

AIA SERENGETI LIMITED

BUSINESS PLAN 27, FEBRUARY 2025

**CONSTRUCTION AND OPERATIONS OF PERMANENT TENTED CAMP (PTC)
WITHIN SERENGETI NATIONAL PARK**

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CAMP (PTC) WITHIN SERENGETI NATIONAL PARK

BUSINESS PLAN
AIA SERENGETI LIMITED

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CONSTRUCTION AND OPERATIONS OF PERMANENT TENTED CAMP (PTC) WITHIN SERENGETI NATIONAL PARK

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CONSTRUCTION AND OPERATIONS OF PERMANENT TENTED CAMP (PTC) WITHIN SERENGETI NATIONAL PARK

1. EXECUTIVE SUMMARY

Project Name:	Tented Camping Operations
Sector:	Tourism
Project Location:	Serengeti National park
Products:	Accommodation and Safari
Project Company:	AIA Serengeti Limited
Project Description:	The Project entails construction and Operations of Permanent Tented Camp within Serengeti National Park
Market/Customers:	Incoming Tourists Internationals and Local
Total Investment Cost:	USD 5 Million
Pay-back Period:	10 Years

2. INTRODUCTION

2.2 Background Information

CONSTRUCTION AND OPERATIONS OF PERMANENT TENTED CAMP (PTC) WITHIN SERENGETI NATIONAL PARK

AIA Serengeti limited is a private limited liability company by shares incorporated in 2024 by Laws of Tanzania and issued with a Certificate of Incorporation No. 178822861 was formed to establish and operate permanent tented camps, within Serengeti National Park in Tanzania.

The company's Directors own **91** acres of land suitable for construction and operations of PTC as per laws and regulations of Tanzania. The project equity funds will spent for land acquisition, constructing (levelling, camp building, and the source of power supply will be solar system panels.

2.2 Vision & Mission Statement

2.2.1 Vision

Creating happier and more joyful world.

Mission

To Craft extraordinary sanctuary where the harmony of nature and spirit awaken a profound sense of connection.

2.2.2 Business strategy

To build the best accommodation facility in Serengeti national park and organize with agebts to bring tourist all over the world.

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2.2.3 Objectives/Goals

To operate a tourism tented camp within Serengeti national park.

- To generate revenues of USD..... and net profit of USDmillion when project starts production in the first year. Revenues and profit are projected to increase to USD million and USD million respectively in year 10
- To create direct employment of at least 25 people and 10 indirect employments for local people through project multiplier effect within project area.
- To capture market, share of at least 70% in the tourism industry within the period of five years.
- To generate adequate net cash flow of at least USD 5 million after payment of all financial obligations
- To contribute to the country's economy through payment of taxes and other levies of at least USD 1million per annum.

2.2.4 Key success factors for project

- Qualified and competent management team
- Having excellent infrastructure facilities
- Efficient delivery
- Excellent tourism practices
- Good environment management

3 GOVERNANCE

AIA SERENGETI LIMITED currently has the following directors and shareholders.

a. AREIL KROITORO (Chairman of the Board)

b. ITAI HASSID (Managing Director)

c. ARIEL VADEE Director

d. ANDREW MAKANG'A Director & secretary

Shareholders are as follows.

- Ariel Vadee (18868)
- Ariel kroitoro (81132)
- Itai Hassid (81132)

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3.3 Company Organization

The organization structure of 10 will be staffed with qualified personnel with corresponding authority and responsibility for achievement of the goals and objectives of the project. The Managing Director shall be the Chief Executive Officer responsible for the day-to-day activities of the company. The highest body of the company is the Board of Directors/shareholders responsible for:

- Oversee management, finances, and quality;
- Set strategic direction of the company;
- Build community relationships;
- Establish ethical standards, values, and compliance; and
- Appointing CEO and other Management team members

3.5 Personnel

a. Staff Plan

The business intends to employ various staff who will assist the implementation and operation of the project as indicated in the table below

Table 1: Staff Plan

Designation	Qualification	No.	Responsibilities
Managers	Degree in Hospitality	5	To manage and control teams and logistics on daily basis
Supervisors	Diplomas in hotel management	3	To manage daily performance of the employee.
Attendants	Certificates in hotel management	15	To perform daily activities as assign by supervisors and department heads.

b. Wage Bill

The table below indicate the annual wage bill for project in the first year of operation

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Sn	Employee	Total Annual Salaries-TZS
1	Managers	6000000
2	Supervisors	1500000
3	Attendants	4500000
4		
5		
	Total	12,000,000

4 REQUESTED FUND FROM FRIENDS

This business plan has been developed by AIA SERENGETI LIMITED a Limited Liability Company incorporated in the United Republic of Tanzania. The purpose of this business plan is to inform Tanzania Investment Center (TIC) about the project, its values and expected outcomes.

Table 2: Details Project of Financing Requirement

Sn	Items	Amount-USD
1	Founders	800,000
2	Co- Investors	2.88 M
3	Other investors	250,000
4		
5		
6		
	Total	3,930,000

The Fund from Owners Equity and Friend contributions will finance the following critical start-up expenses

- Purchases of Tents;
- Permits;
- construction
- Mobilisation;
- Salaries

5 INVESTMENT COST & FINANCING PLAN

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5.1 Investment cost

The total project cost for the tented camp project is made up of the following items

- a. Land
- b. Building
- c. Machinery & Equipment
- d. Furniture and Fittings
- e. Motor Vehicles
- f. Pre-Operation Expenses
- g. Initial Working Capital

Table 3: Details of Investment Cost

Item	Existing Investment-USD	Addition Investment-USD	Total Investment-USD
Land			520,000
Building & Civil Works			800,000
Machinery & Equipment			600,000
Furniture & Fittings			600,000
Motor Vehicle			400,000
Total Fixed Assets			
Pre-Operation Expenses			400,000
Working Capital			500,000
Total Project Cost			3,820,00

Table 4: Details of Financing Plan

Source	Existing Funds-USD	Addition Funds-USD	Total Funds-USD
Owners Equity Funds			800,000
Friend Contributions			2,880,000
Total Financing			3,680,000

6. PROJECT LOCATION

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Region: Mara

District: Serengeti

Area (acres) 91

Title status 15 years, free of encumbrances

7. THE PROJECT

7.1 Project description

AIA SERENGETI LIMITED is a licensed tourism project that will be located in Serengeti National Park, Tanzania. The company has detailed market research and acquired land and started to construct permanent tented camp facility which will be able to accommodate 3000 per annual.

AIA SERENGETI LIMITED will be in the hospitality and accommodation line of business because they want to leverage on the vast opportunities available in the tourism industry and contribute revenues in growing the Tanzania economy.

AIA SERENGETI LIMITED is well positioned to become one of the leading tented camp operator businesses in Tanzania, which is why we have been able to source for the best hands and partners to run the business.

AIA SERENGETI LIMITED has put processes and strategies in place that will help us employ best practices when it comes to receiving and accommodating tourists as required by the regulating bodies in Tanzania.

At AIA SERENGETI LIMITED customer's best interest will always come first, and everything will be guided by values and professional ethics. AIA SERENGETI LIMITED will ensure that to be accountable to the highest standards by meeting client's needs precisely and completely.

7.2 Overview of Tanzania Tourism Industry

According to the UNWTO, International tourism saw stronger than expected results in 2022, backed by pent-up demand and the lifting or relaxation of travel restrictions in many countries. Despite headwinds, including the emergence of Omicron at the beginning of the year, the war in Ukraine and climate changes, international tourism

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showed resilience, as reflected in its strong recovery in arrivals. Over 900 million tourists travelled internationally in 2022, double those in 2021, albeit 37 percent fewer than the pre-pandemic levels.

Despite the global economic shocks, including the residuals of Covid-19 and the war in Ukraine which started early 2022, Tanzania's tourism sector showed high level of resilience, reflected by tourists' arrivals and per capita spending. Measures taken by the governments and the private sector helped to cushion the industry from these adverse effects. The measures include enhancement of products diversification and quality development, coupled with aggressive marketing of Tanzania's unique tourist attractions worldwide, including the Royal Tour. As result, the number of international visitors increased by 57.7 percent to 1,454,920 in 2022, from 922,692 recorded in 2021. Correspondingly, international tourism earnings increased to USD 2,527.8 million in 2022, from USD 1,310.3 million in 2021.

Despite these challenges, Tanzania's official tourism and investment promotion campaign, The Royal Tours, which was premiered by Her Excellency President of United Republic of Tanzania, Dr. Samia Suluhu Hassan took place in United States of America, after filming various tourist attractions in Tanzania between August and September 2021. The Royal Tour documentary was launched in New York and Los Angeles on 18th April 2022 and 21st April 2022, respectively. After the premiere in the United States, the Royal Tours was launched in Arusha on 28th April 2023, Zanzibar on 7th May 2023 and Dar es Salaam on 8th May 2023. The documentary has been screened in all local and some international channels. The airing of this documentary will continue to market the country's tourist attractions worldwide and revive the tourism industry after the aftermath of COVID-19 pandemic. It should be noted that, the choice of the United States to be the first to launch was supported by the fact that the country is among the top five tourist source markets, and that the Americans are usually high spenders, always seeking unique experiences including, trophy hunting and safaris, mountain climbing, and they enjoy sandy beaches.

7.3 Product Description

Tourism products encompass the combination of the physical and cultural attractions to be promoted, the types of experiences gained by the tourist, and the services required to deliver it. Participants identified a number of products as being of high value in the forest.

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This included: scenic value (diversity of landscape), biodiversity, presence of animal species, easily-spotted wildlife, interesting forms of vegetation (e.g., tropical dry and semi-evergreen forest), uniqueness of species, or of topographical elements, pristine quality of the ecosystems, opportunities for swimming (waterfalls), and natural sports possibilities (rafting, diving, climbing). Site visits to the forest have confirmed these products as being of high quality and importance in attracting tourists to the area. These products and more, and their potential for supporting ecotourism development, will need to be assessed more in-depth focusing on the steps required for their implementation, beneficiaries and bene-factors of the activities, and potential negative impacts.

7.4 Product SWOT Analysis

Permanent Tented Camps are both capital- and labor-intensive businesses, and so would require huge sums to start up. Our awareness to this fact has endured us to make a start-up modal that shall become profitable and pay all of its total investment cost by its 5 year of operation (10 years' payback period). This is where our experience separates us from newbie entrepreneurs that have no knowledge of the business.

While knowing the importance of carrying out a proper *SWOT* analysis for any business; we therefore hired an expert consultant to undertake it under our supervision. The report revealed the following:

7.4.1 Strength:

The location is regarded as strength because of its strategic position to several customers who almost covers one-third of the total country's tourism market share in Tanzania. Others include:

- Readily available tourists visiting the area;
- Long-term director's experience of doing and supervision of similar businesses that accruing to 50 years of experience;
- Available assets that can be used by the directors to finance the project;
- We also consider our excellent and prompt customer service altitude to be a strength as it shall offer us a competitive advantage.

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7.4.2 Weakness:

Our perceived weakness stems from the fact that it might seem the business is a start-up one, and thus it could take a while to organize a team and fetch customers. Though the fact is, our experience and team working spirit all together better in solving and overcoming the weaknesses. Therefore, commercialization of the business will start right away the first day of operationalization.

7.4.3 Opportunities:

Without an iota of doubt there are loads of opportunities that includes:

- Serengeti National Park is popular and close to Kilimanjaro and Julius Nyerere International Airports which is a major hub for delivering tourists from worldwide. The area is also linked to major roads connecting to Malawi, Zambia, DRC, Kenya, Uganda, Rwanda and Burundi;
- Good communication system of tarmac feeder roads and efficient mobile phones connecting the project with many other commercial places. The area provides opportunities to the project to broaden the market area including potential to reach other regions. The recent intervention by the government of Tanzania to embark on construction of the Standard Gauge Railway (SGR) is expected to improve tremendously transportation;
- Presence of electricity is an assurance of availability of power for lighting; and,
- Availability of reliable water supply.

7.4.4 Threat:

There are several threats that face every business and these includes the downturn of the economy as well as the arrival of close competitors to the market.

7.5 Business Overview

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7.7 Market Aspect

7.7.1 Market Trends

Regional wise, Europe was the largest destination, it recorded 585 million arrivals in 2022, equivalent to 64 percent of the world's share. The Americas received 142 million arrivals accounting for 16 percent, while Africa accounted for less than 5 percent. When comparing with pre-pandemic numbers, the Middle East enjoyed the strongest relative increase across regions in 2022, with arrivals rising by 83 percent of the pre-pandemic levels. Africa and the Americas 16 both recovered about 65 percent of its pre-pandemic visitors, while Asia and the Pacific reached only 23 percent, due to stronger pandemic-related restrictions.

Despite the global economic shocks, including the residuals of Covid-19 and the war in Ukraine which started early 2022, Tanzania's tourism sector showed high level of resilience, reflected by tourists' arrivals and per capita spending. Measures taken by the governments and the private sector helped to cushion the industry from these adverse effects. The measures include enhancement of products diversification and quality development, coupled with aggressive marketing of Tanzania's unique tourist attractions worldwide, including the Royal Tour. As result, the number of international visitors increased by 57.7 percent to 1,454,920 in 2022, from 922,692 recorded in 2021. Correspondingly, international tourism earnings increased to USD 2,527.8 million in 2022, from USD 1,310.3 million in 2021. Tanzania's international arrivals and earnings for the period 2018-2022

7.7.2 Competitive Advantage

From a thorough research and due to the profit viability of the business, several rival companies are trying to venture to a similar business. The region has various similar business but whose capacity has failed to meet the available demand. Therefore, our participation to the market is going to soften the available demand gap. On the other hand, and through our team, we shall bring huge competitive advantage ensuring unique solutions are given for every challenge and obstacle that shall arise during the course of running the business. Asides, we intend to ensure that the working conditions for our employees are the envy of other employees from our competitors.

7.7.3 Competition, Buying and selling Pattern

There are two types of competitors to consider: primary competitors who offer similar products and services that target similar clientele; and secondary competitors who offer other operations that provide similar services but do not attract similar clientele.

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Competition was examined in the context of similar tented camps or the equivalent, currently offered in Tanzania and African continent, giving indications of how camps can be positioned in light of these existing competitors. Competition was also considered in the context of the experience.

Analyzing competition in terms of primary and secondary competitors enables the development of a unique product that can add value to the destination, while ensuring that the new product is also competitive and sustainable in the long term. The rates given for low and high season will be applicable and based on the calendar year. In very broad terms, high season is typically characterized as 1st November to 30th April, and low season 1st May to 31st October. Unless otherwise specified, camping rates are given for twin share, with standard features of a camp such as air conditioning, mini bar, satellite T.V., coffee & tea making facilities, IDD telephone, tour desk, swimming pool, bar, spa/massage, restaurants with multiple cuisines, tour desk, business Centre and gym.

8. MARKETING STRATEGY

Our marketing strategy is hinged to providing standard quality services and superior customer care. We intend to cultivate a loyal customer base where we shall embrace customer retention and attract new customers. Our daily business operations shall use Enterprise Resource Planning (EPR) software system technology to customize operations by running the entire business, supporting automation and processes in finance, human resources, manufacturing, supply chain, services and procurement. It will also have a mobile app for androids and iOS operating systems to enable customers make orders, pay and ask questions direct without need of visiting our offices in person.

We intend to use our loyal customers to get new customers by deploying a referral system by offering a discount or recognition in return for referring new customers to us (network marketing).

8.1 Source of Income

Like every other business, is established with the intention of making profit. This means that generation of income from our service is our top priority.

8.2 Marketing Strategy

We intend to engage in massive publicity through our website as well as other forums that are tourists related so as to garner more customers. Some of the marketing and sales strategies that will be adopted include:

- Having a first-hand introduction of our services to via b2b meetings and seminars;
- Having long term relationship to customers via contracts and other incentives;
- Meet the immediate environs in person telling them of the benefits they stand to gain

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in using our services;

- Make use of our official website in promoting our services to ensure that it tops the online search for potential customers;
- Make use of social media platforms such as LinkedIn, Face book, Twitter, Jamii forums, Instagram and WhatsApp groups;
- Ensure that our products are advertised on radio, television and even in international and national newspapers;
- Meeting and exceeding the expectations of our clients and through this improving the performance of our brand;
- Ensuring there is a consistency in customer experience in all our locations;
- Use attractive billboards and banners to ensure that potential customers are aware of our services;
- Create awareness by passing out handbills and fliers and pasting same in strategic areas;
- Ensure that I deploy the direct marketing approach; and,
- Make use of word-of-mouth marketing to increase awareness of our existence and invariably our products and services.

8.3 Pricing Strategy

We know the importance of having the right pricing structure. Our price rates will check what is being offered by other competitors, what meets the cost of production but relatively cheaper and affordable to customers.

8.4 Sales Strategy

This will base on generating long-term relationships with customers, providing superior prices and use of automation. Our customers will be able to press orders, pay and get notifications using their mobile phones or via website. This will provide efficient and effective way of handling customers and remove chaos duplicated payments for the same batch. By abiding to these simple, yet effective, business practices, we expect that our customers will make AIA SERENGETI LIMITED their exclusive source of leisure.

8.5 Payment Options

We intend to adopt a payment policy that will provide enough payment options to customers. The payment options shall abide all the financial rules and regulations of the country. Listed below are the options that will be made available to customers: -

- Cash payment,
- Point of Sale (POS) Machine payment option,
- Payment via bank transfer,
- Payment via cheque,
- Payment via online bank transfer,

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- Payment via specified mobile services.

Most of these payment options will be linked online, by following steps of making order first and confirm payments. Offline payments shall require physical visitation to offices or via agents who will be made available to various sell's centres.

8.6 Sales Forecast

..... is well positioned to take on the available market in the region and is quite optimistic that will meet set target of generating enough income/profits from operation and growth of the business and customer base as well.

..... has been able to examine the market analysis in the industry and come up with the sales forecast. The projection is also based on the location of business, demand for service in the region and of course the wide range of related services that will be offered to customers:

The projection is done based on the assumption that there won't be any major economic meltdown and major competitor surrounding the project. Please note that the projection might be lower and at the same time it might be higher. Sales forecast has been increasing yearly under the assumption that there will be increase in price for service per annum.

9. IMPLEMENTATION SCHEDULE

The project implementation schedule will take 12 months from the date funds is released by shareholders. The table below indicates details project implementation plan

Table 6: Start up Schedule

Sn	Activities	Time Frame (Days)
1	Implementation time line Phase 1	12 -24 month (2025/2026)
2	Expansion Time line Phase 2	12-24 months(2027/28)
3		
4		

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10. FINANCIAL PROJECTIONS

The detailed financial projections including key assumptions, projected income statement and cash flow statement.

10.1 Assumptions

This section outlines the key assumptions considered in the financial projections:

10.1.1 Basic Assumptions

- The project infrastructure and all necessary facilities are projected to be completed by end of December 2025 ready for operation in January 2026
- Financial projection is in USD 5 Billion currency and is projected for 10 years

10.1.2 Financing Structure

- Debt – Equity structure considered at ...%: ...%

10.1.3 Revenue

- The project revenue driver are as follows
- Selling of accommodation
- safaris
- Price will increase by 5% per annum to adjust inflation rate

10.1.4 Direct Expenses

- Salaries TZS 80,000,000 per Annum
- Bills TZS 100,000,000 per Annum

10.1.5 Operating Expenses

Item	Amount-TZS/Annum
Professional fee	5,000,000
Internet connection & hosting	10,000,000
Telephone service	7,000,000
Salaries & wages	80,000,000

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Office Supplies	10,000,000
Office equipment (Amortization)	6,000,000
Postage	5,000,000
Motor vehicle Maintenance	25,000,000
Bank Charges	3,000,000
Insurance	7,000,000
Sales & Marketing	30,000,000
Total	183,000,000

10.2 Financial Evaluation

10.2.1 Profitability & Cash flow Projection

Based on the projected income statement, the project will generate profit throughout its operation life span. In Year 1 annual revenues will be TZS 25 billion and net profit after tax will be TZS 12 Billion. Revenues and net profit will grow to TZ billion and profit of TZS 15 Billion respectively in year 10. This indicate the project is profitable

The projected net cash flow statements indicates that the company will generate net cash flow of TZS 25 Billion in Year 1 and will grow to TZS 35 Billion in Year 10. This justifies that the project will generate adequate cash flow to service its financial obligations.

10.2.2 Ratios

In financial analysis, financial ratios and efficiency ratios are used as an index or yardstick for evaluating the financial position of a firm. It is also an indicator for the strength and weakness of the firm or a project. Using the year-end balance sheet figures and other relevant data, the most important ratios such as return on sales which is computed by dividing net income by revenue, return on assets (operating income divided by assets), return on equity (net profit divided by equity) and return on total investment (net profit plus interest divided by total investment) has been carried out over the period of the project life and all the results are found to be satisfactory.

Break-even analysis

The break-even analysis establishes a relationship between operation costs and revenues. It indicates the level at which costs and revenue are in equilibrium. To this end, the break-

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even point for capacity utilization and cash flow projection value are computed and the project has average break-even capacity utilization of%

10.2.3 Pay- back Period

The pay -back period, also called pay – off period is defined as the period required for recovering the original investment outlay through the accumulated net cash flows earned by the project.

Accordingly, based on the projected cash flow it is estimated that the project's initial investment will be fully recovered within 10 years.

10.2.4 Internal Rate of Return (IRR)

The internal rate of return (IRR) is the annualized effective compounded return rate that can be earned on the invested capital, i.e., the yield on the investment. Put another way, the internal rate of return for an investment is the discount rate that makes the net present value of the investment's income stream total to zero. It is an indicator of the efficiency or quality of an investment. A project is a good investment proposition if its IRR is greater than the rate of return that could be earned by alternate investments or putting the money in a bank account. Accordingly, the IRR of this project is computed to be% when discount rate of 5% is applied. This indicates the project is viable.

10.2.6 Net Present Value

Net present value (NPV) is defined as the total present (discounted) value of a time series of cash flows. NPV aggregates cash flows that occur during different periods of time during the life of a project in to a common measuring unit i.e., present value. It is a standard method for using the time value of money to appraise long-term projects. NPV is an indicator of how much value an investment or project adds to the capital invested. In principle, a project is accepted if the NPV is positive. Accordingly, the net present value of the project at 16% discount rate is found to be TZS million which is acceptable.

11. PROJECT RISKS AND MITIGATION

11.1 Market risk

Market Risk will occur, for example, when the prices for service fall; company market share drops or in worst case scenario the demand for service ceases. The mitigation of this risk is as follows:

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- The company will firm Long-term sales orders with customers
- The demand for camping service is growing in the region due to increase in income. AIA SERENGETI LIMITED will deploy strategic marketing to capture adequate market share to sell its product.

11.2 Operating risk

The operating risk occurs due to inability to economically achieve the desired service rate caused by low quality service and inexperience and quality of staff applied to the project.

The operating risk is mitigated as follows:

- Technical risk: As presented earlier, AIA SERENGETI LIMITED will employ high quality service to offer camping experience to customers.
- Management risk: AIA SERENGETI LIMITED will employ qualified and experienced management team including General Manager who have vast experience and success in managing camping sites.
- Cost risk: This includes increase in cost of labour, materials, productivity and operating expenses. This is controlled by competent accountant to oversee financial management for the project.

11.3 Environment risk

There is no emission from the daily operation of the project. The environment management plan will be implemented to comply with environment protection.

11.4 Infrastructure risk

This risk occurs when the project is located in place where there is poor transportation networking and interconnect causing high delivery cost and service price.

To mitigate this risk, the project is located at central Serengeti. The available good road infrastructure will favor project operation in terms of service delivery.

11.5 Completion risk

This project is not susceptible to the completion risk (also known as Construction, Development, or Cost-Overrun risk) because its implementation is at advanced stage.

12. ENVIRONMENT, SOCIAL AND ECONOMIC IMPACT

12.1 Permit and Regulation

The company has made necessary arrangement to acquire those permits and certificate of which most of them will be issued by the government.

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12.2 Environment issues

Project in National parks are regulated by National Environment Management council (NEMC)

12.3 Social and economic impact

- a. The project is found to be financially viable and generate profit within the project life span. Such results induce the project promoters to reinvest the profit which therefore increase the investment magnitude of project in the region and hence increase employment opportunities and taxes.
- b. In the project life under consideration, the region will collect corporate tax. Such results create additional fund for the government that will be used in expanding social and other basic services.
- c. The project is expected to create employment opportunity to several citizens of the country. That is, it will provide employment of professionals as well as support staff.
- d. The project has multiplier effect to the location where the project will be implemented

13. CONCLUSION & RECOMMENDATION

The company is setting up permanent tented camps. The promoters are confidence that the project will operate successfully of which investors are assured return of capital due to the following reasons

- a. The company will recruit competent management team to manage project.
- b. Currently, tourists' business in Tanzania is growing due to government promotion and the world economy growth.
- c. The project will be located proximity to the market.