

BUSINESS PLAN FOR MODERN ARABIC RESTAURANT



BUSINESS PLAN FOR MODERN ARABIC RESTAURANT

**YEMENGATE COMPANY LIMITED
P.O.BOX 40831
DAR ES SALAAM, TANZANIA**

**Cell: +255688361260
Email:malpoiny@gmail.com**

August, 2024

APPROVAL OF THE BUSINESS PLAN

We confirm that the preparation of this business plan has been according to vision and mission of our company and that all information within this plan is correct based on our understanding. We, therefore, confirm that this is the company's business plan for the proposed project.

Approved by

.....

Director

YEMENGATE COMPANY LIMITED

ACRONYMS

| | |
|------|----------------------------|
| USD: | United States Dollar |
| TIC: | Tanzania Investment Centre |
| GDP: | Gross Domestic Product |
| OTC: | Over the counter |
| US: | United States |
| IRR: | Internal Rate of Return |
| ROI: | Return on Investment |
| R&D: | Research and Development |
| CBD: | Central Business District |

MEASUREMENTS

| | |
|------------|----------------|
| 1 ounce= | 28.35 grams |
| 1kilogram= | 1000 grams |
| 1 ton= | 1000 kilograms |

CURRENCY EXCHANGE

1 USD= TZS 2697.59

(Based on 31 August 2024, BOT Exchange Rates)

TABLES AND FIGURES

TABLES

- 1: Table of contents: Page no. 7
- 2: Total Project Investment Costs: Page 14
- 3: Project Financing Plan: Page no. 14
- 4: Implementation Plan: Page no.15
- 5: Summary of Cost presentation and financial analysis: Page no: 15
- 6: Projected Income Statement: Page no. 16
- 7: Projected Cash flow for 5 years: page no. 16
- 8: Total Equipment cost: Page no. 17-18

FIGURES

- 1: Figure no. 1: Map of Dar es Salaam city, Tanzania

EXECUTIVE SUMMARY

The YEMENGATE COMPANY LIMITED would be involved in establishing and running Arabic restaurant in Dar Es Salaam city in Tanzania. The company plans to set a new and modern restaurant for offering Arabic cuisines for Arabic corporate clients, workers from within the city, government officials, business people and tourists and other people would like to taste Arabic food aroma. The restaurant will also prepare the delicious Swahili dishes for the locals and foreigners who would like to taste for Swahili food delicacy .The restaurant will allow customers to enjoy the food and beautiful views of the Indian Ocean, the harbor and the city

Dar es Salaam is ideal for setting a restaurant as it seat of government and international organizations, largest city, industrial centre, and has major port of Tanzania. The city has picturesque harbour, beautiful beaches, and thriving nightlife, thus has become a popular tourist destination. This opens ups opportunity for food business such as restaurant delivery business. The demand is driven by the emerging consumer class, the expat community, and an increasing number of well-educated and travelled Tanzanians

The proposed project intends to establish a new and modern Arabic restaurant that will offer mixed cuisines of both Arabic dishes and Swahili dishes tap on the business potential available. According to Statista.com, Restaurant Delivery market in Tanzania is projected to reach a revenue of USD 5.21 million by 2024. It is expected to exhibit an annual growth rate (CAGR 2024-2029) of 10.52%. resulting in projected market volume of USD 8.59 million by 2029.

The feasibility study report presents the justification of the project, market analysis, resources required, project location, implementation of the project, cost presentation and financial analysis.

Summary of financial analysis

| | |
|--------------------------------|----------------------|
| Fixed Cost | USD 347,220 |
| Operational cost | USD 472,500 |
| Total Investment | USD 819,720 |
| Internal Rate of Return (IRR) | 58.6% |
| Return On Investment | 63.12% |
| Annualized ROI | 10.28% |
| Payback Period | 1.582 years |
| Discounted Payback period | 1.976 years |
| Cash Flow Return Rate | 71.63% |
| Investment gain in 5 years | USD 517,405/= |

TABLE OF CONTENTS

| | |
|--|----|
| EXECUTIVE SUMMARY | 6 |
| CHAPTER ONE | 8 |
| ABOUT YEMENGATE COMPANY LIMITED | 8 |
| CHAPTER TWO | 9 |
| PROJECT LOCATION | 9 |
| CHAPTER THREE | 10 |
| PROJECT OBJECTIVES | 10 |
| CHAPTER FOUR | 11 |
| INDUSTRY AND MARKET ANALYSIS | 11 |
| 4.1 Restaurants Industry | 11 |
| 4.2 Restaurant Market Value | 11 |
| 4.3 Target Market | 11 |
| CHAPTER FIVE | 12 |
| PROJECT DESCRIPTION | 12 |
| 5.1Project Overview | 12 |
| 5.2 Services | 12 |
| 5.3Employment creation | 12 |
| 6.4Technology and Skills Transfer | 13 |
| CHAPTER SIX | 14 |
| PROJECT FINANCIALS | 14 |
| 6.1 Project Costing | 14 |
| 7.1.1Total Project Investment Costs | 14 |
| 7.2: Project Financing Plan | 14 |
| 7.3: Implementation Plan | 15 |
| 7.4 Summary of Cost presentation and financial analysis | 15 |
| 7.5: Financials | 16 |

CHAPTER ONE

ABOUT YEMENGATE COMPANY LIMITED

Legal Formation

The company was incorporated on 19Th March 2024 with registration number 173178131 as a private company limited by shares. The company registered office is located in Dar Es Salaam, Kinondoni district, Kinondoni ward, Makumbusho Street, Plot number 101, Block 2, House no 1.

Objectives of the company

The company is established to carry out restaurants and mobile food service, event catering, beverage servicing, short term accommodation, camping grounds, recreational vehicle parks and trailer parks, reservation and other accommodation activities. The company also intends to venture into construction of buildings and real estate with own or leased property

Ownership/Directors/Shareholders/ Shareholdings

YEMENGATE COMPANY LIMITED has been ventured by three shareholders , Mohammed Motea Murshed Ghaleb (Yemenis) who owns 60 % of the outstanding share; Abdulwahid Motea Murshed Ghaleb (Yeminis) who owns 20% and Mahmood Motea Murshed Albaani who owns 20 % of the outstanding share with market value (Market capitalization) of Tanzania Shillings fifty Million (TZS 50,000,000). The company is planning to increase its capital to achieve its objectives. Mr. Mohammed Motea Murshed Ghaleb the first directors of the company.

CHAPTER TWO

PROJECT LOCATION

The project location is Dar Es Salaam. Dar es Salaam is located at 6°48' S, 39°17' E (−6.8000, 39.2833), on a natural harbour on the coast of East Africa, with sandy beaches in some areas. It is the largest city and financial hub of Tanzania. It is also the capital of the Dar es Salaam Region. With a population of over five million people, Dar es Salaam is the largest city in East Africa and the sixth-largest in Africa. Located on the Swahili coast, Dar es Salaam is an important economic center and one of the fastest-growing cities in the world

Dar es Salaam is ideal for setting a restaurant as it seat of governmental and international organizations, largest city, industrial centre, and has major port of Tanzania. The city has picturesque harbour, beautiful beaches, and thriving nightlife, thus has become a popular tourist destination. This opens ups opportunity for food business such as restaurant delivery business. The demand is driven by the emerging consumer class, the expat community, and an increasing number of well-educated and travelled Tanzanians



Figure no. 1: Map of Dar es Salaam city, Tanzania

CHAPTER THREE

PROJECT OBJECTIVES

The YEMENGATE COMPANY LIMITED plans to establish and run a modern Arabic restaurant in Dar Es Salaam city in Tanzania. The objectives of this project are as follows;

- i. Offering affordable and quality Arabic cuisines to corporate clients, workers from within the city, government officials, business people and tourists who would to taste or enjoy Arabic dishes in Tanzania
- ii. Offering the mixed Cuisines ranging from Arabic to Swahili dishes.. The restaurant will also prepare the delicious Swahili dishes for the locals and foreigners who would like to taste for Swahili food delicacy
- iii. Offering customers with tour activities. The company will position the restaurant view will allow customers) to enjoy the food and beautiful views of the Indian Ocean, the harbor and the city and making arrangement to tour customers around the city
- iv. Expansion of Restaurant delivery market. The company will strive to be known by its food and beverage that will enable to attract more customers and be able to open other chain of restaurants in the city and other areas in Tanzania . In five years to come the company will open other restaurants in Arusha, Dodoma and Mwanza.
- v. Human resource development. The company's plan is to help employees develop their abilities, skills, and knowledge. For instance training chefs how to prepare Arabic dishes, cultures and traditions. This is to ensure the effectiveness and advancement of individual employees, collective departments, and the company itself.
- vi. Social Responsibility. The company will carry out various social responsibility programs in the community around the project areas. Some of targeted program include nutrition programs to children in streets , pregnant women and children in schools
- vii. Job creation. The company will employ abroad set of workers and talented individuals from chefs, servers, attendants, cleaners, managers to accounts. The company plans to employer over 50 local employees.

CHAPTER FOUR

INDUSTRY AND MARKET ANALYSIS

4.1 Restaurants Industry

The Restaurants subsector consists of the Restaurants industry. Companies in the Restaurants industry prepare meals, snacks, and beverages to customers' orders for immediate on- and off-premises consumption. Broadly divided into three sub-categories, the restaurant industry includes limited-service eating places, casual full-service eating places, and upscale full-service eating places. Limited-service restaurants provide services to customers who order and pay before eating. Fast-food restaurants represent the largest share of the limited-service restaurants segment. Full-service restaurants offer more service, food for consumption primarily on-premise, and typically reflect higher quality food and prices.

4.2 Restaurant Market Value

According to Statista.com, Restaurant Delivery market in Tanzania is projected to reach a revenue of USD 5.21 million by 2024. It is expected to exhibit an annual growth rate (CAGR 2024-2029) of 10.52%. resulting in projected market volume of USD 8.59 million by 2029. The number of users in the Restaurant Delivery market is anticipated to reach 0.9m users by 2029. The user penetration is projected to be 0.9% in 2024 and is expected to increase to 1.2% by 2029. The average revenue per user (ARPU) is estimated to be US\$8.05. The restaurant delivery market in Tanzania is experiencing a surge in demand due to the growing urban population and busy lifestyles

4.3 Target Market

The company targets corporate clients, workers from within the city, government officials, business people and tourists in Dar Es Salaam city. It has been established about 70 percent which account to about 3.5 million eat meals in restaurants, food vendors and other informal places. Out of them only 20 percent of them eat in specialized restaurant which account for about 700,000 people. The company plans serve about 0.5 percent of them account for about 3500 people per year. Customers' annual value is estimated to USD 750. This makes the company's total serviceable market to be USD 2.6 million. According to the tripadvisor.com the food prices in restaurants in Dar Es Salaam vary from USD 2 to 23 per meal depending on cuisines and specialty

CHAPTER FIVE

PROJECT DESCRIPTION

5.1 Project Overview

The YEMENGATE COMPANY LIMITED would be involved in establishing and running Arabic restaurant in Dar Es Salaam city in Tanzania. The company plans to set a new and modern restaurant for offering Arabic cuisines for Arabic corporate clients, workers from within the city, government officials, business people and tourists and other people would like to taste Arabic food aroma. The restaurant will also prepare the delicious Swahili dishes for the locals and foreigners who would like to taste for Swahili food delicacy The restaurant will allow customers to enjoy the food and beautiful views of the Indian Ocean, the harbor and the city

Dar es Salaam is ideal for setting a restaurant as it seat of government and international organizations, largest city, industrial centre, and has major port of Tanzania. The city has picturesque harbour, beautiful beaches, and thriving nightlife, thus has become a popular tourist destination. This opens up opportunity for food business such as restaurant delivery business. The demand is driven by the emerging consumer class, the expat community, and an increasing number of well-educated and travelled Tanzanians

5.2 Services

The company will primarily offer Arabic cuisines such as hummus, Manakeesh,, Grilled halloumi, Foul meddama, Falafel, Tabouleh, Moutabal, Fattoush, Umm ali, Shnklish, Shwama,, Shish tawook,, Dolma,, kofta etc. However the company may offer other dishes such Asian dishes such as bryani, sushi, peking duck, kimchi, Tom Yam, Pho etc.and Swahili dishes such as charred or barbecued meat, rice with spices, potato chip omelette, meat and banana stew etc. The restaurant will offer drinks such as soda, energy drinks, malt drinks and juices

5.3 Employment creation

One of the core objectives of the company is to create employment to the locals. The company policy is employ more than 75 percent of local employees putting emphasis on the gender equality in employment opportunities. It is expected that the company in first year of operation is going to employ 50

6.4 Technology and Skills Transfer

The company policy is to make sure skills and technology used in the operations are transferred among employees .The company will sure all the operations are run by locals and by so doing the company will enable the local employees learn the skills and technology used in the company and be able to manage and run the restaurant operations after 5 years

6.5 SWOT Analysis

| | |
|--|--|
| <p>STRENGTH</p> <ul style="list-style-type: none"> 1: Unique dishes and services such mixed of Arabic, Asian and Swahili dishes 2: Premium location. Located in high populated area 3: Local staff. Will employ local employees who are aware of both Arabic and Swahili cultures 4: Close to customers. The restaurant location is closer to target customers 5: Local value offering. 6: Tourism view, the restaurant will allow customers to view Indian Ocean | <p>WEAKNESS</p> <ul style="list-style-type: none"> 1: Existing competitors. 2: Similar cuisines types. The company is aware that there some restaurants in the city which offer the similar cuisines 3: New Openings happening. The restaurant industry attract many investors in the city 4: No brand awareness. The restaurant is new therefore have no brand awareness to targeted customers |
| <p>OPPORTUNITY</p> <ul style="list-style-type: none"> 1: Increase of busy people in the city who demand prepared meals 2: Online food ordering. Social media presence and food app 3: Low cost labour 4: Potential for expanding to other locations | <p>THREAT</p> <ul style="list-style-type: none"> 1.Intesifying competition from established chain restaurants 2: Uncertain economic environment 3: Rising cost of ingredients |

CHAPTER SIX

PROJECT FINANCIALS

6.1 Project Costing

The project costs will involve premise rent, purchase of equipment and other operation costs as stipulated below;

7.1.1 Total Project Investment Costs

| PARTICULARS | Description | QUANTITY | TOTAL COST (USD) |
|---|---|----------|------------------|
| Registration, legal and other consultation fees | | | 5000 |
| Rental fees | | | 72,000 |
| Car Toyota | Toyota Hiace Van Automatic engine size 3000 | 1 | 10,803 |
| Cooling Rooms | 2*3 metres | 2 | 2,200 |
| Equipment | Listed below | | 253581 |
| Permit/licenses | | | 200 |
| Insurance | 1% of fixed cost | | 3436 |
| Operation costs | 90% of annual revenue | | 472,500 |
| TOTAL | | | 819720 |

7.2: Project Financing Plan

The project will be financed 96.5% in terms of loans that will be obtained from Banks and 3.5 % of total investment will be financed by company's shareholders

| S/N | Source of Fund | Amount (USD) | Date of disbursement | Remarks |
|-----|----------------------------|----------------|----------------------|---------|
| 01 | Shareholders Contributions | 19,720 | December 2024 | - |
| 02. | Bank loans | 800,000 | January 2025 | - |
| 03 | Others | - | - | - |
| | TOTAL | 819,720 | | |

7.3: Implementation Plan

| S/N | ACTIVITIES | Time |
|-----|---|------------------------|
| 1 | Company registration , establishment, Feasibility study development of project proposal and Processing permit, licenses and other compliances | June –August 2024 |
| 2. | Processing TIC licenses, permits and others | August- December 2014 |
| 3. | Obtaining Fund | January- February 2025 |
| 4 | Purchase of Equipment | March 2025 |
| 5 | Installation of equipment and other works | March 2025 |
| 6. | Purchase of other ingredients | March 2025 |
| 7. | Hiring of employees | March 2025 |
| 8 | Preparation Start operation | March- June 2025 |
| 9 | Start of operation | July 2025 |

7.4 Summary of Cost presentation and financial analysis

| | |
|--------------------------------|----------------------|
| Fixed Cost | USD 347,220 |
| Operational cost | USD 472,500 |
| Total Investment | USD 819,720 |
| Internal Rate of Return (IRR) | 58.6% |
| Return On Investment | 63.12% |
| Annualized ROI | 10.28% |
| Payback Period | 1.582 years |
| Discounted Payback period | 1.976 years |
| Cash Flow Return Rate | 71.63% |
| Investment gain in 5 years | USD 517,405/= |

7.5: Financials

7.5.1 Projected Income Statement (Currency in USD)

| Income | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|-----------------------------|----------------|------------------|------------------|------------------|------------------|
| Customers | 700 | 805 | 813.05 | 821.1805 | 829.3923 |
| Customer purchases per year | 750 | 862.5 | 991.875 | 1140.656 | 1311.755 |
| Total | 525,000 | 694,312.5 | 806,444 | 936,684.7 | 1,087,959 |
| EXPENSE | | | | | |
| Restaurant Operational cost | 472,500 | 543,375 | 624,881.3 | 718,613.4 | 826,405.5 |
| Total | 472,500 | 543,375 | 624,881.3 | 718,613.4 | 826,405.5 |
| GROSS PROFIT | 52,500 | 150,937.5 | 181,562.7 | 218,071.2 | 261,553.8 |
| TAX 30% | 15,750 | 45,281.25 | 54,468.82 | 65,421.37 | 78,466.14 |
| NET PROFIT | 36,750 | 105,656.3 | 127,093.9 | 152,649.9 | 183,087.7 |

7.5.2: Projected Cash flow for 5 years (Currency in USD)

| | | YEAR 0 | YEAR 1 | YEAR 2 | YEAR 3 | YEAR 4 | YEAR 5 |
|-----------------------|-------------------|---------------|---------------|-----------------|-----------------|----------------|----------------|
| Cash in the beginning | Cash in bank | 0 | 472500 | 525000 | 675937.5 | 857500.2 | 1075571 |
| | Shareholders cash | 0 | | | | | |
| | Loan | 819,720 | | | | | |
| Cash inflows | Sales | | 525000 | 694312.5 | 806444 | 936684.7 | 1087959 |
| Cash available | | 819,720 | 997,500 | 1,219,313 | 1,482,381 | 1,794,185 | 2,163,531 |
| | | | | | | | |
| Cash Outflows | Operational costs | | 472500 | 543375 | 624881.3 | 718613.4 | 826405.5 |
| | Fixed cost | 347220 | | | | | |
| | Total | 347220 | 472500 | 543375 | 624881.3 | 718613.4 | 826405.5 |
| Net Cash flow | | 472500 | 525000 | 675937.5 | 857500.2 | 1075571 | 1337125 |

7.5.3 Equipment cost

| PARTICULARS | Description | QUANTITY | TOTAL COST (USD) |
|---------------------------------|--|----------|------------------|
| Car Toyota | Toyota Hiace Van Automatic engine size 3000 | 1 | 10,803 |
| Broast Machine | Electric line 1800 | 1 | 4,000 |
| Cooling Rooms | 2*3 metres | 2 | 2,200 |
| Shwarma machine | Economic type Gas operated | 1 | 560 |
| Dough Kneader | Classic fork Model, Stainless bowl and fork | 1 | 1,108 |
| Meat Mincer | Completely stainless | 1 | 1,388 |
| Vegetable cutter | 7 knives with legs | 1 | 948 |
| Potato peeling machine | size 25kg | 1 | 1,642 |
| Tilting houmous machine | Stainless steel, easy to clean design | 1 | 2,056 |
| Meat bone saw counter | size 480*680*990 | 1 | 1,856 |
| Deep Fat Flyer | Gas operated double with cupboard | 1 | 2,336 |
| Range 3 Open Burner | LPG Gas operated or normal gas | 4 | 3,312 |
| Range 4 Open Burner | LPG Gasoperated or normal gas | 2 | 1,228 |
| Server Over Counter | With stainless steel body. Used for meat sausage | 1 | 1,068 |
| Range 3 Open Burner | Gas operated with buttom shelf | 1 | 50,000 |
| Vertical Type Refrigerator | Meat hanging Glass door show case | 1 | 3,440 |
| Vertical Type Refrigerator | Double Door Fan | 1 | 2376 |
| Deep Freezer | Double Door Fan | 1 | 2936 |
| Cold Service Unit | ELC Operated-Stainless steel | 1 | 2616 |
| Work bench | With bottom shelf | 6 | 4416 |
| Meta Stertching | Packaging | 1 | 210 |
| Ice cube Machine | with storage | 1 | 2150 |
| Polythene Bottom Shelf | Stainless steel material | 1 | 800 |
| Espresso Coffee machine | Black colour -2eyes | 1 | 3739 |
| Gioting type dish washer 500P/H | Volume was tank- Control type is analog | 1 | 2147 |
| Gioting type dish washer 500P/H | Volume was tank- Control type is analog | 1 | 1680 |
| Water Boiler | | 2 | 729 |
| Middle type hood | With a filter | 2 | 4408 |
| 5HP Turbine Blower Single HP | | 2 | 3928 |
| Grinder Counter top | Easy to clean design | 1 | 388 |
| Hot Banquet Trolley | Single door | 1 | 1680 |
| Double showcase Chicken Grills | Grill with lavastone gas | 1 | 436 |
| Steel tables | Steel frame and corian back size 1300 cm *900cm | 32 | 14000 |

7.5.4 Equipment cost

| PARTICULARS | Description | QUANTITY | TOTAL COST (USD) |
|--------------------|------------------------|-----------------|-------------------------|
| Chairs | Steel frame and Corian | 128 | 13000 |
| Metal pots | 120 litres | 4 | 3000 |
| Perking Generator | 250KV | 1 | 44000 |
| TV Screens | Sumsung 62 inch size | 10 | 10,000 |
| Air Conditioners | Hisense 3.5 tons | 20 | 60000 |
| TOTAL | | | 266,584 |