

CEMEX VENTURES LIMITED



BUSINESS PLAN

SUNFLOWER OIL REFINING PROJECT 2024 -2029

A. EXECUTIVE SUMMARY

CEMEX Ventures Limited (CVL) is a local company registered under the laws of the United Republic of Tanzania with effect from December 6th, 2022. Its authorized share capital is **TShs. 10,000,000,000** divided into **10,000,000 shares** of **TShs. 1,000** each. The authorized share capital is equivalent to about **USD 3,846,153**.

CVL plans to invest in sunflower oil refining in Dodoma. This is a 5-year project. Its total expected value (investment value) is **USD 1,000,000**. Of the investment capital, **USD 820,000** is fixed capital while **USD 180,000** is working capital. At full capacity (during year 5) the project is expected to be producing a total of **15,000 MT** of sunflower oil.

The project is expected to add value to Tanzania's economy by directly employing a total of **88 locals**, and **12 foreigners** and generate approximately **4,600 indirect jobs**. In addition, it will contribute to community development via CSR, and pay taxes to the government. The promoters of the project are convinced that it will be a success if it gets incentives from TIC. This Business Plan is prepared to guide the company in executing the project.

B TABLE OF CONTENTS

A EXECUTIVE SUMMARY 1

B TABLE OF CONTENTS 2

1.0 INTRODUCTION..... 4

 1.1 *The Company*..... 4

 1.1.1 *Vision*..... 4

 1.1.2 *Mission*..... 4

 1.1.3 *Shareholding*..... 4

 1.2 *The Project*..... 5

 1.3 *The Product*..... 5

 1.4 *The Markets*..... 6

2.0 MARKET ANALYSIS..... 6

 2.1 *Global Market Trends*..... 7

 2.2 *Tanzania’s Sunflower Oil Trade*..... 8

 2.3 *SWOCT Analysis*..... 9

 2.4 *PESTEL Analysis*..... 11

 2.5 *Target Market*..... 13

3.0 THE PRODUCTION..... 13

 3.1 *Product Development*..... 13

 3.2 *Product Pricing*..... 14

 3.3 *Targeted Selling Points*..... 14

4.0 MARKETING AND SALES STRATEGY 15

 4.1 *Entry Strategy* 15

 4.2 *Retention Strategy*..... 16

 4.3 *Expansionary Strategy* 16

5.0 ORGANIZATION AND MANAGEMENT..... 17

 5.1 *Organizational Structure*..... 17

 5.2 *Project Manning*..... 17

6.0 OPERATIONS PLAN 18

6.1 Project Location	18
6.2 Key Suppliers.....	18
6.3 Key Distributors.....	18
6.4 Project Assets.....	Error! Bookmark not defined.
6.5 Project Roll-Out Plan.....	19
7.0 FINANCIAL PROJECTIONS.....	19
8.0 PROJECT FINANCIALS.....	20
8.1 Funding Sources.....	20
8.2 Financing of Items.....	20
8.3 Investment Plan.....	21
9.0 PROJECT RATIONALE.....	22
9.1 Fiscal Rationale.....	22
9.2 Socio-Economic Rationale.....	22
9.3 Monetary Rationale.....	22
10.0 CONCLUSION	23

1.0 INTRODUCTION

1.1 The Company

CEMEX VENTURES LIMITED (CVL) is a company registered under the laws of the United Republic of Tanzania. It was issued with Certificate of Incorporation (COI) No. 159192989 of December 6th, 2022. For tax purposes the company has been issued with TIN No. 159-192-989. The offices of the company are located at Plot No. 439 Mahando Street within the Municipality of Kinondoni in the City of Dar es Salaam.

CVL is an 100% Tanzanian owned entity that has intended to commence Sunflower Oil refining, distribution and selling in the Dodoma manufacturing facility. The manufacturing facility consists of seed sorter, oil expeller machines, refinery, packaging & filling machines.

1.1.1 Vision

To become Tanzania’s leading Giant in Sunflower Oil Manufacturing

1.1.2 Mission

To provide consumers with premium quality refined Sunflower Oil while ensuring environmental sustainability, ethical sourcing, and customer satisfaction.

1.1.3 Shareholding

CEMEX Ventures Limited is a local company. It has no foreigner as a shareholder. Its authorized share capital is **TShs. 10,000,000,000** divided into **10,000,000 shares** of **TShs. 1,000** each. The authorized share capital is equivalent to about **USD 3,846,153**. Of all the authorized **10million shares** only **100** have been taken as shown in **Table 1** below.

Table 1: Shareholding Structure

S/N	Names	Nationality	Shares Taken	% Stake
1	Yogesh Maganlal Manek	Tanzanian	1	1%
2	Mac Group Limited	Tanzanian	99	99%
	TOTALS		100	100%

1.2 The Project

CEMEX Ventures Limited (CVL) plans to establish a project for sunflower oil refining, distribution and selling in its Dodoma manufacturing facility. The facility will consist of seed sorter, oil expeller machines, refinery, packaging and filling machines. This project will be located within the Municipality of Dodoma

Objectives of the project are as follows:-

- ❖ To establish a state-of-the-art sunflower oil refining facility
- ❖ To produce high-quality refined sunflower oil for consumer and industrial markets
- ❖ To build a reputable brand known for product quality and sustainability.
- ❖ To achieve profitability and growth.

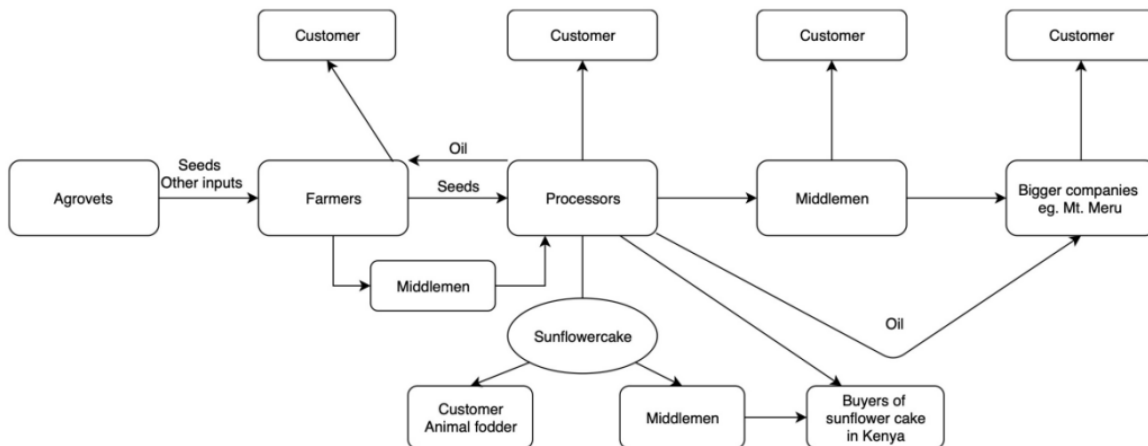
At full capacity the project expects to produce 15,000 MT of sunflower oil per year. This is expected to be attained during the fifth year.

1.3 The Product

The planned product for this project is refined sunflower oil. Sunflower oil is a widely consumed and versatile cooking oil with a growing demand in both local and international markets. In addition to sunflower oil are the byproducts produced in the due course of the refining process.

The Sunflower Value Chain covers various actors, processes, proceeds and value exchanges as shown in **figure 1** below.

Figure 1: Sunflower Value Chain in Tanzania



1.4 The Markets

CVL plans to source its machineries, supplies, utilities and raw materials from Tanzania. It is only in cases where the items cannot be sourced locally that the company will import them. This is highly likely to happen with machineries like seed sorter, oil expeller machines, refinery, packaging and filling machines.

The targeted sale market, for now, is the Tanzanian local market. The local market includes retail outlets (for households, restaurants and foodservice businesses) and industrial consumers (for food processing companies, bakeries, snack manufacturers, skincare manufacturers). Prospects for expansion of markets into the neighboring and far countries will be considered as the roll-out of the project is under way. Market studies will guide in the expansion move.

2.0 MARKET ANALYSIS

This section highlights on the market aspects of the sunflower oil in Tanzania. It views the market trends, and the industry. It also analyses the company itself and the environment where CEMEX Ventures Limited will be operating

2.1 Global Market Trends

The global sunflower oil market is forecasted to witness a compound annual growth rate (CAGR) of 5.67% during the forecast period (2020-2025). Sunflower oil has high demand in developing countries, as it is healthy and cheaper than most of its counterparts. The growing sunflower oil consumption is offsetting declines for palm, cottonseed, and rapeseed oil, globally. Europe being the largest consumer of the crop, the region imports a considerable volume of sunflower oil to meet the exceeding product demand. A large share of around 85% of the total European imports is derived from Intra-European trade with Romania, Spain, Bulgaria, France and Hungary being major suppliers. The application of sunflower oil is being increasingly used in personal care products, with giant players of the market incorporating sunflower oil in their clean-label and sustainable products.

Fluctuating Prices

Sunflower oil is witnessing an upsurge in the global market, mainly driven by the fluctuating/unstable prices of other vegetable oils, such as palm oil, soybean oil, and others. The fluctuating prices often affect the overall sales of the end-user products; thus, firms are inclining toward stable-priced options like sunflower oil to utilise them for various purposes. The manufacturers of snacks are readily opting for sunflower oil due to its capability to impart healthier properties to the products at a comparatively lower cost than olive oil. Moreover, the snack industries are choosing sunflower oil as a convenient alternative to palmolein oil as it does not require any kind of additional heating in cold temperature conditions, thus reducing the cost required for putting extra heating setup, unlike for palmolein oil, which has a higher freezing point.

Sunflower oil also provides cost-effective solutions in other industries as well. Sunflower oil is rich in essential fatty acids and helps moisturise, regenerate, and condition the skin. Thus, it is considered for a variety of skin care products due to its lower pricing as compared to other nourishing oils, like argan oil, almond oil, and olive oil. Additionally, it is also used as the primary vegetable oil in bath oil and body oil formulations

2.2 Tanzania's Sunflower Oil Trade

CVL are in the sunflower oil production line of business to produce edible sunflower oil all in commercial quantities for retail outlets, food businesses and household consumption. With an annual output of around 350,000 tons of sunflower oilseeds, corresponding to about 90,000 tons of oil, Tanzania is one of the top ten sunflower oilseed producers in the world. Tanzanians consume nearly 600,000 MT of edible oils per year. Imported oil is 64% of this consumption. Tanzanian sunflower producers and processors are well-positioned to meet growing domestic demand for cooking oil – estimated to be upwards of 500,000 MT. The sunflower value chain is inclusive and accessible to economically vulnerable demographics, offering competitive margins across the value chain.

Production and the Market in Tanzania

Sunflower is mostly produced by smallholder farmers in Tanzania, and around 1,000,000 smallholders produce it each season. These farmers cultivate 1.7 acres on the average, with production of about 500kg per farmer. There is a high but unknown number of small oil millers that crush the grains with an inexpensive but inefficient technology. They do not achieve the TBS standard, but can supply the larger oil processors with crude sunflower oil and cake. There are five large oil mills in Tanzania, including one solvent extraction and five oil refineries. They have very modern technology and sufficient capacity to meet the demand for refined sunflower oil and processed cake.

Singida region, which is the second largest sunflower producing region in Tanzania has a total of 175 processing industries, out of which two are large, seven are medium and 166 are small scale processors. For sunflower processing, the region has two large processing plants, three medium and 115 are small processing facilities. Distribution by district shows that Iramba district is the leading with 45 processors followed by Singida Rural with 29, Singida Urban with 22, and Ikungi and Manyoni with eight each.

The sunflower seed market is mainly driven by domestic consumption. Tanzania's share of the world's total sunflower seeds' exports in 2019 was less than 1%. Tanzania is ranked 75th in world exports of sunflower seeds. Tanzania's top export markets for sunflower seeds are

Malawi, Burundi, China, the Netherlands and Kyrgyzstan. The main sunflower related export business for Tanzania is sunflower cake which is mainly exported to India and Kenya.

The market for cooking oil is growing among Tanzanian consumers, with an estimated annual demand of 600,000 MT. However, more than half of demand is met through imported palm oil – committing USD 80 million of Tanzania’s foreign currency reserves on something that can be produced domestically. Sunflower processors throughout Tanzania have responded to the growing demand and earn reliable profits through value addition: under optimal conditions, margins can reach 18% among small-scale processors.

Tanzanian farmers, traders, and processors have a strong foundational infrastructure for aggregation, trade, and processing and are well-positioned to scale in response to the growing demand for sunflower oil. From the installed capacities and the daily outputs, it is evident that the large processors have a higher demand for raw sunflower, despite there being only four such processors in the whole country. These include large processors like Mount Meru and Murzah Oil, which purchase sunflower seed from a number of regions.

In this regard, there is a big opportunity to be tapped by our company in the refining and supply of sunflower oil to the Tanzanian market. In the future we expect to feed the neighboring countries that import sunflower and other cooking oils through the port of Dar es Salaam. With duty free quota free market access to neighboring EAC member states CEMEX Ventures Limited sees a great opportunity to be exploited through this project.

2.3 SWOCT Analysis

This sub-section covers the analysis of the overall manufacturing business in the country, and where necessary it covers the analysis for the specific product – sunflower oil. The analysis focuses on project’s internal *strengths* and *weaknesses* as well as environmental *opportunities*, *challenges* and *threats* as detailed in **Table 2** below.

Table 2: SWOCT Analysis

INTERNAL SCANNING	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ✚ Assured liquidity: Promoters of the company have enough muscle to fund the project by 30%. Also, the company can be lent funds from local banks to the tune of 70% of the planned investment capital. ✚ The management is well acquainted with the general Tanzanian market and specifically with sunflower oil. ✚ The company has engaged seasoned staff, both local and foreign in order to have more expertise onboard 	<ul style="list-style-type: none"> ✚ Novelty in the market: The Company has been registered recently and so it is new in the market.
ENVIRONMENTAL SCANNING	
OPPORTUNITIES	CHALLENGES
<ul style="list-style-type: none"> ✚ Tanzania has a large and growing population which needs healthy cooking fats. ✚ Growth of the market-needing sunflower seed farming within the central zone of Tanzania provides an opportunity for processing of the seeds to produce cooking fats. ✚ Integration of African nations expands avenues for trade thus widening the market. The oil produced can reach markets of the EAC, SADC and COMESA countries, especially those landlocked countries importing from the Middle and Far East regions via Dar Port. ✚ Tanzania provides incentives for investment projects ✚ Availability of raw materials 	<ul style="list-style-type: none"> ✚ Relatively low supply of raw materials as farming is not done on a commercial scale that produces massively with efficiency. ✚ Existence of environmental regulatory hurdles. ✚ Business procedures are somehow complicated in Tanzania. ✚ Multiple charges on top of taxes jeopardizing business growth ✚ Power cuts have been common in Tanzania. The company is set to buy a heavy duty standby generator as a backup ✚ Inter-regime unpredictability is possible in the Tanzanian economy
	THREATS
	<ul style="list-style-type: none"> ✚ Existence of seasoned manufacturers of sunflower oil in Tanzania ✚ Market access for imported relatively cheaper and less healthy oils from outside the country ✚ Stiffening competition from other regional groups members whose companies manufacture the same product.

2.4 PESTEL Analysis

This sub-section analyzes the business environment of Tanzania in the *political, economic, socio-economic, technological, environmental and legal* aspects. The scanning elucidates on the viability of the project in the country. Through our analysis we have been convinced that Tanzania is the place to invest in the manufacturing of sunflower oil as detailed under **Table 3**.

Table 3: PESTEL Analysis

ISSUE	AN OVERVIEW
<i>Political</i>	Political factors such as government regulations and policies, tax laws, and trade laws all influence the manufacturing of sunflower oil and its markets. Government regulations and policies related to agro-processing and trading of the products may limit the potential for growth in the market. Tanzanian context is currently very favorable for sunflower oil manufacturing as the country moves to foster local production in order to curb down importation of the precious and healthy cooking fats. The company has decided to establish this project as the political environment is welcoming
<i>Economic</i>	Economic factors such as GDP growth, inflation, purchasing power, population and the cost of raw materials have an impact on agro-processing. The cost of raw materials will influence the cost of production and, in turn, the price competitiveness of the finished product. Additionally, the level of disposable income among consumers in different markets can affect the demand for sunflower oil. Tanzania is doing well in the economic aspects as the middle-income tier of the population is growing thus providing market for our products which implies higher demand for the products. This is due to the rise in demand for healthier cooking fats that include sunflower oil. Moreover, Tanzania is linked to other economies of the neighboring countries which import cooking fats from abroad. In this regard the country is the best promising economy for the manufacturing of sunflower oil which if of better quality than the imported fats from abroad.

<i>Socio-cultural</i>	Socio-cultural factors such as consumer preferences, lifestyle trends, and religious beliefs can influence the market. Different markets may have different preferences for certain types of oils, so producers must be aware of these differences in order to better target their products. The society of Tanzania and those of her neighboring countries are promising as markets in the manufacturing of sunflower oil. The social-cultural aspects of Tanzania and her neighbors are pro our products as we manufacture what the population perceives as healthier cooking oils. Growth of the middle-class that is sensitive to health issues calls for healthier cooking oils and sunflower oil is one of them.
<i>Technological</i>	Technological advances in the manufacturing of cooking oils have a positive effect on the market. Additionally, technological advances in the areas of transportation, communication, and marketing can enable producers to better reach target markets and promote their products. This makes Tanzania the appropriate location for the project
<i>Environmental</i>	Environmental factors such as resource availability, climate change, and waste management can also influence the manufacturing and the market for cooking fats. The availability of resources, water, and energy can affect the cost of production and the cost competitiveness of the final product. Tanzania is the best country in the region in these regards.
<i>Legal</i>	Legal factors such as labor laws, environmental laws, and health and safety regulations can also impact the manufacturing and general business of cooking oils. Labor laws may affect the cost of production, as well as the availability of skilled workers. Additionally, consumer protection laws and health and safety regulations can affect the production process and the marketing of the finished materials. In legal aspects Tanzania is the best place in the region.

2.5 Target Market

CEMEX Ventures Limited focuses, initially, on the Tanzanian market. In the due course it will advance frontiers into the neighboring countries' markets. The move to other countries will be done basing on careful analysis of the markets.

3.0 THE PRODUCTION

Refined Sunflower Oil is a High-quality sunflower oil produced through a refining process that removes impurities and enhances stability and flavor. This section covers the production of sunflower oil by this project

3.1 Product Development

The whole sunflower manufacturing process doesn't use chemical solvents and doesn't contain chemical preservatives and antioxidants to avoid chemical contamination of oil products, which fundamentally ensures the safety and nutrition of the oil and improves the yield of the refined oil. **Fig. 2 & 3** below show the process flowchart and the complete refining process respectively.

Figure 2: Process Flowchart

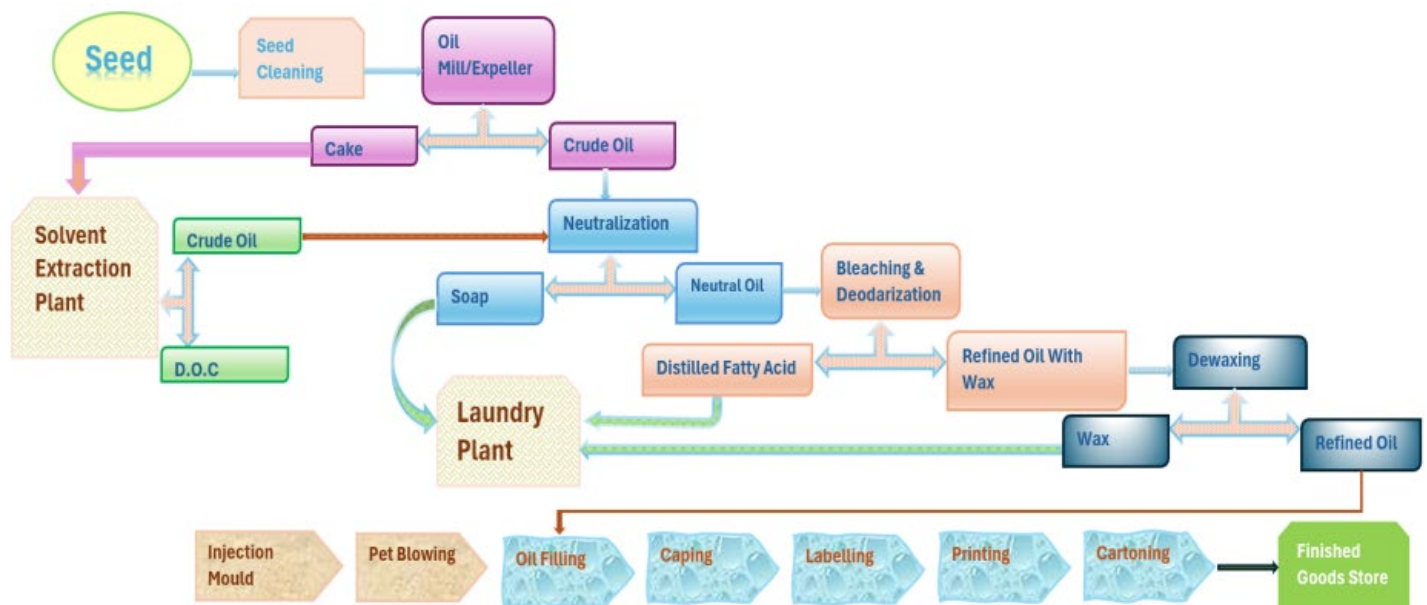
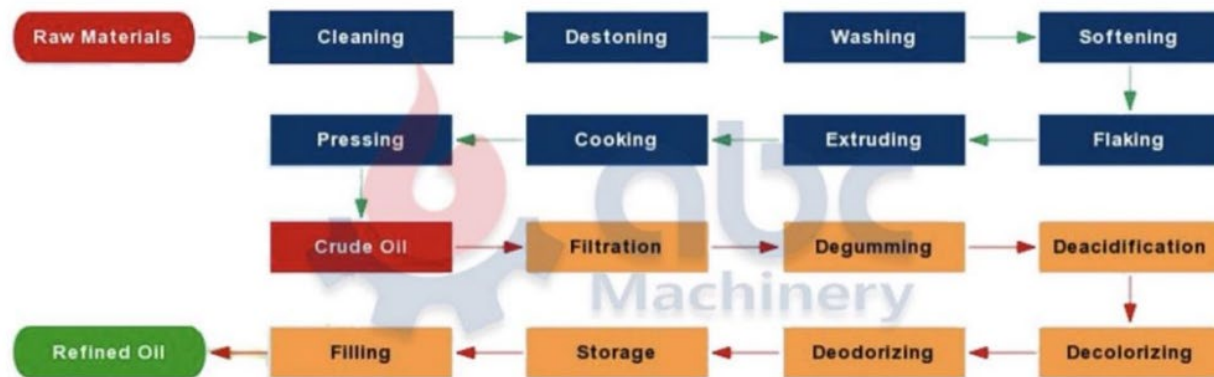


Figure 3: The Complete Sunflower Oil Refining Process



3.2 Product Pricing

The company will work to ensure competitive pricing for our sunflower oils as imported cooking oils tend to be cheaper. The imported may be cheaper because of dumping or efficiency among competitors abroad. Definitely their prices will not be equal to the price of a the locally produced oils. The pricing will also consider the roles of and rewards to wholesalers and retailers to ensure competitive prices to ultimate consumers.

Considering the fact of price sensitivity among consumers CEMEX Ventures Limited focuses will work to develop competitive prices as part of the strategy to enhance sales, revenue, and profitability.

3.3 Targeted Selling Points

CEMEX Ventures Limited focuses will create target selling points by identifying and highlighting the unique features, benefits, and value propositions of the product that resonate with the target audience and differentiate it from competitors. It will leverage on understanding our target audience, identification of key features and benefits of our oil and related products, focusing on differentiation of our product, addressing pain points faced by our clientele, communicating value proposition of our tires, using persuasive messaging to our target audience, leveraging social proof in the form of customer testimonials, prioritizing and tailoring selling points by identifying the most important selling points that are likely to appeal to our

products, and testing and iterating our selling points basing on customer feedback in order to refine our points.

By using this approach and focusing on creating compelling, customer-centric, and differentiated selling points, CEMEX Ventures Limited focuses can effectively communicate the value of its products – the oil and byproducts to their target audience and drive sales and customer loyalty.

4.0 MARKETING AND SALES STRATEGY

Marketing strategies are essential plans of action that businesses use to promote their products, reach their target clients, and achieve their business objectives. This section focuses on entry, retention and expansionary strategies for tires manufacturing in Tanzania.

4.1 Entry Strategy

This strategy to penetrate the market is a plan outlining how we will enter the new market. It involves identifying opportunities, assessing risks, conducting market research, and developing a strategy to successfully establish a presence and compete in the target market. Here are our adopted market entry strategies:

- i) **Greenfield Investment:** the shareholders all being locals have resorted to building a new facility from the ground up in the Tanzanian and initial market. This is the facility for manufacturing of tires. The project offers full control and the promoters have organized significant investment financing and have dedicated time to establish it.
- ii) **Exporting:** in the long run the company will be selling sunflower oil to customers in the neighboring countries through direct exporting (selling to distributors in the target market) or indirect exporting (using intermediaries such as agents or trading companies).
- iii) **Strategic Alliances:** the company forms alliances with local companies, suppliers, distributors, and industry associations to access new markets, share resources, and collaborate on marketing, distribution, or R&D.

- iv) E-commerce and Online Marketplaces: The company will be selling sunflower oil online through e-commerce platforms, marketplaces, or digital channels to reach international customers without the need for physical presence or local operations.

4.2 Retention Strategy

Our market retention strategy focuses on retaining existing customers, building loyalty, and maximizing customer lifetime value. It involves tactics and initiatives to keep customers engaged, satisfied, and coming back for repeated purchases. Some key components of our market retention strategy include Customer Relationship Management (CRM), Customer Segmentation (basing on purchase frequency, order value, loyalty status, preferences, and behavior), Loyalty Programs (including creation and implementation of loyalty programs rewarding customers for repeated purchases, referrals, engagement, and loyalty), Personalization, Customer Service Excellence, Feedback and Surveys, Retargeting and Remarketing, Customer Education and Engagement, Customer Satisfaction Metrics, and Customer Experience Enhancement.

Through these strategies CEMEX Ventures Limited will build long-term relationships with existing customers, increase customer loyalty, induce repeated purchases, minimize customer churn and maximize customer lifetime value. As a result our business will grow sustainably and profitability will be assured.

4.3 Expansionary Strategy

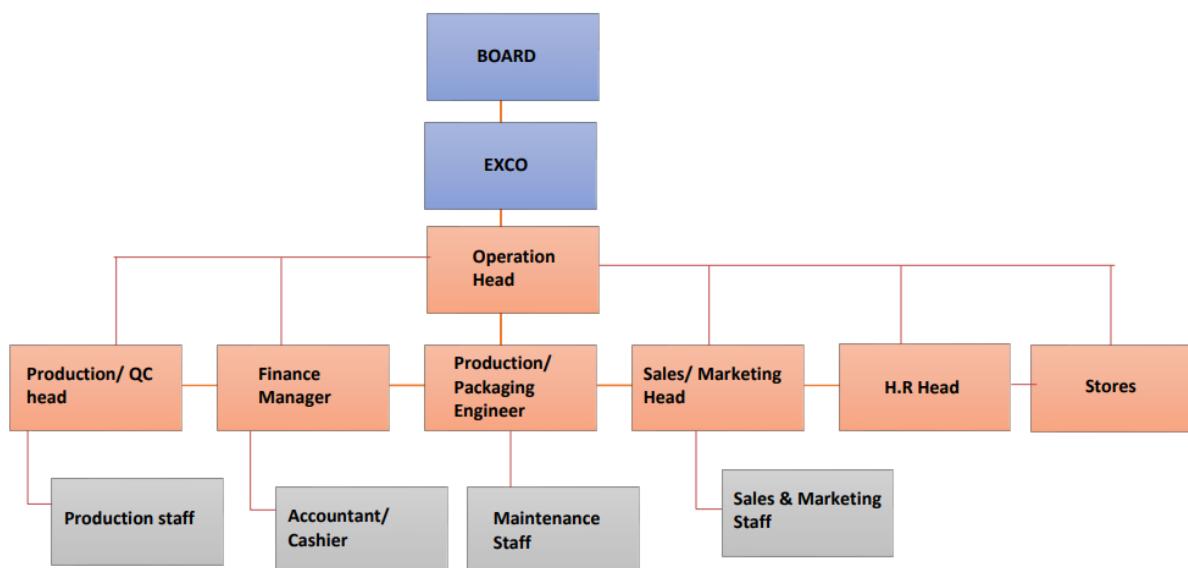
The market expansion strategy for CEMEX Ventures Limited seeks to enhance business growth by tapping into new markets starting from the neighborhood of Tanzania in order to increase revenue and reach a broader audience. The strategy embraces market research, identification of target markets, development of a marketing plan, product adaptation, distribution channels, pricing strategy, market entry approach, building partnerships, regulatory compliance, and M&E

5.0 ORGANIZATION AND MANAGEMENT

5.1 Organizational Structure

CEMEX Ventures Limited's team is tiered into various categories as shown in **fig. 4** below. Detailed account of the 100 direct employees is given under *appendix 3*.

Figure 4: Organization Chart



5.2 Project Manning

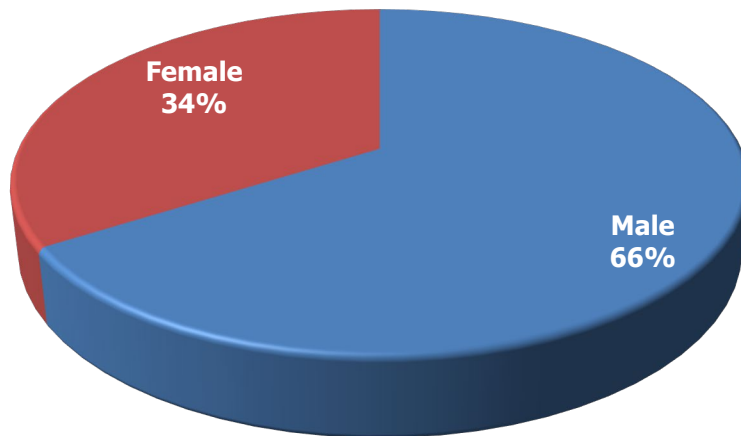
This project expects to directly employ a total of 342 people 329 of whom are locals as shown in **table 4** below. The gender distribution of jobs is shown in **fig 4**.

In addition to the expected direct jobs, the project expects to create about 4,600 indirect jobs in terms of supplier peasant farmers, supplier SMEs and other players in the operationalization of the project, those who are not employed by the company.

Table: 4: Planned Direct Jobs

GENDER	LOCALS	FOREIGNERS	TOTALS
M	60	6	66
F	28	6	34
TOTALS	88	12	100

Fig 5: Gender Distribution of Jobs



6.0 OPERATIONS PLAN

6.1 Project Location

This project is located within the city of Dodoma. The operational area of the project is Plots No 34 – 36 Western Industrial Area in Dodoma. This location provides easy access to the leading sunflower seeds producing areas of central Tanzania.

6.2 Key Suppliers

CEMEX Ventures Limited expects to source its supplies of raw materials from Tanzania, mainly from the vicinity of Dodoma where sunflower seed production is the highest in the country.

6.3 Key Distributors

Locally CEMEX Ventures Limited expects to use local wholesalers and retailers in getting the products to the final consumers. The wholesalers include those in the private sector. When encroaching to neighboring and other markets the company will use local agencies/ distributors in the respective countries.

6.4 Project Roll-Out Plan

This is a 5 years plan by design but can need more time in order to attain the desired goals. The roll-out plan is shown in **Fig. 6** below.

Figure 6: Implementation Plan

S/No.	ACTIVITY	TIMING																		
		2024												2025	2026	2027	2028			
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC							
1	Planning and registrations																			
2	Land Acquisition																			
3	Plant Installment																			
4	Staff and Consultants engagements																			
5	Loan securing																			
6	Planning for expansions																			
7	Marketing Campaign																			
8	Company assessment																			

7.0 FINANCIAL PROJECTIONS

This section covers projections in terms of production and sales, profit and loss, and cash flow projections for the first five years of implementation of the project. From the projections, the project is a promising venture.

Projected Income Statement														TZS MN		
	AFS 2021	AFS 2022	2024												Total Y1	
			Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec		
Sales																
SF Oil (Tons)	1051	1768	360	360	360	360	360	360	360	360	360	360	360	360	360	4,320
Seedcake (Tons)	3065	5598	947	947	947	947	947	947	947	947	947	947	947	947	947	11,360
Volume Sales	4,116	7,366	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	1,307	15,680
Revenue																
Sales - Sunflower Oil			2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	2,935	35,217
Sales - Seedcake			246	246	246	246	246	246	246	246	246	246	246	246	246	2,954
Tot. Net Sales	13783	21234	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	3,181	38,171
Sales / SF Oil Ton	13,114,177	12,010,181														
COGS																
SF Seeds			1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	16,000
Packing Costs			54	54	54	54	54	54	54	54	54	54	54	54	54	647
Direct Processing Cost			412	412	412	412	412	412	412	412	412	412	412	412	412	4,942
Transport Inward			139	139	139	139	139	139	139	139	139	139	139	139	139	1,664
Production Overheads			19	19	19	19	19	19	19	19	19	19	19	19	19	225
Direct Cost	17769	30439	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	1,956	23,478
Direct Cost / SF Oil Ton	16,906,755	17,216,629														
Gross Profit	(3,986)	(9,205)	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	1,224	14,693
	-29%	-43%														38%
Admn Expenses	2369	3557	150	150	150	150	150	150	150	150	150	150	150	150	150	1,800
EBITDA			1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	1,074	12,893
Depreciation			23	23	23	23	23	23	23	23	23	23	23	23	23	273
EBIT																
Interest on Overdraft	10%		71	71	71	71	71	71	71	71	71	71	71	71	71	848
Interest on SH Loan \$	8%		18	18	18	18	18	18	18	18	18	18	18	18	18	218
Profit before Tax	-8058	-15518	963	963	963	963	963	963	963	963	963	963	963	963	963	11,553
Tax			289	289	289	289	289	289	289	289	289	289	289	289	289	3,466
Profit After Tax	-7737	-17222	674	674	674	674	674	674	674	674	674	674	674	674	674	8,087

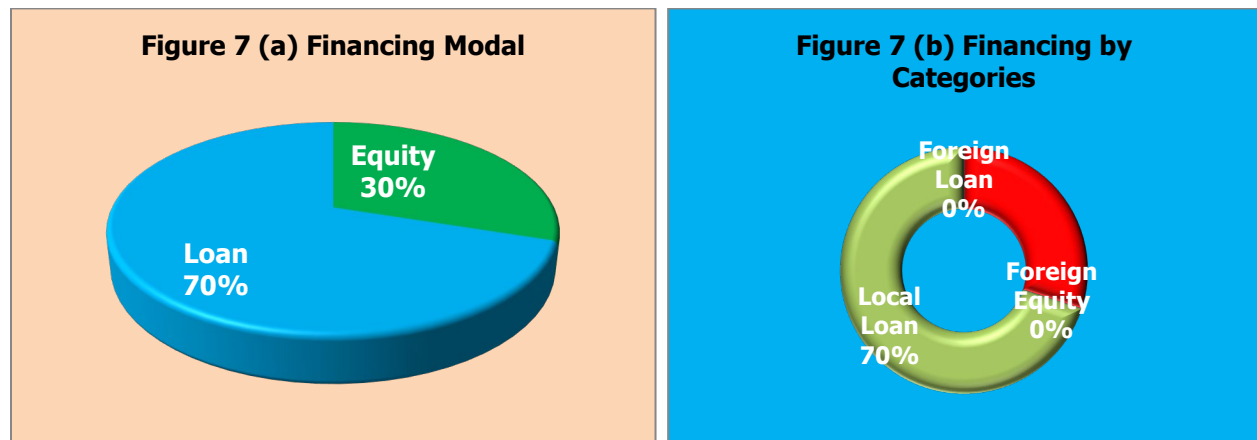
8.0 PROJECT FINANCIALS

8.1 Funding Sources

This is a **USD 1,000,000** project. Its sources of funding include both loans and equity. The loans and equity are all local. The details are given in **table 6** below and other aspects are depicted in subsequent **figures 7 (a) & (b)**.

Table 6: Project Funding

CATEGORIES	AMOUNT (USD)	%
EQUITY		
<i>Local Equity</i>	300,000	0.30
<i>Foreign Equity</i>	-	-
Total Equity	300,000	0.30
LOAN		
<i>Local Loan</i>	700,000	0.70
<i>Foreign Loan</i>	-	-
Total Loan	700,000	0.70
TOTAL FINANCING	1,000,000	

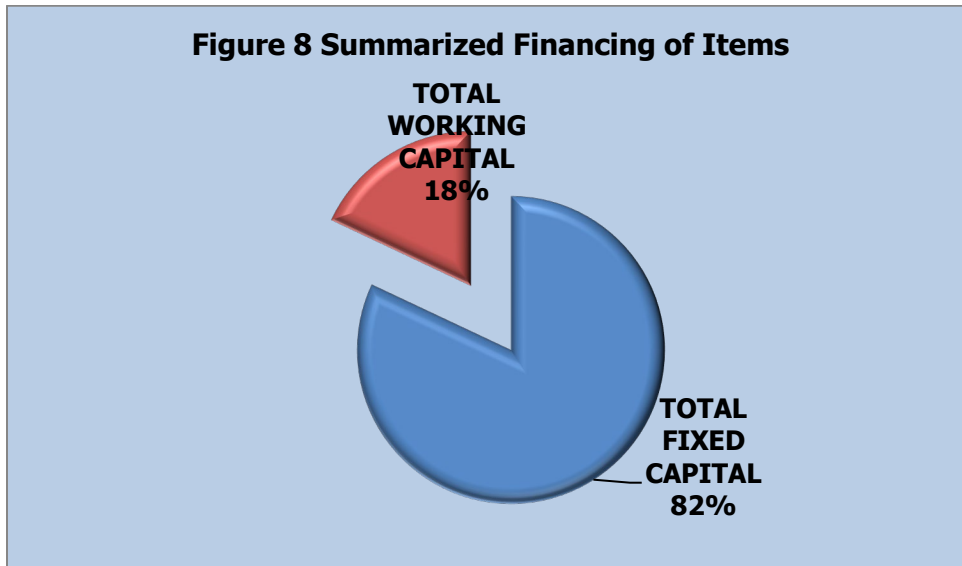


8.2 Financing of Items

The **USD 1,000,000** planned investment will finance the project in terms of fixed assets to the tune of **USD 820,000** and Working capital of **USD 180,000** as shown under **table 7** and **Figure 8** below.

Table 7: Items Financing

INVESTMENT BREAKDOWN	
ITEM	AMOUNT IN USD
Land & Buildings	125,000
Plant	300,000
Vehicles	300,000
Furniture & Fittings	28,000
Pre Expenses	35,000
Others	32,000
Working Capital	180,000
TOTALS	1,000,000
TOTAL FIXED CAPITAL	820,000
TOTAL WORKING CAPITAL	180,000



8.3 Investment Plan

The planned investment capital will be injected into the project over the years as implementation goes on **table 8** below. By the end of the 5th year all the capital will be injected and the project is expected to be operating at its full capacity. **Table 8** below gives the details

Table 8: Capital Injection Plan

INVESTMENT BREAKDOWN		INVESTMENT PLAN				TOTAL INVESTMENT
ITEM	Y1	Y2	Y3	Y4	Y5	
Land & Buildings	85,000	40,000				125,000
Plant	200,000	100,000				300,000
Vehicles	180,000	120,000				300,000
Furniture & Fittings	10,000	18,000				28,000
Pre Expenses	35,000					35,000
Others	32,000					32,000
Working Capital	10,000	20,000	25,000	30,000	95,000	180,000
TOTALS	552,000	298,000	25,000	30,000	95,000	1,000,000

9.0 PROJECT RATIONALE

This section covers the justification for the project. It covers the fiscal, socio-economic, monetary and environmental rationale. This coverage provides apologetics for green-lighting of the project for both fiscal and non-fiscal incentives from the government of Tanzania.

9.1 Fiscal Rationale

Fiscally this project will contribute to taxes to the government. This contribution is in the form of income tax and value added tax. As such the project will fill the government's coffer with money and these moneys will regenerate themselves as the products and services change hands.

9.2 Socio-Economic Rationale

Socio-economically this project has many benefits to the economy of Tanzania. It will directly employ a total of 342 peoples, where only 13 are foreigners. As of indirect employments, the project expects to generate 4,600 indirect jobs. Payment to the employees will create a trickle-down effect in the economy giving an impetus for growth among households.

Through its CSR policy the company expects to spend about 2% of its EBIT on the surrounding community over the first 5 years of operation.

9.3 Monetary Rationale

Monetarily this project will create flows that will nourish our economy. The money spent on supplier SMEs, on wages and on other supplier firms will create taxes, revenues and other benefits along the value chains.

10.0 CONCLUSION

This is a sunflower oil refining project. It expects to use sunflower seeds from farmers in the manufacturing of sunflower seed oil. The project has fiscal, social and monetary justifications for it to enjoy TIC incentives. As such this plan is presented in order to be considered for the soft landing offered by the government of Tanzania.

D APPENDICES

1. Loan Details

LOAN DETAILS								
DETAILS	LOAN SECURED	INTEREST RATE	ANNUAL PRINCIPAL PAYBACK					TOTAL
			Y1	Y2	Y3	Y4	Y5	
Local Loan	700,000.00	0.13	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	700,000.00
Foreign Loan	-	0.14	-	-	-	-	-	-
TOTAL PRINCIPAL REPAYMENT			140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	700,000.00
INTEREST DETAILS								
DETAILS	LOAN SECURED	INTEREST RATE	ANNUAL INTEREST PAYBACK					TOTAL
			Y1	Y2	Y3	Y4	Y5	
Local Loan	700,000.00	0.13	18,200.00	18,200.00	18,200.00	18,200.00	18,200.00	91,000.00
Foreign Loan	-	0.14	-	-	-	-	-	-
TOTAL INTEREST REPAYMENT			18,200.00	18,200.00	18,200.00	18,200.00	18,200.00	91,000.00
TOTAL REPAYMENT			158,200.00	158,200.00	158,200.00	158,200.00	158,200.00	791,000.00

2. Project Manning

S/N	Category	Local		Foreigners		TOTAL
		M	F	M	F	
A.	Senior Management Team					
1	The Board	4	3			7
2	EXCEO	1				1
3	Head of Operations				1	1
B.	Management Team					
1	Production Head			1		1
2	Finance Manager				1	1
3	Production Engineer	1		1		2
4	Sales Head		1			1
5	HR Head		1			1
6	Stores	1				1
C.	Supervisors					
1	Production Staff			3	2	5
2	Accountant	1	1			2
3	Maintenance Staff	1	1	1	1	4
4	Sales and Marketing Staff	1	1		1	3
D.	Operators & Drivers					
1	Operators	6				6
2	Drivers	4				4
E.	Laborers					
1	Plant Workers	40	20			60
	TOTAL	60	28	6	6	100