

*RHINO MAX COMPANY LIMITED*

*BUSINESS PLAN*

*FOR*

*CONSTRUCTION OF LODGE/HOTEL IN KARATU, ARUSHA*

**RHINO MAX COMPANY LIMITED** registered in Tanzania under with Certificate of Incorporation **No.179651866** issued on 13<sup>th</sup> **November 2024**. The project promoters are well established business specialized in Construction and development of eco-friendly facilities.

Having been in the business for over 10 years the directors are now well prepared for expanding business to Tanzania by establishing a project development and construction of eco-friendly lodges and hotel facilities aimed at enhancing tourism experiences in Tanzania to serve tourists visiting key attractions such as Ngorongoro conservation Area, Lake Manyara and the great Serengeti. The project Aims to support sustainable tourism, create employment, and promote local economic development, the construction materials for the project are largely to be imported from china.

The business plan has been prepared for **RHINO MAX COMPANY LIMITED** for Construction and development of eco-friendly lodges/ hotel facilities. The implementation of this project will include following activities:

- Land acquisition & legal fees
- Registration of project to TIC
- Obtaining various permit and license
- Design & Architecture
- Construction(lodge, restaurant etc)
- Ordering furniture & other equipment
- Recruiting of local employees
- Marketing and promotion
- Purchasing 10 light trucks
- Purchasing of machines and equipment
- Equipping the project with relevant facilities

The proposed project is estimated to cost about US\$ 500,000 or more. The project sponsors will prove 100% of this investment.

## 1.1 THE PROJECT PROMOTERS

The shareholders of this project are all Engineers with a diverse professional and business backgrounds. The company is owned by 2 shareholders, namely:-

<b>Name</b>	<b>Nationality</b>	<b>No. of Share</b>	<b>Date of Birth</b>
ZHU HONGHAO P. O. Box 278 DAR ES SALAAM Email: rhinomax89@gmail.com Tel: 0765100663	Chinese	700	28 <sup>TH</sup> June 1989
HU ANFEN P. O. Box 278 DAR ES SALAAM Email: 309044372@qq.com Tel: 0745065873	Chinese	700	06 <sup>th</sup> March 1963

## 1.2 LOCATION.

The project head office will be located at Arusha Tanzania

## OBJECTIVE OF STUDY

### Project Rationale

Karatu District is a tourism hub due to its proximity to world-renowned attractions. Despite the growing number of tourists, the area faces a shortage of mid-range accommodation facilities that balance affordability, comfort and sustainability.

The Rhino max Project addresses this need by:-

- . Offering high standards, Eco-conscious accommodation.
- . Creating linkages with cultural tourism activities.
- . Enhancing Tanzania's positions as a premier safari destination.

## 1.3 MARKET AND MARKETING ASPECTS

**Tourism Growth:** Tanzania welcomed over 1.6 million visitors in 2023, with 60-70% visiting the Northern safari circuit.

**Demand Segments:** International safari tourists, domestic travellers, cultural tourists and conference/ workshop participants.

**Competition:** Existing supply dominated by budget lodges and luxury options, leaving the mid- market under-served.

### Location Advantage

- . Located on the main Arusha- Ngorongoro- Serengeti route.
- . Easily accessible by road (3-4hrs from Arusha) and nearby airstrips.
- . Close to major attractions: Ngorongoro crater (30Km), Lake Manyara (25km), Serengeti (120km), Lake Eyasi (50km).

## 2.0. PROJECT DETAILS

### Feasibility Study

#### 2.1 Socio- Economic Impact

- . **Job Creation:** 60- 80 direct jobs and over 100 indirect jobs.
- . **Local Linkages:** Purchases of fresh produce, crafts and services from local communities.
- . **Skills Development:** Training in hospitality and Eco-lodge management.
- . **Community Benefits:** Support for cultural tourism programs (Hadzabe, Iraq w)

#### 2.2 Environmental Sustainability

- . Renewable energy systems (solar, rainwater harvesting)
- . Low- impact building designs harmonizing with nature.
- . Comprehensive waste management systems.
- . Conservation awareness programs for guests and staff.

## **2.3 SWOT Analysis**

### **Strengths**

- . Strategic location in Karatu
- . Clear mid- market demand gap.
- . Local community intergration.
- . Alignment with Tanzania's vision 2025

### **Weakness**

- . High initial investment
- . Seasonal tourism flows
- . Limited brand recognition at entry stage.

### **Opportunities**

- . Rising demands for eco-friendly tourism
- . Government incentives for tourism investors.
- . Expansion into conference and cultural tourism.

### **Threats**

- . Global crisis affecting travel.
- . Competition from established players.
- . Climate and environmental risks.

**RHINO MAX COMPANY LIMITED's** project is commercially viable, socially, responsible and environmentally sustainable. It will;-

1. Close the mid- market accommodation gap in Karatu
2. Generate employment and skills transfer for the local population.
3. Promote eco-friendly tourism practices aligned with global trends.
4. Support national strategies under Tanzania's Vision 2025 and TIC's mission.

The RHINO MAX Project represents a strategic tourism investment with strong market demand, sustainability orientation, and community benefits. By leveraging Karatu’s location advantage and Tanzania’s booming tourism sector, the project is positioned to achieve long-term profitability while supporting inclusive growth.

### 3.0 PROJECT MANAGEMENT

**RHINO MAX COMPANY LIMITED** will be under the skilled and professional Management who have experience in construction and development of eco-friendly tourism facilities.

Under this management **RHINO MAX COMPANY LIMITED** is expected to grow, fill and clear market gap in mid- to upper- mid range accommodation while creating sustainable socio-economic impact through job creation, community partnerships and environmental stewardship serving domestic and foreign market.

The company will have a team of qualified and experienced functional managers in the areas of operations/Marketing, construction, Finance and Administration. Other senior and middle level staff will be available for the start up and subsequent operations of the company, the total number of employees are expected to be 80 or more when operating at full capacity

**The summary of employees is as following**

<b>Gender</b>	<b>Foreign Skilled</b>	<b>Local Skilled</b>	<b>Local Unskilled</b>	<b>Total</b>
Women	2	19	16	37
Men	1	13	29	43
<b>TOTAL</b>	<b>3</b>	<b>32</b>	<b>45</b>	<b>80</b>

### 3.1 PROJECT MANAGEMENT POLICY

The Purpose of this policy is to ensure that the Rhino max Project in Karatu is planned, implemented, monitored and completed in a structured and accountable manner. The Policy establishes clear guidelines for decision-making, resource allocations, risk management, and stakeholder engagement throughout the project's life cycle.

The day to day operations will be managed by the Managing Director, to be assisted by Directors of development and Technical Director who will be the overall in charge of construction and design, a sales & marketing Manager whose major responsibility will be marketing and sales, financing and administration Manager who will take care all matters related to finance resources and human resources of the company.

#### **Project Implementation Approach**

The Rhino max project will adopt a phased project management approach:

1. **Initiation Phase:** Feasibility studies, permits, stakeholder consultations, TIC registration.
2. **Planning phase:** Finalize designs, budgets, procurement plan and risk management framework.
3. **Executive Phase:** Construction, recruitment, procurement of equipment, and community engagement programs.
4. **Monitoring & Control phase:** Continuous review of progress, cost tracking, quality assurance, and environmental compliance.
5. **Closing Phase:** Handover of lodge operations, final audit, evaluation of lessons learned.

#### **Project Management Standards**

. **Methodology:** PRINCE2/ PMBOK principles adapted for tourism infrastructure.

#### **. Performance Indicators:**

1. Timely completion of each phase.

2. Adherence to approved budget.
3. Compliance with environmental and safety standards.
4. Stakeholder satisfaction (investors, TIC, local authorities, communities).

Documentation: All activities must be documented (progress reports, financial records, contracts, environmental assessments).

### **3.2 NATIONAL TOURISM POLICY & STRATEGIC GOALS TANZANIA.**

Tanzania's tourism strategy emphasizes eco-friendly infrastructure, community-based tourism, and sustainable development. The government encourages investments in eco-lodges and community-run facilities, aligning with Rhino max project's objectives. The Tanzania Investment Center (TIC) and the Ministry of natural resources and Tourism support such initiatives through various programs and incentives.

#### **Investment Incentives For Eco-Tourism**

Tanzania offers a range of fiscal and non fiscal incentives to attract investments in the tourism sector:

1. **Tax Exemptions:** Investors in Eco-Tourism projects may benefit from tax holidays and exemptions on import duties for capital goods.
2. **Capital Allowances:** Generous capital deductions are available for investments in tourism infrastructure.
3. **Public Private Partnerships:** The Government collaborates with private investors to develop and operate eco-tourism facilities, providing support in infrastructure development.

These incentives can enhance the financial viability of the Rhino max project.

## **Alignment with Sustainable Tourism Practices**

The Rhino max Project's commitment to sustainability aligns with Tanzania's tourism policies which focus on:

- 1. Environmental Conservation:** Implementing Eco- friendly practices to minimize environmental impact.
- 2. Cultural Preservation:** Promoting and preserving local cultural and traditions through tourism.
- 3. Community Involvement:** Engaging local communities in tourism activities and ensuring they benefit from tourism revenues.
4. These practices not only comply with national policies but also enhance the project's appeal to environmentally conscious tourists.

## **Regulatory Compliance Support**

The Rhino max project will need to comply with regulations set by various authorities:

**Tanzania Investment Center (TIC):** Oversees investments approvals and ensures compliance with national investment policies.

**National Environment Management Council (NEMC):** Responsible for environmental assessments and ensuring sustainable development practices.

**Local Government Authorities:** Provide support in infrastructure development and ensure alignment with regional development plans.

Engaging with these bodies early in the project planning phase will facilitate smoother implementation and adherence to regulations.

Generally, Rhino max project is well positioned to benefit from Tanzania’s supportive tourism policies, which offer financial incentives, promote sustainable practices, and encourage community involvement. Tanzania has environmental regulations governing the operation of manufacturing industries; operators are required to take environmental impacts assessment to ensure environmental impacts is minimal. Aligning the projects objectives with these national strategies will enhance its success and contribute to the broader goals of Tanzania’s tourism sector.

#### **4.0 PROJECT’S INVESTMENT CAPITAL**

The estimated capital investment cost of the project is US \$ 500,000 out of which US \$135,000 will be fixed investment costs. construction expenditures have been budgeted at US \$300,000; other cost will be \$15,000, while working capital is put at \$50,000.

##### **COST STRUCTURE**

<b>PARTICULAR</b>	<b>US\$ Estimated Cost</b>
Land and Buildings	70,000.00
Design & Achitecture	60,000.00
Construction	600,000.00
Furniture & Equipment	140,000.00
Marketing & Promotion	30,000.00
Working Capital (1 year)	100,000.00
<b>TOTAL</b>	<b>1,000,000.00</b>

For the project to be a reality a total investment amounting to US \$1,000,000 is needed.

Sources of Finance for the whole project;-

- Equity (owner) \$1,000,000
- Loan 00

## 4.2 Job creation

Rhino max expects to provide massive employment from the local citizens which is estimated to be 80- 120 staff in order to complete and run this project successfully;-

<b>Project Phase</b>	<b>Job Category</b>	<b>Position / Role</b>	<b>Number of Jobs (Approx.)</b>	<b>Type</b>
<b>Construction Phase</b>	Skilled	Project Manager / Construction Manager	1	Full-time
	Skilled	Architect / Civil Engineer	2	Full-time
	Skilled	Electrical & Mechanical Engineers	2	Full-time
	Skilled	Quantity Surveyor	1	Full-time
	Skilled	Site Supervisors / Foremen	4	Full-time
	Skilled	Specialized Technicians (Plumbers, Electricians, Carpenters, Masons)	15	Full-time / Contract
	Semi-skilled / Unskilled	General Laborers	40	Temporary
	Semi-skilled / Unskilled	Cleaners	5	Temporary
	Semi-skilled / Unskilled	Drivers	5	Temporary
	Semi-skilled / Unskilled	Security Personnel	5	Temporary
<b>Operational Phase</b>	Skilled	General Manager / Lodge Manager	1	Permanent
	Skilled	Assistant Manager / Front Office Manager	1	Permanent
	Skilled	Chef / Head Cook	1	Permanent
	Skilled	Sous Chefs / Cooks / Pastry Chefs	3	Permanent
	Skilled	Housekeeping Supervisor	1	Permanent
	Skilled	Maintenance Engineer / Technician	2	Permanent
	Skilled	Marketing & Sales	1	Permanent

<b>Project Phase</b>	<b>Job Category</b>	<b>Position / Role</b>	<b>Number of Jobs (Approx.)</b>	<b>Type</b>
		Officer		
	Skilled	Accounts / Finance Officer	1	Permanent
	Skilled	Tour Guides / Safari Coordinators	4	Permanent
	Skilled	IT / Systems Officer	1	Permanent
	Unskilled / Semi-skilled	Housekeepers / Cleaners	15	Permanent
	Unskilled / Semi-skilled	Waiters / Bar Staff	8	Permanent
	Unskilled / Semi-skilled	Gardeners / Groundskeepers	4	Permanent
	Unskilled / Semi-skilled	Security Guards	4	Permanent
	Unskilled / Semi-skilled	Drivers	3	Permanent
	Unskilled / Semi-skilled	Kitchen Helpers / Dishwashers	4	Permanent
<b>Community &amp; Cultural Engagement</b>	Semi-skilled	Local Artisans (Handicrafts)	10–15	Contract / Part-time
	Semi-skilled	Village Guides (Cultural Tours)	5–10	Contract / Part-time
	Semi-skilled	Local Farmers (Supply Produce)	20–30	Contract / Ongoing
	Skilled	Trainers / Staff for Skill Development	2–3	Part-time / Rotational

Total jobs created:

. **Construction Phase:** 80- 120 temporary jobs

. **Operational Phase:** 50- 70 direct permanent jobs & 100- 150 indirect/ community linked jobs.

## Investment Fund Expenditure Breakdown

Category	Description	Amount (USD)	Percentage (%)
<b>1. Land Acquisition &amp; Permits</b>	Purchase of land, surveying, registration, and permits from local authorities.	75,000	15%
<b>2. Lodge Construction &amp; Infrastructure</b>	Main building, guest rooms, common areas, eco-friendly architecture, solar installation, water systems, sewage.	225,000	45%
<b>3. Furnishing &amp; Equipment</b>	Furniture, bedding, kitchen equipment, restaurant & bar equipment, office furniture.	75,000	15%
<b>4. Pre-Opening Costs</b>	Marketing, promotional campaigns, website, branding, TIC registration, licenses.	25,000	5%
<b>5. Staff Recruitment &amp; Training</b>	Recruitment of key staff, training programs, skill development.	25,000	5%
<b>6. Working Capital</b>	Initial operational costs for 3–6 months (utilities, food & beverage stock, supplies).	50,000	10%
<b>7. Contingency Fund</b>	Unforeseen expenses, price fluctuations, minor overruns.	25,000	5%

### Summary

- 1. Construction & Infrastructure** is the largest allocation (45%) since it includes all civil works, eco- friendly installations, and utility systems.
- 2. Contingency Fund (5%)** ensures minor cost overruns do not halt project progress.
- 3. Working Capital** provides liquidity during the first months of operations.
- 4. Staff Training (5%)** is essential to maintain service standards from the start.

### 4.3 Sources of Supply Of Inputs

Input Category	Specific Inputs	Source / Supplier Location	Estimated % of Total Procurement	Notes
<b>Construction &amp; Infrastructure</b>	Cement, sand, bricks	Karatu / Arusha	15%	Local suppliers reduce transport costs
	Timber & wood	Arusha / Moshi	10%	Use certified sustainable wood
	Roofing materials	Arusha / Dar es Salaam	5%	Weather-resistant and durable
	Plumbing & electrical fittings	Arusha / Dar es Salaam	5%	Includes solar & energy-efficient systems
	Paint & finishing materials	Karatu / Arusha/ China	2%	Eco-friendly paints preferred
	Furniture base materials	Karatu carpenters	3%	Custom lodge furniture
<b>Furniture, Equipment &amp; Operational Supplies</b>	Beds, mattresses, pillows	Arusha / DSM/ China	8%	Comfortable and durable
	Kitchen equipment & utensils	Arusha / DSM/ China	5%	Commercial-grade appliances
	Restaurant / bar furniture	Karatu / Arusha/ China	3%	Local craftsmanship encouraged
	IT equipment (POS, Wi-Fi, booking system)	Dar es Salaam	2%	Reliable reservation & management systems
	Linens, towels, bedding	Arusha / DSM/ China	2%	High-quality, eco-friendly
<b>Food &amp; Beverage</b>	Fresh vegetables & fruits	Local farmers (Karatu)	10%	Supports local agriculture
	Meat & poultry	Karatu /	5%	Quality

<b>Input Category</b>	<b>Specific Inputs</b>	<b>Source / Supplier Location</b>	<b>Estimated % of Total Procurement</b>	<b>Notes</b>
<b>Cultural &amp; Handicraft Supplies</b>		Arusha		inspected suppliers
	Dairy products	Karatu / Arusha cooperatives	3%	Milk, cheese, yogurt
	Spices & dry goods	Arusha / Dar es Salaam	2%	Bulk purchase for cost efficiency
	Beverages (water, juices, soft drinks)	Local distributors	2%	Eco-lodge-aligned brands
	Handicrafts & souvenirs	Hadza / Iraqw artisans	3%	Promotes cultural tourism & local economy
	Decorative items	Regional craft markets	1%	For guest rooms & reception
	Traditional fabrics & artifacts	Local craft cooperatives	1%	Cultural preservation
<b>Miscellaneous / Support Services</b>	Laundry services	Karatu / on-site	2%	Ensures hygiene & guest satisfaction
	Transport & logistics	Local transporters	2%	Guest transfers & tours
	Cleaning & maintenance supplies	Karatu suppliers	1%	Operational efficiency
	Staff uniforms	Arusha textile suppliers	1%	Professional branding

## 4.4 Marketing Plan

**Target Market:** International and domestic tourists visiting northern Tanzania.

### 1. Marketing Strategies

- Establish Rhino max as a premium Eco- Lodge in Karatu within the first year of operations.

- Achieve average annual occupancy of 60%- 70% by year 3.
- Build strong partnerships with tour operators, travel agencies and online booking platforms.
- Promote sustainable and cultural immersive tourism experiences.
- Generate awareness among domestic and international travelers through targeted campaigns.

## 2. Target Market Segments

Segment	Characteristics	Marketing Focus
<b>International Safari Tourists</b>	Travelers from Europe, North America, Asia; safari-focused; value comfort & eco-tourism	Partnerships with tour operators, online bookings, international travel expos, social media campaigns
<b>Domestic Travelers / Families</b>	Middle- to upper-class Tanzanians looking for weekend getaways	Social media, local media, loyalty programs, cultural packages
<b>Special Interest Travelers</b>	Birdwatchers, cultural tourists, adventure enthusiasts	Niche marketing, collaboration with specialized travel clubs & eco-tourism networks
<b>Corporate / Conference Groups</b>	Companies seeking retreat or conference venues	Direct B2B outreach, corporate packages, local partnerships

## 3. Brand Positioning

- Brand statement: “Rhino max- Eco Luxury Lodging, Authentic Tanzanian Experiences.”

### Key Differentiators:

- . Eco- Friendly lodge with solar power and sustainable practices.
- . Cultural immersion: hadzabes and Iraqis experiences.
- . Strategic location near Ngorongoro, Serengeti and Lake Manyara.

- High quality service at mid to upper market pricing.

#### **4. Marketing Strategies 2- (4Ps)**

##### **Product**

- . 20- 30 rooms eco-lodge with modern amenities.
- . **Restaurant** offering local and international cuisine.

.**Cultural Tourism activities:** Village tours, handicraft workshops, traditional performances.

- . Safari coordination services and guided tours.

- . **Conference** and event facilities for corporate clients.

##### **Price**

- . Mid to upper pricing: estimated to be USD120 per night on average.
- . Seasonal pricing adjustments (High and low tourist seasons).
- . Package deals for families, cultural tourists and conference groups.
- Early booking and loyalty discounts to encourage repeat visits.

##### **Place/ Distribution**

- . Online: booking.com, Expedia, TripAdvisor, Lodge's official website.

Offline: Collaborations with safari tour operators and travel and travel agencies in Arusha, Dar es salaam, and globally.

- . Social Media: Instagram, Facebook, YouTube for storytelling, Eco- tourism highlights and cultural experiences.

##### **Promotion**

**Digital Marketing:** SEO, Social media campaigns, email newsletters targeting past and potential guests.

**Public Relations:** Press releases, travel blogs, and tourism magazines.

- . **Events & Expos:** Participation in tourism fairs locally and internationally.
- . Community- based marketing: Collaborate with local communities to promote cultural tourism experiences.
- . Referral Programs: Incentivize guests to recommend Rhino max to friends and family.

## Marketing Budgeting Allocation

(Example \$50,000)

Category	Budget	% Allocation
Digital Marketing & Social Media	15,000	30%
Public Relations & Travel Media	10,000	20%
Tourism Fairs / Exhibitions	8,000	16%
Print & Offline Marketing	5,000	10%
Partnerships & Influencer Collaborations	7,000	14%
Contingency	5,000	10%
<b>Total</b>	<b>50,000</b>	<b>100%</b>

## 5.0 PROJECT OPERATING COSTS

**Project costs covers 2 phases**

- 1- Construction phase: temporary, one- off costs
- 2- Operating phase: recurring expenses for running the lodge.

### Construction Stage (pre opening costs)

- This is one time during 12-- 18 months of construction.

Cost Category	Description	Estimated Cost (USD)	% of Construction Costs
Project Management & Consultancy	Architects, engineers, legal, permits	45,000	5%
Land Preparation & Site Works	Clearing, leveling, fencing, access roads	40,000	4%
Construction Labor	Skilled and unskilled labor wages	100,000	16%
Materials & Equipment	Cement, timber, steel, plumbing, electricals, roofing	250,000	30%
Furnishing & Fixtures	Furniture, fittings, décor	90,000	12%

<b>Cost Category</b>	<b>Description</b>	<b>Estimated Cost (USD)</b>	<b>% of Construction Costs</b>
Utilities Installation	Solar power, water system, sewage, internet	40,000	8%
Pre-Opening Marketing	Branding, advertising, launch events	15,000	3%
Recruitment & Training	Initial staff hiring and induction training	10,000	2%
Contingency Fund	Unforeseen costs during construction	25,000	5%
<b>Total (Construction Stage)</b>		<b>615,000</b>	<b>85% of Investment</b>

## **Operations stage (Annual operating costs)**

**Recurring, starting the first year after opening**

<b>Cost Category</b>	<b>Description</b>	<b>Estimated Annual Cost (USD)</b>	<b>% of Opex</b>
Staff Salaries & Benefits	~50–70 staff (managers, chefs, housekeeping, guides, drivers, support)	120,000	40%
Food & Beverages	Supplies for restaurant/bar (local + imported)	45,000	15%
Utilities	Electricity (solar + backup), water, gas, internet	15,000	5%
Maintenance & Repairs	Lodge upkeep, gardening, equipment repairs	25,000	8%
Marketing & Promotion	Online campaigns, partnerships, travel fairs	30,000	10%
Insurance & Licenses	Property insurance, business permits, TIC/Tourism licenses	10,000	3%
Transport & Fuel	Safari vehicles, guest transfers, staff transport	20,000	7%
Administration & Office	IT, stationery, printing, office expenses	10,000	3%

<b>Cost Category</b>	<b>Description</b>	<b>Estimated Annual Cost (USD)</b>	<b>% of Opex</b>
Laundry & Cleaning	Guest linens, uniforms, cleaning supplies	15,000	5%
Contingency	Emergency operational costs	10,000	4%
<b>Total (Annual Opex)</b>		<b>300,000</b>	<b>100%</b>

### **Summary**

- . Construction stage costs (One time)- \$425,000
- . Operational stage costs (annual)- \$300,000
- . Working capital (Already allocated in investment plan)- \$50,000- \$75,000 for the first 6 months of operations.

## **6.0 MONITERING AND EVALUATION**

The monitoring and evaluation tools will be applied in running this project as well, the project sponsors are determined to cooperate fully with the government and other stakeholders for smooth Project execution.

## **7.0 FINANCIAL ANALYSIS**

### **7.1 Considerations and Assumptions:**

The corporate tax charged is 30% of the profits. Capital investment allowance is 50%. The capital assets are exempted from custom duty and Value Added Tax. The straight line method to depreciate the project's capital items has been applied.

### **Key Assumptions**

#### **I. Capital Investment**

- Total project investment: \$500,000

- 85% allocated to construction & furnishing, 15% to working capital and pre- opening expenses.

## II. Capacity & Occupancy

- Total lodge capacity: 20- 30 guest rooms
- Average double occupancy per room is 2 guests.
- Maximum guest capacity is 40- 60 guests per night.

### **Average occupancy rate**

**Year 1:** 40% (Startup year stage)

Year 2: 55%

Year 3: 65%- 70% (stabilized performance)

## **3. Financial Assumptions**

### **Financial Considerations**

#### **Break- Even Point:**

- Expected within 3-4 years of operations, depending on occupancy growth.

#### **Revenue Growth:**

- Projected revenue growth of 15- 20% per year in first 3 years, then stabilizing at 8-10% annually.

#### **Return on Investment (ROI):**

ROI expected within 5- 6years, based on profit margins after stabilization.

#### **Cash flow Management:**

- Initial working capital reserved to cover first 6 months of operations.
- Strong focus on early bookings and prepaid packages to improve cash flow.

#### **Risk Factors:**

- Seasonality in Tanzania tourism (high vs low season).
- Global tourism trends (currency fluctuations, political stability, pandemics).
- Climate/ environmental risks impacting tourism flow.

### **Mitigation strategies:**

- Diversification of revenue through cultural tourism, conferencing, and local packages.
- Strong partnerships with tour operators, online platforms and local suppliers.
- Focus on domestic tourism during international down turns.

### **8.0 Projected Balance Sheet**

The projected Balance Sheet of the projected is shown in the financial statements under same heading.

Projected Balance sheet USD ( year 1-5)

<b>Category</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Assets</b>					
Current Assets (Cash & Working Capital)	75,000	90,000	120,000	150,000	180,000
Accounts Receivable (Bookings/Travel Agencies)	20,000	25,000	30,000	35,000	40,000
Inventory (Food, Beverages, Supplies)	10,000	12,000	15,000	18,000	20,000
<b>Total Current Assets</b>	<b>105,000</b>	<b>127,000</b>	<b>165,000</b>	<b>203,000</b>	<b>240,000</b>
Fixed Assets (Lodge, Furniture, Vehicles, Equipment)	425,000	425,000	425,000	425,000	425,000
Less: Accumulated Depreciation	(25,000)	(50,000)	(75,000)	(100,000)	(125,000)
<b>Net Fixed Assets</b>	<b>400,000</b>	<b>375,000</b>	<b>350,000</b>	<b>325,000</b>	<b>300,000</b>
<b>Total Assets</b>	<b>505,000</b>	<b>502,000</b>	<b>515,000</b>	<b>528,000</b>	<b>540,000</b>
<b>Liabilities</b>					
Accounts Payable (Suppliers, Operations)	20,000	25,000	30,000	35,000	40,000
Short-term Liabilities	10,000	12,000	15,000	18,000	20,000
Long-term Debt (Bank loans, if any)	0	0	0	0	0
<b>Total Liabilities</b>	<b>30,000</b>	<b>37,000</b>	<b>45,000</b>	<b>53,000</b>	<b>60,000</b>
<b>Equity</b>					
Owner's Equity (Initial Capital)	500,000	500,000	500,000	500,000	500,000
Retained Earnings (Profit/Loss)	(25,000)	(35,000)	(30,000)	(25,000)	(20,000)
<b>Total Equity</b>	<b>475,000</b>	<b>465,000</b>	<b>470,000</b>	<b>475,000</b>	<b>480,000</b>
<b>Total Liabilities + Equity</b>	<b>505,000</b>	<b>502,000</b>	<b>515,000</b>	<b>528,000</b>	<b>540,000</b>

## 9.0 ECONOMIC ASPECTS

### 1. Contribution to National and local Economy

- **Foreign Exchange Earnings:** The Project will attract international tourists visiting Ngorongoro, Serengeti and Manyara, generating foreign currency inflows into Tanzania

- **Tax Revenues:** The lodge will contribute to government revenue through corporate tax (30%), VAT (18%), tourism levies and local government service levies.

- **Local GDP Growth:** By integrating with tourism value chains (transport, Handicrafts, food supply) the project directly contributes to Tanzania's tourism GDP, which is already a top 3 economic sector.

## 4. Employment Generation

**Direct Jobs:** 60- 80 permanent jobs in lodge operations (Managers, chefs, guides, driver, housekeepers)

**Indirect Jobs:** 100- 150 through local suppliers, artisans and farmers.

**Construction Phase:** 80- 120 temporary jobs for skilled and unskilled labor.

**Skills Development:** Training programs for lodge staff in hospitality, languages, customer service and Eco- tourism.

## 5. Linkages to Local Economy

**Agricultural Linkages:** Partnerships with Karatu farmers and cooperatives to supply vegetables, fruits, dairy, poultry and meat.

**Craft & Cultural Linkages:** Local artisans (Hadzabe & Iragw communities) will supply handicrafts, fabrics and cultural performances, creating steady income streams.

**Transport & Logistics:** Use of local tour operators and drivers strengthens Karatu's service sector.

**Multiplier Effect:** For every \$1 spent by tourists at Rhino max, an estimated \$1.5-2 circulates in the local economy through linkages.

## **6. Regional Development Impact**

- The project enhances Karatu's reputation as a gateway to Ngorongoro and Serengeti encouraging longer tourist stays.
- Supports infrastructure development indirectly, as demand grows for better roads, utilities and communication services.
- Promotes balanced regional growth, reducing dependency on Arusha city as the only tourist hub.

## **7. Sustainability and Inclusive Growth**

**Eco- Tourism Practices:** Solar power, rain water harvesting, waste management reduce environmental footprint while lowering costs.

- Priority given to hiring and sourcing locally ensures benefits flow directly to the Karatu community.

- **Women & Youth Empowerment:** Many positions (housekeeping, restaurants, craft- making, guiding) provide opportunities for women and youth employment.

## 8. Risk & Economic Resilience

- **Seasonality Mitigation:** Domestic tourism, conferencing and cultural packages balance international tourism fluctuations.
- **Crisis Resilience:** By diversifying services (accommodation, F& B, events, cultural tours) Rhino max can withstand shocks such as global pandemics or currency fluctuations.
- **Sustainable Financing:** Project financed primarily by equity, minimizing debt risk.

## 9. Alignment with National Policies

Supports the Tanzania National Tourism Policy (2023) goal of increasing tourism GDP contribution and job creation.

- Aligned with Tanzania's Vision 2025 and national Five year Development Plan (Industrialization, job creation, inclusive growth).

## 10. 0 SOCIAL ASPECTS

### 1. Community Engagement & Empowerment

- . **Local Employment:** Priority is given to hiring Karatu residents for lodge operations, guiding, transport, housekeeping, and restaurant services.
- . **Skill Development & Training:** Programs in hospitality, eco-tourism, language skills, customer service, and cultural interpretation for local youth and women.
- . **Women & Youth Empowerment:** Many lodge positions (housekeeping, kitchen, guiding, cultural performances) provide opportunities for women and young people, promoting inclusive growth.

## 2. Cultural Preservation & Promotion

- . **Support for Indigenous Communities:** Collaboration with **Hadza and Iraqw artisans** to produce handicrafts, cultural performances, and storytelling experiences.
- . **Cultural Tourism Packages:** Village tours, traditional cooking experiences, and workshops on local arts and crafts allow visitors to engage authentically with Tanzanian culture.
- . **Revenue Sharing:** Artisans and performers receive fair compensation, incentivizing the continuation of cultural practices.

## 3. Education & Awareness

- . **Environmental Education:** Guests and local youth learn about conservation, wildlife protection, and sustainable practices.
- . **Tourism Awareness:** Community members gain exposure to tourism operations, customer service standards, and business opportunities.
- . **Workshops & Seminars:** Training sessions on entrepreneurship, eco-tourism, and small business development for local stakeholders.

## 4. Health & Safety

- . **Safe Work Environment:** Lodge operations adhere to occupational health and safety standards for staff and guests.
- . **Sanitation & Hygiene:** Strict hygiene practices in food preparation, accommodations, and public spaces.
- . **Community Health:** Collaboration with local clinics and NGOs for awareness campaigns and health programs where applicable.

## 5. Social Infrastructure & Local Development

- . **Support for Local Supply Chains:** Partnerships with local farmers, dairy cooperatives, and food producers create sustainable income sources.
- . **Transport & Accessibility:** Lodge-related demand may indirectly encourage road improvements and transport services, benefiting the wider community.

. **Community Projects:** Potential for lodge to contribute to schools, clean water initiatives, or small infrastructure projects as part of Corporate Social Responsibility (CSR).

## 6.Social Benefits Summary

Area	Benefit
Employment	Direct and indirect jobs for locals, women, and youth
Skills	Training in hospitality, guiding, Eco-tourism, business
Culture	Preservation and monetization of traditional arts and crafts
Education	Environmental and tourism awareness for community
Infrastructure	Improved local services and transportation
Health & Safety	Enhanced sanitation, safety, and community awareness

The **social impact** of Rhino max complements its economic impact by fostering **inclusive, sustainable development** in Karatu. It positions the lodge as a **responsible business**, aligning with TIC requirements, community expectations, and international sustainable tourism standards.

Impact Area	Stakeholders	Impact / Benefits	Measurable Indicators
<b>Economic</b>	Local community, government, investors	- Job creation (direct & indirect) - Increased local income - Foreign exchange earnings - Government tax revenues	- Number of jobs created - Annual revenue contribution - Taxes paid to government - % of local suppliers used
		- Local supply chain development (farmers, artisans)	- Number of farmers & artisans contracted - Value of goods/services procured locally
<b>Social</b>	Local residents, youth, women, indigenous communities	- Employment opportunities for youth and women - Skills development & training - Cultural preservation &	- Number of staff trained - Number of cultural performances/handicrafts sold - % of local community employed

<b>Impact Area</b>	<b>Stakeholders</b>	<b>Impact / Benefits</b>	<b>Measurable Indicators</b>
<b>Environmental</b>	Guests, local authorities, community, wildlife	promotion - Health & safety awareness - Community education in tourism and environmental practices - Eco-friendly lodge operations (solar energy, water management) - Wildlife & habitat conservation - Reduced carbon footprint	- Number of workshops/seminars conducted - Satisfaction/feedback surveys from community programs - Energy consumption & % from renewable sources - Waste reduction & recycling rates - Compliance with environmental regulations (NEMC)
		- Promotion of sustainable tourism practices - Increased tourism in Karatu & surrounding regions - Support for local infrastructure (roads, transport) - Diversification of local economy	- Number of eco-tourism packages - Certifications achieved (eco-tourism / sustainability) - Annual tourist arrivals in Karatu - Investment in local infrastructure - Number of partnerships with local businesses
<b>Regional Development</b>	Local government, tourism sector		

## **11.0 IMPLEMENTATION**

Project implementation is expected to be relatively very short once project has been approved it is estimated that ordering and assembling of all the equipment and execution of the project will take approximately 18 months:-

## 1. Project Phases and Timeline

Phase	Activities	Timeline	Responsible Parties
<b>Phase 1: Project Planning &amp; Approvals</b>	- Finalize business plan & feasibility study - Secure TIC approvals and licenses - Obtain land title and permits - Environmental Impact Assessment (EIA)	Month 1–3	Project Owner, Legal Team, Consultants, TIC
<b>Phase 2: Design &amp; Engineering</b>	- Architectural design of lodge and facilities - Engineering design for utilities (water, solar, sewage) - Finalize construction drawings & bills of quantities	Month 4–5	Architects, Civil & Mechanical Engineers
<b>Phase 3: Procurement</b>	- Identify and contract suppliers for construction materials, furniture, IT systems, kitchen equipment - Tender process for contractors and specialized labor - Secure pre-opening service contracts	Month 5–6	Project Manager, Procurement Officer
<b>Phase 4: Construction &amp; Infrastructure</b>	- Site preparation, leveling, fencing - Building foundation, structures, roofing - Plumbing, electrical, solar installation - Landscaping and road access - Quality inspections & compliance checks	Month 6–18	Construction Contractor, Site Supervisors, Project Manager
<b>Phase 5: Furnishing &amp; Equipment Installation</b>	- Interior finishing, furniture installation - Kitchen and restaurant setup - IT systems and security installation	Month 16–18	Project Manager, Interior Designers, Suppliers
<b>Phase 6: Staff Recruitment &amp; Training</b>	- Recruit management, operational, and support staff - Conduct training in hospitality, safety, eco-tourism practices	Month 17–18	HR Manager, Training Consultants
<b>Phase 7: Pre-Opening Marketing &amp; Launch</b>	- Online & offline marketing campaigns - Partnerships with tour operators - Promotional offers and media coverage	Month 17–18	Marketing Manager, PR Team
<b>Phase 8: Operations Commencement</b>	- Official lodge opening - Guest services, tours, restaurant operations fully functional - Monitor operations, guest feedback, financial performance	Month 18 onwards	Lodge Management, Operations Team

## 2. Implementation Strategy

### 1. Project Management Approach

- **Project Manager** oversees all phases, coordinates contractors, suppliers, and consultants.

- Regular **progress reports** and milestone tracking ensure timelines are met.

- Use of **Gantt charts and KPIs** to track tasks and budget adherence.

### 2. Risk Management

- **Construction delays:** Contingency plan with alternative suppliers and buffer timeline.

- **Cost overruns:** Contingency fund (5% of total investment) and regular budget monitoring.

- **Operational risks:** Staff training, quality control, and safety protocols.

### 3. Community & Stakeholder Engagement

- Inform local authorities and communities of project progress.

- Use local labor and suppliers to ensure **inclusive economic benefits**.

### 4. Sustainability Integration

- Incorporate **eco-friendly building materials, solar power, water harvesting, and waste management** during construction.

- Promote cultural tourism and community engagement programs from day one.

#### **4. Implementation Timeline Overview (18 Months)**

<b>Quarter</b>	<b>Key Activities</b>
Q1	Planning, approvals, TIC compliance, land acquisition
Q2	Architectural & engineering design, procurement
Q3	Construction commencement, utility installation
Q4	Construction completion, landscaping, furnishings
Q5	Staff recruitment & training, pre-opening marketing
Q6	Lodge launch & operational commencement

#### **4. Key Deliverables by Phase**

**Phase 1:** Approved business plan, land title, permits, and EIA.

**Phase 2:** Construction drawings and engineering plans.

**Phase 3:** Signed supplier and contractor agreements.

**Phase 4:** Fully constructed lodge building and infrastructure.

**Phase 5:** Furnished lodge with installed equipment and systems.

**Phase 6:** Trained operational staff ready for service.

**Phase 7:** Marketing materials and pre--booking commitments.

**Phase 8:** Operational lodge with revenue-generating services.

### **12.0 CONCLUSION AND RECOMMENDATIONS**

The project is technically feasible, financially viable, and economically sound, provided the sponsors will manage it efficiently.

It is recommended that the project be approved by Tanzania Investment Centre and be granted the TIC Certificate of Incentives with its associated privileges and benefits as provided for under the Tanzania Investment Act, 1997.