacity of the existing SKUs and also will introduce new SKUs in both of its metals and plastics divisions. The estimated production is 6,000 metric tons of plastic products and 7,200 metric tons of metal products per annum.

The company is owned and managed by experienced persons in production of plastic and metal products. The project is expected to be financed both through owners' equity and external financing through bank loans, where the total project requirement amounts to **US\$ 4,416,900 (United States Dollar Four Million, Four Hundred Sixteen Thousand, Nine Hundred)**. During the first year of operations, the project intends to employ at least 200 locals and 10 foreigners.

1.1 Company Vision, Mission and Core Values

Our Vision: To supply Africa and the world with plastic and metal products that combine the twin objectives of price and quality.

Our Mission: To secure the trust of our customers and stakeholders by providing quality products, reliable service and accessibility.

Our Belief: Is that, success depends entirely on our exceptional teamwork approach, while constantly striving to leave our clients with an everlasting positive customer experience.

Core Values: Through our dedicated, competent, professional and motivated organization, modernized, and experienced personnel, we are committed to the following principles:

- We ensure total continual customer satisfaction and optimum returns.
- We are committed to listening and responding to the needs of the community we serve;
- We are by international standards and a system that is uncompromised quality, achieved by individuals and as a team.
- To inspire and connect with our community to put their best selves forward every day.

1.2 Project Objectives

The main objective of our project is to increase our operational capability for provision of diversified high-quality plastic and metal products in the country and neighboring countries. The project intends to provide high quality yet affordable products within Tanzania, EAC, SADC and AfCFTA markets.

Specifically, the project aims to achieve the following objectives;

- To ensure availability and reliability of high-quality metal and plastic products.
- To employ at least 200 people and improve livelihood to the community and join hands with the government efforts in job creation.
- To improve the linkages among producers, suppliers and consumers of various products across the EAC, SADC and AfCFTA markets.
- Utilise the opportunity of our country's raw materials availability by meeting the local markets as well as foreign markets.

1.3 Project Location

The Project is located at Mwenge Industrial Park, Plot number 3 at Kingolwira, in Morogoro Municipality. The area is having access to basic infrastructure including water, electricity and road networks. The area is also accessible by walking, cycling, taxi, automobile, and public transit. It is along the Dar es salaam–Morogoro road, which also link other regions including Dodoma, Lindi, Iringa and Coast.

1.4 Project components and costs

The project is expected to commence its activities soon after all the preliminary arrangements and permits are obtained. Table 1.1 provides a summary of project requirements in Phase I.

Table 1.1: Project Requirements (Cost in US\$)

Type of Investment	Qty	Value (\$)
Land & Buildings		
Partitioning	10	100,000
Sub-total		100,000
Plant, Equipment and Machineries (Various)	1	3,080,500
Sub-total		3,080,500
Furniture & Fittings (several pcs)	1	30,000
Sub-total		30,000
Motor vehicles		
HOWO 7 TONS TRUCK	10	240,000
HOWO SEMI TRAILER TRUCKS	2	120,175
FUWA TRAILERS	2	52,625
Sub-total		412,800
Working Capital		
Pre-Operational Expenses	1	100,000
Labour	210	693,600
Sub-total		793,600
Total Cost		4,416,900

The project requirement amounts to **US\$ 4,416,900 (United States Dollar Four Million, Four Hundred Sixteen Thousand, Nine Hundred)** which covers the cost of machine and equipment, motor vehicles as well as working capital.

1.4 Implementation Plan

The envisaged project is expected to be implemented from August, 2024 after all the preliminary requirements for the project are met including purchase of machinery and equipment. The implementation programme is well described in the Table 1.2

Table 1.2: Implementation Schedule

DESCRIPTION		PHASE I					PHASE II
No.	Activities	Aug-Dec, 2024	Jan-March 2025	Apr-June,2025	July-Sept,2025	Oct-Dec.2025	Jan 2026-Dec.2029
1	Site preparations and mobilization of resources						
2	Purchase and installation of machineries and equipment						
4	Project roll out, Operations starts						
5	Assessment of machineries, equipment, replenishments and procurement of new accessories						
6	Project monitoring and evaluation						

Upon completion of site preparations, procurement of machineries and equipment shall follow; then the project roll-out shall take place. The project shall conduct periodical assessment of its machineries, equipment and all accessories and replace the obsolete ones through disposal and procurement of new items. Project monitoring and evaluation shall be maintained throughout the duration of five years.

1.5. Project Benefits

The Implementation of this project will have economic and social benefits to the community and the country at large notably:

- The project will help the community access the best, safest yet affordable metal and plastic products in the country;

- The project will support industrialization process through provision of inputs to other industries, construction companies, water suppliers and other industries dealing with manufactured goods.
- The project will increase employment opportunities;
- The project will increase social services to the community;
- The project will increase tax revenue to the government.

2.0 PROJECT DESCRIPTION

This is a project extension that is envisaged to take place in Morogoro region at Kingolwira area. The project intends to utilise the prevailing opportunity due to high demand of metal and plastic products in EAC, SADC as well as AfCFTA markets. The company has been engaged in this industry for more than 20 years, leading to a huge market share that necessitates increase of production. Our main products include the following;

Expanded Metal: This is one of company's most versatile product lines and most economical products as well. The applications for Expanded Metal are as endless as the benefits gained. Expanded Metal is made from sheets or coils of solid metal that are slit and stretched with each stroke of the upper die, forming a raised diamond pattern. This pattern is called regular or standard. The pattern varies by the gauge and type of material and the size of the diamond. The sheets can also be flattened by rollers for an optional style by passing them through a cold, roll reducing mill.

The lightweight properties and open area percentages of Expanded Metal allow it to be easily formed for a variety of energy saving applications such as light diffusers, screens, grilles and filters. When you add its quality of strength to this list, you also make it popular for panel security enclosures, guards, fixtures and more.

Galvanized Products: These include Straining Wire made from steel and galvanised by zinc; galvanised steel fencing wires; and Chain Link Fence (Diamond Mesh) which is used as fencing for sports field, river banks, construction, residence, animal fencing, for enclosing lawn, Road. Steel diamond mesh has a heavy galvanized coating to ensure a long life.

Nails: Common round iron wire nails are used for general construction purpose, wooden cases and furniture.

HDPE Pipes: Polyethylene pipes are a cost-effective solution for a broad range of piping problems in municipal, industrial, marine, mining, landfill, duct and agricultural applications. It has been tested and proven effective for above ground, surface, buried, floating, and sub-surface marine application.

Household Products: The company manufactures a range of household products including chairs, dishes, water cans and crates.

2.1 Key Success Factors

Manufacturing and distribution of metal and plastic products is our core competency. The project is designed to have modern, decent, well-managed machineries and equipment immaculately humanitarian services during service delivery. We have access to adequate raw materials and modern equipment that are operated by highly professional persons, who are ready to manufacture and deliver products of nearly any dimension and structure.

2.2 Our Staff

Cotex Industries Limited is well known for its “safety-first” policy that guarantees safe handling and delivery of our clients' shipments. The project shall maintain its policy to hire staff who have years of experience in the sector. The hired staff shall comprise both Tanzanians and foreigners, creating opportunity for hundreds of jobs, providing fair pay in an excellent work environment. We will conduct periodical orientations and team building seminars so that our staff continue to be on the same page and properly trained to meet company’s objectives.

3.0 BUSINESS ENVIRONMENT AND SECTOR ANALYSIS

3.1 Business environment

Businesses may be affected by factors beyond owner's control, and these need to be taken into account before making any investment decision. The company has considered many opportunities and challenges that may arise out of the expected changes. Thus, analysis of business environment key factors is paramount to this plan in order to determine external factors and how they are likely to affect the project.

Economically; Tanzania is now experiencing economic growth whereby the purchasing power of people is increasing and people's interactions is increasing as trade grows in the East African Region, SADC and AfCFTA. This has called for a lot of business opportunities in the regions. The burning issue currently is the rate of inflation and continuous fall in domestic currency this would lead to increased cost of operations as the price of materials are rising.

Politically; Tanzania has enjoyed political stability since it gained her independence in 1961, which has allowed for a degree of continuity and coherence in the organisation of both the state and the private sector. The country retains strong national unit with an engaged civil society and private sector. The government of Tanzania is in support of investments through a number of policies and strategies that aims at making the business environment more conducive.

Social-Cultural: The social aspect focuses on the forces within the society. Family, friends, colleagues, neighbours and the media are social factors. These factors can affect our attitudes, opinions and interests. So, it can impact sales of products and revenues earned. There is no doubt that the society is continually changing. The tastes and preferences are a great example of this change for the Tanzanian culture. Most of Tanzanians currently are willing to pay a premium price for a product that satisfies their expectations. Demographically, the country is increasing in population where currently the country is estimated to have over 61 million people. The increase in population necessitates increase in demand of goods and services.

Technological factors: Technological factors are one of various external environment factors that affect businesses greatly and are also an integral component of the **environment analysis**. Our project considers technology as an integral part and important tool for improving operations and functions. In the present scenario, utmost dependence on equipment, technological factors can have more effect on business operation and success globally than ever before. Furthermore, development of technology has also introduced digital marketing strategies through which companies are able to sell their products and services. Even the research and development (R&D) divisions in most companies have changed their ways of functioning and more advanced techniques in the development of products and services have been introduced only through technological advancements. We will ensure we keep up the pace of technology to suit the needs of our customers.

4.0 MARKET PLAN

There is a growing population in the country, where current statistics shows that the population trend grows by 3% annually with a current population of 61 million in 2022.¹ Dar es Salaam being the largest commercial city has been one of the fastest growing cities in terms of population with more than 6 million people. The pace of regional integration within EAC and SADC blocs with recent ratification of AfCFTA paves way for more trade in the region. Our motive is to cater for this need especially through providing high-quality products.

4.1 Marketing Strategies

4.1.1 SWOT Analysis

The SWOT analysis is conducted in order to assess the Company's internal strengths and drawbacks that are needed to be improved. We have also analyzed external factors which may provide opportunities or pose threats to the project. Finally, we have indicated how the company can best utilize the available opportunities and mitigate potential threats and overcome our weaknesses.

¹ National Bureau of Statistics, 2022: Population and Housing Census

Table 4.1: SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Vast experience in metal and plastic manufacturing for more than 20 years. • Ability of the project owners to solicit required funds for the project. • A conducive transport facilities and safe environment for all different categories of customers. • Affordable prices will give options for customers to prefer our products. 	<ul style="list-style-type: none"> • Sourcing of required resources including finances may cause delay in starting operations on time. • No appropriate data on the current and projected market share.
OPPORTUNITIES	THREATS/CHALLENGES
<ul style="list-style-type: none"> • Growing demand of company’s products due to increase in population and regional integration. • Government commitment to support industries. • Economic growth and rising in purchasing power of individuals provides opportunities for the project. 	<ul style="list-style-type: none"> • High expectations and catering for changing customer preferences. • Ensuring punctuality, safety, health and hygiene of product ion process and products. • Requirement of sophisticated infrastructure for ease of delivery of goods may pause a challenge to our new markets to travel long distance where infrastructure is not supportive.

From the SWOT analysis, we have been able to identify the Company’s strengths, weaknesses, opportunities and threats. The project will capitalize on the key strengths to provide best products and services to customers. The available opportunities create a room for business expansion and the company sees that this prevailing opportunity cannot be left in vain. On the other hand, the company is facing some limitations in providing its services, thus marketing strategies are aimed at minimization of these constraints. The project shall make use of the marketing mix in making sure that high quality product is maintained in the market, the products reach to high demand locations (place), reasonable price is charged to the clients and appropriate promotional tools are employed to increase awareness of company’s products and services.

Product: The high-quality products that suit different use will be an added advantage to compete in the market through the company's long-term determination to provide high quality products and services. A sufficient budget shall be allocated for repair and maintenance of machinery and equipment to ensure that all facilities remain in a good condition all the time to ensure continuity of production.

Pricing: The objectives of price strategy depend on a number of factors such as business, economic and marketing objectives. Price setting can be based on cost or market based. With demand and competition orientation concepts, a fair price shall be set which customers are willing to pay at the same time covers operational costs with some profit margin. In this regard, price setting shall be based on demand, and competition but also cost of operation.

Place: The project shall invest in modern and sophisticated facilities and conducive environment. The project has arranged to start operations by looking at the most convenient market segment.

Promotion: Media advertisements both digital and print media shall be widely employed by the project. The company will engage in positive promotion of the project through developing appropriate marketing strategies. The project will make advertisement of the available services via a number of media such as local newspapers, leaflets, TV, radio, social media and Internet. Different procedures of promotion will be applied, such as providing price discounts to regular customers.

5.0 OPERATIONAL AND MANAGEMENT PLAN

5.1 Operational Plan

The operation is subject to government regulations and acquiring relevant permits and licenses before commencement of the business. All necessary licensing and permits shall be obtained prior to commencement of the project.

5.2 Labour Requirements

Labour is one of the most important inputs in any endeavour. The proposed project will require both skilled and unskilled labour to run the project from its inception throughout the life span of the project. Table 5.1 indicates labour required amounts to US\$ 57,800 per month that is US\$ 693,600 per year, where a total of 210 employee will be directly employed by the project.

Table 5.1: Labour Requirement (US\$)

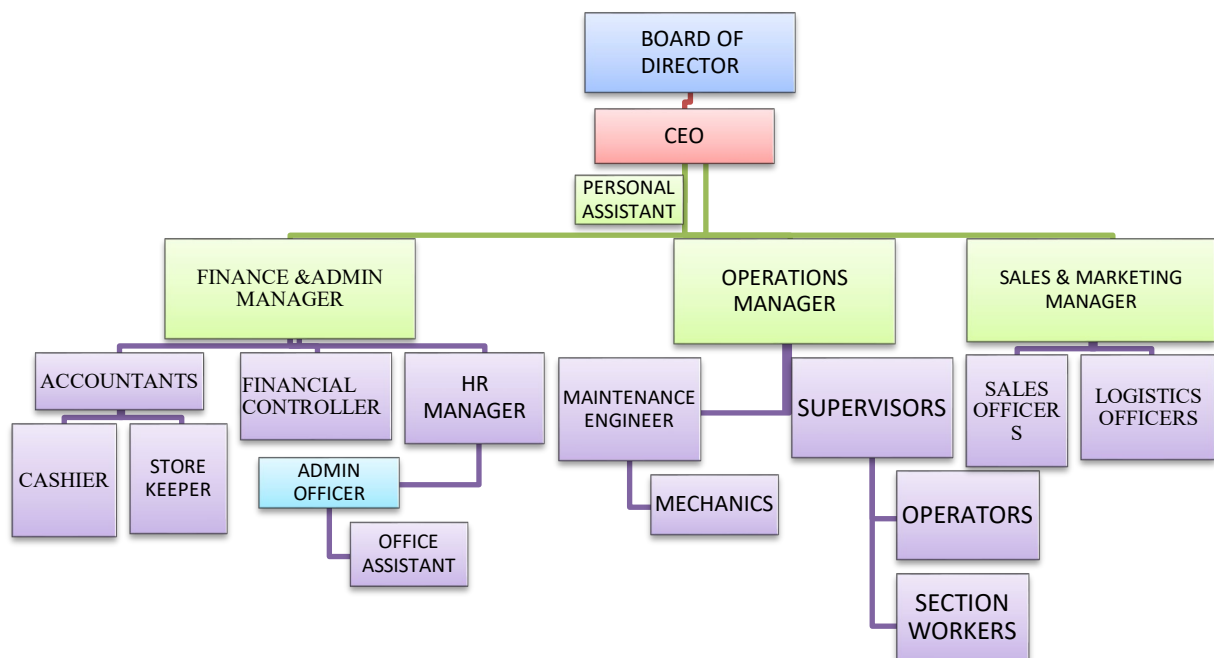
Description	Qty	Unit cost \$	Monthly Salary	Annual Salary
			\$	\$
General Manager	1	2,000	2,000	24,000
Operations				-
Operations Manager	2	1,000	2,000	24,000
Supervisors	10	500	5,000	60,000
Section workers	150	200	30,000	360,000
Safety & Health Officer	2	500	1,000	12,000
Maintenance Engineers	5	500	2,500	30,000
Fabrication and metal works	10	500	5,000	60,000
Finance & Administration Department				-
Finance and Admin Manager	1	1,000	1,000	12,000
Accounts and Personnel Officer	2	500	1,000	12,000
Procurement Officer	1	500	500	6,000
Office Management Assistant	1	200	200	2,400
Office Attendants	2	150	300	3,600
Security Officer	2	150	300	3,600
Marketing Department				-
Marketing manager	1	1,000	1,000	12,000
Sales Officers	20	300	6,000	72,000
Total	210		57,800	693,600

5.3 The Organization Structure

The project shall maintain the hierarchical mode of organization structure. The organization structure comprises of the Project Implementation Team led by the CEO and other supporting staff.

The Organization structure comprises of three main departments which shall report to the CEO; Finance and Admin Department which shall include the Finance and Administrative Manager, Accountants, Cashiers, revenue collectors and store keepers; HR Officers, Administrative Officers and Office Assistants as well as watchmen/security guards and drivers. Marketing and Sales Department shall include, Marketing Manager; Sales Officers and Logistic Officers. The Operations Department shall include the Manager of Operations, Technical and maintenance experts, Mechanics, Machine Operators, Drivers and section workers; The figure 5.1 describes the organization structure and the reporting lines for each category.

Figure 5.1 Organization Chart



5.3 Management

The Chief Executive Officer shall be responsible for day-to-day running of the project and direct reports to the Board of Directors. Director of Operations shall be responsible for day-to-day operational activities of the project including sourcing of materials, manage the personnel under him, repair and maintenance and control the timetable for machineries and vehicles. The Finance and Administrative Director shall be responsible for all financial and administrative issues. Accounting and Administrative officers shall be responsible for all financial and administrative issues respectively. The financial controller shall ensure monitoring resource allocation especially funds and making sure that the fund is used in a desired manner.

5.4 Revenue collection

Revenue collections will be done on cash basis and bank transfers. Where there is a written agreement, the company will also provide services on credit basis to institutional customers. For the first year of the project, the average revenue is estimated to be **USD 3,250,000**. The description of revenue projections is shown in the Table below.

Table 5.1: Description of Revenue Projections

S/N	Revenue Source	Amount per month (USD)	Amount per year (USD)
1	Metal Products	131,667	1,580,000
2	Plastic Products	102,667	1,232,000
3	Other merchandize	36,500	438,000
	Total	270,833	3,250,000

5.5 Project Monitoring and Evaluation

The project will be monitored and evaluated on a regular basis to track progress and identify any potential problems. The monitoring process will collect data on key indicators, such as the number of trucks added, the number of trucks per route, and reduction in service delivery time and costs. The evaluation process will collect data on the benefits of the project, such as improvement in transport services, the creation of jobs, and the improvement of economic activities of the Company.

The monitoring and evaluation plan will be tailored to the specific needs of the project. However, the following general principles will be followed:

- i) **Relevance:** The monitoring and evaluation plan will be relevant to the objectives of the project.
- ii) **Accuracy:** The monitoring and evaluation plan will be accurate and reliable.
- iii) **Timeliness:** The monitoring and evaluation plan will be timely and up-to-date.
- iv) **Transparency:** The monitoring and evaluation plan will be transparent and accessible to stakeholders.

6.0 RISK ASSESSMENT AND KEY ASSUMPTIONS

The project has the potential to significantly improve the efficiency of transport service in Dar es salaam and hence promote increase in economic activities and incomes of people. However, there are also a number of risks associated with the project. Some of the key risks may include:

- i) Competition:** There is a stiff competition in the metal and plastics industry as it is for other businesses. Majority of competitors have already covered a huge share in the market, the company intends to capitalize on a niche in which the company can best serve than others.
- ii) Price changes:** Due to inflation, the price of materials is expected to rise up particularly fuel and spare parts. In order to cater for this price increase, the project shall review the project panning, timelines and make price adjustments from time to time.

iii) Accidents

Manufacturing processes are prone to accidents. One of the major causes of these accidents is overworking of machine operators without being given enough time to rest. The company shall employ adequate qualified personnel with additional of two machine operators to allow them to rest. The company also intends to secure the plant and all equipment through a comprehensive insurance cover in case of any accident, theft or any other disaster.

Despite likelihood of these risks, the project potentials to make significant contribution to the economic development are inevitable. If the project is successful, it could help to improve the availability of products, hence reduce trade costs and ultimately boost economic growth.

7.0 FINANCIAL PLAN

7.1 Sources of Funds

The project financing is expected to be through both owners' equity and debt financing through both internal and external sources of financing. The amount of revenue shall be clearly allocated to the parties as per profit calculations of the project. The project financing shall be in the following mode;

Table 7:1 Project Financing

S/N	Type of Financing	Source	Amount (\$)
1	Equity	Local	1,100,000
2	Loan	Foreign & Local	3,400,000
TOTAL			4,500,000

7.2 Financial Assumptions

Several assumptions were made and considered in the preparation of this financial plan and projection. The assumptions are based on professional judgment, economic trends and current financial market environment. These are as noted below;

- (i) The focus market shall be domestic market and neighboring countries including Zambia, DRC, Mozambique, Malawi, Rwanda, Burundi and Uganda.
- (ii) The annual sales are projected to grow by 5% per annum;
- (iii) Depreciation will be charged on straight line method to allocate the cost of each value over its estimated useful life. The rates to be used for vehicles and equipment are as follows;
 - (a) Buildings 5%
 - (b) Furniture & Fittings 12.5%
 - (c) Equipment 12.5%
 - (d) Motor vehicles 25%

The financial assumptions will also include issues on credit sales, payments of interest rates, taxes and other levies. From the beginning, we recognize that payment terms and hence collection days are critical, but not a factor we can influence easily. At least we are planning on the problem, and dealing with it. Interest rates, tax rates, and personnel burden are based on conservative assumptions. Some of the more important underlying assumptions are:

- We assume a strong economy, without major recession.
- We assume, of course, that there are no unforeseen changes in economic policy to make our service immediately obsolete or unwanted.
- We assume an inflation rate of 5% yearly.
- Maintenance costs 5% of Property Plant and Equipment
- Corporate tax is 30% of Net Income

7.3 Projected Financial Sstatements

The projected financial statements for five years indicate that the company shall be able to generate substantial amounts of profits as detailed below.

Table 7.2: Projected Income Statements for Five Years

Description	YEAR 1 (US\$)	YEAR 2 (US\$)	YEAR 3 (US\$)	YEAR 4 (US\$)	YEAR 5 (US\$)
Revenue	3,250,000	3,575,000	4,950,000	5,445,000	5,989,500
Less: Cost of sales	1,957,043	2,004,895	2,009,790	2,110,280	2,215,794
Operating Profit	1,292,957	1,570,105	2,940,210	3,334,720	3,773,706
<i>Less: Op. expenses</i>	<i>642,067</i>	<i>674,170</i>	<i>1,348,341</i>	<i>1,415,758</i>	<i>1,486,546</i>
Earnings Before Interest and Tax	650,890	895,935	1,591,869	1,918,962	2,287,160
Less: Charges					
Interest	510,000	408,000	306,000	204,000	102,000
Earnings Before Tax	140,890	387,935	1,285,869	1,714,962	2,185,161
<i>Corporate Tax (30%)</i>	<i>42,267</i>	<i>116,381</i>	<i>385,761</i>	<i>514,489</i>	<i>655,548</i>
Earnings After Tax (Loss)	98,623	271,554	900,108	1,200,474	1,970,851
<i>Dividends (30%)</i>	<i>29,587</i>	<i>81,466</i>	<i>270,032</i>	<i>360,142</i>	<i>591,255</i>
Retained Earnings	69,036	190,088	630,076	840,332	1,379,596

Table 7.3 Projected Balance Sheet

DESCRIPTIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
	US\$	US\$	US\$	US\$	US\$
NON-CURRENT ASSETS					
Land & Buildings	95,000	87,500	105,000	150,000	200,000
Machinery & Equipment	2,772,450	2,553,500	2,150,000	1,876,600	1,545,000
Motor vehicles	336,000	252,000	300,000	250,000	200,000
Total Non-Current Assets	3,203,450	2,893,000	2,555,000	2,276,600	1,945,000
Stocks	1,050,022	1,067,218	863,200	920,536	781,836
Debtors & Prepayments	255,693	256,825	111,500	115,400	116,700
Cash and Bank balance	314,288	174,221	195,185	168,389	744,558
Total Current Assets	1,620,003	1,498,264	1,169,885	1,204,325	1,643,094
TOTAL ASSETS	4,823,453	4,391,264	3,724,885	3,480,925	3,588,094
Equity Capital	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Retained Earnings	196,436	196,436	196,436	196,436	196,436
Total Equity	1,296,436	1,296,436	1,296,436	1,296,436	1,296,436
Bank loan	3,400,000	2,720,000	2,040,000	1,360,000	680,000
Total Non-Current Liability	3,400,000	2,720,000	2,040,000	1,360,000	680,000
Trade Creditors and Accruals	108,142	352,622	377,710	693,389	993,558
Taxation	18,875	22,206	10,739	98,500	618,100
Total Current Liabilities	127,017	374,828	388,449	791,889	1,611,658
TOTAL EQUITY & LIABILITIES	4,823,453	4,391,264	3,724,885	3,448,325	3,588,094

Table 7:4 Projected Cash Flow for Five Years

DESCRIPTIONS	Year 1	Year 2	Year 3	Year 4	Year 5
	US\$	US\$	US\$	US\$	US\$
Cash from operations:					
Profits before tax	650,890	795,935	1,591,869	1,918,962	2,287,161
Adjustments for non-cash items:					
Depreciations	560,750	448,600	448,600	448,600	448,600
Change in Working Capital:					
Receivables	-255,693	-256,825	-111,500	-115,400	-116,700
Trade payables & Accruals	308,142	1,510,921	619,638	693,389	970,220
Total	1,264,089	2,498,631	2,548,607	2,945,551	3,589,281
Tax payments	-42,267	-116,380	-385,761	-514,489	-514,310
Total Cash Inflow from Operating Activities	1,221,822	2,382,251	2,162,846	2,431,062	3,074,971
Cash from investing activities:					
Purchase of assets	-929,000	-1,923,944	-1,609,436	-1,689,505	-1,534,839
Other purchases	-191,486	-516,908	-262,414	-408,211	-813,946
Net Cash Outflow from Investing Activities	-1,120,486	-2,440,852	-1,871,850	-2,097,716	-2,348,785
Cash from financing activities:					
Dividends	-29,587	-81,466	-270,032	-360,142	-150,017
Change in cash & cash equivalent	-1,150,073	-2,522,318	-2,141,882	-2,457,858	-2,498,802
<i>Beginning Cash Balance</i>	<i>1,464,361</i>	<i>314,288</i>	<i>174,221</i>	<i>195,185</i>	<i>168,389</i>
<i>Ending Cash Balance</i>	314,288	174,221	195,185	168,389	744,558

8.0 ECONOMIC ASPECTS

8.1 National economic and social Benefits

The economic and social impact of establishing the proposed project to Tanzania is expected to be positive. This positive impact is expected to be direct and indirect as explained below:

a) Direct economic impact

Direct positive economic impact is expected to come from the following factors, namely,

- 1) Tax payments to the government increased,
- 2) Access to quality, reliable and affordable products increased,
- 3) Employment opportunities generation; more than 200 direct jobs expected to be created.
- 4) Technology and skills transfer from expertise hired from different parts of the globe.

b) Indirect economic impact

The project is expected to operate as a responsible corporate citizen by fulfilling some of its corporate responsibilities such as assisting some of the disadvantaged communities by way of donations, starting from the communities living near the project and participation in economic development activities of the country.

9.0 CONCLUSION

The fact that owners are willing to raise investment capital to finance the project, it shows a strong commitment in making sure that the project is successfully implemented. The project extension takes place at the area which is very convenient for various economic activities that attracts movement of cargo in the country, EAC and SADC regions. Owners are willing to comply with all government requirements. The fact that there is a huge demand for transport services despite presence of a number of other service providers, makes this project a viable idea.