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BUSINESS PLAN

Buildings and Civil Construction Projects



Prepared By:

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MRIMI International Tanzania Limited

Project Summary

Nature of Project	:	Buildings and Civil Construction Engineering Services
Project Concept	:	Procurement of Construction Equipment <ul style="list-style-type: none">• Excavators• Dump Trucks• Sprinkler Trucks• Dynapac Roller• Other construction equipment
Project Activity	:	Engineering services as – <ul style="list-style-type: none">• Building Contractor &• Civil Contractor
Employment	:	Direct employment – 25 people
Project Location	:	Plot no. 17, Block B, KIKUYU Kusini, Dododma Municipality DODOMA Region
Project Start Date	:	Year 2024
Project Implementer	:	MRIMI INTERENATIONAL TANZANIA LTD A Tanzania's Private Limited liability Company
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TABLE OF CONTENTS

PROJECT SUMMARY	2
BACKGROUND TO THE PLAN	4
PROJECT PROMOTER	5
CONSTRUCTION EQUIPMENT	6
PROJECT CONCEPT	8
PROJECT INVESTMENT PLAN.....	11
PROJECT FINANCING PLAN	12
TANZANIA'S BUSINESS ENVIRONMENT	13
TANZANIA'S CONSTRUCTION SECTOR	15
STRUCTURE OF CONSTRUCTION INDUSTRY IN TANZANIA	17
SERVICE DESCRIPTION	19
MARKET OVERVIEW	21
TECHNICAL ASPECT	24
ORGANISATION AND MANAGEMENT	26
IMPLEMENTATION AND OPERATIONAL PLAN	28
RISKS AND UNCERTAINTIES	30
FINANCIAL ASPECTS	32
FINANCIAL REQUIREMENTS	38

ANNEXES

Background to the Plan

1.1 Introduction

- This Business Plan has been prepared by MRIMI INTERNATIONAL TANZANIA LTD (shortly, "MRIMI INTERNATIONAL"), an established Tanga-based buildings and civil works construction company. The company plans to purchase construction equipment for the expansion of its construction business in Dodoma, Central Tanzania.
- The construction sector, which include housing, roads, bridges, water, health, and power infrastructure—is a key enabler for social and economic development worldwide.
- In Tanzania, the sector growth rate is well above the general economy and has maintained positive growth in response to the country's investments in commercial and residential buildings and infrastructure projects.
- Despite the promising growth over recent decades, the sector encounters bottlenecks and challenges in the areas of access to land, construction permits, skills, and availability of materials and equipment that hinder the potential of the sector as a contributor for achieving the vision of reaching middle-income country status.

1.2 The Project

- MRIMI INTERNATIONAL, as a local construction company in the Buildings and Civil Construction, is set establish a new office branch in Dodoma to provide construction services to a number of projects. The company has plans to improve its service delivery through procurement of high efficiency construction equipment.

1.3 Plan Objective

- This business plan provides the road-map and assess financial, economic, market, managerial and technical viability of a proposed expansion of the Building and Civil Construction service business for MRIMI INTERNATIONAL.
- The plan, also, aims to provide information to potential lenders and other stakeholders of interest to the project.

Project Promoter

2.1 Introduction

- MRIMI INTERNATIONAL is a local registered investment company in Tanzania. The company was registered in December 2011 and has been involved in a number of buildings construction projects and civil works construction.

2.2 The Company Legal Status

- MRIMI INTERNATIONAL is a private limited liability Company registered under Tanzania's Company Laws. The company business objectives are, among other things, to carry on the business of engineering works in buildings and civil works. The company has been granted with the following certification:
 - Certificate of incorporation no. 82860
 - Taxpayer Identification no. 112-882-561,
 - Value Added Tax (VAT) no. 40-010820-K
 - Business License for Building Contractor Class Two – B2/194/03/2024
 - Business License for Civil Works Contactor Class Two – C2/140/03/2024
 - OSHA certificate no. 214-629-025
 - National Social Security Fund Certificate no. 1033470

2.3 The Company Ownership

- MRIMI INTERNANTIONAL is a corporate company owned by three shareholders. The authorized share capital of the company is TZS 45,000,000 divided into 900-shares of TZS 50,000 each. The authorized share capital will be increased overtime to match with the level of investment of the company.
- The company shareholders and their shares distribution is presented below:

Shareholders' Name	Nationality	Shares	% Shareholding
Paul Mrimi Mussa	Tanzania	870	96.7%
Mary Faustine Mrina	Tanzania	25	2.8%
Samwel Stanely Sibora	Tanzania	5	0.6%
Total		900	100.00%

- The shareholders have capacity to develop the project and their profiles are attached to this report.

Construction Equipment

3.1 Introduction

- Construction projects require a wide range of heavy machinery and equipment to excavate, lift, move, and place materials efficiently.
- Choosing the right construction equipment is vital for civil engineering firms to execute projects safely, on budget, and on schedule.

3.2 Types of Construction Equipment

- There are several major categories of heavy construction equipment that perform specialized functions on job sites. Each has different capabilities to suit varying tasks as follows:

(a) Excavation and Loading Equipment

- These include excavators, backhoes, loaders, and bulldozers prepare the site by digging, lifting, and moving earth, rocks, and debris.
 - **Excavators** – Used to dig trenches, lift materials, and place pipes/utilities in holes. Different sizes for depth and reach needs.
 - **Backhoes** – Combination excavator and loader for digging, scooping, and backfilling trenches. Useful for utility and pipeline jobs.
 - **Bulldozers** – Heavily armored tractors that push and scrape large amounts of dirt or rubble. Essential for grading and leveling sites.
 - **Loaders** – Scoop/bucket on the front lifts and loads materials like dirt, gravel into dump trucks for removal.

(b) Material Handling Equipment

- These include cranes, conveyors, and forklifts move materials and structures efficiently around the construction site.
 - **Tower Cranes** – Fixed or mobile cranes with long booms used to lift, lower, and position items. Essential for lifting concrete, steel, large components.

- **Material Lifts** – Used to raise workers, tools, and materials to upper levels during construction and exterior work. Includes boom lifts and scissor lifts.
- **Conveyors** – Transport bulk materials like gravel, sand, wood chips from delivery to storage/placement. Speed up on-site material handling.
- **Forklifts** – Used to lift, stack, and move palletized materials and delivery items around the site. Help organize yard and storage.

(c) Compaction Equipment

- Rollers, compactors, and pavers help densify and finalize the ground and materials after grading.
 - **Rollers** – Flatten, pack down, and compact soil, gravel, asphalt, and concrete. Ride on top to smooth the surface. Used on roads, dam faces, landfills.
 - **Rammers** – Handheld pneumatic compactors that densify materials in tight spaces. Helpful for backfill, trenches, and foundations.
 - **Pavers** – Lay down asphalt and concrete evenly, then use attached screed to achieve proper leveling and thickness. It is used in speed road/runway builds.

(d) Heavy Construction Vehicles

- Dump trucks, tractor trailers, and **concrete mixers** transport loose materials around the site and from/to offsite locations.
 - **Dump Trucks** – Haul loose materials like dirt, gravel, demolition debris to/from earthwork areas, landfills, supply depots.
 - **Concrete Mixer Trucks** – Mix concrete en route to the site, ensuring it's workable upon arrival for pouring forms/foundations. Can pump directly.
 - **Tractor Trailers** – Carry heavy construction equipment, materials, and supplies to site from vendors/warehouses. Essential for delivery logistics.

Project Concept

4.1 Introduction

- Purchasing construction equipment represents a major capital expenditure for any contractor or civil engineering firm like MRIMI INTERNATIONAL.
- The company is intending to procure construction equipment for own-use in the construction projects. The company has considered the following when procuring the construction equipment:
 - Acquisition Costs – The purchase price, freight, preparation, taxes, and documentation fees. Buying used can help reduce initial outlay.
 - Operating Costs – Fuel consumption, maintenance, repairs. Varies by type of equipment and intensity of use.
 - Productivity – Output and performance to quantify production value recaptured from the equipment. Balance with operating costs.
 - Lifespan – Estimate total working years left for used equipment. New options offer longer viability.
 - Resale Value – Projected residual value at equipment retirement to offset replacements. Rapid technology changes can accelerate depreciation.
 - Finance Terms – If financing, compare rates/terms across lenders. 0% deals from manufacturers or short-term bank loans can ease capital burdens.

4.2 The Concept

- The project concept will involve increasing the capacity of MRIMI INTERNATIONAL in the execution of buildings and civil construction works. The project will entail the procurement of the following construction equipment:

(a) Excavator –

- The project will import CAT Excavator type 310L from China which will be used in the construction works including to dig trenches, lift materials, and other assignments.



(b) Rollers –

- The project will import DYNAPAC Roller from China. The equipment is required for various activities associated with soil compaction which include soil flattening, packing down, and compacting.
- It will, also, be used in the graveling, asphalt, and concrete in the roads, dams and landfills construction works.



(c) Dump Trucks –

- The project will import from SHACMAN Dump Trucks from China which will be used in the construction works.
- They will be used for transportation of loose materials like dirt, gravel, demolition debris to/from earthwork areas, landfills, supply depots.
- It will, also, be used for transportation of construction materials at site such as stone aggregates, sand and other materials.



(d) Sprinkler Truck –

- The project will import from China Sprinkler Truck for use in the construction specifically for efficient washing operations.
- the truck is suitable for washing operations in urban roads, highways, squares, and other places, as well as municipal and landscaping watering operations.



(e) Pavers –

- The project will import pavers from China for own-use in the infrastructure construction projects.
- The pavers will be used in laying down asphalt and concrete. It will be used in the speed roads and runaway build-ups.



(f) Backhoe

- In addition to excavator, the project will import Backhoe Loder from China.
- The equipment is a combination of excavator and loader for digging, scooping, and backfilling trenches.
- Backhoe is useful for utility and pipeline jobs.



(g) Forklifts

- The project is planning to import forklifts of different carrying capacities for use in the construction projects. The forklifts will be used for to lift, stack and move palletised materials and delivery items.



(h) Telehandler

- The project will import Telehandler from China for use in the construction projects. Telehandlers offer the extended reach and superior lift capacity of a heavy-duty telescoping boom combined with a range of attachment options for leading versatility.



Project Investment Plan

5.1 Planned Investment

- As a construction company, MRIMI INTERNATIONAL is planning to invest in construction equipment and other expenditure for the buildings and civil construction projects.
- The project will procure construction equipment and support office infrastructure for provision of construction services.

5.2 Investment Costs

- The project investment costs are associated with the purchase of assets and working capital for the proposed construction operations as summarised below:

MRIMI International Tanzania Ltd				
Projected Investment Plan				
Amount in TZS '000'				
	Additional Investment			USD Equivalents
	Year 1	Year 2	Total	
Exchange Rate (USD/TZS)	2,750	2,750		
Land	-	-	-	-
Buildings & Civil Works	165,900	-	165,900	60,327
Construction Equipment	574,727	-	574,727	208,992
Motor Vehicles	212,297	-	212,297	77,199
Physical Facilities	952,924	-	952,924	346,518
Pre-Operating costs:				
Administrative Costs	51,975	-	51,975	18,900
Loan Interest (1st Year)	60,000	-		-
Other Finance Costs	15,600	-	15,600	5,673
Pre-operating Costs	127,575	-	127,575	46,391
Capital Expenditure	1,080,499	-	1,080,499	392,909
Initial Operating capital	372,390	396,898	769,288	279,741
Total Investment	1,452,889	396,898	1,849,787	672,650

Project Financing Plan

6.1 Planned Project Financing

- The shareholders are planning to finance the project through shareholders' equity and external financing. The shareholders' equity will be in the form of ordinary share capital.
- The external financing will be in the form of long-term financing. The shareholders will undertake to provide for the working capital funds.

6.2 Financing Structure

- The shareholders' equity will be earmarked to part-finance capital expenditure and finance the initial working capital. The long-term loan will be used to part-finance construction equipment.
- The project financing shows that the equity will account for 80% of the financing requirements as summarised below:

MRIMI International Tanzania Ltd				
Projected Financing Plan				
Amount in TZS '000'				
	Additional Financing			USD
	Year 1	Year 2	Total	Equivalents
Exchange Rate (USD/TZS)	2,750	2,750		
Equity Financing				
Share Capital	-	-	-	-
Shareholders' Funds (CAPEX)	580,499	-	580,499	211,091
Shareholders' Funds (Working Capital)	372,390	396,898	769,288	279,741
Equity Financing	952,889	396,898	1,349,787	490,832
External Financing				
Long-Term Loans	500,000	-	500,000	181,818
Short-Term Loan	-	-	-	-
Total external Financing	500,000	-	500,000	181,818
Total Financing	1,452,889	396,898	1,849,787	672,650
Exposure				
Equity financing	66%	100%	73%	
External Financing	34%	0%	27%	
Total	100%	100%	100%	

Tanzania's Business Environment

7.1 An Overview

- Tanzania is the largest country in East Africa in terms of land with 883,749km² (881,289km² mainland 2,460km² Zanzibar), plus lakes totalling to 59,100km³. The country has about 1,400km of coastline along the Indian Ocean.
- It is well situated geographically bordering Burundi, Kenya, Malawi, Mozambique, Rwanda, Uganda, Zambia and the Democratic Republic of Congo (DRC).
- Tanzania has a tropical type of climate. In the highlands, temperatures range between 100c and 200c.during cold and hot seasons respectively. The rest of the country has temperatures never falling lower than 200c. The hottest period spreads between November and February (250c - 310c) while the coldest period occurs between May and August (150c - 200c).



7.2 Socio-Economic Development

[a] Population

- Tanzania population has increased more than four times from 12.3 million people in 1967 to 57.6 million people in 2020. The average annual intercensal growth rate according to the 2012 Population and Housing Census is 2.7 percent.
- Below table provides a summary of the country's population trend from 1967 to 2020:

Year	1967	1978	1988	2002	2012	2020
Population	12.3	17.5	23.1	34.4	44.9	57.6

Source: National Economic Survey, 2020,

[b] Urbanisation

- Tanzania cities and towns are rapidly urbanizing. This urbanization is a manifest of rural-to-urban migration as well as natural population increase. The four largest cities are Dar-es-salaam, Mwanza, Arusha and Mbeya.
- In 2018, Tanzania's urban population was 33.8% which is an increase from 7.3% in 1969 to 33.8% in 2018 growing at an average annual rate of 3.19%.

Year	1967	1978	1988	2002	2012	2018
Urban						
Population	685,092	2,257,921	3,991,882	7,554,838	12,701,238	17,786,328
Growth Rate	-	11.50%	5.90%	4.70%	5.30%	
Dar-es-salaam						
Population	272,821	769,445	1,205,443	2,336,055	4,364,541	5,147,070
Growth rate	-	9.90%	4.60%	4.80%	6.50%	6.5%
Tanzania (Mainland)						
Population	11,975,757	17,036,499	22,507,047	33,461,849	43,625,354	52,619,314
Growth Rate	-	3.30%	2.80%	2.90%	2.70%	2.70%

[c] Macro-economic Performance

- Tanzania maintains an economy highly dependent on agriculture, contributing an estimated 30% to the country's Gross Domestic Product (GDP) and employing nearly 70% of the working population.
- The economy continued to expand steadily in the aspects of GDP, inflation rate and exchange rate. The real GDP grew by 7.1% in 2017, maintaining the high growth momentum of the past 5-years.
- In nominal terms, GDP increased to TZS 116.1 trillion from TZS 103.7 billion with per capita nominal income improving to TZS 2.27 million from TZS 2.13 million in 2016. During 2017/18, output growth was to a large extent driven by construction, transport and storage, and agriculture; altogether contributing almost half of the total growth.
- Real gross national disposable income (GNDI), which comprises compensation of employees, property income, current transfers, and operating surplus, grew by 6.3% in 2017 compared with 6.1% in the preceding year. Final consumption grew by 4.4% and accounted for 80.7% of the disposal income and 76.3% of nominal GDP.

Year	2013	2014	2015	2016	2017	2018
GDP Growth	7.3%	7.0%	7.0%	7.0%	7.1%	7.0%
Inflation Rate	7.9%	6.1%	5.6%	5.2%	5.3%	3.5%
Exchange Rate (TZS/USD)	1,598	1,653	1,985	2,177	2,229	2,242

Source: Annual Report 2017/18, Bank of Tanzania; Tanzania in Figures, NBS June 2019

Tanzania's Construction Sector

8.1 Introduction

- Tanzania is on the path from being a low-income to a middle-income country (MIC). Investment in fixed assets has grown strongly and has boosted economic growth. Between 2005 and 2016, the country experienced gross fixed capital formation (GFCF) rates in the range of 25 - 34 per cent of GDP.
- While all the activities that form the GFCF have experienced a sustained increase in value, construction is the sector that contributes the largest share.
- For instance, In the last decade, Tanzania has experienced relatively high economic growth, averaging 6 – 7 per cent a year. The construction sector has played a key role in this growth. Despite the deceleration of the economy in the industry has since seen growth rates above of those of the general economy.

8.2 Sector Contribution

- According to the data from the Bank of Tanzania, in 2021 Agriculture (agriculture, forestry, and fishing) accounted for 27% of the country's GDP, Industry and Construction for 31%, and Services for 42%.
- The main sectors of the Tanzanian economy in terms of their contribution to the GDP are Construction which accounts for 16%, Crops (14%), Manufacturing (9%), Wholesale and retail trade; repairs (9%), Transport (8%), Livestock (8%), and Mining and Quarrying (5%).

8.3 Government Policy

- The National Construction Industry Policy takes into account of the fact that the realisation of the objectives and goals of the identified priority sectors such as education, health, water, agriculture, manufacturing, tourism, mining, energy, construction, land and good governance operates on the availability of reliable, strong and competitive local construction industry which is capable of delivering quality services to its stakeholders.
- The construction industry is a fundamental economic sector which permeates most of the other sectors as it transforms various resources into constructed physical economic

and social infrastructure necessary for socio-economic development. It embraces the process by which the physical infrastructure are planned, designed, procured, constructed or produced, altered, repaired, maintained, and demolished.

8.4 Sector Challenges

- Despite promising growth, a number of constraints have hindered the performance of the sector including the following:

	CHALLENGE	REMARKS
1	<ul style="list-style-type: none"> • Inadequate management skill 	<ul style="list-style-type: none"> • Most local contractors cannot adequately manage projects, but, foreign firm engage them as subcontractors and their performance is acceptable
2	<ul style="list-style-type: none"> • High equipment hire rates 	<ul style="list-style-type: none"> • Many companies hire equipment and/or plant but rates are very high for local contractors to afford.
3	<ul style="list-style-type: none"> • Stiff Competition 	<ul style="list-style-type: none"> • There are more than 8,000 registered contractors in Tanzania who struggle for few work opportunities.
4	<ul style="list-style-type: none"> • Low financial base 	<ul style="list-style-type: none"> • Local contractors cannot afford to tender for projects that require high levels of bid security and annual turnover because of their financial base.
5	<ul style="list-style-type: none"> • Lack of capital 	<ul style="list-style-type: none"> • Local contractors lack the capital to acquire the necessary equipment and facilities for the projects.
6	<ul style="list-style-type: none"> • Late Payment 	<ul style="list-style-type: none"> • Some clients do not honour interim payment certificate as per contract

Structure of Construction Industry in Tanzania

9.1 Key Legislation and Government Bodies

- Companies engaged in construction related activities are required to register with their professional registration boards before offering services to the public.
- The laws applicable to the registration of construction professionals are:–
 - The Contractors Registration Act, 1997 (the CRA),
 - The Engineers Registration Act, 1997 (the ERA),
- The relevant authorities for construction professionals are:–
 - The Ministry of Works (the MOW),
 - The National Construction Council (the NCC),
 - The Engineers Registration Board (the ERB),
 - The Contractors Registration Board (the CRB),
 - The Architects and Quantity Surveyors Registration Board (the AQRB).

9.2 Types of Contractors

- There are five types of contractors recognised in Tanzania, namely,
 - Building contractors,
 - Civil works contractors,
 - Mechanical contractors,
 - Electrical contractors and
 - Specialist contractors.
- All contractors and engineers in Tanzania must be registered with their relevant bodies; that is the CRB for contractors and the ERB for engineers.
- Registration of these bodies also applies to consulting firms. These bodies regulate the activities, the conduct, and the performance of contractors and engineers across the country, ensuring that work carried out is of a sufficient standard and is carried out by suitable persons, this in turn ensures quality and safety of the work performed.

9.3 Registration of Foreign Contractors and Engineers

- Registration of foreign contractors
 - Foreign contractors can choose to either set up permanent offices or to register as a temporary contractor to undertake a specific project.
 - There are no limits on the types of activities that a contractor who has set up a permanent office in Tanzania may undertake, provided the work is the type that the contractor is registered for.

9.4 Appointment of a contractor or engineer

- Any project company should ensure that a sub-contractor or engineer they engage is registered with the appropriate body before engaging them to work on the project. This applies across the spectrum of contractors and engineers, from those appointed for finite construction tasks to those responsible for all operations and maintenance of projects.
- Project companies can appoint contractors or engineers in one of two ways:
 - Companies can put their projects out to tender and any relevantly qualified firms or individuals can pitch for the work; or
 - Companies can find specific contractors or engineers that they may specifically wish to appoint on the registration boards' databases.
- As part of the tender process in a construction project, the project entity will issue a timely and adequate notice which has previously been approved by the appropriate tender board stipulating the requirements for interested contractors or engineers to bid.
- Once the notice has been made public the project entity is to issue tender documents to all prospective contractors or engineers. Prospective contractors or engineers must be legal entities with technical qualification and expertise required for the specific contract.
- The tender board would then assist with the evaluation of the submitted bids and select the successful tender. Once selected the tender board will then inform the prospective candidates of the time frame for the evaluation.
- Finally, the tender board will submit a recommendation to the Procurement Management Unit (PMU) who will approve the contract. The PMU notifies the relevant accounting officer regarding the successful bid and the latter notifies the successful contractor or engineer.

Service Description

10.1 Introduction

- Construction projects are often categorized based on their scale, the types of structures being built, and the purpose of the project (also called “end use” or “land use”). Broadly, there are six types of construction projects: residential, commercial, institutional, mixed-use, industrial, and heavy civil.
- Some contractors may structure their organizational chart to include different business units, with each focused on a different type of construction.
- MRIMI INTERNATIONAL will seek to be both main contractor and sub-contractor as the company expands to encompass different skills levels.

10.2 Types of Projects

- In its undertaking, MRIMI INTERNATIONAL will seek to be involved in the following types of construction projects:

(a) Residential Projects

- Residential construction describes structures built for habitation. This category can be broken down further into single-family and multi-family construction.
- Consider the construction of a duplex versus a condominium complex. While both are technically multi-family units, there is a significant difference in scale, cost, building materials, and engineering needs

(b) Commercial Projects

- Commercial construction is a broad category that can describe a wide variety of business facilities. These include offices, retail stores, shopping centers, hotels, and other facilities built for commercial use.
- Compared to residential construction, commercial projects are exponentially more complex. Commercial developers and designers must consider a vast array of needs – including function, safety, environment, energy efficiency, and accessibility, and other factors.

(c) Mixed-Use Projects

- Mixed-use construction projects combine multiple types of construction and land use within a single development or area. Mixed-use developments are designed to create more efficient and integrated communities by providing a variety of functions in close proximity to each other.
- They often include a mix of residential and commercial units, recreational facilities, green space, and public amenities to create convenient urban environments.

(d) Institutional Projects

- Institutional construction generally describes projects intended for public use, such as educational institutions, hospitals, government buildings, and other public service facilities. This type of project is a “public” version of a commercial project.
- While many institutional projects are public projects (i.e. owned by a public agency), they may also be privately developed, owned, and/or operated.

(e) Industrial Projects

- Industrial construction describes projects built for industrial use, such as manufacturing plants, warehouses, and power plants. Examples include factories, chemical processing facilities, and oil refineries. Industrial projects are often subject to heavier governmental regulation, particularly regarding environmental impact.

(f) Civil & Infrastructure Projects

- Heavy Civil Construction describes large-scale engineering projects typically associated with infrastructure or public works. Civil projects include transportation systems (e.g. highways, bridges and tunnels, railways, airports), utilities (e.g. water and sewage systems, communication and power distribution networks) and other large-scale public works projects.
- Contractors often start out subcontracting on smaller civil projects in order to build their resume – and relationships – before bidding on bigger government contracts.

Market Overview

11.1 Introduction

- The Tanzania Construction Market size is estimated at USD 5.62 billion in 2024, and is expected to reach USD 7.07 billion by 2029, growing at a CAGR of 4.67% during the forecast period (2024-2029).
- According to the Bank of Tanzania's (BoT) quarterly economic bulletin, commercial banks' lending to the private sector declined by 2.3% in March 2021, owing to the impact of the COVID-19 outbreak on the demand and supply of various products. Building and construction, trade, agriculture, manufacturing, mining, and quarrying were the economic activities that saw negative growth rates.
- Construction credit declined by 11.9%, while commerce and farm credit declined by 10.3% and 8.1%, respectively.

11.2 Sector Growth Trend

- In recent years, Tanzania's heavy investment in building infrastructure has raised its indebtedness, as more infrastructure projects are being built around the country.
- Fiscal spending in 2021 was USD 15.7 billion, with donors covering only 8% of the total. From 2021 to 2023, the government anticipates the economy to grow at a rate of 6.3%.
- Tanzania's government is working to develop its infrastructure, energy, and agriculture sectors to grow its economy and expand export opportunities.
- Tanzania's industrial construction has played a key role in boosting national self-sufficiency and enhancing the domestic market for agriculture, livestock, fishery, forestry, minerals, and precious raw materials.

11.3 Infrastructure Projects

- Tanzania is working on a USD 1.9 billion railway infrastructure across the country to improve the country's infrastructure and connect communities. Loans will fund the railway project, and the government has stated that it would neither raise nor impose taxes on citizens to fund it.

- The railway is part of a bigger 1,219-kilometer railway network, increasing Tanzanian trade with its neighbours. The railway line will connect Tanzania's Indian Ocean port of Makutupora with Tabora, a port city on the banks of Lake Victoria that Tanzania shares with Uganda and Kenya.
- The Barrick Gold Corporation pledged to invest USD 6 for each ounce of gold sold by its two mines in the nation to enhance access to drinkable water, education, and healthcare in the people nearby. At the same time, it has committed up to USD 70 million for investment in value-adding national initiatives, such as road infrastructure, training programs for those working in the mining industry, and facilities for scientific research at Tanzanian universities.
- The Tanzania Ports Authority (TPA) has constructed a facilitation center, and major financial institutions like CRDB Bank, have opened subsidiaries there. In a similar vein, the Tanzania Chamber of Commerce, Industry, and Agriculture (TCCIA) recently dispatched a trade and investment mission to Lubumbashi, the second-largest city in the Democratic Republic of the Congo, where they conducted site visits and business discussions to identify key areas of investments and trade.

11.4 Residential Housing Market

- A person's well-being can be significantly impacted by having access to inexpensive housing. The government established the Tanzania Mortgage Refinance Company (TMRC) to combat the issue and broaden the housing finance industry.
- The TMRC was supported by the creative Tanzania Housing Finance Project, which the IDA funded. This support allowed the TMRC to offer medium- and long-term liquidity to mortgage lenders, making it simpler for them to grant loans to families looking to buy new homes or make improvements to their current homes.
- Mortgage repayment terms were increased from five years to 25 years, interest rates were lowered from over 21% to 15% annually, and the home finance market's development made loans more accessible. According to estimates, Tanzania needs an additional 200,000 housing units per year, totaling 3 million units, according to Shelter Afrique, a pan-African finance institution.
- According to the TMRC, the value of mortgage loans increased by 1.24% during Q2 2022. However, the TMRC's continued availability of long-term capital in the form of refinancing

and pre-financing to enable PMLs to match their assets (mortgages) and liabilities remains a crucial factor in the expansion of the mortgage market in Tanzania.

- The Housing Microfinance Fund (HMFF), another program established under the Housing Finance Project (HFP), aims to offer long-term loans to low-income earners who currently lack access to housing finance for the construction of a home or for home modifications. Collaboration with Habitat for Humanity International to launch a program to expand mortgage loan outreach to the microfinance sector is one of TMRC's other continuing projects for the growth of the mortgage market.
- Despite this, 70% of Tanzanian housing is self-built, and many homes are constructed in stages utilizing savings, which has deteriorated the overall quality of houses. The NHC announced that, due to the public's poor purchasing power, it would increase the ratio of rental properties to for-sale homes from 30:70 to 80:20.
- The NHC intends to achieve this target by expanding its building material manufacturing capacity to facilitate quality construction in the self-build sector and lower the cost of crucial materials for its low-cost house construction.

11.5 Competition in the Construction Industry

- The Tanzania Construction Market is fragmented with domestic and international businesses. Advent Construction Ltd, Estim Construction, Becco Limited, Salem Construction Limited, and Mohammedi Builders Ltd are key competitors in the sector.
- The construction industry in Tanzania is characterized by a huge number of microentrepreneurs, most of whom work in the country's informal economy.
- The country's formal construction business comprises indigenous and indigenized corporations and several big foreign civil engineering and construction firms.

Technical Aspect

12.1 Location

- MRIMI INTERNATIONAL's Head Offices are located within Tanga city. The main offices are situated in Ngamiani Kaskazini, on Plot no. 19, Mkwakwani Street, Tanga Urban District, in Tanga Region.
- The company is establishing a branch office in Kikuyu Kusini area, Maghorofani Street in Dodoma Municipality, Dodoma region. The project will be on Plot no. 17, Block B, KIKUYU KUSINI suburb, Dodoma Municipality.

12.2 Buildings and Civil Works

- The project will involve construction of two staff houses to accommodate senior staff and fencing of the garage area.
- The project will, also, entail construction of workshop building which will be used for motor vehicles repairs and maintenance works and for storing spare parts.

12.3 Construction Equipment

- The company has existing construction equipment.
- The project will involve importation of the following construction equipment to be used in the construction works:
 - Excavator – CAT brand
 - DYNAPAC roller
 - Forklifts
 - Backhoe
 - Skid steer
 - Paver, and
 - telehandler



12.4 Motor Vehicles

- The company is planning to procure its dumper trucks of various carrying capacities which will be used for surface-to-surface raw materials transportation services.
- The trucks will be procured from a company dealing with supply of heavy-duty equipment in China.
- The company will also procure office motor vehicles for supervisory works at the site.



12.5 Support Facilities

- Support facilities include office furniture and office equipment. The company will procure office furniture and fittings which include office tables, office chairs, office cabinets and other office furniture.
- The company will, also, procure office equipment including computers and computer software, printers, air conditioners and other office equipment.

12.6 Pre-Operating expenses

- Pre-operating costs include finance costs and non-finance costs.
- The finance costs include legal charges, valuation costs, and other finance costs.
- The non-finance costs include project staff training costs and other pre-operating costs.

12.7 Implementation Plan

- August 2024: Ordering of Motor vehicles
- November 2024: Delivery of motor vehicles
- December 2024: Service delivery

ORGANISATION AND MANAGEMENT

13.1 Introduction

- MRIMI INTERNATIONAL is under the general management of the Board of Directors which is responsible for major policy and strategic decisions of the company. The Board is under the Chairmanship of Eng. Mrimi Mussa.
- The Board is being represented by a team of qualified staff in different fields of operation.

13.2 Board of Directors

- The Board is comprised of four members comprising of shareholders and one non-shareholder. The non-shareholder is an individual with great experience on issues of management, relationships and construction projects.
- The non-shareholder bring-in invaluable insight on aspects of business.

13.3 Management Team

- The day-to-day management of the company will be under the General Manager who is being assisted by a team of supervisors and Unit Heads of the various departments of the company.

13.4 Staffing

- The company will have a contingent of 25-permanent staff including the top management, technical team, and support staff.
- The company will hire casual workers to be deployed in different projects.

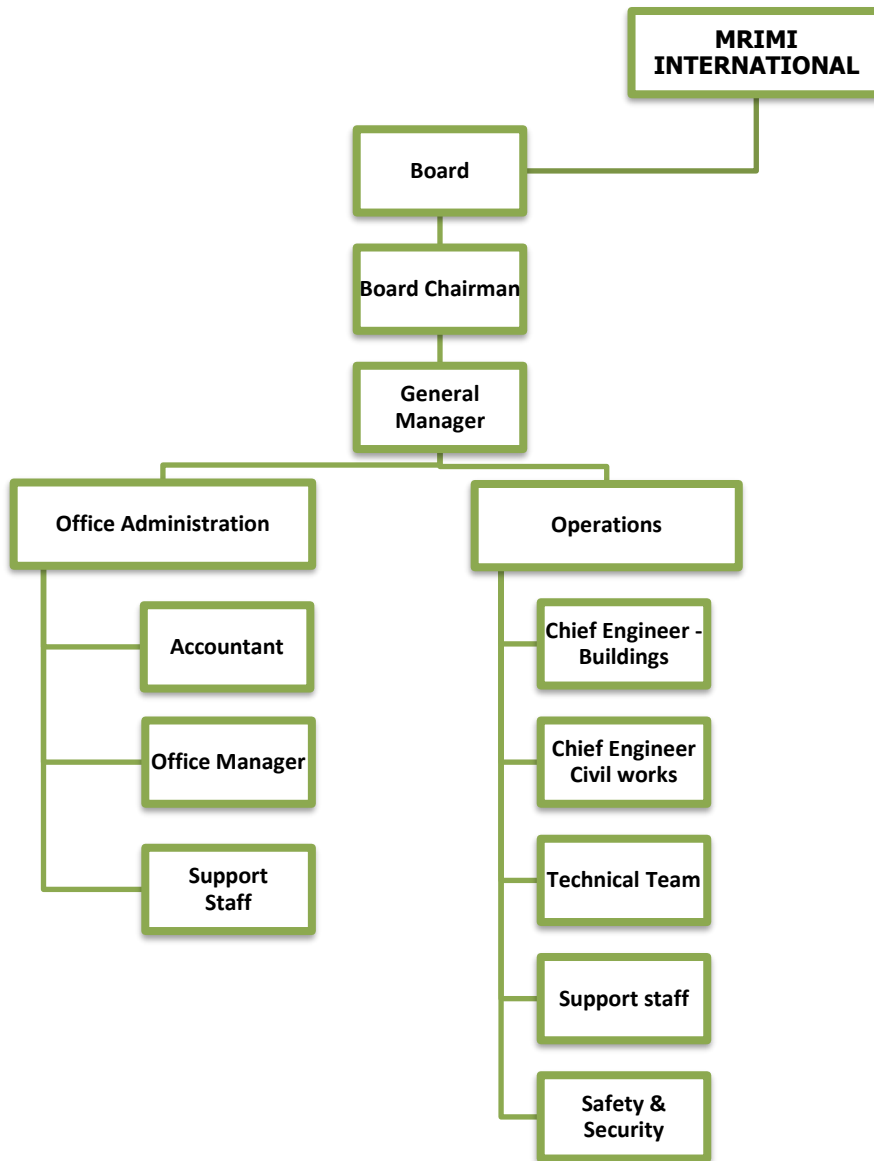
		Year-1	Year-2	Year-3	Year-4	Year-5	Year-6
Salaries & Staff Benefits							
No of Staff							
Management Staff	Number	5	5	5	5	5	5
Operations Staff	Number	16	16	16	16	16	16
Support Staff	Number	4	4	4	4	4	4
No of Staff	Number	25	25	25	25	25	25

13.5 Remuneration

- The company will offer competitive remuneration packages to its employees commensurate to the prevailing wage rates in the market.

13.6 Organization Chart

- MRIMI INTERNATIONAL is set to have virtually a flat organization structure at the operation level where supervisors and managers of respective departments reporting direct to the General Manager.
- The organization chart of the company is as presented below:



Implementation And Operational Plan

14.1 Introduction

- The project implementation is largely on the identification of the quality construction equipment that will be imported from China. The other activities of the project will be done by the management and staff of the company.
- The construction equipment will be deployed in the various construction projects that the company would have been contracted.

14.2 Implementing Agency

- The project will be implemented by MRIMI INTERNATIONAL. The management of the company will undertake to organize all the aspects of the project including the following:
 - Ordering and procurement of construction equipment and other facilities,
 - Undertake to supervise the construction of the buildings and civil works
 - Procurement of office equipment, furniture and fittings, utilities and motor vehicles.
 - Pre-operating expenses and initial working capital for the proposed project.
 - Provide working capital for the variable and fixed costs of the project.
 - Finance all cost over-runs resulting from the project.

14.3 Implementation Plan

- The company has already obtained the Proforma Invoices from suppliers of the construction equipment and the motor vehicles.
- The buildings and civil works will be done by in-house engineers and technicians
- Other facilities will be procured locally.

14.4 Operational Plan

- Upon procurement of the construction equipment and other assets, MRIMI INTERNATIONAL will undertake to manage and operate the project.
- The shareholders of the company will provide strategic and policy directives to the project.

14.5 Project Schedule

The project implementation plan is as presented below:

MRIMI International Tanzania Ltd					
Project Implementation Schedule					
	Implementation Period	Year 0	Year 1		
			1st Qtr	2nd Qtr	3rd Qtr
Stage 1 Preliminary Preparation					
Company Registration					
Identification and Procurement of Land					
Identification of machinery suppliers					
Feasibility Study Preparation					
Stage 2 Funds Mobilisation					
Loan Application and Processing					
Internal Resources Mobilisation					
Loans Approval					
Stage 3 Procurement of Construction Equipment					
Selection of Equipment Suppliers					
Application for TIC Incentives	30 Days				
Equipment Delivery on Site	60 Days				
Stage 4 Buildings & Civil Works					
Buildings Design					
Application for building permit					
Construction works - Buildings & civil works					
Stage 5 Procurement of Other Facilities					
Ordering of Other Assets					
Delivery of Other Assets					
Deployment of the Construction Equipment					

RISKS AND UNCERTAINTIES

15.1 Introduction

- Considering the low level of development in the region, investment in the eastern and southern Africa region faces a number of risks and uncertainties. Some of the major risk areas include political instability, economic mismanagement, increasing global competition; inadequate skilled labour coupled unfriendly labour laws.

15.2 Political Instability

- Political instability adversely affects growth by slowing productivity, growth, physical and human capital accumulation. Maintenance of peace and stability as currently prevailing in the region are key factors for development as no development can occur in the midst of chaos, anarchy and lawlessness. Regional governments are making their best to ensure presence of political stability in their countries.

15.3 Economic Mismanagement

- Prudent economic policies and management are vitally important not only for progress towards prosperity but also for more fundamental challenges of maintaining peace. Most governments in the region adhere to the region macro-economic indicators support strong, sustainable and shared growth as a means to building prosperity and reduce poverty. Good governance and democracy have become central to the region's quest for social, political and economic renewal.

15.4 Increasing Global Competitiveness

- Africa still remains the region with the lowest comparative ranking on the quality of its regulatory environment. Governments in the region are on course to survive on the global scene which requires competitive economies. Countries are solving entrepreneurs' challenges of improving the regulatory environment particularly with regards to cross border trading, starting a business and registering property. Integration initiatives in the region have helped to provide opportunities for regional trade.

15.5 Inadequate Skilled labour

- The region lacks mass of skilled people with the craft competencies to participate in development results in low labour costs and high economic growth. Governments in the region are investing in robust health and education systems which contribute worker productivity. Policies that retain skilled manpower in the region are being deployed to tame the brain drain from the region.

15.6 Local Currency Depreciation

- Most of the equipment and motor vehicles for the construction sector are being imported. The price of imports increases when the local currencies depreciate against the hard currency. The company will, in the long-run, procure adequate motor vehicle spare parts to cover for 6 to 12 months of production to avoid price fluctuation resulting from local currency depreciation. The company will, also, use its US Dollar proceeds for the importation of the spare parts.

15.7 Inflation risks

- There is a potential risk that inflation might raise at higher rates than projected. This may increase the price of the final products hence reduce the demand for the product. While this risk usually prevails in Developing Countries, the governments in the region appear committed to continue maintaining the macroeconomic stability and bring inflation further down.

15.8 Political risks

- The governments in the region may from time-to-time issue new directives which may affect on the project implementation and operations. However, this risk is strongly addressed by the regional integration initiatives including SADC, COMESA and EAC blocks. Further, most government in the region they now have long-term commitment of involving private sector in policy decisions.

15.9 Managerial risks

- Management of buildings and civil construction requires close supervision and marketing expertise. The company has employed personnel with experience in the management and equipment maintenance. Additionally, the Directors of MRIMI INTERNATIONAL will be part of the management team to drive the projects.

Financial Aspects

16.1 Introduction

- This section presents the financial plan. The main objective of the financial analysis is to examine both commercial profitability and economic viability of the proposed project.
- The financial projections including the investment cost assumptions, the depreciation schedule, the Revenues Schedule, the Operating Costs schedule, the Profit and Loss Projections and the cash flows Projections of the proposed project are presented in the attached Annexes 1 to 13.

16.2 Financial Goals

The financial goals of the company are as follows:

- Secure investment funds for capital investment on motor vehicles, equipment and pre-operating expenses.
- Obtain initial working capital close to TZS 400 million for project operation costs.
- Finance operations of the project through retained earnings.

16.3 Financial Assumptions

16.3.1 General Financial Assumptions

- The currency of accounting is Tanzania Shillings (TZS)
- The exchange rate of TZS to USD is assumed at TZS 2,750 to USD.
- The project life time is assumed to be 10 years during which the project will periodically undertake replace the worn-out core assets.
- The proposed loan facility will attract annual interest rate of 12%.

16.3.2 Investment Assumptions

- The projected Investment costs and financing plan are presented in Annex 5.
- The project total investment cost is estimated at TZS 1.8 billion comprised of the construction equipment, motor vehicles, the support facilities and initial working capital as summarised below:

MRIMI International Tanzania Ltd				
Projected Investment Plan				
Amount in TZS '000'				
	Additional Investment			USD Equivalents
	Year 1	Year 2	Total	
Exchange Rate (USD/TZS)	2,750	2,750		
Land	-	-	-	-
Buildings & Civil Works	165,900	-	165,900	60,327
Construction Equipment	574,727	-	574,727	208,992
Motor Vehicles	212,297	-	212,297	77,199
Physical Facilities	952,924	-	952,924	346,518
Pre-Operating costs:				
Administrative Costs	51,975	-	51,975	18,900
Loan Interest (1st Year)	60,000	-	-	-
Other Finance Costs	15,600	-	15,600	5,673
Pre-operating Costs	127,575	-	127,575	46,391
Capital Expenditure	1,080,499	-	1,080,499	392,909
Initial Operating capital	372,390	396,898	769,288	279,741
Total Investment	1,452,889	396,898	1,849,787	672,650

16.3.3 Financing Assumptions

- The proposed financing plan is presented in Annex 7
- The proposed project will be financed by the shareholders and external loan financing as summarized below:

MRIMI International Tanzania Ltd				
Projected Financing Plan				
Amount in TZS '000'				
	Additional Financing			USD Equivalents
	Year 1	Year 2	Total	
Exchange Rate (USD/TZS)	2,750	2,750		
Equity Financing				
Share Capital	-	-	-	-
Shareholders' Funds (CAPEX)	580,499	-	580,499	211,091
Shareholders' Funds (Working Capital)	372,390	396,898	769,288	279,741
Equity Financing	952,889	396,898	1,349,787	490,832
External Financing				
Long-Term Loans	500,000	-	500,000	181,818
Short-Term Loan	-	-	-	-
Total external Financing	500,000	-	500,000	181,818
Total Financing	1,452,889	396,898	1,849,787	672,650
Exposure				
Equity financing	66%	-	73%	
External Financing	34%	-	27%	
Total	100%	-	100%	

16.3.4 Revenues Assumptions

- The Revenues Assumptions are presented in Annexes 9 and 10.
- The company revenues will be generated from provision of construction services for the buildings and civil works as summarized below.

Projects		Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	
(i)	Residential Construction Projects	TZS'000'	2,400,000	-	2,880,000	-	3,456,000	-
(ii)	Commercial Construction Projects	TZS'000'	3,500,000	-	4,200,000	-	5,040,000	-
(iii)	Mixed-Use Construction Projects	TZS'000'	-	2,800,000	-	3,080,000	-	3,696,000
(iv)	Institutional Construction Projects	TZS'000'	-	3,600,000	-	3,960,000	-	4,752,000
(v)	Industrial Construction Projects	TZS'000'	-	-	3,400,000	-	4,080,000	-
(vi)	Civil & Infrastructure Projects	TZS'000'	-	-	4,200,000	-	5,040,000	-

16.3.5 Operating Cost Assumptions

- The projected operating costs include Direct and Indirect Operating Costs.
- The projected Direct Operating costs are presented in Annex 11
- The projected Indirect Operating Costs are presented in Annex 12.
- The salary and wages schedule is presented in Annex 9

16.3.6 Working Capital

- The Projected Working Capital Depreciation Schedules are presented in Annex 13.
- The working capital schedule shows the current assets and current liabilities of the project.

16.4 Financial Projections

- The financial projections of the project present the projected Balance Sheets, Profit and Loss Statements and Cash-flow Statements.

16.4.1 Projected Profitability

- The profitability of the project has been carried out and presented in Annex 1.
- The analysis of the profitability of the overall project indicates that the project is a profitable undertaking with short-term returns to the investors.
- The projected profitability is as presented below:

Annex 1

MRIMI International Tanzania Ltd

Projected Profit And Loss Statements

	Amount in TZS '000'						
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6	
Project Revenues							
Residential Construction Projects	1,650,000	1,650,000	3,630,000	3,630,000	6,006,000	6,006,000	
Commercial Construction Projects	2,406,250	2,406,250	5,293,750	5,293,750	8,758,750	8,758,750	
Mixed-Use Construction Projects	-	1,608,750	1,608,750	3,378,375	3,378,375	5,501,925	
Institutional Construction Projects	-	2,475,000	2,475,000	5,197,500	5,197,500	8,464,500	
Industrial Construction Projects	-	-	2,337,500	2,337,500	5,142,500	5,142,500	
Civil & Infrastructure Projects	-	-	2,887,500	2,887,500	6,352,500	6,352,500	
Gross Revenues	4,056,250	8,140,000	18,232,500	22,724,625	34,835,625	40,226,175	
Less: Provision for Bad Debts	5%	202,813	407,000	911,625	1,136,231	1,741,781	2,011,309
Net Incomes	3,853,438	7,733,000	17,320,875	21,588,394	33,093,844	38,214,866	
Direct Operating expenses							
Materials costs	1,443,750	2,889,150	6,513,650	8,103,590	12,452,990	14,360,918	
Labour Costs	389,125	772,750	1,762,200	2,184,188	3,371,528	3,877,913	
Administration Costs	219,313	473,000	1,055,175	1,334,231	2,032,841	2,367,709	
Statutory costs	226,875	447,150	980,650	1,222,953	1,863,153	2,153,916	
Operating Costs	2,279,063	4,582,050	10,311,675	12,844,961	19,720,511	22,760,455	
Gross Profits	1,574,375	3,150,950	7,009,200	8,743,433	13,373,333	15,454,412	
Gross Profits Margins	41%	41%	40%	41%	40%	40%	
Indirect Operating Costs							
Maintenance & Repairs	3,000	3,060	3,121	3,184	3,247	3,312	
Statutory Expenses	4,375	8,458	18,550	23,042	35,153	40,544	
Marketing Costs	60,844	122,100	273,488	340,869	522,534	603,393	
Salaries & Staff Benefits	765,600	780,912	796,530	812,461	828,710	845,284	
Administration Expenses	242,993	251,560	266,236	275,415	292,318	302,607	
Indirect Operating Costs	1,076,812	1,166,089	1,357,925	1,454,971	1,681,963	1,795,139	
EBITDA	497,563	1,984,861	5,651,275	7,288,462	11,691,370	13,659,272	
EBITDA Margins	13%	26%	33%	34%	35%	36%	
Other Operating costs							
Depreciation	1,327	104,961	92,400	81,387	71,730	63,259	
Amortisation	-	42,525	42,525	42,525	-	-	
Total Depreciation + Amortisation	1,327	147,486	134,925	123,912	71,730	63,259	
Earning Before Interest & Tax	496,236	1,837,375	5,516,350	7,164,549	11,619,640	13,596,013	
Interest Expenses							
Interest on Long-term Loans	-	62,098	47,511	31,092	12,612	-	
Interest on Short-term Loans	8%	29,791	61,543	129,789	246,612	288,524	
Interest Expenses	29,791	123,642	177,300	195,808	259,224	288,524	
Profit Before Taxes	466,445	1,713,733	5,339,050	6,968,741	11,360,416	13,307,489	
Taxable Incomes	466,445	1,713,733	5,339,050	12,307,791	23,668,207	36,975,697	
Provision for Corporate Tax	30%	139,933	514,120	1,601,714.99	3,692,337.30	7,100,462.18	11,092,709.01
After Tax Profits	326,511	1,199,613	3,737,335	3,276,404	4,259,954	2,214,780	
Projected Dividends	-	-	-	-	-	-	
Projected Retained Incomes	326,511	1,199,613	3,737,335	3,276,404	4,259,954	2,214,780	
Cumulative retained income	326,511	1,526,124	5,263,459	8,539,863	12,799,817	15,014,598	

16.4.2 Projected cash flow Statements

- The projected sources and applications of funds and revenues are summarised in the attached Annex 2.
- The projected cash flow statements indicate that the company will have positive cash balances throughout the project lifetime of 10-years as summarised below:

Annex 2						
MRIMI International Tanzania Ltd						
Projected Cash Flow Statements						
	Amount in TZS '000'					
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6
Cash Inflows						
Equity Financing						
Share Capital	-	-	-	-	-	-
Shareholders' Funds (CAPEX)	580,499	-	-	-	-	-
Shareholders' Funds (Working Capital)	372,390	396,898	-	-	-	-
Equity Financing	952,889	396,898	0	0	0	0
External Financing						
Long-Term Loans	500,000	-	-	-	-	-
Short-Term Loan	-	-	-	-	-	-
Total external Financing	500,000	-	-	-	-	-
Incomes from Operations						
Residential Construction Projects	1,650,000	1,650,000	3,630,000	3,630,000	6,006,000	6,006,000
Commercial Construction Projects	2,406,250	2,406,250	5,293,750	5,293,750	8,758,750	8,758,750
Mixed-Use Construction Projects	-	1,608,750	1,608,750	3,378,375	3,378,375	5,501,925
Institutional Construction Projects	-	2,475,000	2,475,000	5,197,500	5,197,500	8,464,500
Industrial Construction Projects	-	-	2,337,500	2,337,500	5,142,500	5,142,500
Civil & Infrastructure Projects	-	-	2,887,500	2,887,500	6,352,500	6,352,500
Gross Revenues	4,056,250	8,140,000	18,232,500	22,724,625	34,835,625	40,226,175
Less: Provision for Bad Debts	202,813	407,000	911,625	1,136,231	1,741,781	2,011,309
Incomes from Operations	3,853,438	7,733,000	17,320,875	21,588,394	33,093,844	38,214,866
Total Inflows	5,306,326	8,129,898	17,320,875	21,588,394	33,093,844	38,214,866
Cash Outflows						
Capital Expenditure						
Land	-	-	-	-	-	-
Buildings & Civil Works	165,900	-	-	-	-	-
Construction Equipment	574,727	-	-	-	-	-
Motor Vehicles	212,297	-	-	-	-	-
Pre-Operating costs:						
Administrative Costs	51,975	-	-	-	-	-
Loan Interest (1st Year)	-	-	-	-	-	-
Other Finance Costs	15,600	-	-	-	-	-
Capital Expenditure	1,020,499	-	-	-	-	-
Change in Operating Capital	372,390	396,898	853,076	436,588	1,023,692	523,906
Direct Operating expenses	2,279,063	4,582,050	10,311,675	12,844,961	19,720,511	22,760,455
Indirect Operating Costs	1,076,812	1,166,089	1,357,925	1,454,971	1,681,963	1,795,139
Loans Payments						
Principal Repayment	-	116,230	130,818	147,236	165,716	-
Interest Payments	29,791	123,642	177,300	195,808	259,224	288,524
Taxation	139,933	514,120	1,601,715	3,692,337	7,100,462	11,092,709
Dividends	-	-	-	-	-	-
Total Outflows	4,918,488	6,899,029	14,432,509	18,771,902	29,951,568	36,460,733
Surplus (Deficit)	387,838	1,230,869	2,888,366	2,816,491	3,142,276	1,754,133
Opening Cash Balances	-	387,838	1,618,708	4,507,074	7,323,565	10,465,842
Closing Cash Balances	387,838	1,618,708	4,507,074	7,323,565	10,465,842	12,219,975

16.5 Balance Sheets

- The projected balance sheet is as presented in Annex 3.
- The projected balance sheet shows that the net physical assets are decreasing overtime due to depreciation. The total net assets increase overtime due to increased net current assets over time. The project is projected to have positive net current assets throughout the project life-time.

Annex 3						
MRIMI International Tanzania Ltd						
Projected Balance Sheets Statements						
Amount in TZS '000'						
	Year-1	Year-2	Year-3	Year-4	Year-5	Year-6
Fixed Assets						
Land	-	-	-	-	-	-
Buildings & Civil Works	165,900	164,573	157,990	151,670	145,603	139,779
Construction Equipment	574,727	574,727	502,886	440,026	385,022	336,895
Motor Vehicles	212,297	212,297	185,760	162,540	142,222	124,445
Pre-Operating costs:	127,575	127,575	85,050	42,525	-	-
Capital Expenditure	1,080,499	1,079,172	931,686	796,761	672,848	601,118
Less: Depreciation	1,327	104,961	92,400	81,387	71,730	63,259
Amportisation	-	42,525	42,525	42,525	-	-
Net Fixed assets	1,079,172	931,686	796,761	672,848	601,118	537,860
Current Assets:						
Cash Balances	387,838	1,618,708	4,507,074	7,323,565	10,465,842	12,219,975
Trade debtors	500,086	1,110,360	2,354,640	3,025,942	4,519,079	5,324,640
Advance Payments	118,664	273,064	570,968	740,807	1,098,292	1,302,099
Stocks	101,891	204,366	460,595	573,318	880,792	1,016,059
Other Current Assets	31,220	62,768	141,256	175,958	270,144	311,787
Total Current Assets	1,139,700	3,269,265	8,034,533	11,839,590	17,234,148	20,174,560
Current Liabilities:						
Trade creditors	118,664	308,663	684,321	893,319	1,344,108	1,594,906
Payables	14,343	30,024	67,503	84,752	129,727	150,425
Unearned Revenues	227,817	505,830	1,072,670	1,378,485	2,058,691	2,425,670
Other current Liabilities	18,647	36,752	80,601	100,517	153,136	177,034
Total Current Liabilities	379,472	881,270	1,905,095	2,457,072	3,685,662	4,348,035
Net Current Assets	760,228	2,387,996	6,129,438	9,382,518	13,548,486	15,826,525
Total Net Assets	1,839,400	3,319,682	6,926,199	10,055,366	14,149,604	16,364,385
Financed By:						
Equity Financing						
Share Capital	-	-	-	-	-	-
Shareholders' Funds (CAPEX)	580,499	580,499	580,499	580,499	580,499	580,499
Shareholders' Funds (Working Capital)	372,390	769,288	769,288	769,288	769,288	769,288
Retailed Earnings	326,511	1,526,124	5,263,459	8,539,863	12,799,817	15,014,598
Equity Financing	1,279,400	2,875,912	6,613,247	9,889,650	14,149,604	16,364,385
External Financing						
Long-Term Loans	560,000	443,770	312,952	165,716	-	-
Short-Term Loan	-	-	-	-	-	-
Total external Financing	560,000	443,770	312,952	165,716	-	-
Total Financing	1,839,400	3,319,682	6,926,199	10,055,366	14,149,604	16,364,385

16.6 Economic Benefits of the Project

- **Tax Income** – the company will pay income taxes, property taxes, corporate taxes and other taxes to the Tanzania government.
- **Jobs Creation** – the company will continue offer jobs to over 25 as permanent employees and over 300 people as casual workers.

FINANCIAL REQUIREMENTS

17.1 Sources And Uses of Funds

- MRIMI INTERNATIONAL is seeking for a medium-term loan facility to the tune of TZS 500,000,000 from external financiers.
- The proposed loan facility will be utilized to finance procurement of construction equipment and motor vehicles.
- The sources and uses of funds are as follows:

MRIMI International Tanzania Ltd			
Sources & Uses of Funds			
	Amount in TZS '000'		
	Equity	Loan	Total
Land	-	-	-
Buildings & Civil Works	165,900	-	165,900
Construction Equipment	574,727	-	574,727
Motor Vehicles	212,297	-	212,297
Pre-operating Costs	127,575	-	127,575
Capital Expenditure	1,080,499	-	1,080,499
Initial Operating capital	769,288	-	769,288
Total Investment	1,849,787	-	1,849,787

17.2 Proposed Short-term Loan Facility

- The following are the proposed Terms and Conditions of the required loan to part finance the project;

Main loan conditions	
Loan Currency	Tanzania Shillings
Loan Amount	TZS 500,000,000
Type of facility	Medium-Term Loan
Mode of disbursement	Direct disbursement to the account of the Supplier of motor vehicles & equipment
Loan repayment	4-equal instalments payable after every 3-months on interest + principal
Loan tenure	6-Years including 12-months of grace
Interest rate	Fixed rate of 12% p.a.

17.3 Security of the loan

- A First ranking fixed debenture over landed property, and floating debenture over the company's movable assets.