

**BUSINESS PLAN**

**FOR**

**MARERA SAFARI LODGE & TOURS (T) LIMITED**

**PROJECT**

**SERENGETI LUXURY PERMANENT TENTED CAMP  
AND LODGE AND KARATU LUXURY LODGE and  
HOTEL**

**TABLE OF CONTENTS**

<b>1.0</b>	<b>THE EXECUTIVE SUMMARY .....</b>	<b>1</b>
<b>1.1.1</b>	<b>Financial Highlights .....</b>	<b>1</b>
<b>1.1.2</b>	<b>The Business Opportunity .....</b>	<b>2</b>
<b>1.1.3</b>	<b>Project Viability and Profitability .....</b>	<b>3</b>
<b>1.1.4</b>	<b>Project Cost and Financial Plan .....</b>	<b>3</b>
<b>1.2</b>	<b>Competitive Environment .....</b>	<b>4</b>
<b>1.3</b>	<b>Company Objectives .....</b>	<b>6</b>
<b>1.4</b>	<b>Company Mission .....</b>	<b>6</b>
<b>1.5</b>	<b>Keys to Success .....</b>	<b>6</b>
<b>2.0</b>	<b>THE COMPANY SUMMARY .....</b>	<b>7</b>
<b>2.1</b>	<b>Company Ownership .....</b>	<b>7</b>
<b>2.2</b>	<b>Company Location .....</b>	<b>7</b>
<b>2.3</b>	<b>Management .....</b>	<b>9</b>
<b>2.4</b>	<b>Management Team .....</b>	<b>9</b>
<b>2.5</b>	<b>Investment in future .....</b>	<b>9</b>
<b>2.6</b>	<b>Remuneration Policy .....</b>	<b>10</b>
<b>2.7</b>	<b>Training .....</b>	<b>10</b>
<b>2.8</b>	<b>Economic Impact .....</b>	<b>10</b>
<b>3.0</b>	<b>TOURISM MARKET .....</b>	<b>12</b>
<b>3.1</b>	<b>Marketing Plan .....</b>	<b>12</b>
<b>3.2</b>	<b>Market Strategies .....</b>	<b>13</b>
<b>4.0</b>	<b>IMPLEMENTATION SCHEDULE .....</b>	<b>14</b>
<b>5.0</b>	<b>INVESTMENT AND FINANCING ASPECTS .....</b>	<b>15</b>
<b>5.1</b>	<b>Principal Assumptions .....</b>	<b>15</b>
<b>5.2</b>	<b>Summary of Capital Cost .....</b>	<b>15</b>
<b>5.3</b>	<b>Machinery and Equipment .....</b>	<b>15</b>
<b>5.4</b>	<b>Motor Vehicles .....</b>	<b>16</b>
<b>5.6</b>	<b>Working Capital .....</b>	<b>16</b>
<b>5.7</b>	<b>Financing .....</b>	<b>16</b>
<b>6.0</b>	<b>SALES (REVENUE) AND OPERATING COST .....</b>	<b>17</b>
<b>6.1</b>	<b>Sales Revenue .....</b>	<b>17</b>
<b>6.1.1</b>	<b>Sales Assumptions .....</b>	<b>17</b>
<b>6.1.2</b>	<b>Sales Revenue .....</b>	<b>17</b>

6.1.3	Cost of Sales .....	17
6.1.4	Staff Costs/Expenses .....	17
6.1.5	Motor Vehicles & Hunting Equipment Maintenance.....	17
6.1.6	Finance Costs .....	17
6.1.7	Depreciation .....	17
7.0	FINANCIAL ANALYSIS .....	18
7.1	Projected Income Statement (Income and Expenditure).....	18
7.2	Projected Balance Sheet .....	18
7.3	Projected/Budgeted Cash Flow .....	18
7.4	Debt Servicing .....	19
7.5	Profitability .....	19
7.5.1	Financial Rate of Return .....	19
7.5.2	Profit Margin on Sales .....	19
8.0	RISK FACTORS .....	19
8.1	Project Risk Factors .....	19
9.0	CONCLUSION AND RECOMMENDATION .....	20

**APPENDIX 1 INVESTMENT COSTS**

**APPENDIX 2 PROJECT'S FINANCING PLAN**

**APPENDIX 3 PROJECTED PRODUCTIONS AND SALES PLAN**

**APPENDIX 4 PROJECTED COST OF SALES & OPERATING EXPENSES**

**APPENDIX 5 LOAN REPAYMENT SCHEDULE**

**APPENDIX 6 PROJECTED DEPRECIATION**

**APPENDIX 7 PROJECTED INCOME STATEMENT**

**APPENDIX 8 PROJECTED BALANCE SHEET**

**APPENDIX 9 PROJECTED DISCOUNTED CASH FLOWS & IRR**

**APPENDIX 10 SERENGETI NATIONAL PARK MAP**

**APPENDIX 11 NGORONGORO NATIONAL PARK**

**APPENDIX 12 MANYARA NATIONAL PARK**

**APPENDIX 13 TARANGIRE NATIONAL PARK**

**APPENDIX 14 ARUSHA NATIONAL PARK**

## 1.0 THE EXECUTIVE SUMMARY

MARERA SAFARI LODGE & TOURS (T) LIMITED is a limited liability company incorporated in Tanzania on 12<sup>th</sup> / March / 2002, registration number 43169 with an authorized share capital of Tshs. 3,000,000,000. Registered address at P.O Box 700, Arusha Tanzania.

Its principal business activity is provision of tourist safari and accommodation.

During the last five (5) years of its operation and development, MARERA SAFARI LODGE & TOURS (T) LIMITED shareholders have made significant investment in promoting tourism in Tanzania as well as in people and marketing and to invest in new excellent fleet of tourist tented camps, safaris vehicles and equipment so as to reap the considerable potential opportunities that exist.

SERENGETI LUXURY CAMPSITE AND KARATU TEMBO VILLAS expects to receive many tourists from different parts of the world including international tourists from European Countries, Asia, America, Australia, Africa Countries etc. Also from local Tour operators in Tanzania. This program has been conceived the director and the principal executive of the business.

There is a very big market potential for Campsite activities in Serengeti in general as demand for tourism is likely to increase substantially over the next five years due to the increase in population worldwide, Migration of Animal, existence of Big Five and improvement of infrastructure services in Serengeti.

For this, SERENGETI LUXURY CAMSITE and KARATU has thought it prudent to venture into the project and implement it during this season. However, the financial resources constraints continue to hamper the smooth implementation of this programme that's why we are looking for investment loan.

### 1.1.1 Financial Highlights

The performance of the last two (2) years shows a consistent growth in terms of revenue (turnover) and profit as well.

Table 1 (a) & (b) below provides MARERA SAFARI LODGE & TOURS (T) LIMITED previous financial highlights as well as the projected performance.

Table 1 (a) MARERA SAFARI LODGE & TOURS (T) LIMITED's, Financial Highlights in USD.

Item		2022	2023
Revenue		\$709,049.12	\$780,139.01
Net Profit		\$466,161.23	\$568,357.63

Table 1 (b); Projected Monthly occupancy rates once stabilize in the third year of operation

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
45%	45%	10%	10%	10%	60%	70%	70%	70%	35%	10%	45%

Average annual occupancy rate during fully commercial operational period

2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
27%	35%	40%	41%	41%	41%	41%	41%	41%	41%

Overall, MARERA SAFARI LODGE & TOURS (T) LIMITED has been profitable in its operations for the last two (2) years as shown in the table No.1 (a) above. Will continue to rise as part of the increase in expansion.

### 1.1.2 The Business Opportunity

With an area about four times size of the United Kingdom, Tanzania's tourism industry has immense potential. Natural attractions including national parks, historical sites, hunting safaris & photographic safaris, spectacular scenery, historical and archaeological sites (for example, the Olduvai Gorge and other sites where traces of the earliest man were discovered), abound. Parks teem with wildlife; there are unpolluted, beaches, and the rich cultures of the 120 ethnic groups the southern and northern boost a number of impressive mountain ranges, typically rising 500m to 1,000m above their surroundings.

Mountain Kilimanjaro and Mount Meru in the northeast are ancient volcanoes rising to 5,895m and 4,500m respectively. The relief is characterized by Equatorial to arctic vegetation passing through near tropical rainforest, savannah grassland, semi-arid, semi-desert, temperate, moorland, and alpine desert to the permanent snows of Mt. Kilimanjaro.

The wildlife resources are among the finest in the world. They include, in the north the Serengeti plains, the Ngorongoro Crater, Mount Kilimanjaro, and Lake Manyara. In the south, the selous Game Reserve, Mikumi, Ruaha, Gombe Stream, Mahale Mountains and Katavi national parks, and Ugalla Complex.

Currently, Serengeti, Ngorongoro Crater, the Olduvai George, Kilimanjaro Mountain, Lake Manyara, and other sites commonly known as Tanzania's Northern Circuit constitute the white sand beaches north of dare s Salaam and around Lindi in south, the exotic, "Spice islands" of Unguja and Indian Ocean cost are the remains of the ancient settlements. Tanzania also offers interesting arts and crafts, most notably the Makonde sculpture and carvings crested in ebony.

For almost three decades since independence, tourism was given a very low profile. Its efforts were focused on conservation par excellence. The National Tourism Policy was promulgated in 1991 to promote the industry. This goes some way to explain why the country's tourism industry is tiny compared to its neighbors Kenya, which hosted about US\$ 730 million in 2003. Tourism is the third source of foreign exchange according to the Tanzania Tourist Board. However, plans are afoot to make it the country's number one earner with the help of foreign investment.

Yet despite its massive natural wealth, Tanzania has not fully exploited the potential of its tourist industry.

Tanzania is well placed to offer a range of multi-tourism safaris, multi-activity holidays.

The business aim to find Loan who will finance in the project 100% with the Total investment of USD 3,500,000 for luxury camp and Hotels so that the business will grow from medium to a large Level dealing with all Campsite activities.

### 1.1.3 Project Viability and Profitability

Project is market driven, and the business is as ongoing for the last several years only that the wants to expand its tourist handling capacity rate to the advantage of favorable business opportunities as well as to satisfy the growing market.

The performance after implementation of the proposed expansion programme/project shows that, even with its very conservative estimates, the proposed undertaking is financially and economically viable. As shown in Table 1(b) - Projected Financial Highlights the projections indicates that MARERA SAFARI LODGE & TOURS (T) LIMITED is a profitable business undertaking and that the company's net worth portrays a healthy and steady growth.

#### **APPENDIX 1: INVSTMENT COST**

AMOUNT	DURATION OF ACCOMPOLISHMENT
\$6,068,357.63	15 MONTHS

### 1.1.4 Project Cost and Financial Plan

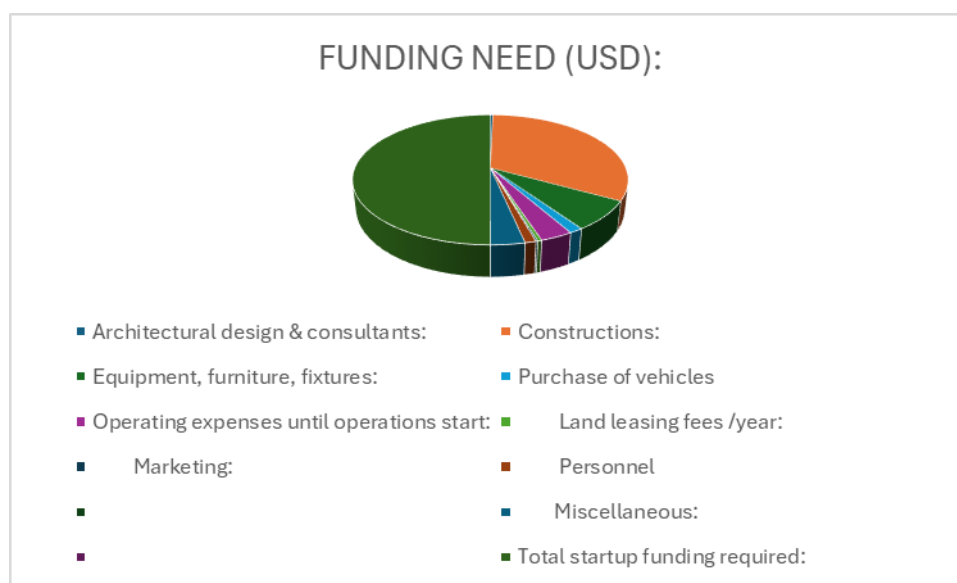
The project entails developing and constructing Serengeti tented lodge and karatu lodge in 2024, followed by training and final preparations during the initial half of 2025, leading to full commercial operations in the third quarter of 2025. The implementation of the outlined strategy and operations outlined in this document is anticipated to yield a net income of \$471,836 in the second year of the project (the first year of full commercial operations), with an anticipated increase to approximately \$632,450 in the subsequent year (the second year of full commercial operations). Projections indicate that the project will reach the break -even point in the third quarter of 2029, marking its fifth year in total and fourth year of operation. The company aims to accommodate approximately 28,331 guests to achieve this break-even milestone.

The following table outlines the start-up costs for the project’s asset and sufficient runway to begin generating organic revenue through fully commercial operations.

**Table 2 below provides a projected financial requirement for MARERA SAFARI LODGE & TOURS (T) LIMITED**

<i>ITEM</i>	<i>FUNDING NEED (USD):</i>
<i>Architectural design &amp; consultants:</i>	\$36,650
<i>Constructions:</i>	\$3,595,559
<i>Equipment, furniture, fixtures:</i>	\$807,203
<i>Purchase of vehicles</i>	\$150,000
<i>Operating expenses until operations start:</i>	\$555,294
<i>Land leasing fees /year:</i>	\$45,000
<i>Marketing:</i>	\$20,000
<i>Personnel</i>	\$119,656
<i>Miscellaneous:</i>	\$370,638
<b>Total startup funding required:</b>	<b>\$5,500,000</b>

The capital costs requirement for the project amounts to USD \$ 5,500,000/= Including the working capital of USD \$ 555,294/=.



### 1.2 Competitive Environment

Tanzania is currently experiencing a rapid expansion of its tourist industry with ever-increasing number of tourists visiting the country’s game parks. Besides there is an increase flow of safari tourists, mountain climber tourist visitors, conference participants etc. who are major source of demand for a reliable and safe tourist transport business. With the resurging demand outstripping the available supply of reliable, nice and safe competitive fleet of tourist accommodation and transport vehicles etc. MARERA SAFARI LODGE & TOURS (T) LIMITED project finds a much less crowded playing field.

SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis for building tented camps and lodges in Serengeti National Park and Karatu in Tanzania.

#### Strengths:

- **Unique Location:** The Serengeti is a world-renowned destination for its diverse wildlife and stunning landscapes, making it a highly desirable location for tourists.
- **Nature and Wildlife:** The park's rich biodiversity and the opportunity for close wildlife encounters create a unique experience for visitors.
- **Cultural Experience:** Building tented camps and lodges in Serengeti and Karatu lodge the opportunity to provide visitors with an authentic cultural experience by showcasing the local Maasai culture and traditions.
- **Growing Tourism Industry:** The global interest in eco-tourism and sustainable travel makes the Serengeti an attractive destination for those seeking environmentally responsible travel options.

#### Weaknesses:

- **Environmental Impact:** Building and operating facilities in a sensitive natural environment like the Serengeti can raise concerns about potential negative effects on the ecosystem and wildlife.
- **Access and Infrastructure:** The remote location of the Serengeti presents challenges in terms of transportation, infrastructure, and logistics for construction and operations.
- **Seasonal Demand:** The flow of tourists to the Serengeti is influenced by seasonal patterns, resulting in fluctuating demand and potential challenges in maintaining year-round viability.

#### Opportunities:

- **Sustainable Tourism:** Leveraging the growing interest in sustainable and eco-friendly tourism, the tented camps and lodges can position themselves as environmentally responsible accommodations that contribute to conservation efforts.
- **Unique Experiences:** Offering exclusive wildlife safaris, nature walks, and cultural interactions can differentiate the tented camps and lodges from other accommodations in the area, attracting discerning travelers seeking authentic experiences.
- **Collaboration with Local Communities:** Building strong partnerships with local communities can create opportunities for cultural exchanges, community-based tourism initiatives, and economically empowering local residents.

## Threats:

- **Competition:** The presence of established lodges and camps in the Serengeti presents a competitive challenge in terms of market share and attracting visitors to the new accommodations.
- **Regulatory Requirements:** Compliance with local and national regulations, as well as conservation guidelines, can pose challenges and increase operational costs.
- **Environmental Risks:** Environmental disturbances, wildlife conflict, and potential backlash from conservation organizations and the public could pose threats to the reputation and sustainability of the projects.

Overall, the SWOT analysis highlights the unique opportunities presented by the Serengeti as a world-class tourism destination, as well as the challenges and potential risks associated with building tented camps and lodges in the area. By carefully addressing these factors through strategic planning, environmental responsibility, and community engagement, the projects aim to capitalize on the strengths and opportunities while mitigating the weaknesses and threats in order to create successful and sustainable accommodations in the Serengeti and other sites.

### **1.3 Company Objectives**

- i. Begin operating the permanent luxury camp by 2025 with new bookings.
- ii. Demonstrate a minimum average occupancy rate above 35% throughout 2026.
- iii. Grow overall market and market-share using online marketing channels and direct advertising.
- iv. Increase occupancy rate by 10% in second year of operation through online marketing and promotions.

### **1.4 Company Mission**

Marera Tented campsite lodge and hotel aims to provide high-end travelers an exceptional and distinctive experience within Serengeti National Park, Ngorongoro and Karatu, blending top-tier luxury and sustainability through modern facilities and services. Through strategic employment of online direct marketing and its extensive partner network, Marera Tented lodge and hotel endeavors to position Serengeti National Park as a premier destination for affluent travelers who prioritize environmental and social consciousness.

### **1.5 Keys to Success**

We believe our success both in past and the future deliver from handful of important asset.

- Management dedication to total quality, to profit and to enhancing competitive position in the market our products serve.
- Supplying our customers with perfect product thus focusing on customer needs in term of quality.
- Responding to changing markets.

- Continuous training on latest management techniques and staff development.
- Continued emphasis on operational efficiency.

## 2.0 THE COMPANY SUMMARY

### 2.1 Company Ownership

MARERA SAFARI LODGE & TOURS (T) LIMITED, was incorporated on 08<sup>th</sup> Jan 2018 by the Two Entrepreneurs of unquestionable integrity and wide field of experience in various ventures namely tourism and private business.

The present shareholders with their respective shareholding are:-

No.	Name	Number of Shares
1	MR. HILARY FERDINAND DAFFI	8,031,219.12
2	MRS. WILBRUGA HILARY DAFFI	8,031,219.12
	<b>Total</b>	<b><u>30,000,000</u></b>

MARERA SAFARI LODGE & TOURS (T) LIMITED current Board of Directors is comprised of the following directors namely:

- |    |                            |   |           |
|----|----------------------------|---|-----------|
| 1. | MR. HILARY FERDINAND DAFFI | - | Tanzanian |
| 2. | MRS. WILBRUGA HILARY DAFFI | - | Tanzanian |

### 2.2 Company Location

#### The Headquarter

The Campsite and Hotel head office will be in Kati-Arusha Destination Three Degrees (D3D) but also there will be small office within the Campsite and Hotel in Serengeti and Karatu to facilitate operation.

Project locations and facilities

Serengeti: 36M 0680590, UTM 9754262

Karatu: Marera Tembo VillaS

Accommodation:

- 28 units with the following distributions
  - 2 family tents for 4 people/tent
  - 26 double cottage suites for 2 people/tent
- 42 double rooms
- 4 family rooms
- Total bed capacity 100

Guest service facilities:

- Dropping point
- Lobby
- Reception & front desk
- Lounge with restrooms

Administration:

- Office block with communications facility
- Restroom
- Luggage storage

Recreation:

- 6 lounge & Bar
- 6 formal dining area with restrooms
- 2 Game viewing & sundowner deck area
- 3 stargazing fire pits
- Service / waiters station

Amenities:

- Gym tent
- Yoga deck
- Spa tent
- Swimming pool area & deck
- 4 changing room & shower with restroom

Back-office facilities:

- Food & beverage office
- Vegetable washing area
- Kitchen
- Pantry
- Food production area
- Baking area
- Scullery area
- Cool room
- Drinks store
- Food storage room
- Sustainable vegetable storage room
- Cleaning materials storage
- Equipment, furniture, and fixture storage room

Staff welfare facilities:

- Office
- 18 ensuite staff bedrooms
- 16 professional guide tents and rooms
- 20 drivers' accommodations
- 6 washroom blocks with staff showers and washrooms
- Staff kitchen
- Staff dining area
- Pantry
- Restroom
- Managers dining area
- Managers accommodation

General service facilities:

- Laundry
- Washing lines & electrical dryer
- Housekeeping
- Uniform storage room

- General storage area for miscellaneous equipment, furniture, and fixtures.
- Cleaning materials store
- Sundowner equipment store

Workshop & maintenance:

- Vehicle workshop & solar panels, generator, service area
- Maintenance room
- Management personnel room

### 2.3 Management

A Board of Directors with the management team of 3 staff whose profile is summarized below manages MARERA SAFARI LODGE & TOURS (T) LIMITED.

The board formulates and determines the policy and strategic direction of the company. The Chief Executive Officer (CEO) of MARERA SAFARI LODGE & TOURS (T) LIMITED Ltd is the Managing Director. He report to the Board of Directors composed of shareholders. On a whole MARERA SAFARI LODGE & TOURS (T) LIMITED has benefited considerably from the dynamic leadership of the present Managing Director who has been very successful in combining the twin function of policy making and administration.

He is responsible for all major decisions, overall running of business, corporate planning, setting up business strategies, monitoring implementation and achievements against set goals, policy making, financial planning and administration.

An addition team of three (3) managerial staff and 41 supporting employees will be employed to run the day-today affairs the company once the expansion project become operational.

### 2.4 Management Team

MARERA SAFARI LODGE & TOURS (T) LIMITED has wide range of discipline and skills to provide for across the board capability proper management for tourism and marketing. A profile of top management staff is given below.

(i) MR. HILARY FERDINAND DAFFI – Aged 63  
 Managing Director  
 Education: TOURISM  
 Experience: More than 30 years

(ii) MRS. WILBRUGA HILARY DAFFI Aged 51  
 Director of Finance & Administration  
 Education: TOURISM

Experience: More than 23 years

### 2.5 Investment

In response to market opportunities, MARERA SAFARI LODGE & TOURS (T) LIMITED want to expand its business capacity from the present tourist handling of average 350 tourists to 3,800 tourist per year with new tented camps and lodge in karatu, safari transport vehicles, camping equipments and new amenities that are common features of classic tour/safari companies. As a result of this expansion, an investment of USD \$ 5,500,000/= will be required to finance the capital expenditure

such as construction and purchasing/acquiring 4x 4 motor vehicles, food supply vehicle, water bowser, Minibuses, camping equipments etc. the company plans to expand its fleet and facilities to increase per-customer sales and to attract more new up-scale customers.

The financial needs/means needed for the intended project will be provided through loan.

## **2.6 Remuneration Policy**

MARERA SAFARI LODGE & TOURS (T) LIMITED believes that good working conditions benefit both its workers and the company. Thus the company remuneration packages are designed to attract, motivate and retain employees of right caliber and reward them for enhancing value of the company. The policy, which is determined in relation to remuneration of employees, is as follows:

- To pay base salaries which reflect the size, performance and contribution of individual job holders. The company receives advice from external sources to help in assessing the salary levels paid to comparable organizations.
- To operate an annual incentive plan. This relates to the payment of cash bonuses to pre-determined performance goals.

## **2.7 Training**

MARERA SAFARI LODGE & TOURS (T) LIMITED is committed to employee' development with increasing emphasis on internal career development. Management staff receives regular briefings and are encouraged to present these to their subordinates, so that all employees are kept informed of performance and strategy.

Our training programmes usually starts immediately after recruitment. Employees receive an internal training which covers both the professional and practical aspect of the company ideals and ways of operations.

## **2.8 Economic Impact**

The construction of tented camps and lodges in the Serengeti and Karatu will bring several economic benefits to the local communities and the broader region. Here are some of the potential economic advantages:

### **a) Job Creation:**

The development and operation of tented camps and lodges provide employment opportunities for local residents, including positions in management, hospitality, catering, maintenance, and guiding. This can contribute to reducing unemployment and improving livelihoods in the area. We estimate to employ not less than 40 employees.

b) Income Generation:

Marera Permanent Tented camps and lodges will create opportunities for local entrepreneurs and small businesses, such as suppliers of goods and services, artisans, and tour operators. The tourism industry's demand for local products and services can stimulate economic activity and generate income for local businesses.

c) Tourism Revenue:

The presence of high-quality accommodation options in the Serengeti and Karatu can attract more tourists, leading to increased visitor spending on accommodations, dining, tours, and souvenirs. This influx of tourism revenue will have a positive impact on the local economy and contribute to the development of infrastructure and public services.

d) Infrastructure Development:

The growth of tourism associated with tented camps and lodges can incentivize investments in transportation, communication, and other infrastructure improvements, benefiting both the tourism industry and the broader community.

e) Conservation Funding:

Many tented camps and lodges in the region are committed to conservation efforts and support wildlife protection initiatives through visitor contributions, conservation fees, and collaborations with environmental organizations. These contributions provide funding for conservation projects and support the preservation of the Serengeti and Karatu ecosystems.

f) Diversification of the Economy:

The establishment of tented camps and lodges can contribute to diversifying the local economy, reducing dependency on a single industry or resource. This diversification will enhance economic resilience and create a more sustainable economic landscape for the region.

g) Training and Skills Development:

The hospitality and tourism sector offers opportunities for training and skills development for residents, improving their employability and expanding the talent pool in the region.

h) Promoting Cultural Exchange:

The tourism industry often facilitates cultural exchange between visitors and local communities, providing opportunities for cultural experiences, traditional performances, and artisanal goods. This exchange can create economic opportunities for local artisans and cultural practitioners.

Marera campsites and hotel is balanced with sustainable and responsible practices to ensure that the tourism development contributes positively to the local economy, preserves the natural environment, and respects the cultural heritage of the region. Additionally, collaboration with local communities and stakeholders is essential to maximize the economic benefits and ensure that they are inclusive and sustainable for the long-term prosperity of the Serengeti and Karatu regions.

### **3.0 TOURISM MARKET**

The industry's mission statement that forms the basis of the tourism policy is to develop sustainable quality tourism that is ecologically friendly to the conservation and restoration of the environment and its people's culture. In so doing the industry seeks to maximize the net gains that emanate from the various tourism activities. It is for this reason that the Government of Tanzania is highly concerned with the improvement of the infrastructure quality and diversity, ease of destination entry formalities, relaxation of foreign exchange regulations and controls, revision of applicable taxes and maintenance of peace, stability, and security. As a stimulant, the private sector is increasingly investing in the various tourist plants, improvement of destination access from major sources and within marketing promotion and training of the human resource.

Tanzania's national tourism plan aims at increasing the number of tourists to Tanzania to over 1,000,000 per year. The government is improving tourism infrastructure in the key destinations and improved roads to the national parks and game reserves through contact, regular maintenance, and repair program, most of the roads in all tourism areas are now passable throughout the year.

A strategy involving all sectors of the economy and focusing on establishment of new tourism packages and modern tourist accommodation hotels, lodges and campsites in the various destinations while increasing tourism promotion activities internationally is being evolved.

Since the company is already operating tourism safaris in the northern circuit, under the expansion programme, the company expects to extend its quality services to the under-utilized southern tourism circuit currently operated by a handful of tour operators.

### **3.1 Marketing Plan**

MARERA SAFARI LODGE & TOURS (T) LIMITED marketing plan shall apply a broad spectrum of services which will apply working document, detailing the marketing activities to be auctioned in operating financial year, aimed at a maximizing sale through optimum yielding that will be used to sell accommodation and safari packages. Besides the expansion project will be of better quality compared to other operators of the same level, it is therefore likely to appeal more customers and hence higher bookings yielding that will be used to sell safari and accommodation packages.

### 3.2 Market Strategies

To attain these objectives, MARERA SAFARI LODGE & TOURS (T) LIMITED has developed various market strategies that will ensure our goals are realized. Among other features that will be applied will include:

#### a) Direct Marketing

- Demand for Unique Accommodation Experiences: Today's travelers seek unique and authentic experiences. Tented camps offer an immersive and intimate way to connect with nature while enjoying the comfort of a lodge. By building tented camps and lodges in Serengeti and Karatu, you can tap into the growing demand for experiential travel and provide guests with a one-of-a-kind experience in the heart of the African wilderness.
- Appeal to High-End Travelers: The Serengeti and Karatu region attracts high-end travelers looking for luxury accommodations that complement their safari experience. Tented camps and lodges can cater to this demographic by offering upscale amenities, personalized services, and exclusive wildlife viewing opportunities. By targeting this market segment, developers can position their properties as premium safari destinations.
- Growing Ecotourism and Sustainability Trends: As global awareness of environmental issues grows; travelers are increasingly inclined to choose eco-friendly accommodation options. Building eco-conscious tented camps and lodges in Serengeti and Karatu aligns with the growing sustainability trends in the travel industry. Emphasizing environmentally friendly practices, such as solar power, water conservation, and minimal ecological footprint, can enhance the appeal of these properties to eco-conscious travelers.
- Strategic Location: The proximity of Serengeti and Karatu to the Serengeti and Ngorongoro National Park presents a compelling advantage. Guests staying at tented camps and lodges in these areas can easily access the park for game drives and wildlife viewing. Additionally, the location provides opportunities for cultural interactions with nearby communities, enriching the overall guest experience.
- Partnerships with Tour Operators and Travel Agencies\*: Collaborating with established tour operators and travel agencies can be instrumental in securing bookings and driving occupancy for tented camps and lodges. By forging strategic partnerships within the travel industry, developers can leverage the distribution networks of these partners to promote the properties and access a wider customer base.
- Targeted Marketing and Branding: Building a strong brand presence and implementing targeted marketing strategies is essential for establishing tented camps and lodges as preferred accommodation choices in Serengeti and Karatu. Highlighting the unique features, personalized services, and immersive nature experiences can differentiate these properties from conventional hotels and attract discerning travelers seeking an authentic safari experience.

- Adaptation to Changing Travel Preferences: Monitoring and adapting to evolving travel preferences and trends is crucial for the long-term success of tented camps and lodges. This includes incorporating technology, offering wellness and nature-based activities, and catering to the needs of multi-generational travelers and families.
- Regulatory Compliance and Sustainable Development\*: Adhering to local regulations and ensuring sustainable development practices are fundamental to the long-term viability of hospitality projects in sensitive natural environments. Engaging with local authorities, conservation organizations, and communities is essential for navigating regulatory frameworks, promoting responsible tourism, and fostering positive relationships with stakeholders.

**b) Marketing Tools and Programmes**

Overseas and Local Marketing programme will be used to capture market segments. The use of brochures, advertisement in internet, TVs and journals will be applied to Market MARERA SAFARI LODGE & TOURS (T) LIMITED. Products and services.

**c) Pricing**

MARERA SAFARI LODGE & TOURS (T) LIMITED will develop and review competitive tariffs systems providing discount rate taking into account various factors such as the size of the groups, duration, seasons etc.

**4.0 IMPLEMENTATION SCHEDULE**

As mentioned in the executive summary that the project in question is an expansion one, the action plan according to the directors shows that the project will be implemented as illustrated below. It is planned to implement the expansion project within 1 year period.

**Table No. 4: Implementation Schedules**

S/N	ACTIVITY	DUE DATES
(i)	Construction of Serengeti permanent Campsite	01, Dec 2024
(ii)	Expansion construction of Karatu Lodge	01, March 2025
(iii)	Acquisition/Purchase of motor vehicles, tracks & equipments	01, July 2024
(iv)	Full operational	01, Dec 2027

## 5.0 INVESTMENT AND FINANCING ASPECTS

### 5.1 Principal Assumptions

In performing the financial analysis, the following assumptions have been used:

- (a) The operating period has been evaluated over ten years.
- (b) The capital expenditure costs are assumed to be financed through banking loan and investment financing.
- (c) Implementation of the project is immediate, and procurement of new equipment will be done just after financing is made available.
- (d) We expect the Company to benefit from the investment incentives as stipulated under the National Investment promotion Policy (NIPP) through the Tanzania Investment Centre and these include:
  - Partial exemption of customs duty and VAT on equipment and motor vehicles
  - Other incentive packages as incorporated in the Tanzania Investment Centre Act 1997.

### 5.2 Summary of Capital Cost

The total additional costs for expanding and strengthening MARERA SAFARI LODGE & TOURS (T) LIMITED, campsites, hotel and tour operations is estimated at USD \$ 5,500,000/=. A summarized breakdown of costs is as shown below:

**Table No.5: Investment Cost**

<i>ITEM</i>	<b>Figures in USD \$</b> <i>FUNDING NEED (USD):</i>
<i>Architectural design &amp; consultants:</i>	\$36,650
<i>Constructions:</i>	\$3,595,559
<i>Equipment, furniture, fixtures:</i>	\$807,203
<i>Purchase of vehicles</i>	\$150,000
<i>Operating expenses until operations start:</i>	\$45,000
<i>Land Leasing fees /year:</i>	\$20,000
<i>Marketing:</i>	\$119,656
<i>Personnel</i>	
<i>Miscellaneous:</i>	\$370,638
<i>Total startup funding required:</i>	\$5,500,000

### 5.3 Machinery and Equipment

Most of the equipment are expected to be imported and are estimated to cost USD \$ 807,203/=. Details of these machinery and equipment are shown in a table below:

**Table 6: Machinery and Equipment Cost** **Fig in USD \$**

Item	Amount	Total
Machinery & Equipment	\$807,203	\$807,203

**5.4 Motor Vehicles**

Additional 3 Land cruisers (4 x4) are required to boost the existing fleet. These are valued at USD 120,000/=. These vehicles will be designed for safaris purposes.

Two water bowser trucks valued to cost USD 20,000/=.

One food supply truck valued to cost USD 10,000./=

**Table 7: List of vehicles and costs** **Fig in USD \$**

ITEM	Amount	TOTAL
1. 3 Land cruisers \$40,000@	\$120,000	\$120,000
2. 2 Water bowser trucks	\$20,000	\$20,000
3. 1 Food supply truck	\$10,000	\$10,000
Total		\$150,000

**5.6 Working Capital**

Itemized cost of working capital requirements are estimated at USD 555,294/=

**5.7 Financing**

MARERA SAFARI LODGE & TOURS (T) LIMITED expects to finance this project mainly from banking loan and investment financing.

A summary of the financing arrangements is proposed as follows:

**Table 8: Summary of Financing Arrangements** **Fig in USD.**

Item	Existing	New Investment	Total
Fixed Assets and Preoperational Expense	\$568,357.63		\$568,357.63
Long term loan		\$ 5,500,000	\$ 5,500,000
<b>TOTAL</b>			<b>\$ 6,068,357.63</b>

## 6.0 SALES (REVENUE) AND OPERATING COST

This chapter describes the Sales Revenue and related operating costs.

### 6.1 Sales Revenue

#### 6.1.1 Sales Assumptions

- The peak tourist season is between month of June/July to December, January Feb, and November while the rest of the months are regarded as low season.

#### 6.1.2 Sales Revenue

The company shall provide high class campsite and safari tourism business in northern circuit. The main revenue centers will include accommodation, safari, climbing Mountain and photographic safaris whose Projected Production & Sales Plan is shown in **Appendix 3**.

#### 6.1.3 Cost of Sales

The main/major cost of sales are "Direct Operating expenses which includes Nationals Park fees, client's lodge & accommodation, transport, etc... as shown in the detailed Projected Cost of Sales and Operating Expenses.

#### 6.1.4 Staff Costs/Expenses

As the expansion project will take up to 3 years before it is fully commissioned, there will be slight increase in the salaries & wages and other related staff costs i.e. NSSF, staff welfare etc. During the first 3 years after which there will be significant increase in the same.

#### 6.1.5 Motor Vehicles & Equipment Maintenance

As in above, whose details are given in this document, maintenance expenses under this code includes M/V repair & maintenance, fuel & oils, camp building materials & repairs, camping equipment repairs.

#### 6.1.6 Finance Costs

These include bank charges and bank interest on the outstanding bank loan and overdraft whose details are given in this document.

#### 6.1.7 Depreciation

The following rates have been used in amortizing assets according to the company policy, which are: - APPENDIX 6

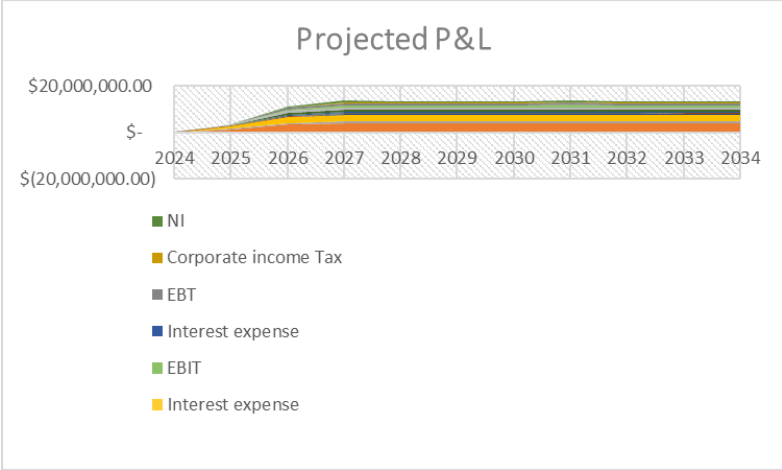
<u>APPENDIX 6: PROJECTED DEPRECIATION</u>		
ITEM	%	Method
Buildings	5	Reducing balance method
Plant and Machinery	37.5	Reducing balance method
ICT Equipments	37.5	Reducing balance method
Motor Vehicles	37.5	Reducing balance method
Hotel Appliances	12.5	Reducing balance method
Office Furniture's and Fitting	12.5	Reducing balance method

The projected depreciation schedule for the period under review is detailed above.

**7.0 FINANCIAL ANALYSIS**

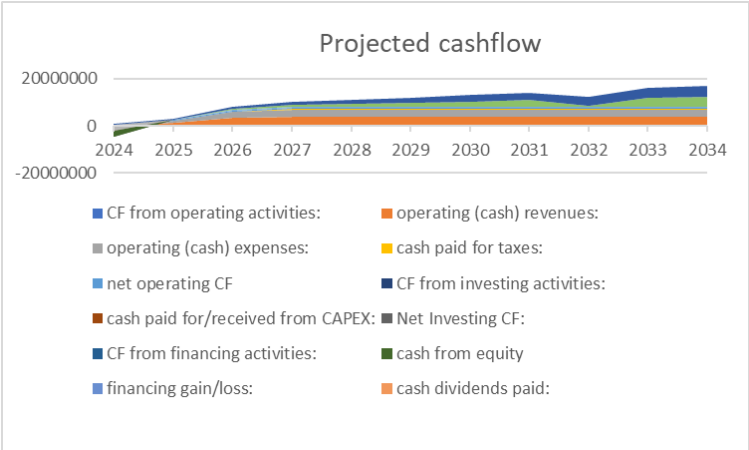
**7.1 Projected Income Statement (Income and Expenditure)**

The project’s Income & Expenditure Account is summarized in **Appendix 7**



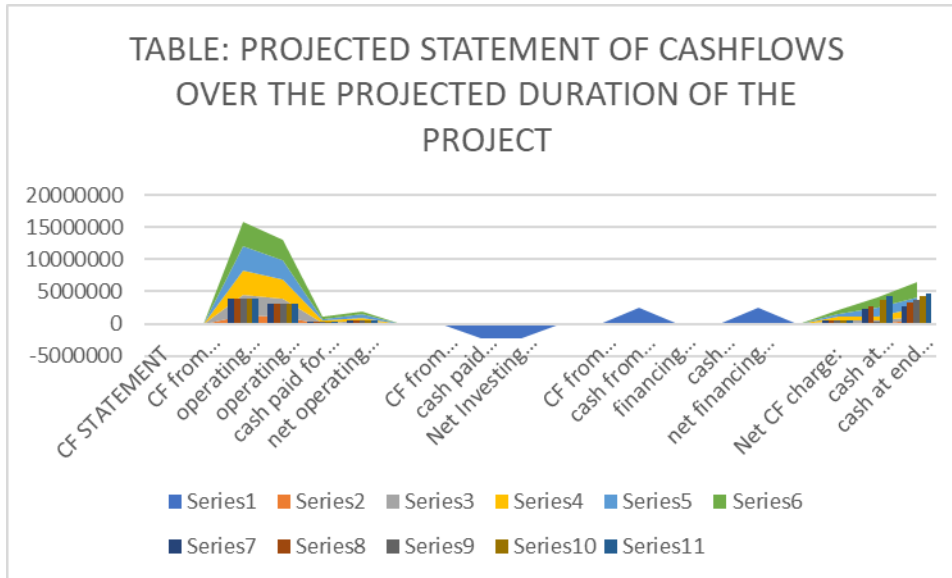
**7.2 Projected Balance Sheet**

The projected Balance Sheet over the period evaluated in shown is **Appendix 8**



**7.3 Projected/Budgeted Cash Flow**

The detailed Budgeted Cash Flow over the evaluated period is shown in **Appendix 9**



#### 7.4 Debt Servicing

The company has current loan from local bank called CRDB Bank of \$193,961.57.

#### 7.5 Profitability

The following economic indicators have been performed to the profitability of the project as shown in **Appendix 9**

- Return on investment.
- Profit margin on sales.

##### 7.5.1 Financial Rate of Return

As derived in **Appendix 9**, the financial rate of return after tax is very healthy and positive one. The rate for the years is quite above the safety margin of the bank lending rate.

##### 7.5.2 Profit Margin on Sales

As shown in **Appendix 9**, profit margin on sales show that the margins are at acceptable levels for the years under review.

#### 8.0 RISK FACTORS

##### 8.1 Project Risk Factors

There are several risks which may face MARERA SAFARI LODGE & TOURS (T) LIMITED expansion project and business in general. The more likely risks that the company is aware of include:

###### a) Inflation Risk

There is a potential risk that inflation might rise again. This may increase the replacement cost and reduce the capital capacity. Also, it is likely that the cost of local borrowing could increase out of inflation. While this is ever present in developing economies such as Tanzania, the Government appears committed to continue maintaining the macroeconomic stability.

###### (b) Exchange Rate Risk

Given that the term-loan will be drawn from foreign banks, Tanzanian Shillings depreciation against other major currencies

may not necessarily impact the operations the company. However, a depreciation of a Tanzanian shillings Against dollars will favour the business since most of revenue are in terms of dollar while operating costs are denominated in the local currency.

**(c) Political Risk**

There is a risk that the central government or local authority could Adopt/implement policies that may impact MARERA SAFARI LODGE & TOURS (T) LIMITED Business. However, this risk has been gradually eroded since mid-1980's when the Government started a process of economic reform toward free market.

**(d) Intensified Competition Risk**

As the tourism industry appears to be the fastest growing economic sector in the country, it would not be surprising if many other entities came with the idea such as the one formulated by the sponsors of the proposed expansion project of MARERA SAFARI LODGE & TOURS (T) LIMITED. The company's future profitability may therefore be strained if there is intensified competition in this industry. However, as noted earlier in the text, that the demand surpasses the potential supply for up market clientele, Tanzania and especially the Northern circuit will still need new classic and quality hotels, campsites, and tourist transport facilities to meet the ever-growing demand.

**(e) Pace of Economic Growth**

If the country economy continues to grow as at present rate, the level of business visitors and tourist will be maintained and may even increase. On the other hand, if economic rate decreases, the level of visitors may also decrease. Change of number of tourists would of necessity have an impact on the profitability of the project either positively if there are more visitors and negatively if there is a reduction of tourists.

**9.0 CONCLUSION AND RECOMMENDATION**

It is apparent from the above analysis of the proposal to invest in expansion project of MARERA SAFARI LODGE & TOURS (T) LIMITED shows that the proposal is economically and financially viable. Also, the economic impact from implementing and operating it is positive.

In view of above, it is recommended that the proposed MARERA SAFARI LODGE & TOURS (T) LIMITED expansion project be implemented at the earliest possible opportunity in the manner detailed herein above.