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UNITED
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ORGANIZATION



REGIONAL AFRICA

REGIONAL AFRICA LEATHER AND FOOTWEAR INDUSTRY SCHEME

US/RAF/92/200/11-07B/07-20B0

MISSION REPORT (*)

in KENYA

April/June 1994

Based on the work of

Stefan Linz, Footwear Expert

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Agro-Based Industries Branch

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B A C K G R O U N D

The Training Centre - TPCSI - for the Kenya Shoe Industry is located in the Industrial Area of Thika.

TPCSI is intended to serve the local shoe industry with training facilities in the field of:

1. Management training
2. Middle management training
3. Training of green labours
 - a) upper making
 - b) design
 - c) pattern making and grading
 - d) cutting die manufacturing
 - e) service and maintenance for upper making machinery

The assigned facilities of the TPCSI are sufficient to serve the planned training line in the intended field of training with special highlight on moccasin upper production

The centre is equipped:

with machinery for die making
 design and pattern making
 upper cutting
 upper stitching

with a production line
 for shoe uppers (moccasin)

1. The closing section "upper production" and
2. Training fees
 will generate income
 to cover running costs of the institute
 and repayment to the revolving fund

I N T R O D U C T I O N

The mission of the expert, was scheduled in the commissioning and start up period of the TPCSI. Training course for local instructors, supervisors and management for the centre however could not be started.

Local personal like
 instructors for cutting,
 manager,
 technical manager and
 chief supervisors
 were not recruited.

A recruitment campaign were only started, on the end of mission of expert (see Annex no. 1 - Daily Nation May 20, 1994).

Considering the situation, the expert concentrated his mission, after consulting the UNIDO office, Nairobi, on following tasks:

Placing of machinery according to
 the production flow and
 layout of UNIDO.

The majority of the machines arrived TICS in working condition.

Apart from:

Seam reducer which faced a major electrical problems, which could not be solved. The wiring diagram did not correspond with the machine delivered.

Grading machine was placed on the intended location. Tests could not be made due to lack of electrical installations.

Machines for the design department like:
 pattern shears
 edge cutting and binding
 pattern vice
 vacuum former for last shells
 pattern punching machine
 could not be installed as the work benches for the units were not ready.

Work benches were completed in substandard condition 3 days before the expert left Kenya. Machines could not be safely mounted on these work benches.

The edge binding unit could not be tested
 no binding material was available.

Strap cutter and moccasin machines were still under customs custody in Mombassa and could not be released during the mission.

Die making machines were only placed and not tested. According to the time table, an engineer from the supplier will install the machines and instruct local personal.

Machines could not be run under full load as only a temporary extension wire from SANA Shoes was provided to the schooling premises.

No lockers for spare parts were available, to secure the parts.

Finally the spares and small tools were transferred for the time being to the UNIDO office in Nairobi.

2. Racks, transport trolleys etc. were not made available during the commissioning period. The racks and trolleys were neglected due to lack of local funds.

3. Furniture like tables, work benches had to be rejected due to extremely poor quality. Part of the rejected furniture was reconditioned still with poor quality but functioning.

Three hand cutting tables were not finished during the commissioning period due to lack of funds.

4. Constructional works:

The roof of the building was leaking. Machines had to be secured to avoid damages through water.

The factory floor (concrete) is in a very poor condition. Cracks indicate a short life time.

The doors had to be redone as they could not be locked or opened.

The tiles in the wash rooms had to be partly replaced as they were damaged.

Water basins and taps of the lavatory had to be partly redone as the taps could not be opened.
Taps were installed too close to the wall.

4. Utilities,
 like water,
 electricity and
 sewage
were not connected when the expert arrived.

When the expert left only electricity was connected

5. Building:
Parts of the building like
 garage and
 reception
were still under construction.

DATE	PERSON TO BE VISITED	INSTITUTION	PURPOSE OF VISITS
13.04.94.	Mr. Felsner	UNIDO Nairobi	Introduction in the office of UNIDO Nairobi
15.04.94.	Mr. Amin Kassam Mr. Karim Dostmohamed	LIK Leather Industries of Kenya Thika	Introduction of the expert
20.04.94.	Mr. Jun Nishida	UNIDO Nairobi	Meeting regarding purchase of materials and ongoing time table
25.04.94.	Mr. Jun Nishida	UNIDO Nairobi	Report that the roof of the TPCST has some serious leakage's
26.04.94.	Mr. Murungi Constructor	TPCSI Thika	Meeting regarding floor installations, roof , power and faulty workmanship on the construction side
28.04.94.	Mr. John Muriuki UNIDO Nairobi	TPCSI Thika	Meeting regarding serious problems on construction side. and personal recruitment
29.04.94.	Mr. Felsner	UNIDO Nairobi	Meeting about: Recruitment of personal Utility installation at the construction side Plans of future follow-ups
04.05.94.	Mr. Felsner Mr. Charles Ng'ethe	UNIDO Sana Shoes - Thika	Meeting about: Personal recruitment Planning of upcoming steps to be followed up
06.05.94.	Mr. Charles Ng'ethe	Sana Shoes., Thika	Meeting regarding: missing utilities at the construction side (water, sewage, electricity)
09.05.94.	Mr. Felsner	UNIDO, Nairobi	Report and meeting regarding progress at the construction side
10.05.94.	Mr. Charles Ng'ethe and Constructor	Sana Shocs, Thika	Meeting regarding missing utilities, and poor workmanship

DATE	PERSON TO BE VISITED	INSTITUTION	PURPOSE OF VISITS
18.05.94.	Mr. C. Ng'ethe - Sana Shoes - Mr. S. Ng'ang'a - Simjon Shoes - Mrs. M. Gatu - Kays Shoes - Mr. J. Wambugu - Kam Shoes - Mr. Felsner - UNIDO Mr. J. Nishida - UNIDO	Kenya Footwear Manufacturers Association	re: TPCSI finance
20.05.94.	Mr. C. Ng'ethe	Sana Shoes, Thika	Financial background of TPCSI
23.05.94.	Members of Association and Trust Fond	TPCSI Thika, Kenya Footwear Manufacturers Association	Round table meeting. working capital needed for TPCSI
24.05.94.	Mr. Amin Kassam	LIK Thika	General situation of shoe industry of Kenya
25.05.94.	Mr. Karim H. Dostmohamed -Project Manager LIK- Mr. Felsner	LIK, Nairobi	General situation of TPCSI

M E E T I N G S

Meetings in Nairobi and Thika took place with the content:

"The situation of the institute" (see annex 2).

Due to the non-conform situation with his Terms of References in project, the expert insisted on meetings with the parties concerned, to clarify the possibility, to achieve any progress, according to the time table of UNIDO.

The meetings revealed that:

1. The financial background is not sufficient to support and start off the institute.

Lack of awareness concerning the financial background hampered the progress of the implementation. (see annex no. 3 + 4).

The request for a revealed financial study was fulfilled from the expert, and presented in time, from the expert to the parties concerned (see annex no. 5 and 6).

2. Personal recruitment:

It was discussed that a preview of recruitment should have been done before the expert arrived.

Despite the pressure of the expert and Mr. Felsner to present candidates for the vacant positions, non were introduced.

The advertisement for personal recruitment was published short before the expert left.

During the meetings it proved that the members of the association did not even know who should raise the financial sources for the local personal. Despite of raising new funds there are no existing funds to pay any new management of the centre.

3. Several meetings with parties concerned emphasised the present situation of
 building,
 construction side,
 utilities.

Improvement was promised.

WORKING CAPITAL NEEDED

see annexes 5 and 6

During the meetings May 18 and May 23 the renewed figures of the financial background (working capital needed)

- a) for the commissioning period
- b) after commissioning period

were discussed.

The basic figures of the study were taken from the previous study of Mr. Berg's, Mission Report, 1-30 April, 1993, US/RAF/88/100/11-76, as no other figures were made available.

The new figures resulted on an inflation rate of 20 % p.a. Several new figures were added after discussing the project with Mr. Ng'ethe. The figures must be further adjusted as they are based only on rough estimates.

The study contains 2 steps to implement the project:

1. Commissioning period:

The commissioning period is splitted in different months of implementation.

This period takes in consideration months of
 commissioning times
 training of the management
 training or instructors

Workers for the production line are only in limited demand, as the supporting production is not in full operation.

Instructors and management have to settle first.

Commissioning period is considered as a non-profitable set up time to adapt staff to the desired schooling and training procedure.

This applies as well to
 administration
 promotion of the service facilities of
 the institute
 the instructors.

2. After commissioning period:

The after commissioning period takes into consideration the working capital for the start off time which is the period of first low productivity and the time for the trainer to retrain personal and trainees. This period is divided in months and years.

The supporting production with various offered lines should create during the first 3 years progressing financial resources to run the institute and create its running costs.

After the 3 years initial period the production line should create an income to repay the revolving fund and pay for the previous losses.

The figures of the overhead does not include an administration manager who earns according to the information given to the expert approx. KSh 140.000 - 200.000/p.m.

It seems to be indispensable to employ a local manager with high qualifications not only for the technical and production matters but as well capable to fulfil administration work in view of rent ability, promotion and marketing and presentation of the institute. The mentioned monthly income is roughly estimated and can be even higher and has been re-checked according to the situation of employment.

PENDING INSTALLATIONS AND IMPLEMENTATIONS

1. Personal Recruitment

Lack of funds and responsibilities hampered the recruitment of personal in all fields. In fact the staff could not be recruited according to the schedule, only 1 store keeper is at the moment employed for the institute.

2. Pending Installations of Machinery

- a) Moccasin machinery and
- b) strap cutter

are still under customs custody in Mombassa.

- c) Compressor

still has to be moved into the compressor house, concrete must be cured first.

- d) Equipment for cutting die manufacturing is in the desired location but not installed as the expert for installation will arrive soon.

- e) Design room

the grading machine is placed according to the layout plan.

- f) Small machinery like binding machine, cutting machine, pattern shear, vice, vacuum forming machine, pattern punching machine

could not be installed due to lack of correct furniture (work benches).

- g) Lecture room

could not be furnished due to lack of chairs (furniture) Approx. 20 chairs are necessary to serve the demand in seats of production and lecture room.

- h) Furniture

Handcutting tables 3 pcs
 Locker(s) for spare part room (store room)
 Door for spare parts room with a counter
 to secure the parts and material.

- i) Transport boxes and trolleys

to guarantee a smooth and secure run of semi finished products. One sample box was provided on expert's expenses.

- j) Leather horses

5 pcs are necessary to organise the leather according to orders.

k) Office equipment like typewriter, copier etc. is necessary to run a schooling facilities.

l) Roof
the roof has to be completed and secured.

m) Utilities
must be provided to enable people to use the facilities.

n) Floor (concrete)
has to be redone to factory standard.

o) Repair of existing machinery
Seam reducer must be repaired. The service manual does not comply with the provided machine.

RECOMMENDATIONS:

The commissioning and start off period of the TPCSI should be re viewed:

- 1.) Finding of a sound financial base to
 - a) employ qualified personal
 - b) cover fixed costs
 - c) cover variable costs.

Meetings proofed that there is no financial base to commission the training institute.

1. Some more members should be recruited to establish a sound financial base
2. Sufficient background should be created to establish financial resources for the commissioning and after commissioning period of estimated 3 years.

2.) During the commissioning and initiation period, a qualified international expert in administration and technical matters with ability

- a) to instruct the local instructors and management
- b) to guide the administration
- c) to upgrade training facilities and the supporting production to a suitable standard

should joint frequently the project.

3.) The employment of management and instructors should be forced to establish a training plan for the TPCSI.

Without knowing the standard of the personal it is rather difficult to recommend sufficient steps of training.

After the recruitment the expert should train the instructors on the job and theoretically as well as discuss a suitable work program for the trainees.

4.) A sufficient set of basic materials for the training should be provided.

The present situation revealed
there is not enough working material.

It is important to get facilities to copy in the institute work sheets and schooling material.

The lecture room should be provided with a black board or any board for demonstration purposes.

5.) Available merchandises should be sold before the fashion changes.

The sale of those merchandises were hampered as there seems to be no price recommendation available.

ANNEX

KENYA

NATION CLASSIFIED:

SHOES

The Kenya Footwear Manufacturers Association invites applications for the following posts in their Thika Footwear Training Institute:

1. **PRODUCTION AND TRAINING MANAGER.**
This position is for a dynamic individual with relevant experience in footwear industry of not less than 5 years. He or she will be responsible for production and training functions in the institute.
2. **TRAINERS (Two Positions)**
The trainers selected will be required to have relevant technical background and at least two years experience in footwear industry.
3. **DESIGNER**
This position is open to candidates with 5 years experience in footwear industry.
4. **DRIVER**
The position is open to a driver with a valid clean driving licence and experience of at least 5 years. (Attractive salaries will be offered to the right candidates).

Canvassing will mean automatic disqualification. Apply enclosing your CV certificates and other testimonials to:

Chairman,
Kenya Footwear,
Manufacturers,
Association (KFMA),
P.O. Box 3672, THIKA.



Applications are invited from suitably qualified for the following vacancies:

ELECTRICAL TECHNICIAN

The ideal candidate will be mature, self motivated to work long hours with minimum supervision achieved Technician Grade III level and will be 35 years old with at least 5 years experience in manufacturing industry preferably food processing.

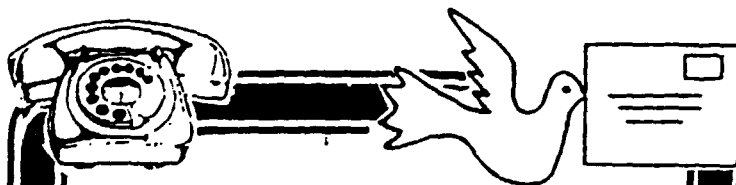
REFRIGERATION TECHNICIAN

The ideal candidate will be mature, self motivated to work long hours with minimum supervision achieved Technician Grade III level and will be 35 years old with at least 5 years experience in refrigeration environment and have an electrical inclination.

An attractive remuneration package will be offered to the successful candidates.

Please apply, enclosing a detailed CV together with three copies of relevant testimonials to:

Human Resource Manager
Farmer's Choice Ltd
P.O. Box 47791
NAIROBI



KENYA POSTS & TELECOMMUNICATIONS CORPORATION

TENDER FOR SUPPLY OF DUCTS PVC NO.6

Tender for supply of Ducts PVC No.6 during fiscal year 1994/95 are invited from ducts PVC manufacturers / distributors. Tender documents containing the right specifications may be obtained from the Corporation's

MARKETING EXECUTIVE

A leading software house within Eastern Africa wishes to recruit a person with the following qualifications for the above position:

- Computer knowledge and proficiency in accounting software: Sage, Pegasus, Omnicron, Systematics, Accpac, Finar etc.
- Background in accounting, preferably CPA or ACCA
- A personable personality with a flair for marketing
- Previous experience in marketing is preferable, though not essential.

An attractive remuneration package and benefits awaits the successful candidate. If you have the above qualifications and are interested in this position, please apply within the next 10 days and send a detailed CV, day time telephone contact, addresses of two referees and a copy of your remuneration to:

The Managing Director,
DN.A/4750,
P.O. Box 49010,
Nairobi.

VACANCIES

Vacancies exist in a large established company...

**MINUTES OF THE MEETING OF THE KENYA FOOTWEAR
MANUFACTURERS ASSOCIATION HELD ON 18 MAY 1994
AT THE UNIDO REGIONAL OFFICE AT 0900 HRS**

RE: TPCSI FINANCE

PRESENT:

**Mr. C. Ng'ethe, Sana Shoes
Mr. S. Ng'ang'a, Simjon Shoes
Mrs. M. Gatu, Kays Shoes
Mr. M. Kiarie, Count Shoes
Mr. J. Wambugu, KAM
Mr. G. Felsner, UNIDO
Mr. J. Nishida, UNIDO**

Mr. S. Linz, UNIDO participated for the last 30 minutes

1. Revolving Fund

It was reported by Mr. Wambugu of KAM and Mr. Nishida, UNIDO that the revolving fund was completely exhausted and currently the bank account has a debit balance of Kshs.120,000.

Mr. Nishida reported that there have been delays in repayment and if these delays could be recovered, the bank account problem could be solved.

Mr. Felsner pointed out that KAM who are managing the Fund should be able to control the Fund's operation. He also commented that the Fund is not provided exclusively for the TPCSI but originally for the Hides/Skins Improvement activities. For this reason, KAM is required to be able to well maintain the operation of the Fund.

2. Other Financial Assistance

It was reported by Mr. Ng'ethe that the Footwear manufacturers Association (KFMA) will contribute Kshs.100,000 for TPCSI and the actual disbursement shall be made by early June 1994.

Mr. Ng'ethe, on behalf of the KFMA shall keep searching for possible contribution from the other members like Bata, LIK, etc.

3. Preparation for the Start-up of the Centre

a) Recruitment of the Personnel

On 11 May 1994, there was an advertisement of the Standard Newspaper for the post of Manager, Trainer, Designer and the Driver for TPCSI. The advert fee was financed by the revolving fund.

So far there some few replies have been received. It was discussed and agreed that Mr. Ng'ang'a will contact the Daily Nation Newspaper and the Association will take care of the fresh advert on that paper, including the fee for it. The interviews shall be scheduled sometime in early June provided that there would be a good number of the replies by the end of May 1994.

b) **Introduction of the Centre**

The introduction of the centre to the industries was discussed. Mr. Felsner suggested that a simple circular with the picture of the Centre (inside/outside) should be helpful and the association can call for the expanded meeting through which the new members could be registered. It was also pointed out that there is more potential interest to the Centre from the side of the leather goods manufacturers.

UNIDO has the list of the potential candidates and this information shall be passed to Mr. Ng'ang'a by Mr. Felsner.

c) **Progress of the Construction/Preparation**

Mr. Ng'ethe reported that the electricity/water connection shall be completed soon.

However, it was also commented by Mr. Felsner that due to the time factor to have the appropriate counterpart from the Association's side, the commencement of the training is being reconsidered.

d) **Guideline for the start-up**

(i) **Membership Fee** - it was also discussed that the issue of the financial provision and the preliminary idea of KFMA was disclosed that they can charge a certain levy to the members on the purchase of the leather for production.

Mr. Linz commented that the common style is to charge it to the members by a certain proportion of the taxable income, on top of the fixed base levy.


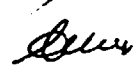


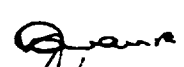



Mr. Felsner also commented that in both South

Africa and Zimbabwe, the association deploys income basis levy.

- (ii) **Financial Guideline** - Mr. Linz was requested to review the past feasibility studies to update the figures. Mr. Linz replied that there might not be enough time for this. He also commented that the training and the production should be considered separately and for the production part, he said he cannot get the future unless he has the information on the market price and the style for the product. However, Mr. Linz will work on it with his best effort by his departure for Sudan on 25 May 1994.

Next meeting shall be at TPCSI on Monday, 23 May 1994. The meeting was closed at 1100 Hrs.

LIST OF THE ONCE WHO ATTENDED THE MEETING HELD AT THIKA TRAINING CENTRE ON 23RD MAY 1994.

NAME	DESIGNATION	TEL. CONTACT	SIGNATURE
1. H. AWALE	CHAIRMAN	0151-21412 30400	
2. P. S. N. GANGA	SEC	02798604	
3. J. M. MURUKU			
4. MRS M. GATI		0151-21428	
5. P. M. GAKWA		0154-41314	
6. David Mwanza		0151-22633	
7. PETER KASENA		785518	
8. STEFAN LINZ			
9. STEPHEN K. IREGI		0154-41981	
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			

ROUND TABLE MEETING AT T.P.C.S.I.

DATE: MONDAY, 23RD MAY 1994.
TIME: 2.30 P.M
VENUE: THIKA TRAINING INSTITUTE.

A G E N D A.

- 1. Introduction T.P.C.S.I.**
- 2. Membership - Kenya Footwear Manufacturers Association.**
- 3. Working Capital Needed For T.P.C.S.I.**
- 4. Any Other Business.**

**WORKING
CAPITAL NEEDED FOR**

*** T P C S I ***

**WORKING
CAPITAL NEEDED FOR
TPCSI**

INDICATOR 1994

A: RUNNING COST

	Inflation FACTOR %	COST	MONTH ACTUAL COST	MONTH	MONTH	MONTH
ITEM	20	'1993		6	12	24
Building rent estimated at 5 Ksh sq.ft		27,000	32,400	194,400	388,800	777,600
Staff salaries		165,700	198,840	1,193,040	2,386,080	4,772,160
Worker salaries		118,000	141,600	849,600	1,699,200	3,398,400
Maintenance		20,000	24,000	144,000	288,000	576,000
Amortization		40,000	48,000	288,000	576,000	1,152,000
Materials (est. 5000 x 160)		800,000	960,000	5,760,000	11,520,000	23,040,000
Transport		50,000	60,000	360,000	720,000	1,440,000
Sales cost		66,000	79,200	475,200	950,400	1,900,800
Sundries		20,000	24,000	144,000	288,000	576,000
Electricity		5,000	6,000	36,000	72,000	144,000
Water +		2,000	2,400	14,400	28,800	57,600
			0	0	0	0
TOTAL	KSH	1,313,700	1,576,440	9,458,640	18,917,280	37,834,560

STAFF NEEDED FOR TPCSI

AT 100 % Capacity

	Inflation FACTOR %	COST '1993	MONTH	MONTH 6	MONTH 12	MONTH 24
			ACTUAL COST			
Staff salaries	20					
Manager	1	37,000	44,400	266,400	532,800	1,065,600
Production Manager	1	20,000	24,000	144,000	288,000	576,000
Supervisor	2	25,000	30,000	180,000	360,000	720,000
Designer	1	17,500	21,000	126,000	252,000	504,000
Pattern maker	1	6,000	7,200	43,200	86,400	172,800
Die maker	1	8,000	9,600	57,600	115,200	230,400
Mechanic	1	4,000	4,800	28,800	57,600	115,200
Askari	2	4,000	4,800	28,800	57,600	115,200
Typist	1	5,000	6,000	36,000	72,000	144,000
Clerks	2	10,000	12,000	72,000	144,000	288,000
Training instructors	2	25,000	30,000	180,000	360,000	720,000
Driver	1	4,200	5,040	30,240	60,480	120,960
TOTAL	16	165,700	198,840	1,193,040	2,386,080	4,772,160

AT 100 % CAPACITY

	<i>Inflation</i> FACTOR %	COST '1993	MONTH ACTUAL COST '1994	MONTH		
				6	12	24
<i>Worker salaries</i>	20					
<i>Skilled workers</i>	31	93,000	111,600	669,600	1,339,200	2,678,400
<i>Semi skilled workers</i>	7	21,000	25,200	151,200	302,400	604,800
<i>Unskilled</i>	2	4,000	4,800	28,800	57,600	115,200
		0	0	0	0	0
		0	0	0	0	0
		0	0	0	0	0
TOTAL	40	118,000	141,600	849,600	1,699,200	3,398,400
<i>Staff salaries</i>		163,700	198,840	1,193,040	2,386,080	4,772,160
<i>Worker salaries</i>		118,000	141,600	849,600	1,699,200	3,398,400
GRAND TOTAL		283,700	340,440	2,042,640	4,085,280	8,170,560

PRODUCTION PROGRAMM

		1,994	1,995	1,996	1,997	1,998
	100 % per YEAR	CAPACITY 60	CAPACITY 80	CAPACITY 95	CAPACITY 85	CAPACITY 100
FINANC RESOURCES						
TRAINING Courses a. 80000	576,000	345,600	460,800	547,200	489,600	576,000
FINANC RESOURCES	0	CAPACITY 40	CAPACITY 70	CAPACITY 75	CAPACITY 85	CAPACITY 95
20 sets per month x 1,000 soft pattern	288,000	115,200	201,600	216,000	244,800	273,600
FINANC RESOURCES	0	CAPACITY 40	CAPACITY 50	CAPACITY 50	CAPACITY 75	CAPACITY 80
10 sets per month x 5,000 Hand pattern	280,000	288,000	360,000	360,000	540,000	576,000
FINANC RESOURCES	0	CAPACITY 40	CAPACITY 50	CAPACITY 60	CAPACITY 70	CAPACITY 80
DIES 5 sets per month x 25,000	1,440,000	576,000	720,000	864,000	1,008,000	1,152,000
FINANC RESOURCES	0	CAPACITY 25	CAPACITY 35	CAPACITY 60	CAPACITY 70	CAPACITY 80
Uppers Sales 5000 x 264	19,008,000	4,752,000	6,652,800	11,404,800	13,305,600	15,206,400
B: INCOME	22,932,000	6,076,800	8,385,200	13,392,000	15,358,000	17,384,000

A: RUNNING COST

2

	100 % per YEAR	CAPACITY 25	CAPACITY 35	CAPACITY 60	CAPACITY 70	CAPACITY 80	
Material (est. 5000 x 160)	11,520,000	2,880,000	4,032,000	6,912,000	8,064,000	9,216,000	
	100 % per YEAR	CAPACITY 70	CAPACITY 75	CAPACITY 80	CAPACITY 90	CAPACITY 100	
Transport	720,000	504,000	540,000	576,000	648,000	720,000	
	100 % per YEAR	CAPACITY 25	CAPACITY 35	CAPACITY 60	CAPACITY 70	CAPACITY 80	
Sales cost	950,400	237,600	332,640	570,240	665,280	760,320	
	100 % per YEAR	CAPACITY 70	CAPACITY 80	CAPACITY 85	CAPACITY 90	CAPACITY 100	
Sundries	288,000	201,600	230,400	244,800	259,200	288,000	
	100 % per YEAR	CAPACITY 100	CAPACITY 100	CAPACITY 100	CAPACITY 100	CAPACITY 100	
Electricity	72,000	72,000	72,000	72,000	72,000	72,000	
	100 % per YEAR	CAPACITY 100	CAPACITY 100	CAPACITY 100	CAPACITY 100	CAPACITY 100	
Water	28,800	28,800	28,800	28,800	28,800	28,800	
A: RUNNING COST	KSH	18,917,280	7,796,080	9,296,640	12,990,240	14,955,600	16,083,360

A: RUNNING COST

		100 % per	1,994	1,995	1,996	1,997	1,998	
		YEAR						
A: RUNNING COST			18,917,280	7,786,080	9,296,640	12,990,240	14,565,600	16,083,360
B: INCOME			22,032,000	6,076,800	8,395,200	13,392,000	15,588,000	17,784,000
	KSH							
(PROFIT) LOSS			(3,114,720)	1,709,280	901,440	(401,760)	(1,022,400)	(1,700,640)
FACTOR USD	KSH							
	SS		(56,631)	31,078	16,390	(7,305)	(18,589)	(30,921)

**WORKING
CAPITAL NEEDED FOR THE
START UP PERIOD
OF *TPCSI**

WORKING

CAPITAL NEEDED FOR

INITIAL COMMISSIONING

PERIOD: START 1994

A: RUNNING COST

Building rent estimated
at 5 Ksh sq.ft
Staff salaries
Worker salaries
Maintenance
Amortization
Materials (est. 5000 x 160)
Transport
Sales cost
Sundries
Electricity
Water +

MONTH ACTUAL COST	MONTH 6	MONTH 12	MONTH 24
32,400	194,400	388,800	777,600
275,640	1,653,840	3,307,680	6,615,360
35,400	212,400	424,800	849,600
7,200	43,200	86,400	172,800
48,000	288,000	576,000	1,152,000
240,000	1,440,000	2,880,000	5,760,000
42,000	252,000	504,000	1,008,000
19,800	118,800	237,600	475,200
16,800	100,800	201,600	403,200
6,000	36,000	72,000	144,000
2,400	14,400	28,800	57,600
725,840	4,353,840	8,707,680	17,415,360

TOTAL

KSH

1 KSH =
55

FACTOR USD

13,193 79,161 158,321 316,643

A: RUNNING COST

START

of Production

Worker salaries

CAPACITY

FACTOR %

25

Skilled workers 8

Semi skilled workers 2

Unskiled 1

TOTAL

10

MONTH			
ACTUAL	MONTH	MONTH	MONTH
COST	6	12	24
27,900	167,400	334,800	669,600
6,300	37,800	75,600	151,200
1,200	7,200	14,400	28,800
0	0	0	0
0	0	0	0
0	0	0	0
38,400	212,400	424,800	849,600

