

**SINO TANZANIA KANGNING POLYCLINIC AND
DIAGNOSTIC LAB LIMITED**



BUSINESS PLAN

**FOR TIC REGISTRATION OF A POLYCLINIC
PROJECT**

JULY 2024

A. EXECUTIVE SUMMARY

SINO TANZANIA KANGNING POLYCLINIC AND DIAGNOSTIC LAB LIMITED is a local Company wholly and exclusively owned by foreign investors by 100% (Chinese). Its authorized share capital is Shillings 50 million, divided into 100 Ordinary Shares of Tanzania Shillings 500,000 each. The authorized share capital is equivalent to about USD 20,000.

The company plans to establish a new project of healthcare services in Dar es Salaam. It plans to invest a total of USD 700,000. This project will create 90 direct jobs and 200 indirect jobs. All of the indirect jobs are local while out of the 90 direct jobs 80 are locals.

Over 60% of Tanzania healthcare facilities are run by the government with the rest being either faith-based or private. Despite various efforts to strengthen the healthcare system, there is still a need for the private sector investment to complement these efforts. From time to time the Tanzanian government has called upon investors to invest in healthcare services and facilities such as establish pharmaceutical factories, establishment of healthcare services as well as establishment of medical equipment factories.

This project is rational economically, fiscally, and socially. As such the promoters present it for TIC registration in order that it can enjoy the incentives available for the sector.

B KEY SUMMARIES

S/N	ITEMS	DETAILS			
1	Company Name	SINO TANZANIA KANGNING POLYCLINIC AND DIAGNOSTIC LAB LIMITED			
2	COI No.	173316119			
3	Company Reg. Date	22 nd April, 2024			
4	Company Location	PLOT NO 169 REGENT ESTATE DAR ES SALAAM			
5	TIN/VRN No.	TIN		VRN	
		173-316-119		N/A	
6	Company Shareholding	Shareholder	Nationality	Shares Taken	% Share
	a.	Huang Xiaodan	China	99	99%
	b.	Liu Haiping	China	1	1%
	TOTAL			100	100%
7	Project Location	Plot number 169, Regent Estate Dar es Salaam			
8	Project Business	Healthcare Services			
9	JOBS	LOCAL		FOREIGN	
		(M)	(F)	(M)	(F)
		52	28	7	3
	TOTAL JOBS (L & FOREIGN)				90
10	Project Capacity (PCs)				14,586
11	Project Funding				
	<i>Local Equity</i>				-
	<i>Local Loan</i>				-
	<i>Foreign Equity</i>				700,000
	<i>Foreign Loan</i>				-
	Total Funding				700,000
12	Financing of Items				
	<i>Fixed Capital</i>				600,000
	<i>Working Capital</i>				100,000
	Total Financing				700,000

C TABLE OF CONTENTS

A EXECUTIVE SUMMARY 1

B KEY SUMMARIES2

C TABLE OF CONTENTS3

1.0 GENERAL INTRODUCTION.....5

 1.1 *Company Background*.....5

 1.2 *Vision*.....5

 1.3 *Mission*.....5

 1.4 *Shareholding*.....5

 1.5 *The Project*.....6

 1.6 *Project’s Clientele*.....6

2.0 MARKET ANALYSIS6

 2.1 *Status Quo of the Market*.....6

 2.2 *Potential Demand*.....7

 2.3 *SWOC Analysis*.....8

 2.4 *PESTEL Analysis*.....9

 2.5 *Marketing Strategy*.....10

3.0 THE SERVICES10

 3.1 *Pricing*.....10

 3.3 *Targeted Outposts*.....10

4.0 MARKETING AND SALES STRATEGY10

 4.1 *Entry Strategy*.....11

 4.2 *Retention Strategy*.....12

 4.3 *Expansionary Strategy*.....12

5.0 ORGANIZATION AND MANAGEMENT.....13

 5.1 *Organizational Structure*.....13

 5.2 *Project Manning*.....13

6.0 OPERATIONS PLAN14

 6.1 *Project Location*.....14

 6.2 *Key Suppliers*.....14

 6.3 *Key Business Connections*.....15

 6.4 *Project Assets*.....15

 6.5 *Project Roll-Out Plan*.....15

7.0 FINANCIAL PROJECTIONS	16
7.1 <i>Production and Sales</i>	16
7.2 <i>Profit and Loss</i>	17
7.3 <i>Cash Flow</i>	18
7.4 <i>Projected Ratios</i>	19
8.0 PROJECT FINANCIALS	19
8.1 <i>Funding Sources</i>	19
8.2 <i>Financing of Items</i>	20
8.3 <i>Investment Plan</i>	21
9.0 PROJECT JUSTIFICATION	21
10.0 CONCLUSION	22
D APPENDICES.....	23

1.0 GENERAL INTRODUCTION

1.1 Company Background

SINO TANZANIA KANGNING POLYCLINIC AND DIAGNOSTIC LAB LIMITED is a local company registered under the laws of the United Republic of Tanzania. It was issued with Certificate of Incorporation (COI) No. 173316119 of April 22nd, 2024. For tax purposes the company has been issued with TIN No. 173-316-119. The offices of the company are located at plot number 169, Regent Estate, Kinondoni within the City of Dar es Salaam.

1.2 Vision

To become Tanzania's leading health service provider

1.3 Mission

To provide best quality health services to Tanzanians and EAC regional residents.

1.4 Shareholding

SINO TANZANIA KANGNING POLYCLINIC AND DIAGNOSTIC LAB LIMITED is wholly and exclusively owned by the Chinese (100%). Its authorized share capital is Shillings 50 million, divided into 100 Ordinary Shares of Tanzania Shillings 500,000 each. The authorized share capital is equivalent to about **USD 20,000**. Of the authorized shares all have taken as shown in **Table 1** below.

Table 1: Shareholding Structure

S/N	Names	Nationality	Shares Taken	% Stake
1	Huang Xiaodan	China	99	99%
2	Liu Haiping	China	1	1%
	TOTAL		100	100%

1.5 The Project

This is a health services project to be established within the City of Dar es Salaam, the commercial capital of Tanzania. The project will provide health care services such as treatment, diagnostic services and Pharmacy services. As this city is the metropolitan urban center of the country, the promoters of the company are convinced that locating this project here will serve a far greater number of people – nationals, residents and those from neighboring countries in the region of Africa.

1.6 Project's Clientele

The project targets clients from the city of Dar es Salaam, other cities and localities of Tanzania, and residents of neighboring countries to Tanzania within the EAC. In terms of supplies, the company expects to import highly sophisticated laboratory and health devices from China. As for the medical supplies readily available within Tanzania, the company will source these locally.

2.0 MARKET ANALYSIS

This section reviews the market status for health services in Tanzania and beyond. It covers the status-quo of the market, SWOC analysis, and PESTEL analysis as well as market strategy for the services.

SINO TANZANIA KANGNING POLYCLINIC AND DIAGNOSTIC LAB LIMITED aims to establish itself as a leading provider of health services in Tanzania and in the Eastern and Central Africa region. The initial focus is on health services provision but subsequently the company can extend its operations to manufacturing of medical devices, supplies and medication within the country.

2.1 Status Quo of the Market

Tanzania has got an estimated population of 65.5 million people as of the year 2022. Of this population, those aged are more than 10% of the population. This is the group prone to non-communicable as well as communicable diseases of the body. As of the whole population, considering the tropical conditions of the country, it is prone to communicable diseases like

malaria and others. As such, demand for medical clinic services is very high and always on the rise.

Market Size: The Dar es Salaam metropolitan itself provides an 8 million population that needs medical services. The whole country of Tanzania provides a population of 65.5 million. This is a potential market size for the project.

Market Segmentation:

The market can be segmented into the following aspects:

1. Non-communicable diseases: These diseases are less common among the younger population but more common among the aging population. They include diabetes, strokes, gout, heart disease, brain issues, blood pressure, cancers, and so on.
2. Communicable diseases: These are diseases that are carried around by pathogens from one body to another. They include malaria, and other tropical and non-tropical diseases.

Key Players in the Market: Some of the key players in the Tanzanian health services market include the public and private hospitals, the MSD and the TMDA. The company looks forward to cooperate with authorities and other service providers to improve the health sector's services in Tanzania.

2.2 Potential Demand

Potential demand for the medical clinic services is within the city of Dar es Salaam and other regions of Tanzania as well as the neighboring countries populations.

Competitor Analysis:

There are both public and private clinics providing health services in Tanzania. All these pose competition to be overcome by our project. Our company looks forward to target

the medium to high level income clients who have the ability and willingness to pay for quality services and who have premium health insurance covers.

2.3 SWOC Analysis

This sub-section covers the analysis of the overall health clinic services business in the country.

INTERNAL ASSESSMENT	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ➤ The promoters of the company have enough muscle to fund the project as their equity amounts to 100% of the financing. ➤ The company also has got staffs that are experienced in the health services business. ➤ The management is well acquainted with the general Tanzanian market and its dynamics. ➤ The company, although not much experienced in the Tanzanian market, has engaged seasoned staff 	<ul style="list-style-type: none"> ➤ Novelty in the Tanzanian market. However the company uses experts in the health services sector in the country
ENVIRONMENTAL ASSESSMENT	
OPPORTUNITIES	CHALLENGES
<ol style="list-style-type: none"> 1. Ever growing demand for health services in Tanzania and in the neighboring countries. 2. Government support: The Tanzanian government has been actively promoting the health services sector, attracting investments in the sector. 3. Increased investment in infrastructure: The government has invested heavily in infrastructure development, including roads, ports, and energy generation, which is expected to improve the business environment for patients to access the clinic. 4. Growing demand for sustainable health care services as the middle-income group grows 	<ol style="list-style-type: none"> 1. Energy issues: Power cuts and unpredictability of power supply imply relatively higher costs of operation. 2. Currency fluctuations: The Tanzanian shilling has been subject to fluctuations in value against major currencies like the US dollar, making it difficult for companies to operate in the country. 3. Competition: The market is highly competitive, with public and other private companies operating in Tanzania.

On overall, the Tanzanian market for health services offers both opportunities and challenges for companies operating in the sector. Our company is able to adapt to the

local market conditions and provide high-quality services and so stand a chance to succeed in this competitive market.

From the SWOC analysis conducted of the company and of the operating environment the promoters are confident that the project will be a success. Following the analysis we have developed a market strategy for our services.

2.4 PESTEL Analysis

This sub-section analyzes the environment in which our company will be operating by providing health services in Tanzania.

ISSUE	AN OVERVIEW
Political	Political factors such as government regulations and policies, tax laws, and trade laws all influence the market. Government regulations and policies related to the health services sector in Tanzania are pro-growth.
Economic	Economic factors such as GDP growth, inflation, and the household levels of income have direct impact on the market. With the increasing levels of household income more and more people get to afford quality health services. This is a good factor that made us think of Tanzania as an appropriate location for our project.
Socio-cultural	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 services, so as service providers we are aware of these differences are positioned to better target the services we offer.
Technological	Technological advances in health services have a positive effect on the market. Our project will use sophisticated technology in providing healthcare services in Tanzania.
Environmental	Environmental factors such as resource availability, climate change, and waste management can also influence the market. Tanzania is among the tropical countries which are prone to communicable diseases of the zone. Our presence will help cure people from the diseases and reduce mortality rates in the community.
Legal	Legal factors such as labor laws, environmental laws, and health and safety regulations can also impact the business. Labor laws may affect the cost of production, as well as the availability of skilled workers.

The market for our project in Tanzania holds significant potential, driven by demand from mining companies. While competition exists, there are opportunities for differentiation through adjusting to appropriate technology of ours which is highly advanced.

2.5 Marketing Strategy

The company's strategy is centered on application of highly developed technology and advanced equipment. We are focused on setting up a state-of-the-art healthcare centre with laboratory facilities of the best quality. Our quality service is our strategy to penetrate and remain in the market of Tanzania and the neighboring countries.

3.0 THE SERVICES

This is a project of healthcare services. It embraces all services ranging from diagnostics to medication and counseling. This section covers the pricing, and targeted outposts.

3.1 Pricing

Our services will be priced depending on the nature and extent of the specific cases and, most importantly, based on the guidelines in the market.

3.3 Targeted Outposts

The company will be fixed in Dar es Salaam, and the first project will be located in the same city as well. Following careful analyses we can extend our services to other zonal metropolitans of Tanzania but for now we will be operating in Dar es Salaam.

4.0 MARKETING AND SALES STRATEGY

Marketing strategies are essential plans of action that businesses use to promote their products or services, reach their target audience, and achieve their business objectives. This section

focuses on entry, retention and expansionary strategies for the healthcare centre project of ours in Tanzania.

Our overall strategy will involve:-

- i) Local Network Establishment:
 - Forging strategic partnerships with key local players in the sector like the MSD and the TMDA.
 - Attending industry conferences and trade shows to network and showcase the qualities of our services.
- ii) Brand Awareness:
 - Implementing targeted marketing campaigns highlighting our expertise in providing best quality healthcare services.
 - Utilizing digital marketing channels and local media to enhance brand visibility within Tanzania's market

The company, although new in the Tanzanian market, looks forward to leverage on best quality services in securing a niche in the market. As part of our marketing strategy, we will engage strategies that will enhance our entry, persistence (stay) and expansion.

4.1 Entry Strategy

This strategy to penetrate the market 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) Strategic alignment with the high need for quality healthcare services in this tropical country.
- ii) Expansion: in the long run the company will consider opening up new centres in other cities within the country.

- iii) Strategic alliances: the company will form alliances with players in the market like the TMDA, MSD and NHIF and its likes.
- iv) E-commerce and Online Marketplaces: The company will use online platforms i.e. e-commerce platforms, marketplaces, and digital channels to penetrate the market.

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 engagement frequency, order value, loyalty status, preferences, and behavior), Loyalty Programs (including creation and implementation of loyalty programs rewarding customers for repeated purchases (engagements), 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 the company will build long-term relationships with existing customers, increase customer loyalty, induce repeated service purchases (engagements), 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 this project seeks to enhance business growth by tapping into new markets starting from the local Tanzanian market to the regional markets. The strategy embraces market research, identification of target markets, the development of a marketing plan, service adaptation, distribution channels, pricing strategy, market entry approach, building partnerships, regulatory compliance, and M&E.

5.0 ORGANIZATION AND MANAGEMENT

5.1 Organizational Structure

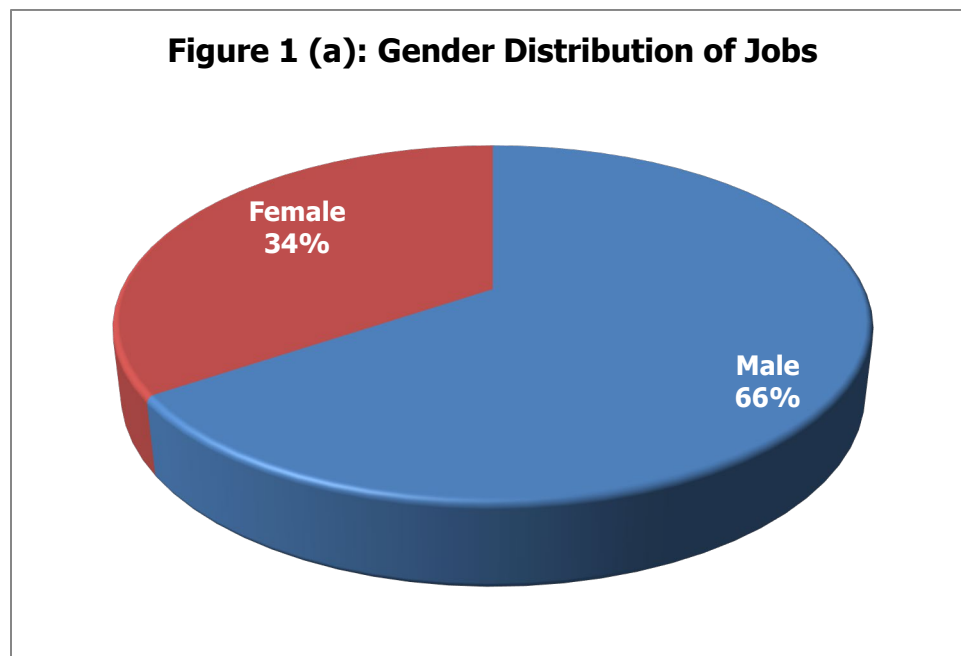
SINO TANZANIA KANGNING POLYCLINIC AND DIAGNOSTIC LAB LIMITED's team is tiered into directors, management team, doctors, medical assistants, nurses, and support staff as detailed under *appendix 3*.

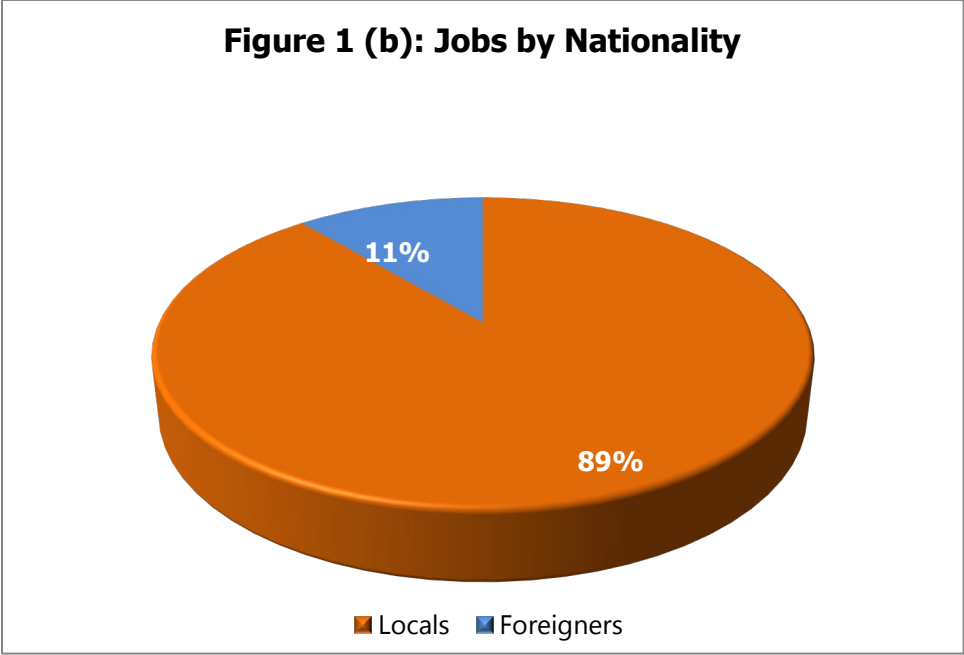
5.2 Project Manning

This project expects to directly employ a total of 90 people 80 of whom are locals as shown in **table 4** below. The gender and nationality distributions of jobs are shown in the **figures 1 (a)** and **(b)** as well.

Table: 4: Planned Direct Jobs

GENDER	LOCALS	FOREIGNERS	TOTALS
M	52	7	59
F	28	3	31
TOTALS	80	10	90





6.0 OPERATIONS PLAN

6.1 Project Location

This project is located at plot number 169, Regent Estate, Kinondoni within the city of Dar es Salaam. The operational area of the project, however, can be extended to other metropolitan cities of Tanzania.

6.2 Key Suppliers

SINO TANZANIA KANGNING POLYCLINIC AND DIAGNOSTIC LAB LIMITED expects to source its supplies of sophisticated health service equipment and technology from China. So it is expected for supplies that cannot be sourced from Tanzania. For those supplies that can be sourced from Tanzania the company will procure them locally.

6.3 Key Business Connections

Locally the company expects to link itself with local players in the healthcare sector. These include health insurance companies like the NHIF and the ARR, and government authorities like the MSD and the TMDA.

6.4 Project Assets

The company expects to invest a total of **USD 700,000** in this project. Injection of the capital will be in the form of various items as summarized in **table 5** below. A detailed list of items will be shared via the proposed list for exemptions.

Table 5: Summary of Assets

ITEM	AMOUNT IN USD
Land & Buildings	80,000
Plant	520,000
Vehicles	
Furniture & Fittings	
Pre Expenses	
Others	
Working Capital	100,000
TOTALS	700,000
TOTAL FIXED CAPITAL	600,000
TOTAL WORKING CAPITAL	100,000

6.5 Project Roll-Out Plan

This is a 5 years business plan by design but can need more time in order to attain the desired goals. The roll-out plan starts in 2024 as it is shown in **Figure2**

Figure 2: 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	TIC Registration																
3	Building Renovation																
4	Securing of Permits and Licenses																
5	Importation of medical equipment																
6	Commencement of operations																
7	Planning for expansions																

7.0 FINANCIAL PROJECTIONS

This section covers projections in terms of production (service rendering) and sales, profit and loss, and cash flow projections for the first five years of implementation of the project. With the capacity of 40 beds key assumptions include 60% occupancy of the beds, a 5% growth in OPD attendances, and a 6% inflation rate.

7.1 Production and Sales

This sub-section focuses on production and sales projections. Production is expected to grow gradually over the first five years of operation. Maximum level of production (service provision in number of patients) is expected to be attained during the fifth year and it will hit a level of 14,586 cases attended per year as shown in **table 6 below**.

Table 6: Production/ Number of Engagements

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
No. of OPD Patients attended P.A.	6,000	6,300	6,615	6,946	7,293
No. of Check-up cases p.a.	6,000	6,300	6,615	6,946	7,293
TOTAL PRODUCTION (CASES ATTENDED) P.A.	12,000	12,600	13,230	13,892	14,586

Revenue from engagements shows steady growth over the year, peaking at Year 5 as shown in table 7 below. Key assumptions are the same as stated above.

Table 7: Sales/ Revenue Projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Charges on OPD patients p.u.	30	32	34	36	38
Charges on check-up cases p.u.	20	21	22	24	25
Revenue from OPD	180,000	200,340	222,978	248,175	276,219
Revenue from check-ups	120,000.00	133,560.00	148,652.28	165,449.99	184,145.84
TOTAL SALES	300,000	333,900	371,631	413,625	460,365

7.2 Profit and Loss

This is a viable project ceteris paribus. Retained earnings are assured from the first year of the project, implying that the project will breakeven during Y1 of operation as shown in Table 8.

Table 8: Projected Income Statement

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Total Sales Revenue	300,000.00	333,900.00	371,630.70	413,624.97	460,364.59
Less: Cost of Sales	151,600.00	157,664.00	163,970.56	170,529.38	177,350.56
<i>Gross Profit</i>	<i>148,400.00</i>	<i>176,236.00</i>	<i>207,660.14</i>	<i>243,095.59</i>	<i>283,014.03</i>
Less: Operating Expenses	102,300.00	75,769.50	83,650.15	88,021.40	117,930.59
<i>EBIT</i>	<i>46,100.00</i>	<i>100,466.50</i>	<i>124,009.99</i>	<i>155,074.18</i>	<i>165,083.44</i>
Less: Loan Interest	-	-	-	-	-
EBT	46,100.00	100,466.50	124,009.99	155,074.18	165,083.44
Less :Taxes (30%)	13,830.00	30,139.95	37,203.00	46,522.25	49,525.03

Net Profit/(Loss)	32,270.00	70,326.55	86,806.99	108,551.93	115,558.41
Dividend (10%)	3,227.00	7,032.66	8,680.70	10,855.19	11,555.84
Retained Earnings	29,043.00	63,293.90	78,126.29	97,696.73	104,002.57

7.3 Cash Flow

Table 9: Projected Cash Flow

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Net Income	32,270.00	70,326.55	86,806.99	108,551.93	115,558.41
Add: Depreciation and Amortization					
(Increase)/ Decrease in Operating Working Capital					
<i>Cash Flow from Operating Activities</i>	<i>32,270.00</i>	<i>70,326.55</i>	<i>86,806.99</i>	<i>108,551.93</i>	<i>115,558.41</i>
(Capital Expenditure)	-	-	-	-	-
	273,000.00	227,000.00	10,000.00	10,000.00	10,000.00
<i>Cash Flow from Investing Activities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	<i>273,000.00</i>	<i>227,000.00</i>	<i>10,000.00</i>	<i>10,000.00</i>	<i>10,000.00</i>
Increase (decrease) in long-term debt					
(Dividend)	-	-	-	-	-
	3,227.00	7,032.66	8,680.70	10,855.19	11,555.84
Issuance of Equity					
<i>Cash Flow from Financing Activities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
	<i>3,227.00</i>	<i>7,032.66</i>	<i>8,680.70</i>	<i>10,855.19</i>	<i>11,555.84</i>
Beginning Cash	50,000.00	293,957.00	457,663.11	389,536.81	301,840.08
Net Cash Flow	-	-	-	-	-
	243,957.00	163,706.11	68,126.29	87,696.73	94,002.57
Ending Cash	293,957.00	457,663.11	389,536.81	301,840.08	207,837.51

7.4 Projected Ratios

The projections show that the project will be a success as the margin and profitability ratios show a positive trend from Y1 of the first five years of operation of the project. **Table 10** gives the details

Table 10: Projected Ratios

Margin Ratios	Y1	Y2	Y3	Y4	Y5
Gross Profit Margin	49.47%	52.78%	55.88%	58.77%	61.48%
Operating Profit Margin	31.06%	57.01%	59.72%	63.79%	58.33%
Net Profit Margin	15.37%	30.09%	33.37%	37.49%	35.86%
Profitability Ratios	Y1	Y2	Y3	Y4	Y5
Gross Profit Margin: (Gross Profit/Total Revenue)	49.47%	52.78%	55.88%	58.77%	61.48%
Net Profit Margin: (Net Income/Total Revenue)	10.76%	21.06%	23.36%	26.24%	25.10%
Return on Assets (ROA): (Net Income/Total Assets)	11.82%	14.07%	17.02%	20.88%	21.80%
Return on Equity (ROE): (Net Income/Shareholders' Equity)	6.09%	13.27%	16.38%	20.48%	21.80%

8.0 PROJECT FINANCIALS

8.1 Funding Sources

This is a USD 700,000 project. Its source of funding is equity only. The equity is foreign. The details are given in **table 11** below.

Table 11: Project Funding

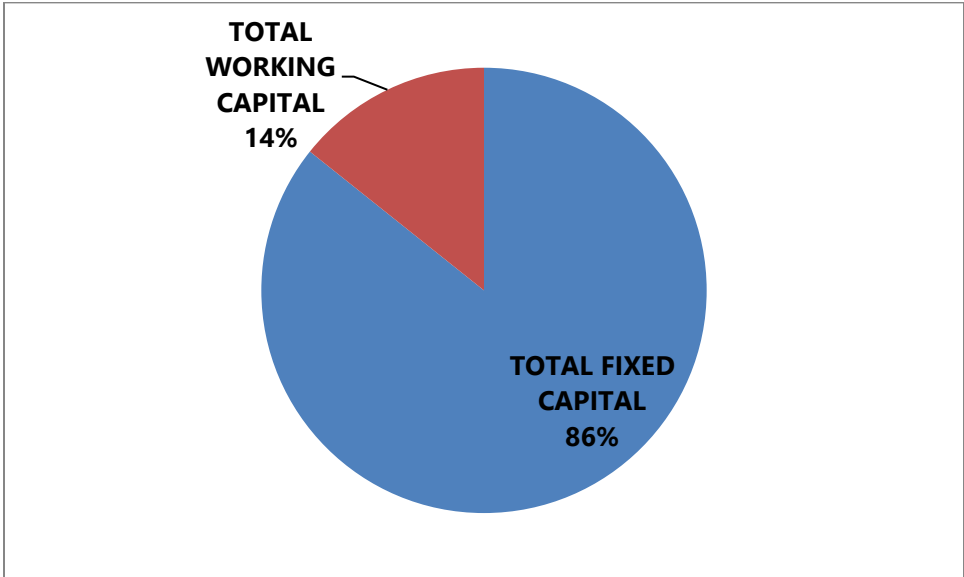
CATEGORIES	AMOUNT (USD)	%
EQUITY		
<i>Local Equity</i>	-	-
<i>Foreign Equity</i>	700,000	100
Total Equity	700,000	100
LOAN		
<i>Local Loan</i>	-	-
<i>Foreign Loan</i>	-	-
Total Loan	-	-
TOTAL FINANCING	700,000	100

8.2 Financing of Items

The USD 700,000 planned investment will finance the project in terms of fixed assets to the tune of USD 600,000 and Working capital of USD 100,000 as shown under table 12 and Figure 4 below.

Table 12: Items Financing

INVESTMENT BREAKDOWN	
ITEM	AMOUNT IN USD
Land & Buildings	80,000
Plant	520,000
Vehicles	
Furniture & Fittings	
Pre Expenses	
Others	
Working Capital	100,000
TOTALS	700,000
TOTAL FIXED CAPITAL	600,000
TOTAL WORKING CAPITAL	100,000



8.3 Investment Plan

The planned investment capital will be injected into the project over the years as implementation goes on. 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 13* below gives the details

Table 13: Capital Injection Plan

ITEM	INVESTMENT PLAN					TOTAL INVESTMENT
	Y1	Y2	Y3	Y4	Y5	
Land & Buildings	80,000		-	-	-	80,000
Plant	420,000	100,000				520,000
Vehicles						-
Furniture & Fittings						-
Pre Expenses						-
Others						-
Working Capital	20,000	20,000	20,000	20,000	20,000	100,000
TOTALS	520,000	120,000	20,000	20,000	20,000	700,000

9.0 PROJECT JUSTIFICATION

This project is rational both fiscally and socially. Socially the project will improve the health of the people and contribute to higher life expectancy. Also, it will create 90 direct jobs and 200 indirect jobs. Of the direct jobs 80 are for locals and all the 200 indirect jobs will be all for locals. Moreover, as shown in *Appendix 1* the project will contribute a total of USD 11,814.68 as part of its corporate social responsibility. To the society the project will provide a business of USD 1,279,388.55 to the local supplier SMEs (*Appendix 1*).

To the government the project expects to pay taxes amounting to USD 553,124.28. These taxes include income tax (USD 177,220.23) and VAT (USD 375,904.05). *Appendix 1* gives the details. These are the taxes expected to be paid by the project. Other taxes will be generated among firms and households that get paid by the project.

10.0 CONCLUSION

This is a healthcare services project. It will be located in Dar es Salaam but in the future the services can be extended to other Cities of Tanzania. This USD 700,000 project will create a total of 90 direct jobs, 80 jobs being for locals, and 200 indirect jobs to the locals. This implies job creation to Tanzanians as 89% of all direct employees, and 100% of all the indirect employees are Tanzanian.

The management presents this business plan so that the project can be registered by TIC and enjoys the available incentives.

D APPENDICES

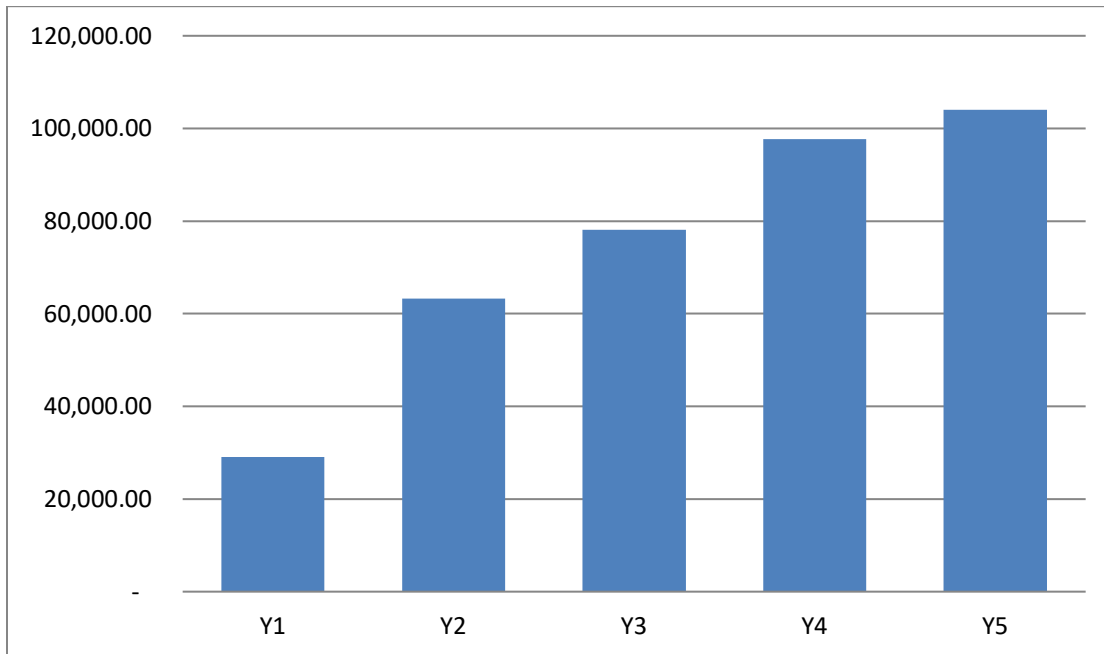
Appendix 1: Project Rationale

DETAILS	YEARS					TOTAL
	Y1	Y2	Y3	Y4	Y5	
Interest to the local banking sector	-	-	-	-	-	-
Payment to supplier SMEs	252,400.00	231,764.00	245,762.56	256,482.66	292,979.33	1,279,388.55
Income Tax	13,830.00	30,139.95	37,203.00	46,522.25	49,525.03	177,220.23
VAT	60,000.00	66,780.00	74,326.14	82,724.99	92,072.92	375,904.05
CSR	922.00	2,009.33	2,480.20	3,101.48	3,301.67	11,814.68
SUMMARIES	Y1	Y2	Y3	Y4	Y5	TOTAL
To the Private Sector	252,400.00	231,764.00	245,762.56	256,482.66	292,979.33	1,279,388.55
To the Government	73,830.00	96,919.95	111,529.14	129,247.25	141,597.95	553,124.28
To the Hosting Community	922.00	2,009.33	2,480.20	3,101.48	3,301.67	11,814.68

Appendix 2: Detailed Project Manning Plan

S/N	Category	Local		Foreigners		TOTAL
		M	F	M	F	
A.	Directors					
1	Managing Director			1		1
2	Chief Medical Officer			1		1
3	Chief of Party				1	1
B.	Management Team					
1	Finance Manager	1				1
2	Logistics Manager	1				1
3	Supplies Manager		1			1
4	HR Manager	1				1
C.	Technical Team					
1	Medical Doctors	6	4	2	1	13
2	Medical Assistants	8	6			14
3	Nurses	12	8			20
4	Laboratory and other Technicians	2	1	2	1	6
D.	Support Staff					
1	Drivers	4				4
2	Cleanliness & Hygiene personnel	15	5			20
3	Gardeners	1	3			4
4	Equipment Technicians	1		1		2
	TOTAL	52	28	7	3	90

Appendix 3: Retained earnings Projections



Appendix 4: Operating Expenses Projections

ITEMS	YEARS				
	Y1	Y2	Y3	Y4	Y5
Marketing Expenses	10,500.00	6,240.00	6,864.00	7,550.40	8,305.44
Bank Charges	2,400.00	2,496.00	2,745.60	3,020.16	3,322.18
Insurance	16,600.00	17,264.00	18,990.40	20,889.44	22,978.38
Office Expenses	7,600.00	7,600.00	7,600.00	7,600.00	7,600.00
Permits and Licences	23,700.00	600.00	600.00	1,600.00	22,600.00
Vehicle Expenses	20,000.00	20,800.00	21,632.00	22,497.28	23,397.17
Professionals Fees	4,000.00	1,500.00	4,000.00	1,500.00	4,000.00
Provision for Bad Debts	1,500.00	1,669.50	1,858.15	2,068.12	2,301.82
Miscellaneous Expenses	16,000.00	17,600.00	19,360.00	21,296.00	23,425.60
TOTAL OPERATING EXPENSES	102,300.00	75,769.50	83,650.15	88,021.40	117,930.59

Appendix 5: Gross Profit Projections

DETAILS	YEARS				
	Y1	Y2	Y3	Y4	Y5
<i>PROJECTED SALES</i>	300,000.00	333,900.00	371,630.70	413,624.97	460,364.59
<i>COST OF SALES</i>					
Power Utilities	12,000.00	12,480.00	12,979.20	13,498.37	14,038.30
Water Utilities	3,600.00	3,744.00	3,893.76	4,049.51	4,211.49
Wages	100,000.00	104,000.00	108,160.00	112,486.40	116,985.86
Supplies	36,000.00	37,440.00	38,937.60	40,495.10	42,114.91
<i>TOTAL COST OF SALES</i>	151,600.00	157,664.00	163,970.56	170,529.38	177,350.56
GROSS PROFIT	148,400.00	176,236.00	207,660.14	243,095.59	283,014.03