



# MANUFACTURING OF IRON AND STEEL BUSINESS PLAN

BY PROZHAO INDUSTRIAL COMPANY  
LIMITED

FOR THE MANUFACTURING  
INDUSTRY TO BE LOCATED AT PLOT  
NO. 1079, KIGAMBONI, KIBADA – DAR  
ES SALAAM REGION.

# 1. INDUSTRY OVERVIEW

The iron and steel manufacturing sector in Tanzania plays a key role in industrial growth and infrastructure development. For Prozhao Industrial Company Limited, entering Tanzania's iron and steel manufacturing sector aligns well with the country's demand for local production. Here's an overview of potential opportunities and considerations for Prozhao Industrial Company Limited:

## 1. market demand and strategic fit

In growing demand as mentioned, Tanzania has high demand for steel, particularly for construction and infrastructure projects. Prozhao Industrial Company Limited can meet this need by offering locally produced steel products, reducing import dependency.

**Product Range:** Prozhao Industrial Company Limited could benefit from focusing on products in high demand, such as construction-grade steel, pipes for water and oil transport, and steel bars for buildings. Additionally, diversification into industrial machinery components could tap into the growing manufacturing industry.

## 2. Competitive Advantage

**Reduced Logistics Costs:** By establishing a local manufacturing base, Prozhao Industrial Company Limited could reduce import duties and transport costs, offering a price advantage over imported products.

**Customization for Local Needs:** Local production enables rapid adaptation to regional preferences, such as tailored sizes and specifications for specific construction standards.

**Fast Response to Demand:** With a production facility in Tanzania, Prozhao Industrial Company Limited could provide quicker supply solutions to construction projects and industrial needs, giving it a competitive edge.

## 3. Investment Requirements and Setup

**Facilities and Equipment:** Setting up a plant would require investment in modern smelting, rolling, and finishing equipment. Advanced technology can reduce energy use and improve production efficiency.

**Raw Material Sourcing:** Prozhao Industrial Company Limited may need to establish a reliable supply chain for raw materials. Importing iron ore or semi-processed steel from nearby suppliers, or working with local mining companies, could ensure steady production.

## 4. Partnerships and Market Entry

**Local Partnerships:** Collaborating with Tanzanian construction and infrastructure companies could give Prozhao Industrial Company Limited a strong foothold in the market and ensure a steady customer base.

**Government Incentives:** Prozhao Industrial Company Tanzania could benefit from Tanzanian government incentives, such as tax breaks, if it qualifies under "Made in Tanzania" initiatives, which support local manufacturing in strategic industries.

## 5. Challenges and Risks

**High Energy Costs:** The steel industry's energy demands may affect profitability unless costs can be offset through efficient production methods or renewable energy options.

**Skilled Labor Shortage:** While technical expertise is limited in Tanzania, Prozhao Industrial Company Limited could consider investing in workforce training to enhance productivity and build a skilled team.

## 6. Future Growth and Scalability

**Potential for Regional Expansion:** Once established, Prozhao Industrial Company Limited could serve as a regional supplier to East Africa, especially with trade agreements under the EAC and AfCFTA.

**Product Diversification:** Over time, Prozhao could consider diversifying into recycling facilities or value-added steel products to meet environmental standards and expand its market reach.

Prozhao Industrial Company Limited's entry into Tanzania's iron and steel industry could yield long-term benefits, especially with the right focus on infrastructure needs, local partnerships, and government support. This strategic move could position Prozhao Industrial Company Limited as a key player in East Africa's growing steel market.

## 2. EXECUTIVE SUMMARY

**PROZHAO INDUSTRIAL COMPANY LIMITED** is a licensed and standard as an industry with strong bias for manufacturing iron and steel. We have been able to secure a standard and well – positioned facility in an industrial estate in Kibada, Kigamboni district; a facility that is well positioned and highly suitable for the kind of manufacturing of iron and steel plant that we want to build.

We are in industry of manufacturing of iron and steel to contribute our quota in saving the earth and also to compete in the highly competitive manufacturing industry not only in Tanzania, but also throughout the East African market.

**PROZHAO INDUSTRIAL COMPANY LIMITED** will initially be involved in the collection of iron and steel such as alloy steel, carbon steel, tool steel, stainless steel, cast iron etc., but will in the nearest future engage in the recycling of other highly marketable materials. Our business goal is to become one of the leading Manufacturing Industrial Company of iron and steel in Tanzania and East Africa in general and we will make sure that we do all we can to compete favorably with leading industries in production.

Our workers are going to be selected from a pool of certified and highly experienced and technicians in and around Tanzania and also from China as the business grows.

We will make sure that we take all the members of our workforce through the required trainings that will position them to meet the expectation of the company and to compete favorably with leading manufacturing of iron and steel industries in the country and throughout the globe.

## 3. OUR PRODUCTS AND SERVICES

**PROZHAO INDUSTRIAL COMPANY LIMITED** was established with the aim of maximizing profits in the manufacturing of iron and steel Industry.

We want to compete favorably with the leading manufacturing industries of iron and steel in Tanzania, which is why we have put in a place where a competent quality assurance team that will ensure that all manufactured irons or steels or any iron and steel products that leaves our plant meet and even surpass our customers’ expectations and meet with best practices in the industry.

We will work hard to ensure that the products and brand **PROZHAO INDUSTRIAL COMPANY LIMITED** is not just accepted in Kigamboni District but also in other districts, towns and cities in Tanzania and East Africa at all.

## 4. OUR MISSION AND VISION STATEMENT

Our vision is to become the leading and most innovative iron and steel manufacturer in Tanzania and East Africa at large, recognized for driving industrial transformation, contributing to sustainable development, and empowering communities through locally produced, world-class steel solutions.

Our mission is to deliver high-quality, sustainable iron and steel products that empower Tanzania’s and East Africa’s industrial growth, reduce import dependency, and support infrastructure development. We strive to be a trusted partner by providing cost-effective solutions, forecasting local talent and prioritizing

efficiency and innovation in every step of our manufacturing process.

We want to build a manufacturing industry for iron and steel, plant that can favorably compete with other leading brands in the manufacturing of iron and steel products.

## 5. OUR BUSINESS STRUCTURE

**PROZHAO INDUSTRIAL COMPANY LIMITED** is a manufacturing industrial company of iron and steel that intend starting small industry at Kigamboni District, serving smaller and heavy industries within our locations, but hope to grow big in order to compete favorably with leading manufacturing industries in the industrial sector both in Tanzania and on a global stage.

We are aware of the importance of building a solid business structure that can support the picture of the kind of world-class business we want to own. This is why we are committed to only hire the best hands within our area of operations.

At **PROZHAO INDUSTRIAL COMPANY LIMITED**, we will ensure that we hire people that are qualified, hardworking, creative, customer centric and are ready to work to help us build a prosperous business that will benefit all the stake holders (the owners, workforce, and customers).

As a matter of fact, profit-sharing arrangement will be made available to all our senior management staff and it will be based on their performance for a period of five years or more as agreed by the board of trustees of the company. In view of the above, we have decided to hire qualified and competent hands to occupy the following positions;

- Chief Executive Officer
- Head, Technical Services
- Human Resources and Admin Manager
- Sales and Marketing Executive
- Accountant
- Plant Engineers/Technicians and Operators
- Client Service Executive
- Truck Drivers
- Job Roles and Responsibilities

### **Chief Executive Officer – CEO:**

- Increases management's effectiveness by recruiting, selecting, orienting, training, coaching, counseling, and disciplining managers; communicating values, strategies, and objectives; assigning accountabilities; planning, monitoring, and appraising job results; developing incentives; developing a climate for offering information and opinions; providing educational opportunities.
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.
- Responsible for fixing prices and signing business deals
- Responsible for providing direction for the business
- Creates, communicates, and implements the organization's vision, mission, and overall direction – i.e. leading the development and implementation of the overall organization's strategy.

- Responsible for signing checks and documents on behalf of the company
- Evaluates the success of the organization

### **Head, Technical Services:**

- Serves as project manager of the organization; works directly with employees in the scrap metal recycling plant
- Develops strategic plan by studying technological and financial opportunities; presenting assumptions; recommending objectives.
- Accomplishes subsidiary objectives by establishing plans, budgets, and results measurements; allocating resources; reviewing progress; making mid-course corrections.
- Coordinates efforts by establishing procurement, production, marketing, field, and technical services policies and practices; coordinating actions with corporate staff.
- Builds company image by collaborating with customers, government, community organizations, and employees; enforcing ethical business practices.
- Maintains quality service by establishing and enforcing organization standards.
- Maintains professional and technical knowledge by attending educational workshops; reviewing professional publications; establishing personal networks; benchmarking state-of-the-art practices; participating in professional societies.
- Makes certain that the technical department perform efficiently, coordinate employee efforts, and facilitate communications between management and recycling plant engineers, technicians and machine operators
- Ensures that the organization work in line with international best practices as it relates to scrap metal industry.

### **Administrator and Human Resource Manager**

- Responsible for overseeing the smooth running of HR and administrative tasks for the organization
- Designs job descriptions with KPI to drive performance management for clients
- Regularly hold meetings with key stakeholders to review the effectiveness of HR Policies, Procedures and Processes
- Maintains office supplies by checking stocks; placing and expediting orders; evaluating new products.
- Ensures operation of equipment by completing preventive maintenance requirements; calling for repairs.
- Defines job positions for recruitment and managing interviewing process
- Carries out staff induction for new team members
- Responsible for training, evaluation and assessment of employees
- Responsible for arranging travel, meetings and appointments
- Updates job knowledge by participating in educational opportunities; reading professional publications; maintaining personal networks; participating in professional organizations.
- Oversees the smooth running of the daily office activities.

### **Sales and Marketing Manager**

- Manages external research and coordinate all the internal sources of information to retain the organizations' best customers and attract new ones
- Models' demographic information and analyze the volumes of transactional data generated by customer
- Identifies development opportunities; follows up on development leads and contacts; participates in the structuring and financing of projects; assures the completion of development projects.
- Writes winning proposal documents, negotiate fees and rates in line with organizations' policy
- Responsible for handling business research, market surveys and feasibility studies for clients
- Responsible for supervising implementation, advocate for the customer's needs, and communicate with clients
- Develops, executes and evaluates new plans for expanding increase sales
- Creates new markets cum businesses for the organization
- Empowers and motivates the sales team to meet and surpass agreed targets

#### **Accountant/ Cashier:**

- Responsible for preparing financial reports, budgets, and financial statements for the organization
- Provides managements with financial analyses, development budgets, and accounting reports; analyzes financial feasibility for the most complex proposed projects; conducts market research to forecast trends and business conditions.
- Responsible for financial forecasting and risks analysis.
- Performs cash management, general ledger accounting, and financial reporting for one or more properties.
- Responsible for developing and managing financial systems and policies
- Responsible for administering payrolls
- Ensures compliance with taxation legislation
- Handles all financial transactions for the company
- Serves as internal auditor for the company

#### **Plant Engineers (2) and Technicians / Machine Operators (8)**

- Responsible for installing, maintaining and repairing of all the processing machines in the plant
- Responsible for operating processing machines in the plant
- Handles any other job functions as it relates to processing materials.

#### **Truck Drivers**

- Assists in loading and unloading metal materials
- Maintains a logbook of their driving activities to ensure compliance with regulations governing the rest and work periods for operators.
- Keeps a record of vehicle inspections and make sure the truck is equipped with safety equipment, such as hazardous material placards.
- Assists the transport and logistics manager in planning their route according to a pick – up and delivery schedule.
- Inspects vehicles for mechanical items and safety issues and perform preventative maintenance
- Complies with hazardous waste truck driving rules and regulations (size, weight, route designations, parking, break periods etc.) as well as with company policies and procedures

- Collects and verifies delivery instructions
- Report defects, accidents or violations

### **Client Service Executive**

- Welcomes clients and potential clients by greeting them in person or on the telephone; answering or directing inquiries.
- Ensures that all contacts with clients (e-mail, walk-In center, SMS or phone) provides the client with a personalized customer service experience of the highest level
- Through interaction with clients on the phone, uses every opportunity to build client's interest in the company's products and services
- Manages administrative duties assigned by the human resources and admin manager in an effective and timely manner
- Consistently stays abreast of any new information on the organizations' products, promotional campaigns etc. to ensure accurate and helpful information is supplied to clients when they make enquiries
- Receives parcels/documents for the company
- Distribute mails in the organization
- Handles any other duties as assigned by the line manager.

## **6. SWOT ANALYSIS**

**PROZHAO INDUSTRIAL COMPANY LIMITED** engaged the services of a core professional in the area of business consulting and structuring to assist our organization in building a well-structured manufacturing industry of iron and steel business that can favorably compete in the highly competitive manufacturing industry in Tanzania, East Africa and worldwide.

Part of what the team of business consultant did was to work with the management of our organization in conducting a comprehensive SWOT analysis for the company. Here is a summary from the result of the SWOT analysis that was conducted on behalf of the company.

### **Strength:**

Our core strength lies in the power of our team; our workforce. We have a team of certified and highly trained and experience recycling engineers and technicians / machine operators, a team with excellent qualifications and experience in various niche areas in the industry.

Another strength is on cost-efficiency if the company has streamlined production processes and established supplier relationships, it could achieve cost-effective manufacturing. Also, on quality standards compliance adhering to international standards (e.g., ISO certifications) could enhance reputation and trust, particularly for export markets, also on scalability if the manufacturing facilities are large-scale, Prozhao Industrial Company Limited may scale production up or down depending on demand, especially for markets like Tanzania.

**Weakness:**

As a new manufacturer, initial investment and operating costs as manufacturing of iron and steel requires capital-intensive, significant investment in machinery, labor, and energy, which could be a financial strain. Also, environmental compliance as steel manufacturing produces emissions, so environmental regulations can be strict and costly to meet, potentially complicating market entry, also on supply chain dependence as any disruption in raw materials like iron ore or energy sources could lead to production delays and higher costs.

Limited local market insight entering a new market like Tanzania may involve a learning curve around local preferences, regulatory requirements, and cultural dynamics.

**Opportunities:**

No doubt, the opportunities in manufacturing of iron and steel are massive with the likes of growing construction sector in Tanzania with Tanzania's infrastructure and construction, there is a high demand for iron and steel products for building and development projects. Regional expansion potential establishing a base in Tanzania could serve as a gateway to other East African markets, boosting regional exports.

Government support for industrialization, Tanzania's government is supportive of foreign investments that align with local industrialization goals, potentially offering incentives.

**Threats:**

Competition from local and international manufacturers, like other established suppliers may already have strong distribution channels in Tanzania and the region, posing a challenge. Also, economic instability and currency fluctuations as any economic instability or slowdown in target markets could reduce demand for construction materials, impacting sales and profitability, also on the side of currency risks and fluctuations could impact profitability when dealing with imports and exports.

## 7. MARKET ANALYSIS

**Market Trends**

One obvious trend in the manufacturing of iron and steel industry is rising demand in construction and infrastructure projects, driven by urbanization, population growth and government infrastructure initiatives. This has significantly increased for steel in residential, commercial and industrial construction.

**Our Target Market**

Before starting our iron and steel manufacturing industrial business in Tanzania, we conducted a market survey and feasibility studies and we are certain that there is a lot of construction activities significant infrastructure and real estate development, the construction sector demands various steel products including beams, and roofing materials. Targeting large construction firms and government projects could offer consistent demand, also Government-led infrastructure projects, such as roads, railways and bridges are major consumers of iron and steel. Partnering with public infrastructure projects could provide steady long-

term contracts.

In view of that, we have created strategies for market penetration as localization of production by setting up a local facility in Tanzania to manufacture and customize steel products would reduce import costs, improve delivery times and make it easier to meet local market demand.

Government collaboration and compliance, engaging with the Tanzanian government for incentives and aligning with local policies on industrialization can help reduce entry barriers, gain support and ensure regulatory compliance.

Also, strategic partnerships by forming alliances with local distributors, construction companies and infrastructure developers could streamline access to projects and boost brand credibility.

By aligning product offerings and strategies with Tanzania's market needs, Prozhao industrial company limited can build a strong presence and long-term customer base in the country's growing iron and steel sector.

## 9. SALES AND MARKETING STRATEGY

### Sources of Income

**Prozhao Industrial Company Limited** is established with the aim of maximizing profits in the manufacturing industry of iron and steel and we are going to go all the way to ensure that we do all it takes to meet and surpass the expectations of all our clients.

**Prozhao Industrial Company Limited** will generate income by selling and supplying the following products;

Below are the sales projections for **Prozhao Industrial Company Limited**, it is based on the location of our business and of course, the wide range of our products and target market;

- **First Fiscal Year-:** \$240,000
- **Second Fiscal Year-:** \$550,000
- **Third Fiscal Year-:** \$900,000

**N.B:** This projection is done based on what is obtainable in the industry and with the assumption that there won't be any major economic meltdown and there won't be any major competitor within same location where our iron and steel manufacturing industry plant is located or where our target market exists. Please note that the above projection might be lower and at the same time, it might be higher.

- **Marketing Strategy and Sales Strategy**

**Prozhao Industrial Company Limited** as a provider of high-quality, durable iron and steel products, will offer a competitive price by leveraging our manufacturing efficiency and any economies of scale by offering flexible prices for bulk orders or long-term contracts, also will apply eco-friendly manufacturing environmental practices such as iron and steel or sustainable production methods, which could appeal to Tanzanian companies looking for sustainable partners.

Our sales and marketing team will be recruited based on their vast experience in the manufacturing of iron

and steel industry and they will be trained on a regular basis to be well equipped to meet their targets and the overall business goal of our company.

Our corporate goal is to grow **Prozhao Industrial Company Limited** to become one of the top 5 of iron and steel manufacturing industry's brands in Tanzania which is why we have mapped out strategy that will help us take advantage of the available market and grow to become a major force to reckon with not only in Tanzania but also in other countries in East Africa at large.

**Prozhao Industrial Company Limited** is set to make use of the following marketing and sales strategies to attract clients;

- Introduce our manufacturing of iron and steel industrial company by sending introductory letters alongside our brochure to manufacturing / production companies and other key stakeholders in the manufacturing industry.
- Advertise our business in relevant business magazines, newspapers, TV stations, and radio station.
- Utilize platforms like LinkedIn to target B2B customers
- List our business on yellow pages ads (local directories).
- Attend relevant international and local expos, seminars, and business fairs exhibitions.
- Create different packages for different category of clients in order to work with their budgets and still deliver good manufactured iron and steel products.
- Leverage on the internet to promote our business through different platforms and social medias, such as the use of SEO to attract Tanzanian customers searching for steel suppliers, also share posts on industrial updates, partnerships, and any community-building projects in Tanzania and East Africa at large.
- Engage direct marketing approach.
- Join local chambers of commerce and industries with the aim of marketing our products.
- Encourage word of mouth marketing from loyal and satisfied clients.

## **11. PUBLICITY AND ADVERTISING STRATEGY**

We have been able to work with our in-house brand and publicity consultants to help us map out publicity and advertising strategies that will help us walk our way into the heart of our target market. We are set to become the number one choice for manufacturing / production companies in the whole of Tanzania and beyond which is why we have made provisions for effective publicity and advertisement of our company.

Below are the platforms we intend to leverage on to promote and advertise **PROZHAO INDUSTRIAL COMPANY LIMITED**:

- Place adverts on both print (newspapers and magazines) and electronic media platforms.
- Sponsor relevant community-based events / programs.
- Leverage on the internet and social media platforms like; Instagram, Facebook, twitter, YouTube, Google to promote our products.
- Install our Bill Boards on strategic industrial locations all around Tanzania.

- Engage in road show from time to time in targeted industrial estates.
- Distribute our fliers and handbills in target areas.
- Contact manufacturing / production companies by calling them up and informing them of **PROZHAO INDUSTRIAL COMPANY LIMITED** and the products we sell.
- List our company in local directories / yellow pages.
- Advertise our business in our official website and employ strategies that will help us pull traffic to the site.
- Ensure that all our staff members wear our branded shirts and all our vehicles / trucks are well branded with our company logo.

## **12. OUR PRICING STRATEGY**

At **PROZHAO INDUSTRIAL COMPANY LIMITED**, we will keep the prices of our manufactured iron and steel products or materials below the average market rate for all of our customers by keeping our overhead low and by collecting payment in advance from manufacturing companies who would hire our services. In addition, we will also offer special discounted rates to all our customers at regular intervals.

We are aware that there are some one – off jobs or government contracts that are always lucrative, we will ensure that we abide by the pricing model that is expected from contractors or organizations that bid for such contracts.

- **Payment Options**

The payment policy adopted by the company is all-inclusive because we are quite aware that different customers prefer different payment options as it suits them but at the same time, we will ensure that we abide by the financial rules and regulation of the country.

Here are the payment options that the company, will make available to her clients;

- Payment via bank transfer
- Payment with cash
- Payment via online bank transfer
- Payment via mobile money
- Payment via Point of Sales Machines (POS Machines)
- Payment via check
- Payment via bank draft

In view of the above, we have chosen banking platforms that will enable our client make payment for products produced and purchase without any stress on their part. Our bank account numbers will be made available on our website and promotional materials to clients who may want to deposit cash or make online transfer for the purchase of our manufactured iron and steel products.

### **13. STARTUP EXPENDITURE (BUDGET)**

In setting up any business, the amount or cost will depend on the approach and scale you want to undertake. If you intend to go big by renting a place, then you would need a good amount of capital as you would need to ensure that your employees are well taken care of, and that your facility is conducive enough for workers to be creative and productive.

This means that the start-up can be either low or high depending on your goals, vision and aspirations for your business. The tools and equipment that will be used are nearly the same cost everywhere, and any difference in prices would be minimal and can be overlooked.

As for the detailed cost analysis for starting a standard iron and steel manufacturing plant; it might differ in other countries due to the value of their money. However, this is what it would cost us to set up the industry;

- Business incorporating fees cost – **\$500.**
- The budget for Liability insurance, permits and license will cost – **\$3,500**
- Acquiring facility that will accommodate the design of iron and steel manufacturing plant we want to build will cost – **\$200,000.**
- The amount required to purchase the needed electrical processing equipment and machines – **\$200,000**
- Equipping the office (computers, printers, projectors, markers, servers / internet facility, furniture, telephones, filing cabinets, and electronics) will cost – **\$30,000**
- Amount required to purchase the needed software applications to run our business – **\$3,500**
- The cost for start-up inventory (purchase of used and condemned iron and steel materials (such as stainless steel, cast iron, special steels,, tool steel, pig iron, malleable iron etc.) – **\$5,000**
- Launching an official website will cost – **\$500**
- Amount need to pay bills and staff members for at least 2 to 3 months – **\$70,000**
- Amount needed to acquire trucks – **\$100,000**
- Additional Expenditure such as Business cards, Signage, Adverts and Promotions will cost – **\$5,000**

Going by the report from the market research and feasibility studies conducted, we will need about four hundred and fifty thousand (**630,000**) U.S. dollars to successfully set – up a medium scale processing.

#### **Generating Funds / Startup Capital for Prozhao Industrial Company Limited**

the sourcing of the start – up capital for the business to will be on two major sources.

- Generate part of the start – up capital from personal savings and sale of his stocks.
- Generate a larger chunk of the startup capital from the bank (loan facility).

### **14. SUSTAINABILITY AND EXPANSION STRATEGY**

The future of a business lies in the numbers of loyal customers that they have the capacity and competence of the employees, their investment strategy and the business structure. If all of these factors are missing

from a business (company), then it will not be too long before the business close shop.

One of our major goals of starting the company is to build a business that will survive off its own cash flow without the need for injecting finance from external sources once the business is officially running.

We know that one of the ways of gaining approval and winning customers over is to sell our manufactured iron and steel products a little bit cheaper than what is obtainable in the market and we are well prepared to survive on lower profit margin for a while.

**PROZHAO INDUSTRIAL COMPANY LIMITED** will make sure that the right foundation, structures and processes are put in place to ensure that our staff welfare are well taken of. Our company's corporate culture is designed to drive our business to greater heights and training and re – training of our workforce is at the top burner.

As a matter of fact, profit-sharing arrangement will be made available to all our management staff and it will be based on their performance for a period of ten years or more. We know that if that is put in place, we will be able to successfully hire and retain the best hands we can get in the industry; they will be more committed to help us build the business of our dreams.

#### **Showing the cash flows and financial projection for PROZHAO INDUSTRIAL COMPANY LIMITED-**

**(Note: The Revenue line represents Earnings Before Interest, Tax, Depreciation and Amortization Cashflow)**

<b>Item</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Cash Inflows</b>					
Equity	630,000				
Revenue (EBITDA)	450,000	18,000,000	22,500,000	27,000,000	31,500,000
Total Cash Inflows	15,040,000	18,000,000	22,500,000	27,000,000	31,500,000
<b>Cash Outflows</b>					
Direct Materials	2,500,000	3,000,000	4,500,000	6,000,000	7,500,000
Direct Labor's	1,000,000	2,000,000	3,000,000	4,000,000	5,000,000
Expenses	4,000,000	5,000,000	6,000,000	7,000,000	8,000,000

overheads					
Depreciation	-				
<b>Total Cash Out Flows</b>	7,500,000	10,000,000	13,000,000	17,000,000	21,500,000

<b>Net Cash Flows</b>	6,000,000	8,000,000	9,500,000	10,000,000	10,000,000
<b>Cum. (Deficit)/Excess cash flows</b>	6,000,000	14,000,000	23,500,000	34,500,000	35,500,000

**APPENDIX: I**

**PROZHAO INDUSTRIAL COMPANY LIMITED INVESTMENT COST**

<b>ITEM</b>	<b>USD \$</b>
<b>Plant</b>	<b>200,000</b>
<b>Furniture and Gadgets</b>	<b>30,000</b>
<b>Trucks</b>	<b>100,000</b>
<b>Machines and equipment</b>	<b>200,000</b>
<b>Raw materials</b>	<b>5000</b>
<b>Pre-Operational Expenses</b>	<b>4000</b>
<b>Miscellaneous</b>	<b>84000</b>
<b>Sub total</b>	<b>630,000</b>
<b>GRAND TOTAL</b>	<b>630,000</b>