

SABA ENGINEERING PRIVATE LIMITED

Business Plan

for

ESTABLISHMENT OF SPECIALISED TOURIST

RESTAURANT

PREPARED FOR

SABA ENGINEERING PRIVATE LIMITED

1.0 Executive Summary

SABA ENGINEERING PRIVATE LIMITED is a foreign company registered in the country under the Companies Act, Cap. 212 (No. 12 of 2002) which is administered by the Business Registrations and Licensing Agency (BRELA) bear Certificate of Compliance No. 49844 dated 24th August ,2004

The project proposes the development of a high-end Ethiopian tourist restaurant offering authentic Ethiopian cuisine, cultural dining experiences, and entertainment. The restaurant will combine traditional Ethiopian hospitality, cultural décor, coffee ceremonies, and live performances to attract tourists, diplomats, expatriates, and affluent locals.

The restaurant will be located in a prime tourism and business area of Dar es Salaam, which receives increasing numbers of international visitors due to its role as Tanzania's commercial hub and gateway to tourism destinations.

Key highlights:

- Project Investment: US\$3.5 Million
- Seating Capacity: 35–45 guests
- Land Size: 500 m² for tourist restaurant

- Space size 1000 m² for office use and other use
- Expected Annual Revenue: US\$2.6 – 3.2 million
- Payback Period: 4–5 years

The restaurant will position itself as East Africa's premier Ethiopian cultural dining destination.

2.0 Business Description

2.1 Business Concept

A tourist-oriented Ethiopian restaurant combining:

- Authentic Ethiopian cuisine
- Cultural entertainment
- Ethiopian coffee ceremony
- Traditional décor and atmosphere

The restaurant will offer a complete cultural experience rather than just food.

Key Services

- Ethiopian traditional meals
- Coffee ceremonies
- Cultural performances
- Group dining for tourists

- Private dining rooms
- Event hosting
- Ethiopian specialty beverages

2.3 Company Ownership

SABA ENGINEERING PRIVATE LIMITED is promoted by five investors who are very experienced in the industry

Shareholder Name	% of ownership	Nationality
SAMSON BEKURE TEFERA	20	Ethiopian
KALDIDAN TADESSE ALEMU	5	Swede
BEAKAL TADESSE TADESSE ALEMU	15	Ethiopian
THEOBESTA SAMSON BEKURE	15	
ADONAI SAMSON BEKURE	15	
AMRAN SAMSON BEKURE	15	
YODAHE SAMSON BEKURE	15	

2.5 Project Location

The project will be located at Uhuru Heigh top roof for restaurant and 11 floor for office use, Ilala District, Dar es Salaam Region.

Advantages:

- Tourist concentration

- Hotel proximity
- High purchasing power
- Expatriate community

3.0 Market Opportunity

3.1 Tourism Market

Tanzania's tourism sector is experiencing a significant boom in 2025, with over 5.3 million international arrivals recorded by April, surpassing the annual target. The first 11 months saw a 9% increase in visitors compared to 2024, driven by improved infrastructure, increased direct flights, and top visitor sources like Kenya, the US, and France.

Tourist segments include:

- Safari tourists
- Business travelers
- Diplomats
- Expatriates
- Regional visitors

These customers seek unique cultural dining experiences.

3.2 Growing Restaurant Market

Dar es Salaam has a rapidly expanding hospitality industry due to:

- Population growth
- Tourism
- Diplomatic missions
- International companies

However, high-end Ethiopian restaurants are very limited, creating a niche opportunity.

4.0 Marketing Strategy

4.1 Target Customers

- International tourists
- Expatriates
- Diplomats
- Corporate clients
- Tour operators

4.2 Promotion Channels

- Tour operator partnerships
- Hotel referrals

- Travel websites
- Social media marketing
- Food bloggers
- Cultural events

4.3 Risk Analysis

Potential Risks

- Competition from other restaurants
- Tourism fluctuations
- Food supply costs

Mitigation

- Strong branding
- Tourist partnerships
- Diversified menu

5.0 Products and Services

5.1 Ethiopian Food Menu

Traditional Dishes

- Injera
- Doro Wat
- Tibs

- Kitfo
- Shiro
- Beyaynetu

Vegetarian Options

- Lentil stew
- Chickpea stew
- Spinach dishes

Ethiopian Beverages

- Ethiopian coffee
- Tej (honey wine)
- Ethiopian tea

5.2 International Menu

- Grilled meats
- Seafood
- Continental dishes

5.3 Tanzania (Swahili) Menu

- Ugali with Meat or Fish

The national staple made from maize flour, served with beef stew, chicken, or fish.

- Nyama Choma
- Zanzibar Biryani
- Samaki wa Kupaka
- Mishkaki
- Wali wa Nazi
- Ndizi Nyama
- Grilled Lobster
- Octopus Curry
- Prawns in Coconut Sauce
- Grilled Red Snapper
- Maharage ya Nazi

5.4 Cultural Performances

Weekly performances including:

- Ethiopian traditional dance
- Cultural music
- Storytelling
- Makonde traditional dancing and Haya

5.5 Facilities

The restaurant will include:

- Main dining hall (300 seats)

- VIP dining rooms
- Outdoor garden dining
- Coffee ceremony hall
- Cultural stage
- Bar lounge
- Tourist gift shop
- Parking area
- Commercial kitchen

5.6 Unique Tourist Experience

Ethiopian and Tanzania Coffee Ceremony

A traditional ceremony involving:

- Roasting coffee beans
- Brewing coffee
- Serving in traditional cups

This is a major tourist attraction.

5.3 Implementation Timeline

Phase	Duration
Project location acquisition	2 months
Design & Renovation	8 months
Furniture importing and installation	2 months
Recruitment	2 months
Testing	2 months

6.0 Staffing Plan

Total employees: 60

Management

- General Manager
- Operations Manager
- Finance Manager
- Marketing Manager

Kitchen

- Ethiopian and Swahili chefs
- Sous chefs
- Kitchen assistants

Front of House

- Waiters
- Hostesses
- Bar staff

Cultural Staff

- Musicians
- Performers

7.0 Revenue Model

- Average customer spending: US\$30 – 50
- Average daily customers: 100

8.0 Project Financing

The company has estimated that the project will be financed by long term loan amounting to US\$2,000,000 with interest rate of 9% repaid within 5 years and remaining US\$1,500,000 will be shareholders contribution and cashflows generated from business.

8.1 Operating cost

The project operating cost been estimated to be 40% of total revenue

9.0 Project Cost

The project has budgeted to cost the followings:

Land and Buildings	2,200,000
Machinery & Equipment	2,500,000
Motor Vehicles	250,000
Furniture & Fixtures	20,000
Pre exp	20,000
Others	10,000
Working Capital	1,000,000
TOTAL	6,000,000

10.0 Financial Aspects for The Project

- **Projected Profit and Loss Statement**

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 656,425** in the 1st year to **US\$ 7,099,639** in the 8th year.

- **Projected Cash Flows**

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 906,675** in the first year to **US\$ 8,301,639** at the end of 8th years of the project's operations.

- **Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$1,500,000 in** the first year to **US\$8,599,639** at the end of 8th years of the project's operations based

- **Payback Period**

Total investment is **US\$ 3,500,000** cash accumulation in 4th year **US\$ 3,827,000** which is more than the initial investment. The project payback Period is exactly within 4years. The project has a relatively short payback period.

- **Loan repayment**

Total investment loan is **US\$2,000,000** to be repaid within 5 years with interest of 9% annual.

11.0 Economic Aspects of The Projects

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 60 direct employment and 500 indirect. This is a significant contribution coming from investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

- **Foreign Exchange Earning**

Project is will be charging foreign currency to tourists, the project will thus earn foreign currency for the United Republic of Tanzania.

- **Promote culture**

Promote Tanzania culture, Support tourism industry and Increase hospitality investment.

12.0 Conclusion

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 60 direct and 500 indirect.
- The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

13.0 Recommendation

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

APPENDIX I

SABA ENGINEERING PRIVATE LIMITED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8
Revenue from food	1,240,000	1,302,000	1,367,100	1,435,455	1,507,228	1,582,589	1,661,719	1,744,805
Revenue from drinks	240,000	252,000	264,600	277,830	291,722	306,308	321,623	337,704
Other revenue	500,000	525,000	551,250	578,813	607,753	638,141	670,048	703,550
Total Revenue	1,980,000	2,079,000	2,182,950	2,292,098	2,406,702	2,527,037	2,653,389	2,786,059
Total Cost	792,000	831,600	873,180	916,839	962,681	1,010,815	1,061,356	1,114,424
Profit before Depreciation &Interest	1,188,000	1,247,400	1,309,770	1,375,259	1,444,021	1,516,222	1,592,034	1,671,635
Interest	160,000	128,000	96,000	64,000	32,000	-	-	-
Depreciation	90,250	90,250	90,250	90,250	90,250	90,250	90,250	90,250
Gross Profit	937,750	1,029,150	1,123,520	1,221,009	1,321,771	1,425,972	1,501,784	1,581,385
Tax (30%)	281,325	308,745	337,056	366,303	396,531	427,792	450,535	474,416
Profit After Tax	656,425	720,405	786,464	854,706	925,240	998,181	1,051,249	1,106,970
Accumulated Profit	656,425	1,376,830	2,163,294	3,018,000	3,943,240	4,941,421	5,992,669	7,099,639

APPENDIX II

SABA ENGINEERING PRIVATE LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	1,188,000	1,247,400	1,309,770	1,375,259	1,444,021	1,516,222	1,592,034	1,671,635
Equity	1,500,000								
Loan	2,000,000								
Total Sources	3,500,000	1,188,000	1,247,400	1,309,770	1,375,259	1,444,021	1,516,222	1,592,034	1,671,635
Applications:									
Capital expenditure	2,525,000	-	-	-	-	-			
working Capital &Others	975,000								
Cash	-	906,675	938,655	972,714	1,008,956	1,047,490	1,088,431	1,141,499	1,197,220
Tax	-	281,325	308,745	337,056	366,303	396,531	427,792	450,535	474,416
Sub total	3,500,000	1,188,000	1,247,400	1,309,770	1,375,259	1,444,021	1,516,222	1,592,034	1,671,635
Total applications	3,500,000	1,188,000	1,247,400	1,309,770	1,375,259	1,444,021	1,516,222	1,592,034	1,671,635
Accumulated cash		906,675	1,845,330	2,818,044	3,827,000	4,874,490	5,962,921	7,104,419	8,301,639

SABA ENGINEERING PRIVATE LIMITED PROJECTED BALANCE SHEET US\$

<u>Fixed Assets</u>		1	2	3	4	5	6	7	8
Opening balance	-	2,525,000	2,434,750	2,344,500	2,254,250	2,164,000	2,073,750	1,983,500	1,893,250
Total Long-term Assets	-	2,525,000	2,434,750	2,344,500	2,254,250	2,164,000	2,073,750	1,983,500	1,893,250
Less depreciation	-	90,250	90,250	90,250	90,250	90,250	90,250	90,250	90,250
Closing balance	-	2,434,750	2,344,500	2,254,250	2,164,000	2,073,750	1,983,500	1,893,250	1,803,000
Working capital	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000	975,000
Accumulated cash	-	906,675	1,845,330	2,818,044	3,827,000	4,874,490	5,962,921	7,104,419	8,301,639
Total assets	975,000	4,316,425	5,164,830	6,047,294	6,966,000	7,923,240			
Financed by									
Equity	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Accumulated profit	-	656,425	1,376,830	2,163,294	3,018,000	3,943,240	4,941,421	5,992,669	7,099,639
Total equity	1,500,000	2,156,425	2,876,830	3,663,294	4,518,000	5,443,240	6,441,421	7,492,669	8,599,639
Long term loan	2,000,000	1,600,000	1,200,000	800,000	400,000	-	-	-	-
Total debts	2,000,000	1,600,000	1,200,000	800,000	400,000	-			
Total equity and debts	3,500,000	3,756,425	4,076,830	4,463,294	4,918,000	5,443,240	6,441,421	7,492,669	8,599,639

SABA ENGINEERING PRIVATE LIMITED DEPRECIATION SCHEDULE US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	2,000,000	1,960,000	1,920,000	1,880,000	1,840,000	1,800,000	1,760,000	1,720,000
Machinery, Tools & Equipment	25,000	24,750	24,500	24,250	24,000	23,750	23,500	23,250
Motor Vehicles	200,000	180,000	160,000	140,000	120,000	100,000	80,000	60,000
Furniture & Fixtures	300,000	270,000	240,000	210,000	180,000	150,000	120,000	90,000
Total	2,525,000	2,434,750	2,344,500	2,254,250	2,164,000	2,073,750	1,983,500	1,893,250
DEPRECIATION	160000	2	3	4	5	6	7	8
Land and buildings	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Machinery tools & Equipment	250	250	250	250	250	250	250	250
Motor Vehicles	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Furniture & Fixtures	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
ANNUAL DEPRECIATION	90,250	90,250	90,250	90,250	90,250	90,250	90,250	90,250

APPENDIX V

SABA ENGINEERING PRIVATE LIMITED FIXED ASSETS US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	2,000,000	1,960,000	1,920,000	1,880,000	1,840,000	1,800,000	1,760,000	1,720,000
Machinery, Tools & Equipment	25,000	24,750	24,500	24,250	24,000	23,750	23,500	23,250
Motor Vehicles	200,000	180,000	160,000	140,000	120,000	100,000	80,000	60,000
Furniture & Fixtures	300,000	270,000	240,000	210,000	180,000	150,000	120,000	90,000
Total	2,525,000	2,434,750	2,344,500	2,254,250	2,164,000	2,073,750	1,983,500	1,893,250
DEPRECIATION	160000	2	3	4	5	6	7	8
Land and buildings	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Machinery tools & Equipment	250	250	250	250	250	250	250	250
Motor Vehicles	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Furniture & Fixtures	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
ANNUAL DEPRECIATION	90,250	90,250	90,250	90,250	90,250	90,250	90,250	90,250

SABA ENGINEERING PRIVATE LIMITED PROJECTED LONG TERM LOAN REPAYMENT

Year	Principle	Loan Interest (9%)	Total Amount Paid	Loan Balance
1	400,000	160,000.00	560,000.00	2,000,000.00
2	400,000	128,000.00	528,000.00	1,600,000.00
3	400,000	96,000.00	496,000.00	1,200,000.00
4	400,000	64,000.00	464,000.00	800,000.00
5	400,000	32,000.00	432,000.00	400,000.00

