

**KEDA CERAMIC TANZANIA COMPANY LIMITED
TILES FACTORY BUSINESS PLAN
PHASE TWO OF TILES MANUFACTURING PROJECT**



KEDA CERAMICS TANZANIACOMPANY LIMITED

**A Business Plan for a Second Phase of Tiles Factory
Manufacturing of Ceramic Tiles and Allied Construction Materials**

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0.1 Introduction

Past 50 years of the relationship between Tanzania and China there where a frequently high level of exchanges in economic aspects and trade relations have been developing steadily. Chinese Chairman Jinping XI paid a successful state visit Tanzania on March 2013 which marked a new stage of development of the political, economic and trade relations of the two countries. During his visit, 14 bilateral agreements were witnessed and signed by the two heads of state. These agreements are in a steady progress. The bilateral investment and approved and effected by both governments will usher in a new round of rapid development period. Considering the deepening of trade exchange and the friendship between Tanzania and China, KEDA Ceramic Tanzania Company Limited is interested in expanding its ceramic tile factory for the production of ceramic tiles and other construction materials as a phase two of the project with a view of forming an integrated system of specialized industries and support for building materials. This interested move with further strengthen the relations between the two countries and to further expand China's influence in the local region.

0.2 Project Highlights

Project name:	Phase Two of Tiles Manufacturing
Project liaison:	Junting Tang
Investor & Enterprise:	KEDA Ceramics Tanzania Company Limited
Project Site (Preferred area):	Pingo Chalinze, Pwani Tanzania
Total Investment:	USD 53 million
Project Liaison:	Mr. Junting Tang
Tel:	+255 765 2 881 23

0.3 Summary of the Project

KEDA Ceramics Tanzania Company Limited (hereinafter referred to as “the company”) early registered in Tanzania in 15th January in the year 2016 and updated in 26th June, 2024. The principal business is mainly the manufacture, importation and exportation of ceramic tiles and related building materials products. It is based and projected to take advantage of the development and expansion of real estate emerging markets in both Tanzania and Africa in General.

KEDA Ceramics intends to employ more up to 1948 employees working for the second phase of the project in 2026. KEDA Ceramics is dedicated to put the customer at the foremost, with its core business philosophy as the improvement of living standards and living quality of people from emerging countries. Therefore, KEDA Ceramics has formed a strong team of product research and development providing people from emerging markets with construction

decoration materials.

0.4 Project Idea

The project is designated to establish a ceramic tile factory as phase two of the KEDA Ceramic Tanzania, dedicated for manufacturing of a construction materials, aiming towards providing Building materials under one umbrella in Tanzanian market. The company will develop and construct a competitive marketing opportunity by maintain its competent production qualities. The factory will be constructed according to international standards and develop production lines in phases as of the business strategy in the focus and determination of evolution of the business and Market in general.

0.5 Land Size Requirement

The required area is approximated 39.241 Hectors and yet already acquired (Plot No.3 Pingo Chalinze with Surveyed Plan No. 53778).

0.6 Investment Capital

The Cost Estimated for the investment of the project is at 53 million USD in first implementation of the Phase II, hence further development will be expected in future due to business stability and market expansion as determined.

0.7 Development Approach

KEDA Ceramic Tanzania Company Limited will enable to construct a factory and establish market Opportunities, manage its business operations and maintain the industrial accordingly.

0.8 Production Scale and Product Varieties

The construction scale of this project shall be 20000 Square meters ceramic tiles. It is expected to achieve an estimated output value of 150 million USD yearly after construction.

0.9 Necessity and Feasibility of the Project Background and Necessity

- (1) Tanzania boasts an abundance of local mineral resources. More than 95% raw materials used for the production of ceramic tiles is based on local materials, which can accelerate the government revenue and the local employment.
- (2) With a population of more than 60million, almost 70% of it is the rural population, Tanzania has a great active demand of outstanding technical staff. In the existence of operation of the first phase of the project, hence now in the second phase of it there will be about more 1948 local job

opportunities that will be offered by KEDA Ceramics. The project is geared to empower local workers with skills for the industrial development in the Country.

- (3) The project will import advanced equipment and technology to accelerate Tanzania Industrialization and lay the foundations of it.
- (4) Meeting demands for the expansion of markets in Tanzania, the local manufacture and sales will save transportation time and importation of goods to Tanzania as well to give a competitive advantage of the business in internal and external markets opportunities. Raising the turnover efficiency of capital and inventory.
- (5) The great location of Tanzania will emphasize the consistence and expansion of the markets to many countries in Africa, Including Zambia, South Africa, Kenya, South Sudan, Comoros, Uganda, Congo DRC, Malawi, Mozambique, Rwanda and Burundi.
- (6) Current situation in ceramic products in Tanzania, it has been increases as of local producers and a certain percentage of it still imported. By increasing of the local production of ceramics industry in the country this will curb the trade deficit and contribute the amounting of foreign currency reserve in the Country.

10. Steady investment environments in Tanzania

Tanzania is stable in politics and has strong ties with major investing and developed countries, moreover as of the presidency policy of emphasizing on investment and consistence of welcoming foreigners to invest in the country. Capital investment in Tanzania boasts favorable conditions such as favorable policies, sufficient labor, abundant high quality talents, stable production elements and reasonable prices, etc. There will be entitlement to favorable import tariff for imported raw materials, equipment and parts and components for the plant established in the country.

11. Compliance with the requirement for local economic development

The Government of Tanzania has actively pushed forward open policy over the recent years, and encourages foreign investment dedicated to the development of national economy and improvement of people's living standards. Currently, the municipal construction, traffic construction and urban reconstruction have been commenced on a large scale. With the development of economic construction in Tanzania, demands for ceramic tiles is keeping greater and increasing day by day. Therefore, this project has a very good marketing prospects.

This project takes the production of high quality tile products as the target, with products adaptable to market requirements and with stronger market competence.

12. The company overview

KEDA Ceramic Tanzania Company Limited is the largest machines supply and ceramic plant in China with its projects extending to more than five countries in Africa, and currently invested in Tanzania for more than 90 Million USD , hence it is our company prevalence to continue enlarge our business base in Tanzania by expanding the tiles project and initiate a second phase of tiles factory. Our vision is to be the number one ceramic tile Producer in 11 countries in Africa as we are planning to set up factories in the countries of our determined plans. KEDA is a ceramic tile producer and enterprises who implementing a scientific management mode with strong production activities in the aspects of Quality, Compliance, Research and Development. In the process due to rapid development and expansion of factories, our company is aware that we are responsible in environmental protection, and the Factory must complying for making sure that we control water and air pollutant emissions in the local and international regulations and standards. The company is willing to be the environmental protection brand not only in Tanzania but also in other African countries of our investment as a best ceramic tile industry.

13. The project Concept

The idea of establishing a ceramic tile factory dedicated for manufactured of construction materials is aimed towards providing building material under one umbrella in Tanzania market. The company will develop, construct, market, manage the factory and maintain its routine operations. The factory will be constructed according to international standard, developed in phase and operated by KEDA Ceramic Tanzania Company Limited. The project of this second phase of tiles Manufacturing will start immediately be setting a factory with one ceramics production lines. In the Continuously of production under same umbrella the project expecting to add more production line and other related industries such as packaging while expanding its business marketing opportunities to the other African countries. From China to the shores of the Indian Ocean, KEDA Ceramic Tanzania Company Limited is stretching its company's projects and partnerships to form an i n t e g r a t e d system of specialized industries and support for building materials and construction, taking advantage of clear urban and Real Estate expansion in Tanzania and Other African Countries.

14. Project Rationale

The rational to establish and expand of a second phase project of tiles factory dedicated for manufacturing t of building materials in Tanzania is rooted in both the economic development history between these countries(China and Tanzania) and the present realities, Regarding the country's unique geographical position.

In relation to the international gateway business approach, Tanzania can be regarded as an inland entry port and logistics supply in most of African countries in East and Central African Region. In view of the fact the world

commodities market “has gone East” to meet the growing demand of China and Asia markets, Tanzania will remain the most efficient place for manufacturing Chinese products and transport the products to the regional markets. The preferential policies from Tanzania Investment Centre has created a new window of opportunities in terms of providing the conducive legal and regulatory framework, with incentives to motivate and attract the requisite investments needed to support Tanzania’s industrialization process. Furthermore considering the benefits of improved business transactions in Tanzania, efficiency in regional enter trade and international trades, as well considering the economic development history and prevailing realities of trade; there is clear empirical evidence of establishing this project in Tanzania.

15. Project Objectives

To reduce the country's trade deficit with China and increasing foreign exchange expenditure by Tanzanian Business community when importing ceramic tiles from China So far, majority of ceramic products imported by Tanzania, are manufactured in China. This objective will be realized through the establishment of Chinese ceramic factory in Tanzania which will produce the similar product locally and sell the same products at a competitive price since logistics and transport cost will be reduced. To stimulate investment for the mutual interest of the two countries by enhancing bilateral trade and Economic cooperation with Tanzania. To facilitate transit trade to neighboring and land locked countries that depend on Tanzania ports for import of ceramics tiles from china.

16. Project Benefits

16.1 Direct Benefits

- a. Injection of substantial domestic and foreign direct investments
- b. Employment creation during construction phase, as well as operation and maintenance
- c. Increased foreign exchange earnings made possible by increased exports overall positive
- d. Contribution to GDP growth increased economic activities
- e. Technology transfer and acquisition of new skills by local people

16.2 Indirect Benefits:

- a. Increased sales to the Utility Companies providing services of electricity, water and sewerage, telecommunications
- b. Increased business transacted by local banks and institutions providing financial services
- c. Business opportunities for local contractors and sub-contractors during the construction phase

- d. Business opportunities for local business contracted to supply fuel, foodstuffs, and other goods consumed by project, their employees and businesses
- e. Business opportunities for private provision of security services

17. Market Analysis

17.1 Socioeconomic data

The population of Tanzania presented steady growth from 2000 to 2009. Tanzania's total population is 43.74 million in 2009. Urbanization population growth rate increased from a 22.3% in 2000 to 25.9% in 2009; compound annual growth rate of urban population is 4.6% during 2000 — 2009. More than 98.5% of Tanzania is Africans and more than 200,000 people are of Indian, Pakistani and Arabic origin. Swahili is the national language and the official language is English.

Tanzania believe in traditional beliefs, Christian and Islam. In the five countries of the East Africa community, the economic development of Tanzania and Kenya is in relatively good condition. From 2000 to 2009, Tanzania's GDP was growing steadily. The Tanzania GDP in 2000 was \$9.079 billion and grew to \$15.392 billion in 2008 to \$16.239 billion in 2009. The GDP growth rate of has been about 5.50 from 2000 to 2009. Tanzania's per capital GDP indicators are rising. In 2000 Tanzania's per capita GDP was 273.81 and grew to \$382.14 in 2009.

17.2 East Africa country social data

	Land area(million people)	Population(million people)	Gross economy (billion USD)
Tanzania	94.5	4374	223.2
Kenya	58.3	4100	158.08
Uganda	24.1	2840	61.15
Burundi	2.78	800	22.78
Rwanda	2.64	1018	21.37

18. Import and I Export Trade data

As a member of the East African Community, Tanzania is holding a superior geographical position spreading its market to the surrounding countries. Thus, investment in Tanzania is on strategic level. Tanzania has signed different agreements with the USA, European Union and other countries that product originated from Tanzania shall be exported to the USA, European Union in particular at tax free and quota free base. According to Chinese customs statistics in 2013, the bilateral import and export trading volume with Tanzania is about US DOLLAR 3.691 billion, which increased by 49.5% from the last

year. Among these figures, China exports to Tanzania were worth US dollar 3.139 billion with an annual growth of 50.2%, and china imports from Tanzania were worth US dollar 552 million with an annual growth of 45.6%. the market demand of ceramic products for Tanzania is 100,000.000 m² / Year. From the above market findings, the opportunity available to KEDA Ceramic Tanzania Company Limited is clearly significant. It is apparent that a gap between supply and demand exists in the market and this gap is expanding as the market is changing and growing. The only way to fill this gap is to expand production of ceramics tiles locally that can offer high quality to the internal and external prevailing markets.

18.1 Statics of Trading Volume between China and Tanzanian during 2009-2013 (\$100M)

Year	Trading Volume	Growth Rate (%)	China Export	Growth Rate (%)	China Import	Growth Rate (%)
2009	11.1	2.6	9.14	-3.8	1.96	46.7
2010	16.53	48.9	12.51	36.9	4.01	104.5
2011	21.5	29.5	16.62	32.6	4.88	20
2012	24.69	15.2	20.9	26.4	3.79	-22.6
2013	36.91	49.48	31.39	50.2	5.52	45.51

Tanzania manufacturing imports centers mainly in processioning, light industry and import substitution, including textiles, food processing, leather, footwear, steel rolling, aluminum processing, cement, paper. ships, chemical fertilizer, oi1 refining, automobile assembly and agriculture implement manufacturing. In support of national policy, expected future consumption capability of Tanzania food, textiles, home building materials and consumer electronics products will increase, but the lower level of industrial manufacturing in Tanzania of such goods as building materials, consumer electronics products will still necessitate demand in imports to cater for the increasing demand.

18.2 Tanzania trade key area of product category

Major category	Small category
Food	Biscuits, bear, wheat flour meat drinks fruits cigarettes, edible, oil etc.
Textiles and garments	Textiles and garments
House hold and building materials	Wooden material, tiles, washing powder lot
Electronic devices	Mobile phone, batteries, speakers, home electronics appliance
Others	Vehicles, toy

19. Tanzania Analysis

19.1 Strengths

A. Political Will

Tanzania government actively supports the construction of the trade and logistics. Tanzania government warmly welcomes our building trade and logistics center in Tanzania, and the preliminary work of the project is to give strong support and commitment to provide preferential policies. Tanzania side has expressed a strong interest in the building trade and logistics center, and import and export processing zones. The Tanzanian MITM has taken the lead and other authorities such as EPZA, TIC, Land Bureau, Ministry of transportation, the inland revenue, customs and other departments with the 'China Yi Wu Tanzania commercial logistics center' have actively supported the preliminary work of the project, providing land area, and promised to provide preferential policies such as customs, taxation, land, visa, labor and safety for trade and logistics center project construction and post operational protection.

B. Strategic Geographical position

Tanzania is located in the eastern Africa; the market radiation location in the international trade is very conducive. Tanzania is an important area for east, central and South Africa to highlight the advantages of the location. Geographically it is the gateway to East Africa, Central Africa and South Africa. Dar es Salaam has a deep water port in addition to the Tanga port and future planned Bagamoyo Port. These ports are the export ways for seven land blocked countries and provide middle scale production investment opportunities to export and infrastructure construction. Tanzania has fresh water in Lake Victoria, Lake Tanganyika and Lake Nyasa surrounding the main ports. You can go to Kenya, Uganda, Rwanda, Burundi as well as to the democratic republic of Congo , Zambia and Malawi through these Lakes.

19.2 Weaknesses

A. Infrastructure

The infrastructure in Tanzania is inadequate. China aided Tanzania & Zambia railway starts from the east of Dar es Salaam ends at the New Kapirimposhi in the west of Zambia. The existing railway has the overall length of 1860.5km. The railways are designed for annual transportation capacity of 200 million tons. However, the operation of the Tanzania & Zambia railway is poor. In addition, the development of the electric power industry in Tanzania is seriously lagging behind; only 10% of the country has access to electricity. Industrial electricity prices are 912 cents per Kilowatt, two to three times as compared to Kenya, Uganda and other neighboring countries. National blackouts are common phenomena, proving to be a major bottleneck for

industrial development and economic development.

19.3 Opportunities

A. Economic Stability

Tanzania's economic development momentum has been great in recent years offering future market potential. In 2009, the per capital GDP was 382 dollars, total retail sales were \$1.8 billion, and total imports and exports were \$8.7 billion. The radiation of the Tanzania market to the East Africa Community (population of about 120 million, about \$450), its location advantages and quota free exports to Europe and the United States foreign trade policy are the obvious advantages.

B. Tanzania political Stability

There is no ethnic conflict in the democratic system which respects the diversity of views; there is an establishment constitutional tradition of the rule of law as well as the implementation of legal regimes which have contributed to a high degree of investment security in Tanzania.

C. Macroeconomics Stability

Commercial operation in Tanzania's macroeconomic stability, low inflation, stable exchange rates as well as profits, loan repayment, compensation payments, royalties and operating expenses can be of unlimited unconditional transfer.

19.4 Challenges

A. Tanzania's policy and institutional environment

How to achieve the effect of Yi Wu mode is the key to economic and trade cooperation zone. The Yi Wu success can create a suitable mode of development in the region and when external promotion of this mode requires a combination of its own development experience and continues to improve in response to the problems encountered in the development.

B. Land and Tax regime

Tanzania land, taxes and other policy changes has risk. Tanzania's land and development of housing market are far from perfectness Tanzania land is owned by the state. Citizens can own land three ways the domestic and management based on the 1999 land law. But because of the land management system is not perfect, in recent years; Tanzania land witnessed serious disputes on land. There were a total of 18961 land disputes in 2009

an increase of 3539 over the same recently years; land dispute resolution rate was 43.9% in 2008, more than 50% of land disputes have not been resolved; land dispute resolution rate of 37.57% in 2009, still more than 60% have not been resolved. Tanzania land dispute are due to several members of Land Bureau and land management have differences judgment on land and thus causing many land disputes to occur. We have to avoid the risks of land issues in the establishment of trade and logistics center.

C. The gradually increase of the demand of quality goods

With the rapid growth of trade, African countries consumers are increasingly concerned about the quality of China's exported commodities, and put a higher demand on the quality of goods exported to African countries. We have pay to great attention to the quality of goods and the credit of services in the process of development of economic and trade cooperation zone.

D. Political risks.

Past few years, destabilization factors have emerged in the international community, having an impact on China's development of international trade. Especially the political situation in Egypt, Sudan, Libya and other place is very tense posing uncertainty on Africa's future political situation. But there are no such conditions in Tanzania as a political coup. First, in Tanzania now the government has high reputation; secondly, Tanzania has stable economic development, the people are having a normal work life, social contradictions are not prominent. There is as well stable cooperation between Tanzania and neighboring countries, Europe and America with no obvious hostile countries. Therefore, we believe that Tanzania's political risk is relatively small and has limited impact on investment.

20. Phase Two Construction Ceramic Tiles Factory

On Second phase of Tiles Factory Project, KEDA Ceramic Tanzania Company Limited is planning to invest a total of **53 US million dollars** in this project. The company will start by expanding a factory with one production line by January 2026, with daily consumption of more than 1000 tons of raw material locally. The intended production capacity of the project is to achieve a daily output of 20,000 square meter of ceramics, valued at **150 million US dollars per anum**. The production lines will cover an area of more than 50 acres with investment capital worth **53 million US dollars**. The expansion of future expected production line will be determining the rapid achievement of this phase project in relation with business and sales to both internal and external market. The company has acquired a maximum of 96 acres for the project. The company targets to add a competitive advantageous in the market for both domestic and international markets. The company is going to increase employment opportunities over 1948 as directly employment and over 3000 as indirect employments moreover the project is going to promote the worker's skills and efficiency. The company will introduce more advanced equipment and technology in the production of ceramic tiles hence

accelerating the national industrialization process of Tanzania. Fortunately Tanzania is naturally endowed with a lot of raw materials that are needed in the production of ceramic tiles. In this case therefore, the project will depend more on raw materials which will be locally supplied. The surveys so far conducted reveal the following availability of raw materials need for production of ceramic tiles.

Material Type	Supply Quantity	Quality
Feldspar	Adequate	Good
Silica sand	Adequate	Good
Limestone	Adequate	Good
Kaolin	Adequate	Good
Black soil	Adequate	Good
Mountain Adequate	Adequate	Good
Hypo thermal sand	Adequate	Good
Porcelain clay	Adequate	Good
Tale	Adequate	Good

21. Construction Technology and Quality Assurance

In terms of raw materials supplied to the factory, the project quality inspectors would take out different samples and test them one by one, then confirm if the quality is in superior condition before it can be used for production. The excavator will mix all the available raw materials to make them in a stable condition. The engineer will take out a formula list. The loader driver would add the necessary raw materials into the electronic scale according to the formula list. The necessary sand and soil will be delivered into the ball mill and be mixed with water and some other additives, then set a proper time for the ball mill. All the slurry will flow into the mud well to be mixed again. Then all the slurry will be pressed by plunger pump, then transfer the slurry via plunger pump to spray tower. All the slurry would be granulated under high temperature. The granulate powder will have another 24 hours cooling time in decomposing box as all the granulated which come out from the spray tower would stay in a high temperature even with some moisture.

Then transfer all the powder to the pressing machine to make them shaped, all the mixing tank will be used by the same time to ensure the quality of the product. The entire semi finished product will contain some moisture in order to make them hard. All the semi finished product will be transferred to another drying line to make dry under different high temperature environment. The same will be transferred to glaze cabinet and glazing for the products (only for light color product). The glaze line could be divided into two parts (glaze spraying & glaze pouring). Glaze spraying means that using the spraying gun compress the air to make the glaze convert into mist-state and coat on the product surface and glaze pouring means that to pump the glaze into gravity tank. Under the buffer function, the glaze would flow into the bell jar and averagely cover on the surface of tiles. Then on the glaze line for the

completion of the printing process, printing is according to the preliminary design drawings, through transfer printing net or roller, printing glaze through the mesh or roller transfer to the glaze billet; compare with roller printing, the price of flat printing product is a bit lower, operation procedure is simple, but some products often have some net sticky phenomenon, roller printing operation is with a high degree of automation, even instrument operation requirement is higher, but the roller printing pattern is exquisite with a high level feeling, flat printing pattern is single without any variation. The product is sent to kiln for processing, the kiln temperature Ranges from 1189 degree to 1230 degree and accurate temperature will rise gradually according to raw material. The front part of kiln is set for removing humidity. Its main purpose is to get rid of liquid and to volatilize organic matter. Exhaust fan will be used to balance kiln's positive and negative pressure. it will harm the kiln if positive pressure is too big and the product's color will be affected if negative pressure is too big.

The temperature of the kiln's middle part reaches 1200 degrees and the nature of tiles depend largely on the highest temperature and heat preservation time. Unstable temperature will render aberration. The rear part has a temperature of 800 degrees, that is the sharp cooling area using high pressure fans to cool the product. The wind power should be even, otherwise the product will be out of shape at the same time, opening will be set for extracting the dry hot air which will be recycling used for drying adobes the finished tiles from the kiln are required to be perfect in appearance and to meet all the necessary standard of properties. All finished products should do the following testing: anti-slip coefficient testing, thermal stability testing, abrasive resistance testing, water absorption testing, strength testing, etc.

22. Utility Requirements

22.1. Power Supply

The hydro power potential of Tanzania is 2870MW, but only 561MW out of it has been developed since 2009, the capacity of power generation in Tanzania is more than 865 MW currently, of which Hydroelectric power generation takes 561MW, thermal power generation takes 304 MW, there has been a sharp drop in thermal power generating due to the aging of thermal power station and soaring of fuel cost recent years. Thermal power has become optional and for emergency only. Tanzania's parliament has asked the government to increase the capacity of the installed power generation to 2780MW by 2015 for the sake of relieving. Therefore, the Tanzania government attaches a great importance to the development and promotion of natural gas power and coal power generation projects in recent years. presently the electricity demand of KEDA Ceramics Tanzania Company Limited is: the additional second phase of production line should add at list 4MW in one production Line.

22.2 Water Supply

Water consumption of two production lines in KEDA Ceramics Tanzania Company Limited is not less than 1000m³ per day.

22.3 Environmental protection

There may be some pollution as ceramics building industry is belong to high energy consuming industries. KEDA Ceramic Tanzania Company Limited will implement cleaner production strategy, minimize the material consumption, and waste amount, maximize the benefit, on the other hand, strengthen terminal control, perfect the pollution control measures, so that all kinds of waste can meet the standard of discharge and bring no bad affect to the community around.

23. Risk Analysis

Investment project risk analysis at market forecasting, technical solution, engineering solution, financing programs and social evaluation of the project have been conducted during the preliminary risk analysis on the basis of the further analysis to identify the potential risk factors for the proposed project in the construction and operation stages reveal the source of risk, to determine the degree of risk and to propose measure to avoid the risk as well as well as the countermeasures to reduce the risk of loss. Usually overseas investment project operate under complicated international situation and are seldom vulnerable to a variety of uncertainties. Thus careful scientific analysis of the project investment is very important.

23.1 Macroeconomic Risk Analysis

Since early 1986, the government of Tanzania has launched a comprehensive economic policy and stabilization plan with the aim to enhance the amount of infrastructure construction and improve the lives of the poor. During this time the main economic indicators significantly improved. However, uneven development of various region in the country, lack of relevant infrastructure in transportation, telecommunication, networking, health facilities, electricity and water supplies have proven to be investment barriers. Overall, Tanzania has a weak economic foundation but the project can achieve a greater impact in attaining social and economic goals for the country.

23.2 Exchange Rate

Exchange rate risk refers to the life of a loan, direct or indirect result of the borrower's income subject to the risk of loss due to currency fluctuations. Currencies in circulation in the united republic of Tanzania are the Tanzania shilling and the dollar. In the past two years, an annual depreciation of about 10%, while in exchanging U.S dollar for yuan the depreciated has dropped by about 3% annually in the past five years implying that basically the exchange

rate risk is at a controllable range.

23.3 Interest rate.

Interest rate risk is the risk of a company's profitability or value due to change in interest rates. From 1993, the central bank of Tanzania has fully implemented the liberalization of interest rates, and took effective measure to control the overall interest rate. If Tanzania's overall economic situation does not change much, fluctuation in interest rate will not be barriers to capital flows during operations.

24. Financial Analysis for a Second Phase Project of Ceramic Tile Factory Details of investment costs

25. Financial projections for the years of 2026 to 2033

26. Conclusion and Way Forward

The development of this industrial park will be funded by private finance. The company acting through its various shareholders and structures will provide the initial risk capital to conduct the requisite techno-economic studies and environment impact assessment. However, Government assistance is needed in the current efforts of acquiring land suitable for the project and to provide the physical infrastructure requirements of gas transmission closer to the project area. The company will fund the development of the project infrastructure to include warehouses, factories, business offices, bulk storage facilities and all kinds of business infrastructure as will be dictated by the business requirements of the project.

S/N	PARTICULARS	YEAR 2015	YEAR 2016	YEAR 2017	Total
		USD	USD	USD	USD
1	LAND & DEVELOPMENT	500,000	500,000	-	1,000,000
2	BUILDING & STRUCTURES	-	7,000,000	3,000,000	10,000,000
3	MACHINERY & EQUIPMENT	21,000,000	15,000,000	-	36,000,000
4	MOTOR VEHICLES	200,000	400,000	-	600,000
5	FURNITURE & OFFICE EQUIPMENT	100,000	200,000	200,000	500,000
6	WORKING CAPITAL	1,000,000	2,000,000	2,000,000	5,000,000
7	TOTAL	22,800,000	25,100,000	5,200,000	53,100,000

