

A
GLOBAL/COUNTRY STUDY AND REPORT
ON
PHILIPPINES

SUBMITTED TO
KALOL INSTITUTE OF MANAGEMENT
IN PARTIAL FULFILLMENT OF THE REQUIREMENT OF THE
AWARD FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION

GUJARAT TECHNOLOGICAL UNIVERSITY

UNDER THE GUIDANCE OF
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ROLL NO: - KIM – MBA - 001 TO 047 (Div-A)

BATCH: - 2011-13

MBA SEMESTER-IV

KALOL INSTITUTE OF MANAGEMENT
MBA PROGRAMME
AFFILIATED TO GUJARAT TECHNOLOGICAL UNIVERSITY
AHMEDABAD
May, 2013

TABLE OF CONTENTS

PART	SR. NO	INDEX	PAGE NO
		PREFACE	4
		ACKNOWLEDGEMENT	5
		EXECUTIVE SUMMARY	6
		PART-I OVERVIEW OF PHILIPPINES	
1		INTRODUCTION TO COUNTRY	8
	1.1	Demographic	10
2		ECONOMY OF PHILIPPINES	16
	2.1	Economic Overview	17
	2.2	International Trade Relations	19
	2.3	Existing Trade & Business	21
3		SWOT ANALYSIS	25
	3.1	Strengths	26
	3.2	Weaknesses	
	3.3	Opportunities	
	3.4	Threats	
4		PESTEL ANALYSIS	27
	4.1	Political Analysis	28
	4.2	Economical Analysis	28
	4.3	Social Analysis	29
	4.4	Technological Analysis	30
	4.5	Ecological Analysis	32
	4.6	Legal Analysis	34
5		SCOPE OF BUSINESS	35
	5.1	Scope of Doing Business	36
	5.2	Growing Industries	37
	5.3	Upcoming Industries	43
6		BUSINESS MODEL COMPARISON	46
	6.1	Comparison B/w. Indian & Philippines	47

		PART-II Feasibility study of various Business plans in Philippines	
7		AUTOMOBILE SECTOR	53
	7.1	Overview of Automobile Sector	54
	7.2	Business Plan	61
8		TEXTILE SECTOR	75
	8.1	Overview of Textile Sector	76
	8.2	Business Plan	81
9		FOOD AND BEVERAGES SECTOR	90
	9.1	Overview of Food & Beverages Sector	91
	9.2	Business Plan	93
10		DAIRY SECTOR	107
	10.1	Overview of Dairy Sector	108
	10.2	Business Plan	116
11		FOOTWEAR SECTOR	130
	11.1	Overview of Footwear Sector	131
	11.2	Business Plan	137
12		SHIPPING SECTOR	149
	12.1	Overview of Shipping Sector	150
	12.2	Business Plan	157
13		WINE SECTOR	167
	13.1	Overview of Wine Sector	168
	13.2	Business Plan	173
14		ELECTRONIC SECTOR	187
	14.1	Overview of Electronic Sector	188
	14.2	Business Plan	193
15		CONCLUSION	210
16		REFERENCES	211

PREFACE

Master of Business Administration is a two-year programme that inserts management knowledge in an individual to make that individual completely professional for which practical experience is must. Our work in this report is, therefore humble attempt towards this end.

Changes in the population dynamic in a Philippines, region, state or locality occur not within vacuums, but within a dynamic entity. Changes in the larger context result in changes in related demographic factors. The pragmatic consequences of these changes affect not only the present generation, but have implication for the future of the community as well. The structural and social significance of some of these changes are captured in this collection of data, which focus primarily on demographic data in Philippines till 2013.

Through this project report work, we can better understand the different aspects like business establishment, data collection, analysis and interpretation. Through this report, we can understand business management methodology in practical term. This Report gives idea about which Business has more opportunity to establish in Philippines.

In spite of my best efforts there may be errors or omissions and commissions, which may please be excused.

ACKNOWLEDGEMENT

We express our sincere thanks to Ms. Khyati Pandya assistant professor of Kalol Institute of Management for guiding us right from the inception till the successful completion of project. We sincerely acknowledge her for extending her valuable guidance, support for Global Country Report and above all the moral support she has provided to us with all stages of the report.

We would also like to thank the supporting staff for their help and co-operation throughout the report.

EXECUTIVE SUMMARY

The main aim behind preparing the global country report was to study the environment of a country and turn challenges into opportunities through forming country specific strategies. The global country report on Philippines includes economic, social, cultural, technological, infrastructural, and environmental background of it. The SWOT analysis is a necessary element of the research for preparing of any level of strategic plan. The PESTEL analysis is done to know the macro-environment of Philippines and to use it as a strategic tool to understand market growth or decline, business position, potential and direction for operations in Philippines. The Scope of Business and Business Model Comparison is done to know various businesses in Gujarat, India & Philippines and which business has more opportunity to establish or expand in other country.

In This Report we have covered Overview of Country, Economical Overview, SWOT & PESTEL Analysis of country, Scope of Businesses and Business model of Comparison between Gujarat, India & Philippines.

In This Report we have Covered Various Sectors and Different Business Plans to Establish, Import & Export from India to Philippines. We have also covered how to trade with Philippines through different aspects of legal procedure along with different Innovative Ideas/Plans.

PART- I OVERVIEW OF COUNTRY

1.

INTRODUCTION

TO

COUNTRY

1. Introduction to Philippines

- The **Philippines** is an UN-recognized country in Asia. It was one of the richest countries in Asia (after Japan). But, since the end of World War II, the Philippines economy faced a downward slide and now it is one of the poorest countries. The Philippines is the third largest English-speaking country in the world. The country is divided into three geographical areas: Luzon, Visayas, and Mindanao. It has 17 regions, 81 provinces, 136 cities, 1,494 municipalities, and 41,995 barangays. The Philippines has developing economy with agricultural and service sector base. The poverty line is 40% it means 40% of the population remain be poor. The large trading partners' of the Philippines are the US and Japan.
1. **Area:** 300,000 sq km (115, 830 sq miles), 7107 islands (7,108 at low tide)
 2. **Population:** 101.83 million (2011), 103.77 million (July 2012 estimate) (12th rank in population)
 3. **Capital city:** Manila, part of the Metro Manila conurbation (total population 12 million, 2012 estimate)
 4. **Largest city:** Quezon City
 5. **Languages:**
 - **Official Language(s):** Filipino, English
 - **Recognize regional languages:** Bikol, Cebuano, Hiligaynon, Pampango, Pangasinense, Tagalog, Waray, Over 150 native languages and dialects are spoken.
 - **National language:** Filipino
 6. **Currency:** Peso (1 Peso = 1.3134 Rupee and 0.0243 Dollar) (Oct. 2012)
 7. **GDP (PPP)** : **33rd largest economy** in the world
 - : \$351.4Billion
 - : 6.1% growth in 2012
 - : 5.5% 5-year compound annual growth
 - : \$4,700 per capita
 8. **Unemployment** : 7.3%
 9. **Inflation (CPI)** : 3.60%

1.1 Demographic Details

Geography:	Philippine
Location:	Southern Asia, archipelago between the Philippine Sea and the south china Sea, east of Vietnam.
Geographic coordinates:	1300 N, 12200 E
Map references:	Southeast Asia
Area:	Total: 3, 00,000 sq km
	Land: 298,170 sq km
	Water: 1,830 sq km
Age structure:	0-14 years: 34.6% (male 17,999,279 to female 17,285,040)
	15-64 years: 61.1% (male 31,103,967 to female 31,097,203)
	65 years and over: 4.3% (male 1,876,805 to female 2,471,644) (2011 EST.)
	Youngster population is high in Philippine so more growth opportunities will possible.
Area comparative:	Slightly larger than Arizona
Land boundaries:	0 km
Coastline:	36,289 km (Maritime Claims: territorial sea: irregular polygon extending up to 100 nm coastline as defined by 1898 treaty; since late 1970s has also claimed polygonal-shaped area in South china Sea up to 285 nm in breadth.
Climate:	Tropical marine; northeast monsoon (November to April); southwest (May to October)

Terrain:	Mostly mountains with narrow to extensive coastal lowlands
Elevation extremes:	Lowest point: Philippines Sea 0 m, Highest Point: Mount Apo 2,954 m
Natural resources:	Timber, petroleum, nickel, cobalt, silver, gold, salt, copper
Land use:	Arable land: 19%, Permanent crops: 16.67%
Literacy:	Male: 92.5% (114 rank), Female: 92.7% (91 rank) (2000 census)
Expectancy at birth:	Total population: 71.94 years
	Male: 68.99 years
	Female: 75.03 years (2012 est.)
Birth rate:	24.98 births/1,000 population (2012 EST.) Birth rate (24.98/1000 population) is medium so it will not create high population problem in future.
Death Rate:	4.98 deaths/1,000 population (July 2012 EST.) Death rate is very low so population is increase and increase year by year.
Median age:	Total: 22.9 years
	Male: 22.4 years
	Female: 23.4 years (2011 EST.)
	Both male and female oriented product business are possible.
Population growth rate:	1.873 % (2012 Est.) Population growth rate (1.8735) is very low because of political factor.

❖ **1.1.1 CULTURE ENVIRONMENT IN PHILIPPINES:**

➤ **Name Culture:** Filipino

This is the one thing that separates country from the rest of the world - their colorful and lively culture that makes them distinctly Filipino. This includes values, status, language, arts, etc.

➤ **Gender roles and status:**

✓ **Division of labor by gender:** Traditional roles lead in rural areas, Women work in the gardens and care of the house and children and animals backyard. In urban areas, men work in the construction and maintenance of the machine and the drivers of passenger vehicle. Women work like teachers, employees, owners of sari-sari stores, distributors and providers of healthcare.

✓ **The relative status of men and women:** families wish to have male children, females are encouraged to provide assistance in the house and provide a home for the old age of the parents. The eldest daughter is called to become world safety organization (WSO) giving money for the education of younger brothers and sisters and for the needs of age family members. Women are the managers of consignment.

➤ **Family values:**

- The family is the heart of the social framework and also includes uncles, cousins, aunts, grandparents, and voluntary relation such as god parents, sponsor and close friends like a nuclear family.
- People have strength and stability of their families. As, such many children have several god parents.
- Concern for the complete family is seen is in the support provided to family members when looking for service.
- It is general in Philippines the same family members are work in same companies.
- In fact, many combined agreements state that special employment will be given to their family members who work in that company.

➤ **Filipino Hierarchy of Needs:** Dr. Tomas Andres has observed that the Filipino is motivated by the following hierarchy of needs:

1. **FAMILISM:** As against (Maslow's Physiological Needs) the Filipino has the need to belong. More than any physical need, he must be part of the family. In times of need.
2. **RECIPROCITY:** The Filipino has the need to be reciprocated. He is governed by *Utang na Loob*. Someday, those with whom the Filipino was generous enough will be able to repay somehow in any way.
3. **SOCIAL ACCEPTANCE:** The Filipino has the need to be accepted in a bigger group. No wonder he wants to preserve balance and harmony, employ SIR, and reciprocate.
4. **SOCIAL MOBILITY:** The Filipino aspires to climb the socio-economic ladder: From being poor, to middle class and probably becoming elite.
5. **HEROISM (or Pagkabayani):** The Filipino has the ultimate need to be esteemed and revered. He gets a lifting spirit when he does well to his family or society and this achievement is recognized and acknowledged. Certainly, the ultimate sense of heroism is when the Filipino sheds blood for one's own country, becoming a hero.

❖ **1.1.2 SOCIAL ENVIRONMENT IN PHILIPPINES**

- **Social life:** The public of the Philippines is believed to live the express family of the Austronesia-speaking popular. Still, some of the Filipinos are of mixed descent from the intermarriages with other nationality like the Chinese and the Spanish. Filipinos are known for their kindness, patience and talent as well as having a wealthy culture and tradition due to foreign influences of Spanish and Americans.
- **Standard of living:** Open economy and high level of safety & security leads towards high standard of living.
- **Cost of living and wages in Philippines:** The duties and taxes are high in Philippines so cost of living and wages are also average in Philippines. The regular wages are 25% on work.

- **Religion(s):** Philippines are the only catholic country in the Southeast Asia. Roman Catholic is the main religion in the country. Terms like, Catholic, Christianity is interchangeably used to mean the religion Roman Catholic.

❖ **1.1.3 POLITICAL OVERVIEW OF PHILIPPINES:**

- The Philippines became freedom as an independent country on July 4th 1946. It was greatly shape by the U.S. from its growth of government to its constitution. The Philippines became a republic as a presidential form of government. Like as US government, there are three branches as follows:
 1. Judicial branch
 2. Governmental division
 3. Executive branch
- Head of government is President whose name is Benigno AQUINO since 30 June 2010. Cabinet appointed by the leader with permission of task of activities.
- Election system is like that leader and junior leader selected on divide ticket by admired vote for a solo six-year term. The formation limits the residence of council to 250 members; the number of members approved was improved, though, during legislation when in April 2009 the Philippine Supreme Court plain that other party associate might sit in the House of council if they received the required number of votes.

❖ **1.1.4 INFRASTRUCTURE OVERVIEW OF PHILIPPINES:**

- In the Philippines the common mode of public transport is a jeepney and a bus. The transportation infrastructure in the country is quite underdeveloped, mainly because the country has mountainous landscape and scattered geography of the islands; it is also attributed by the government by not investing in the infrastructure facility of the country.
- In 2003, only 3.6% of GDP went to infrastructure development where as its neighbor country invested much more. While its result shows that there are 203,025 kilometers (126,154) of roads in the country and only 20% of the total is covered. The estimated development in 2012 is 213,151 km.

- However there are many ways to get around in the urban areas mainly. There are commonly available transports in major cities and towns are buses, jeepneys, taxis and motorized tricycles. In 2007, there were about 5.53 millions registered motor vehicles with registration increasing at an average annual rate of 4.55%. Train services are provided by three main railway networks that serve different areas of Metro Manila and parts of Luzon: the Manila light rail transit system (LRT), the Manila metro rail transit system (MRT), and the Philippine national railways (PNR). The estimated development in railway is 995 km in 2012.

➤ **Natural calamity in Philippines in 2012**

- Sept. At least 120 houses damaged by tornado in barangay silangan, Quezon City.
- People of Cagayan Vally, Bicol and Eastern Visayas are Said to be high alert and prepare for severe weather conditions today.
- Volcanic earthquake detected in both Mayon and Taal.
- More than 400 people displaced after flash floods in Philippines capital manila.
- Magnitude 7.6 quakes struck off the eastern coast of the Philippines late Friday, triggering tsunami warnings across the region.
- Death toll from typhoon saola has risen to seven. Floods displaced more than 20,000 people.
- M 6.1 strong earthquake shakes Luzon Philippines today.
- As a February 12, Official report mentioned 41 killed and 54 injured. 67 people are still missing.
- More 200 families in parts of Mindanao evacuated due to flooding in surgao del sur in caraga, and Compostela Vally in region 11.

2.

ECONOMY

OF

PHILIPPINES

2.1 ECONOMIC OVERVIEW

The Philippines has developing economy with agricultural and service sector base. The poverty line is 40% it means 40% of the population remain be poor. The large trading partners' of the Philippines are the US and Japan.

❖ GDP of Philippines :

The GDP growth rate of Country from 1998 to 2012 is average 1.08%. The domestic economy accelerated in the second quarter of 2012 to 5.9% from 3.6%. The earlier year boosting the first semester growth to 6.1% from 4.2%. The resilient Services sector remained the main driver of growth supported by the sustained growth of manufacturing and the return of construction.

❖ Per Capital Growth in Philippines :

In 2011, it was at 1.98% in Country and it was published by World Bank report in 2012. The Growth rate of GDP per capital depends on continuous local currency. The GDP Divided by Mid Year Population.

❖ Inflation:

Inflation averaged 3.6 % in Sep 2012, well within the 3.0 to 5.0% inflation target for 2011 but higher than the 3.8% typical recorded in 2010. A rise in the prices of food had been record mainly due to the bad result of typhoons on agricultural food supplies. Core inflation, on the other hand, averaged 3.6%.

❖ Taxes : Government spending Spurs on 6.4% growth in 1st Quarter.

Taxable	Income	Tax Rate
More Than	Less Than	
0	P10,000	5%
P10,000	P30,000	P500 + 10%
P30,000	P70,000	P2,500 + 15%
P70,000	P140,000	P8,500 + 20%
P140,000	P250,000	P22,500 + 25%
P250,000	P500,000	P50,000 + 30%

- Corporate tax rate is 30% and Regional are taxed at 10% on taxable income. The VAT an environmental tax with overall tax is 12.8% of total domestic income. If any taxpayer fail to pay VAT component in the sales invoice or official receipts shall be penalized as:
 - Fine of not less then P1,000 but not more than P50,000 and
 - Suffer custody of not less than 2 but not more than 10 years.

❖ **Monetary Policy** :

The economic momentum has built up from easing of monetary policy may boost the country is growth in2012 is 5.8% and up to 7 % is 2013. And the govt.'s success in containing the budget deficit has been given monetary authorities considered latitude. In 2011 the govt. incurred a budget deficit of 197.8 billion which was less than two third of 2010. The size of economy in overspending in 2011 comprised only 2% less than 3.5% recorded in2010.The debt stock of 2011 settled at P4.95% trillion or 50.9% of gross domestic.

[<http://business inquirer-net/49369/bsp-monetary-policy-expected-to-push-up-ph-economy>]

❖ **Fiscal Policy** :

The Philippines' long term foreign currency credit rating raised from BB to BB+ It kept rating outlook at stable.

❖ **Deficit Policy** :

The Financial Secretary Cesar Purisima said that the govt. spent P19.90 billion and the deficit was manageable, expressing, confidence the full year fund shortfall would staying within 2.6% of GDP or P279 billion. For May revenue grew 9.4% to 131.4 billion while spending reached P151.3 billion. Purisima said that the govt. is committed to reach its 5.6% growth in 2012 and recorded 6.4% expansion in 1st three month. The Philippines suffered a P 197.8 billion budget deficit last year which is equivalent to 2% of GDP.

[<http://business-inquirer-net/67459/Philippine-budget-deficit-shoots-up>]

❖ **Foreign Trade Policy :**

According to the Global Enabling Trade Report 2012, the rank of Philippines is 72nd out of 132 countries. It measured the factors, policies, services, areas of market access, border administration transport and communication infrastructure and business environment.

In the area of market access the Philippines jumped 14 from 64 and in terms of efficiency of import-export procedure it looks 48 spot from 55. And access to imported inputs at competitive prices identifying potential market and buyer's corruption at the border and other concerns it places 62 out of 132 countries.

2.2 INTERNATIONAL TRADE RELATION

- In 1949, India and Philippines established diplomatic relations. In 2006, four bilateral agreements were signed between two countries in which one was of defence cooperation when President Abdul Kalam was at a state visit to the Philippines. The agreement was made for exchange of information, better interaction between personnel of military of both countries and for providing training to military personnel of Philippine in India. This cooperation is maintained by many ways like participation of Philippine in Indian defence expositions and secretary-level meetings. This cooperation has been important for Indian navy ships to visit Philippines in 2010 and 2011 and also for an Indian defence delegation visiting Manila in May 2011 as the Philippines is facing an increase in pressure of external security.
- The Joint Defence Cooperation Committee meeting was held for first time between the two countries in Manila in January, 2012 because of this partnership. The interaction of two countries is increasing positively but still there is need for improvement in the bilateral ties of the two countries.

Bilateral Trade between India and Philippines

(Value in US \$ million)

Sr. No.	Year	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
1	EXPORT	580.98	620.32	743.77	748.77	882.74
2	% Growth		6.77	19.9	0.67	17.89
3	IMPORT	166.79	204.54	254.77	313.07	429.39
4	% Growth		22.64	24.55	22.88	37.15
5	TOTAL TRADE	747.77	824.87	998.54	1061.84	1312.12
6	% Growth		10.31	21.05	6.34	23.57
7	India's Total Trade	312,149.29	414,786.19	488,991.67	467,124.31	620,905.02

Source: Ministry of Commerce, Government of India, October, 2011

➤ Sector of Cooperation Between India and Philippines

- Steel, Textiles, Pharmaceuticals, Mining and Infrastructure, CNG for Public Transport, Motorcycles and Auto-Parts, Dairy and other Agro-Based Industry, Construction, Bio and Thermal Energy, Environmental Energy, Space and Defense-Related Industries, Coal, IT.

2.3 EXISTING TRADE AND BUISNESS

➤ IMPORT STATUS

Philippines imports, from 2002 to 2012, averaged 4132.5 Million US Dollars. The imports of Philippines reached at highest in July, 2008 at 5848.0 Million US Dollars and lowest in January, 2002 at 2226.0 Million US Dollars. The imports of Philippines mostly includes electronic products, transport equipment, mineral fuels, iron, lubricants, steel, industrial machinery and equipment. Philippines main import partners are China, Japan, Singapore, South Korea and United States.

The imports of Philippines from February, 2012 to June, 2012 are shown in the following chart:



➤ EXPORT STATUS

Philippines export, from 2002 to 2012, averaged 3658.0 Million US Dollars. The exports of Philippines reached at highest in September, 2010 at 5325.0 Million US Dollars and lowest in February, 2009 at 2506.0 Million US Dollars.

The exports of Philippines mainly include electronic products such as chips, hard drives and processors, which contributes more than 50% of total export revenues. It also exports other products such as coconut oil, furniture, apparel and clothing accessories and woodcrafts. Main export partners of Philippines are Japan, China, Singapore, Hong Kong and United States.

The exports of Philippines from February, 2012 to June, 2012 are shown in following chart:



❖ EXPORT OPPORTUNITIES FOR PHILIPPINES TO INDIA

As India is fastest growing economy and in terms of market size it is 14th globally, India opens huge opportunities for Filipino exporters. Philippine exporters are encouraged by Liyakat Khan, president of Universal Media Group, to participate in trade fairs in India.

1. **Handicrafts**: The contemporary designs of Philippine handicrafts can be popular in the Indian market as Indian crafts are traditional and remain same since centuries ago.
2. **Food**: As India is the world's second most populous country Philippine manufacturers of food can consider beating the huge business opportunities in India.
3. **Furniture**: In India there is growing middle class who is becoming more eager to invest on the home and on housing constructions. Thus the Philippine furniture and furnishings sector has a good opportunity in India.

❖ IMPORT OPPORTUNITIES FOR PHILIPPINES FROM INDIA

1. **Pharma industry**: Many New innovative medicine can export to Philippines.
2. **Textile Industry**: As Textile is well growing industry in India, so From India we can export to Philippines.

❖ IMPORT AND EXPORT RESTRICTIONS

➤ IMPORT RESTRICTIONS

The imports are classified into three categories in the Philippines:

Conditionally Free Importable	Regulated Commodities	Prohibited or Banned Commodities
<p>This category includes the commodities whose importation may be effected prior approval of any government agency but no duty is levied on them.</p>	<p>This category includes the commodities whose importation requires clearances/permits from appropriate government agencies.</p>	<p>This category includes the commodities whose importation is not allowed under the existing laws.</p>
<p>Some items freed for importation include:</p> <ul style="list-style-type: none"> • Medals, cups, badges, trophies accepted as honorary recognition. • Articles wholly used for display in public expositions or for public entertainment. • Articles brought for reconditioning, processing or repair. • Personal and household belongings of residents of the Philippines returning from other foreign country. • Articles imported for donation to organisation not working for profit. • Gifts received by Filipinos. 	<p>Some items regulated in the importation into the Philippines include:</p> <ul style="list-style-type: none"> • Mercury, Cyanide, Chlorofluorocarbon, and other ozone depleting substances. • Nitric acid, chlorates and nitrates. • Wheat Flour, Semi-synthetic antibiotics, Iodized Salt. • Pesticides, all fertilizers, and other chemical products that are intended for agricultural use. • Materials of Atomic energy. 	<p>Some items prohibited from importation include:</p> <ul style="list-style-type: none"> • Dynamite, gunpowder and other explosives. • Cinematographic film or negatives, printed or written or articles, drawings, paintings or other representation of an obscene or immoral character. • Weapons of war and parts thereof. • Drugs, instruments, articles and substances designed, adapted or intended for producing unlawful abortion. • Opium, coca leaves, heroin or any other narcotics drugs, which are or May hereafter, be declared habit forming by the President of the Philippines. • Marked cards, gambling outfits, machines or mechanical devices or apparatus used in gambling.

➤ EXPORT RESTRICTIONS

The exports are classified into two categories in the Philippines:

Prohibited Products	Regulated Products
This category includes the products whose exportation is prohibited.	
Some products prohibited are: <ul style="list-style-type: none">• Bangus(milkfish)• Raw material for cottage industry• Shells: trumpet shells; helmet shells; raw shells, live specimens, by-products of giant clams under the family Tridacnidae and meat.	Some regulated products are: <ul style="list-style-type: none">• Bamboo• Coffee• Tobacco products• Copper Concentrates• Legal tender Philippine coins and notes, money orders and other bills of exchange greater than P10, 000 drawn in pesos against banks operating in the Philippines.

3.

SWOT

ANALYSIS

3.1 STRENGHT

- Their economic development strength of agricultural products includes rice, corn, cassavas, mangoes, pineapples, coconuts, sugarcane, pork and fish.
- Another major contribution to their economic strength and development are industries such as: pharmaceuticals, chemicals, petroleum refining, wood products, food processing, garments, footwear and fishing.
- For Fishing industry to establish business in Philippines has good chance of higher profit.

3.2 WEAKNESS

- Underdeveloped agriculture sector: Philippines agriculture suffers from low productivity because of needs of irrigation systems, rural infrastructures, post-harvest facilities and farm to market roads.
- Poor state of infrastructures: Below standard foundation or little organization at all.
- High levels of corruption and High poverty incidence
- Agriculture suffers from low productivity

3.3 OPPORTUNITY

The Following Sectors has a good opportunity to start business in Philippines through Exporting and start business through Importing to India:

- Hospital, Infrastructure, Wine business, Hotel business, Tourism, Laundry business, Perfume business, Medicines
- Exporting flowers to India.

3.4 THREAT

- A high population growth rate & Unsustainable natural resource depletion.
- Lagging rural economic growth and high rural underemployment.
- Little access for poor people to productive assets and enterprise opportunities.
- Persistent exclusion of poor and marginalized people from development processes.

4.

PESTEL

ANALYSIS

4.1 POLITICAL ANALYSIS

- The Philippines honesty scheme is pair of the Supreme Court, the court of appeals the regional trial courts, the court of tax appeals and the metropolitan and municipal trial courts. In Philippines there is a great level of criminality due to the country's unbalance, one of the ways of government has done effort to increase stability by adding death penalty in 1993.
- As after the age of 15 years the Philippines government allows to consume alcohol, it can be assumed that we can go ahead for business of alcohol beverages, soft drink beverages, energy drink beverages. Because in Philippines, people are fond of drinking in social as well as in parties. Their perception towards consumption of alcohol is to the way to have fun and get to know better each other.
- There is a law that a woman who is employed cannot do marriage, so women of Philippines might not take interest in job, and so it can affect business in which women is needed. Example: ladies saloon, Design department (In textile industry)

4.2 ECONOMIC ANALYSIS

- The Philippines rank is 19th out of 41 countries in the Asia Pacific region. And 44th the biggest economy on the earth According to HSBC estimates. The stock market is one of the best performers in the region. The peso reached a 4 year high against the dollar about the same time.
 - Economy has been on a solid path of economic expansion. The govt. has pursued a series of governmental reforms to increase the industrial environment and build up private sector for reduce unemployment. But regulatory efficiency has been not improved. And over last 5 year the economy has been develop at average annual rate of 5%.
-
- Unemployment : 7.3%
 - FDI Inflow : \$1.7 billion for 1st Half Quarter
 - Inflation : 3.6 % in Sep 2012
 - Corporate tax rate : 30%

- Regional are taxed : 10% on taxable income
- The Philippines had a steady flow of positive economic news recently. The highest rating for the country since 2003 and equivalent to that of Indonesia.
- The gross domestic product of the Philippines grew 6.4 percent in the first quarter, according to the country's central bank, outperforming all other growth rates in the region except China's. Economists expect similarly strong growth in the second quarter.

➤ **Cost of Comparison Between India And Philippines**

- Consumer prices in India are 31.89% lower than Philippines
- Rent price in India are 33.06% lower than Philippines
- Restaurant price in India are 23.73% lower than Philippines
- Local Purchasing price In India is 133.37% higher than in Philippines

4.3 SOCIAL ANALYSIS

- Filipinos are known for their kindness, patience and talent as well as having a wealthy culture and tradition due to foreign influences of Spanish and Americans.
- Rice & coconut is a main clip for a man serving of food for Filipino men cannot have enough money to eat without rice.
- Tipping is relatively common in restaurants, hotels and other hospitality services. A 10% tip is sensible but it is not required for establishment having 10% service charge.
- The Philippines is the third largest English-speaking nation in the earth.
- Filipinos believes in giving gift whenever they are asked for dinner. As India is good in handloom products it can export its products their.
- Filipinos consider in the need for social acceptance and believe that education can supply upward mobility.
- Filipino Peoples Business Meeting Etiquette, Business Negotiation, Dress Etiquette, Business Cards shows Etiquette for establish good business in Philippines.

4.4 TECHNOLOGY ANALYSIS

❖ Innovative Rainwater Harvesting System (IRHS):

- The IRHS design to utilize the patented plastic flexible piping connection for ease of installation and assurance of a leak-proof system.
- The IRHS will reduce the demand on fresh water needs, either for drinking, bathing or cleaning, regularly supplied by Water Utility Companies in the urban areas or by groundwater wells and streams in the rural areas.

❖ GSM Data Terminal:

- The GSM Data Terminal will give companies the convenience of a wireless access to different information using mobile phones that will lead to limitless Short Message Service (SMS) applications
- There is a good opportunity for any software developers, system integrators as such they will be able to serve the end users. But again here also capital requirement would be the limiting factor.

❖ Waste Plastics for Plywood and Particle Board:

- Plastics are non-biodegradable materials and constitute a large percentage of daily solid waste output. Collection and use of waste plastics as binder for the production of plywood and particleboard can help in the government's program of eliminating waste materials that clog our waterways and drainage system.
- Waste plastic bonded plywood passed the product quality evaluation testing following PNS 16:1992 standards for ordinary plywood. The product also exhibited excellent and increased mechanical strength and passed the PHILSA 105 particleboard standard. The production and selling price of the products are cheaper than the traditionally produced plywood and particleboard being sold in the market. The industries which requires plastic as a basic raw material, there is a good opportunity for them because plastic is available at very cheap price.

❖ **Rapid Earthquake Damage Assessment System (REDAS) Software**

➤ **Disaster Management**

Rapid Earthquake Damage Assessment System (REDAS) Software

- The Rapid Earthquake Damage Assessment System (REDAS) software is seismic hazard simulation software that aims to produce hazard and risk maps immediately after the occurrence of a strong and potentially damaging earthquake. The REDAS software can be used to conduct seismic hazard and risk assessment, sort earthquake data parameters, produce map of different sizes, perform screen digitization, and develop risk database.
- REDAS has been developed for use of disaster managers for making prompt decisions for quick deployment of rescue and relief operations. It can also serve as an effective simulation tool for convincing decision makers and city planners of the need to prepare thru serious land use regulation, strict enforcement of the building code and retrofitting of critical structures.

❖ **Wind Energy Resource Atlas of the Philippines**

➤ **Energy**

Wind Energy Resource Atlas of the Philippines

- Wind power is classified into marginal, moderate, good and excellent. The classifications, based on wind power density and wind speed, were established for two categories - one for utility scale applications, ranging from marginal to excellent, and one for rural power applications, ranging from moderate to excellent. In general, locations with an annual average wind speed of 6.5 to 7.0 meters per second (MPS) or greater are most suitable for utility grid-connected wind energy systems. Rural power applications are typically viable at lower wind speeds (5.5 to 6.0 mps), and in some cases at wind speeds as low as 4.5 mps.

4.5 ECOLOGICAL

- Around major artificial structure moving the topography of the Philippines. The landscape is exceedingly various, with volcanic mountain masses forming the core of most of the big island.
- A numbers of volcanoes are dynamic, and the island has been subject to constructive earthquake. Lowland is usually fine coastal strips.
- The Philippines has a marine temperate type of weather conditions and has two distinct season raining and dry season. The high temperature average range from 23° to 32° Celsius (73° to 90° F) in the incomplete archipelago all through the year.
- The Philippine archipelago is situated too in the storm strap. That is why Philippines are strike by few typhoon and storm final in the month of July all the way from side to side October except from time to time it expand to December. The seats that the storm strikes are the Northern and Eastern Luzon and the Bicol and Eastern Visayas Region.

❖ **Natural Disasters:**

The Philippines is uneven to **natural disaster**, particularly typhoons, floods, landslides, volcanic eruptions, earthquake, and tsunamis, lying as it does across the storm strap, in the lively volcanic area recognized as the “Pacific Ring of Fire,” and in the artificially unbalanced region between the aggressive and Eurasian tectonic plates.

The Philippines also suffer major human-caused environmental degradation angry by a high annual people growth rate, include loss of agricultural lands, deforestation, soil attrition, air and water pollution, unacceptable discarding of hard and poisonous waste, loss of coral reefs, misconduct and abuse of coastal assets, and overfishing.

❖ **The Hazards cape:**

The Philippine archipelago owing to its site and usual attribute is flat to usual hazard.

- It is located in the soothing circle of flames where 2 main tectonic place of the earth, i.e. the Pacific place and the Eurasian place, the incidence of earthquake and tsunamis, and survival of 220 volcanoes of which 22 are secret as dynamic for the reason that their eruptions have been found in past report.

- It is located along the storm strap on the Western North Pacific Basin where 66% of hot cyclone come in or create. Typhoon standard 20 actions per year; 5 to 7 of which can be quite critical.

❖ **Natural Resources:** The major natural mineral income contain coal, cobalt, copper, gold, gypsum, iron, natural gas, nickel, fuel, salt, silver, and sulfur. There are lesser deposit of bauxite, mercury, and zinc. Other essential assets are geothermal and hydroelectric power, fish, and wood.

❖ **Philippines Earthquake-2012:**

A strong earthquake of 7.9 magnitudes strike off the eastern beach of the Philippines trigger tsunami warning across Asia. The earthquake struck on August 31, 2012 at 20:47 local time.

Details:

- Date and Time of Earthquake - 02:48 AM HST on August 31, 2012
 - coordinate - 10.9 NORTH 127.1 EAST
 - site - Philippine Islands area
 - scale - 7.6 on the Richter Scale
- ✓ **Location of Quake:** The quake was hit at a depth of 21.7 miles and was centred 66 miles east of Samar Island and 91 miles off the town of Guiuan in Samar province.
- ✓ **Impact:** The crash was felt at city of Davao, about 250 miles south of Guiuan. One home was distorted in southern Cagayan de Oro city. There was no electrical energy in several Philippines towns and cities.

4.6 LEGAL ANALYSIS

- The Philippines honesty scheme is pair of the Supreme Court, the court of appeals the regional trial courts, the court of tax appeals and the metropolitan and municipal trial courts. In Philippines there is a great level of criminality due to the country's unbalance; one of the ways of government has done effort to increase stability by adding death penalty in 1993.
- Minimum Age to Be Employed To work in the Philippines, one must be at least 15 years old.

❖ **Philippine Ownership Laws and FDI:** The Philippines foreign direct investment policy is very liberal also release to any corporation or financier that would like to spend in it. In October 2009, more or less \$22.9 billion were invested in the Philippines. An assured laws control how much of a corporation foreign business can own in a host country and if a company can fully incorporate in that country. These laws set a level, or proportion, at which a corporation can own a corporation or market share in the Philippines. At present, the Philippines allow 100 percent foreign ownership of Philippine retail trade enterprise with a rewarded up assets of \$2.5 million. The limits on how much advertise share a corporation can own in the Philippines are a little stricter. For any corporation looking to spend in the Philippines, 60 percent of any domestic market is necessary to be Filipino owned and 40 percent can be foreign owned. This income that any foreign business can own up to 40 percent of a market share based in the Philippines.

5. SCOPE OF BUSINESS

5.1 Scope of Doing Business

- Setting up a business in the Philippines is easy depending on the kind of business that you would want to go into. The following is process for starting business.
 - If you are setting up a corporation, you will have to register your corporate papers with the Securities and Exchange Commission.
 - If you are a foreigner, you will only be allowed to own 40% of the corporation. The rest (60%) will have to be owned by Filipino Citizens.
 - If your business is a single proprietorship, you may register it with the Department of Trade (DTI). Then you will be required to register your business with the Bureau of Internal Revenue and finally to the local government (City of Municipality) where your business is located.
 - After undergoing this process and obtaining the necessary registration papers from these agencies, you are now ready to operate your business.
- Scope of doing business in Philippines is very wide as there are certain supporting factors as well as enormous number of opportunities available in different industries and sectors wherein, doing investment would be a good decision:

5.2 Growing industries in Philippines

❖ Electronics Industry

Electronics is acknowledged as the central driver of the Philippine financial system as it financial records for 72% of the country's whole export The Semiconductor and Electronics industry in the Philippines.



- It is the most important and main association of overseas and restricted semiconductor and electronics company in the Philippines.
 - The manufacturing has efficiently twisted the Philippines into a state by means of one of the world's for the most part technically higher sell abroad structure. At SEIPI (Semiconductor and Electronics Industry in Philippines), overseas and restricted developed firms, electronics supplier, sub-contractors, service provider and other related company and manufacturing organization that know meet, to change industrial development in the Philippines.
-
- ✓ **Automotive Electronics:**
Consists of Telemetric – worldwide position scheme, cross automobile and security
 - ✓ **customer Electronics:**
Consists of level board television, soaring meaning television, put pinnacle pack, iPod, Digital Cameras,
 - ✓ **Office Equipments:**
Consists of copy equipment and its part electronics calculators
 - ✓ **infrastructure and Radar:**
Consists of 3G earpiece, television welcome on earpiece, movable services, Radars
 - ✓ **Telecommunications:**
Consists of telephone, Scanners, settlement receiver, Cellular phones
 - ✓ **manage and Instrumentation:**
Consists of PCB meeting for instrumentation apparatus

❖ Textile business

The Philippine garment business is single of the country's success business. Preliminary as a cottage-type business in early 1950s, it has expanded and powerfully positioned itself as the nation foremost non-traditional sell abroad.



- Today, the industry remains the Philippines' next main money earner, after that to electronics and semiconductor, considering the important payment of the clothes business to the millions of Filipino workforce and to the Philippine financial system as well, the Philippine administration has ready wrap up help for the advantage of the business,
- Philippines have export clothes and textiles to 110 countries, by means of a number of 200 manufacturers, 240 traders and 1,150 subcontractors causal to the business presentation.

✓ **Labor force:**

- The Philippines have an extremely accomplished work force. The Filipino staff is able to creation clothes with complex style and complicated embroideries and design, which are at par with the earth best.
- There is a incessant reform of sell abroad and bring in events intended to get better the speed-to-market ability of manufacturers

✓ **venture opportunity:**

- There is a huge variety of speculation opportunity in item of clothing production-related services such as. Example: creation, Fabric designing, Pattern-making, wash, disappearing, print and final.
- There is also an opportunity for investment in the profitable manufacture of native fiber such as banana, piña, abaca, ramie and silk, which are plentiful in the Philippines.

✓ **Incentive obtainable to investor comprise:**

- Income tax holiday.
- Extra inference for incremental work operating cost in the primary five existence as of register.
- Duty and responsibility exception as of duty and duties on import additional part when bring in from side to side the firms' own bond developed warehouse.
- Clear use of consign gear.
- Service of overseas national.
- Duty praise for import rare resources second-hand for the export goods.

❖ **Food Processing and beverage industry**

- It is one of the most dominant primary industries and it accounts for 40% of the total number of manufacturing output in Philippines.
- And it is contributing 20% in GDP of the country.
- The food processing industry is comprised of fruit and vegetable; fish and maritime crop; animal protein and fowl crop; flour and bakery crop; drink and confectionery; dairy food; food condiments and seasonings; food supplement; bottled irrigate; snack food; and fat and oils.

✓ **Packaged food industry**

- Packaged food sales totaled US\$9.1 billion in 2011. Dairy products reported the highest Market share of 17 percent, in which bakery (14 percent), oils and fats (11 percent), Sweet and savory snacks (8 percent) and dried processed food (8 percent).
- The highest compound annual growth rate (CAGR) was in Frozen processed food (10 percent), followed by meal solutions (7 percent), canned Preserved food (7 percent) and chilled processed food (7 percent) During the period 2006-2011,



- Impulse and indulgence products are to witness 5 percent current value sales growth in 2011. during the period 2006-2011, the highest CAGR in impulse and indulgence Products was reported in biscuits (over 5 percent), followed by sweet and savory snacks (5 percent) and confectionary (2 percent)

✓ **Wine Industry**

- The wine industry in the Philippines is still in its infancy, in comparison to other alcoholic Drinks such as beer and spirits.
- Wine sales in the Philippines totaled US\$107 million in 2011, or 9 million liters. In value terms, still light grape wine dominates the market, with a94 percent market share, followed by sparkling wine (5 percent).
- Retail wine sales contributed over 51 percent of total wine sales in 2011. During the period 2005-2010, wine volume sales grew at a CAGR of 8.3 percent,
- The highest growth was in still light grape wines, with a CAGR of 9 percent in volume terms and over12 percent CAGR in value terms. Red still wines in particular; saw a boost in consumptions companies took advantage of the perceived health benefits of red wines.
- Volume sales of fortified wines and vermouth grew by a CAGR of 6 percent, followed by sparkling wines (5 percent). Value sales of sparkling wines grew by a CAGR (Compound Annual Growth Rate) of over 8 percent, followed by fortified wines and vermouth (8 percent).

Wine Volume Sales in liters million						
	2006	2007	2008	2009	2010	2011
Wine (Total)	6.1	6.6	7.1	7.6	8.2	8.8
Still Light Grape Wine	5.9	6.4	6.9	7.4	8.0	8.6
Sparkling Wine	0.2	0.2	0.2	0.2	0.2	0.2

❖ Mass Grocery Retail Sector

- In the Philippines, grocery retail sales totaled US\$32 billion in 2010.
- Other grocery retailers had the largest market share of 67 percent, followed by supermarkets (19percent), small grocery retailers (6 percent), food / drink / tobacco specialists (5 percent) and hypermarkets (2 percent). Independent small grocers contributed 85 percent of total small grocery retail sales, followed by convenience stores (14 percent) and forecourt retailers (2 percent).
- Small independent stores such as sari-sari stores remain the largest grocery channel both in terms of outlet numbers and total sales.
- The Philippines had an estimated 770, 000 sari-sari stores, accounting for more than 87 percent of outlets and 71 percent of retailer’s geographical proximity to its customers.
- Spending on grocery products rose among middle and high income consumers in urban Locations During the period 2005-2010, grocery retail sales grew by 24 percent.
- Hypermarkets had the highest CAGR of over 30 percent during the same period, followed by supermarkets (7 percent), food / drink / tobacco specialists (5 percent), other grocery retailers (3 percent) and small grocery retailers (2 percent). Hypermarkets are in a stage of rapid growth and the number of outlets increased by 33 percent in 2010.

Value Sales in Grocery Retailing in USD million						
	2006	2007	2008	2009	2010	2011
Grocery Retailers (Total)	27511	28773	29854	30774	31921	32109
Other Grocery Retailers	19495	20177	20579	21198	21622	21514
Supermarkets	4587	4903	5318	5515	5973	6181
Small Grocery Retailers	1718	1746	1789	1815	1856	1838
Food/Drink/Tobacco Specialists	1400	1495	1607	1629	1707	1720
Hypermarkets	314	454	558	614	764	857

❖ Automobile Industry

- Philippines are the residence to many major car manufacturers, such as **Mercedes-Benz, BMW, Volvo, Ford, Toyota, Mitsubishi and Nissan, with Toyota** the main vendor of vehicle in the nation. The automotive marketplace in Philippines saying a 14-year refuse in sale pending 2010, when insist rise and put a work of fiction proof far above the ground of 162,000 cars sell that year.
- The Chamber of Automotive Manufacturers of the Philippines says it is increasing its industry sales forecast for 2012 from 154,000 units to 185,000 units, as the local auto industry recovers from supply limitation amid strong economic indicators.
- This means the industry is looking to increase sales by 30 percent from 141,616 units sold last year.
- In ill will of the become dull of darkness downward upon the worldwide automotive manufacturing in the new existence, as intimidation of tall petroleum price and decrease purchase control carry on to reason jitters in the middle of anxious customers, and as when main car market be fond of the US are coverage double-digit sale slouch and flaking thousands of job, the Philippines car manufacturing provide a bleak difference.
- Here turnout are additional 530 group of actors in the automotive manufacturing, which include 21 traveler van and profitable motor vehicle assemblers/distributors, 256 part maker, and extra 240 trader outlet national.

5.3 Upcoming industries in Philippines

❖ Tourism Industry

The Philippines is careful as individual of the majority astonishing and charming traveler destination of the planet owing to its broad variety of diverse rings which attract the tourist as of all in excess of the planet. It offer a broad collection of activity to shed a magic charm on its guests with its good-looking picturesque island, foreign beach, astonishing volcanoes, first-rate headlong spot and matchless natural world and a lot of other attraction.

- Captivating benefit of the rising growth of the Asia Pacific area into one of the earth best rising traveler region, Philippines wants to set up itself as a Prime Minister Traveler purpose in Asia.
- The 7,100 island brag of gorgeous beach and out of this world sceneries that offer calming free time and entertainment acne for vacationer and tourist.
- The Philippine administration, to revamp the state local and global visiting the attractions market is touching it into senior enlargement by adopt a variety of events.

❖ BPO Industry

- The Business Process Outsourcing (BPO) manufacturing is active in the Philippines. The majority ordinary BPO services in the state are call center, software growth, record, encoding, cartoon, person wealth, office and payroll outsourcing.
- BPO is implementing as a cost-saving gauge for everyday jobs that a corporation require but does not depend upon to preserve its place in the market. There is as healthy a lot of new BPO opportunity, sideways from the majority ordinary BPO services mention over, outsourced script is one.

Upcoming event in Philippines:

- Out Sourcing and Engineering 2013
 - It is one of the largest trade exhibitions for process engineering and machinery industry in Manila.
 - The expo will focus on all aspects of die, mould and machinery industry.
 - The event will gather exhibitors from leading national and international exhibiting companies to showcase their wide range of products in front of the target audience.
 - The show will feature products relating to transportation and storage, fluid & power handling, valve, pipes & fitting, subcontracting and outsourcing services, etc.
 - The fair will provide a wonderful platform for the visitors to view the latest products and to meet the industry professionals gathered in the show.
 - The 4th Outsourcing and Process Engineering Services Exhibition 2013 will serve as an ideal location for information exchange as well as to build new business contacts across the region.

❖ **Refinery Industry**

- Philippines Refining Industry predict to 2016” from OG Analysis is a total basis of in order and scrutiny on Philippines cleansing manufacturing and is a required basis for all manufacturing professional and strategists involved in the business.
- It provide insight and forecasts of plant capacity (Atmospheric, coking, FCC, HCC) and use tax.
- It also forecasts provide and insist of LPG, Kerosene, Gasoline, and Diesel Oil from 2002 to 2020. The story also provide corporation wise and processing plant shrewd outlook to 2016.
- It identifies input asset area in Philippines cleansing marketplace plus also analyze the entire future refinery in feature. It updates the main deal and proceedings in the manufacturing as of 2011-2012.

❖ **Mining Industry**

- Mining in the Philippines ranks second in the Asia-Pacific area, following Indonesia in conditions of raw materials and resources.
- The Philippines in addition position as mortal in the summit eight countries all above the earth for copper, nickel and gold.
- The Philippines simply manage to make \$3.8-billion asset in removal throughout the last six existences comprehensive of the \$700 million last year, well underneath the administration predict of \$12 billion.
- The Philippines is located beside a distinct strap of volcanoes call the Circum-Pacific edge of flames anywhere the process of volcanism and cover meeting resulted in the development of plentiful and significant tinny stone deposit.

❖ **Energy Sector**

Geothermal power station in Negros Oriental

- The possibilities for ventures on renewable energy are liberal in the Philippines.
- They might approach as of source that are of course chronic and might be refill such as geothermal, irrigate, storm, sunshine, and surge.
- These sources are tapping from side to side the use of improved technology to make astral, storm, hydro, biomass, and tidal authority.

6.

BUSINESS

MODEL

COMPARISION

6.1 Business Comparison

❖ Growing Industries

✓ **Philippines**

✓ ✓ Electronics Industry	Textile	Food Processing
Packaged Food Industry	Wine Industry	Agriculture Industry

✓ **India**

Information	Technology	Agriculture Industry
Infrastructure Industry	Retail Sector	Automobile Industry
Healthcare Industry	Dairy Industry	

✓ **Gujarat**

Agriculture	Manufacturing Industries	Rubber Industry
Petroleum	Transport Equipments and Parts	Coal Products
Plastic	Food Products	Oil and Natural Gas & Etc

❖ Positive Factors leading to set up a business in Philippines

- Promising Workforce
- Strategic business location
- First-class lifestyle
- Abundant resources
- Low cost of doing business
- Liberalized and business-friendly economy

❖ Leading Telecommunication Provider

- ✓ **Philippines:** The leading telecommunications provider is universally known as the Philippine long distance telephone company (PLDT). It is the largest company of the company as well.
- ✓ **India:** BSNL acronym for Bharat Sanchar Nigam Limited is the largest fixed line telecommunication provider and 4th largest wireless telecommunication provider of India. BSNL is one of India's oldest and largest telephony service providers in the country. BSNL is also a broadband services provider. : Bharti Airtel, India's leading telecom services provider, along with eight major leaders of the global telecommunications industry.
- ✓ **Gujarat:** Vodafone is a leader as far as telecommunications is concerned.

❖ Local language

- ✓ **Philippines:** The local language used here is Filipino.
- ✓ **India:** As far as the question of local language arises, we can say that the language depends on various states.
- ✓ **Gujarat:** As we all know Gujarati language is more frequently used by the people living in Gujarat.

❖ Hospitals

- ✓ **Philippines:** The Philippines has a number of quality medical facilities that can offer high quality medical treatment. In order to help you better get the quality medical treatment and healthcare that you deserve we have provided a list of some of the country's best hospitals. Please bear in mind that this list of hospitals in the Philippines is provided only for reference purposes and that the information contained here is liable to change. In the event that you need medical assistance please talk to the relevant authorities. The latest figures from the Department of Health reveal that as of 2006, there were 1,921 hospitals in the Philippines, with a total bed capacity of 93,183. Of the 1,921 hospitals, 719 were public hospitals and 1,202 were private.

- ✓ **India:** Medical industries grow very rapidly now days in India. Indian hospitals are well equipped and advanced infrastructure for providing best treatment to the patient. Indian doctors are specialist in Heart surgeon, plastic surgery, cancer treatments, cardiology society, eye care and Orthopedic. Many foreigners are came to the treatment with booking package tours to spend their days happily. There are around 15393 hospitals in India.
- ✓ **Gujarat:** Gujarat is having highly practiced doctors, nurses who have skills similar to international standards and Modern Technology Infrastructure. The Government of Gujarat is taking all steps to provide quality health care to the people of Gujarat. Hospitals in Gujarat can be classify as civil hospital Gujarat, Gujarat cancer hospital, eye hospital in Gujarat and General Hospital in Gujarat. Ahmadabad is the capital of Gujarat and fast growing city in Gujarat. There are around 1072 public hospitals and 7274 other that are sub centers.
- **Health expenditure:**
- ✓ **Philippines:** Private health expenses include direct household (out-of-pocket) spending, private insurance, charitable donations, and direct service payments by private corporations. Health expenditure, private (% of GDP) in Philippines was 2.49 as of 2009. Its highest value over the past 14 years was 2.49 in 2009, while its lowest value was 1.77 in 2002. Total expenditure on health as % of GDP (2010) 3.6
- ✓ **India:** Health expenditure, private (% of GDP) in India was 2.80 as of 2009. Its highest value over the past 14 years was 3.58 in 2002, while its lowest value was 2.80 in 2009. Total expenditure on health as % of GDP (2010) 4.05.
- ✓ **Gujarat:** The investment by the public sector for health has been not enough, so much so that the state has never committed more than 3.5% of its resources to the health sector. Added to that is the fact that from 1970s, there has been a steady turn down in public sector investment, which reached to its lowest level in 1994-5, being only 2.6% of total government costs. Current health costs of Gujarat are estimated 2 to 3%.

❖ Cultural and Social Environment

✓ **India:** The proficiency over the English language for the average middle class is commendable. Official communication-letter faxes, emails are generally received without any hitch, but it would be prudent to cross check if the transmission has reached the receiver. It is difficult for Indians to say 'no'. Likewise, their 'yes' may merely mean 'perhaps'.

- **Meeting and Greeting:** In general, Indians are formal upon first meeting. Elders are respected and differed to many situations, business ones included. Caste rankings still play a role with a wide variety of social and business interactions, although they're not as pervasive as they previously were. You may see an Indian bow slightly to another - that is either a show of respect for age or a show of respect for age or a show of respect for someone higher in rank.
- **Names and Titles:** Use last names upon meeting someone for the first time and mention any higher academic or other titles.
- **Business Cards:** Business cards are presented without a great deal of ceremony. But present your card with your right hand.
- **Gifts:** Give gifts with both hands. Gifts are not normally opened in the presence of the giver. Gifts from your country are appreciated (perfume, chocolates, small china or crystal objects).

Gifts are not normally expected at the first meeting. Gifts may be given once a relationship develops.

✓ **Gujarat:**

- The culture of Gujarat forms an integral part of India culture. Even with extensive modernization, Gujarat and its people have been able to preserve the rich culture and tradition of the ancient past.
- The people of Gujarat popularly known as 'Gujarat's'-exhibit a very warm and friendly nature and the 'untouched' simplicity about them constitute an integral part of the beautiful culture of Gujarat.

- The varied culture of Gujarat is amply demonstrated in the various characteristic behaviors of the people of different parts of the state. For example, the people of Kachha - a low and arid region, are hardy by nature and blessed with a rare spirit of enterprise and acumen for business organization.

- ✓ **Philippines:** Greet them: A simple “Hello” or “How do you do?” shows politeness.
 - **Make eye contact and smile:** This conveys sincerity, focus, and openness.
 - **Handshakes:** should last about three seconds, the time it takes to pump the other’s hand once or twice.
 - **Know the packing order:** Introduce an older person to a younger person, someone from another company to your coworker or client, a senior executive to a junior executive, and a host or guest of honor to a guest. Decisions are made at the top of the company.

PART- II
Feasibility study
Of
Various Business plans
In
Philippines

7.

AUTOMOBILE

SECTOR

7.1 OVERVIEW OF INDUSTRY

7.1.1. HISTORY OF AUTOMOBILE INDUSTRY

- The Philippines' automotive industry started during the American Colonial Period from 1898 to 1946, with it the introduction of American-made cars, which have been sold in the Philippines every since. When then-President Ferdinand Marcos declared Martial Law some vehicle manufacturers withdrew from the Philippines, some of which returned in the 1990s after the People Power Revolution ousted Marcos in 1986. During the 1973 oil crisis, Marcos advised Filipinos to buy smaller, more efficient vehicles with 4-cylinder engines. During the early 1990s, a number of car makes entered or re-entered the Philippines, but during the 1997 Asian financial crisis some makers withdrew and sales declined. Since the end of the crisis, automobile sales have increased since with new models.

7.1.2 INTRODUCTION TO AUTOMOBILE INDUSTRY

- The Philippine automotive sector is relatively small, in terms of share in value added in manufacturing, size (number of players), and production especially if compared to its ASEAN neighbors such as Thailand, Malaysia and Indonesia. But recognizing the backward and forward linkages of the sector, the government continues to promote its expansion and improve its competitiveness.
- A major policy on the sector is the Motor Vehicle Development Program which aims to provide the automotive sector with comprehensive industrial policy and development direction. This law is adequate on promoting competitiveness and taking advantage of the tariff reduction schemes but seems to lack in supporting innovation in the automotive industry. And it does not help that, in the Philippine industries in general; the low R&D expenditure and the failing R&D indicators indicate how innovation is not getting enough attention in the country. Nonetheless, a recent case of innovation in the Philippines is the electric jeepney. [Jeepney is a uniquely Filipino public transport]. This can be considered an innovation for local public utility vehicles in view of improving the fuel economy and reducing environmental impact. But other than this, innovation particularly in the automotive sector is not very active.

7.1.3 SWOT ANALYSIS

❖ 7.1.3.1 STRENGTH

- Size advantages lower Automobile industry's risks. The larger Automobile industry gets, the more resources they have to pursue new markets and defend themselves against rivals.
- Unique products help distinguish Automobile industry from competitors. Automobile industry can charge higher prices for their products, because consumers can't get those products elsewhere.
- When given a choice, customers are loyal to Automobile industry. Instead of targeting all customers, Automobile industry only needs to target new customers in order to grow their business
- An innovative culture helps Automobile industry to produce unique products and services that meet their customer's needs.

❖ 7.1.3.2 WEAKNESS

- An inefficient work environment means that Automobile industry's goods and services are not being utilized properly
- High staff turnover can hurt Automobile industry's ability to compete, because replacing valuable staff is expensive. "High Staff Turnover (Automobile Industry)" has a significant impact, so an analyst should put more weight into it. "High Staff Turnover (Automobile Industry)" will have a long-term negative impact on this entity, which subtracts from the entity's value.
- Weak R&D can slow Automobile industry's growth as competitors out-innovate Automobile industries.

❖ 7.1.3.3 OPPORTUNITY

- Greater innovation can help Automobile industry to produce unique products and services that meet customer's needs.
- New products can help Automobile industry to expand their business and diversify their customer base.

- International markets offer Automobile industry new opportunities to expand the business and increase sales.

❖ **7.1.3.4 THREATS**

- Mature markets are competitive. In order for Automobile industry to grow in a mature market, it has to increase market share, which is difficult and expensive

7.1.4 PESTEL ANALYSIS

❖ **7.1.4.1 POLITICAL**

- With the improving political and economic climate in the Philippines, the nation automotive industry is on the path to recovery. It is anticipated that significant trade liberalization will reshape the market, transforming the country into a consumer market rather than an automotive assembly destination. Over the long-term, increasing personal disposable income and more stable exchange rates are expected to contribute to the healthy growth of this field. the nation is set to experience a drastic change as the government embarks on radical trade liberalization. The Philippine government is committed to liberalizing the automotive industry to better prepare itself for global competition. However, this will make some vehicle assemblers and component manufacturers redundant. Consequently, there will be a growing consolidation in the Philippine market.

❖ **7.1.4.2 ECONOMIC**

- While the automotive segment has been boosted by a solid rise in sales, driven by increased economic growth and consumer spending power, there is rising uncertainty over the long-term viability of domestic production, as regional rivals and a still-narrow market eat away at cost efficiency.
- On August 9, the Chamber of Automotive Manufacturers of the Philippines (CAMPI) issued its latest update on car sales, which shows a 7% increase in the number of vehicles sold during the first seven months of 2012. Sales totaled just fewer than

87,500 units, prompting CAMPI to lift its year-end estimate from 180,000 cars sold to 185,000.

❖ **7.1.4.3 SOCIAL**

- Environmentally friendly cars in years past, people bought fuel-efficient cars that, as a consequence, were environmentally friendly. But now, more and more people are making a conscious effort to buy environmentally friendly cars that also happen to be fuel-efficient. The difference is that the main criterion and the consequence have switched places. 2012 was the year more and more Filipinos became much more environmentally conscious and aware of the things around them, changing their perspective on the environment and the limited natural resources.

❖ **7.1.4.4 TECHNOLOGY**

- Innovation has been receiving increasing attention in many developing countries as it has been recognized as an important factor in the process of modernization and industrialization. The experience of many developing countries like China and India has shown that the process of industrialization could be achieved faster through the paradigm shift from technology adoption to one of domestic knowledge production. About by these broader markets, they must be able to adopt measures to modify production processes, introduce new products, initiate improved organizational systems and apply new marketing methods. These would entail a level of awareness in the firm of the need to improve their current capacities. Such awareness should then translate to an ability to identify external threats and opportunities, further strengthening of the firms potential to develop, acquire, effectively use and learn from technologies. Sources of technologies like network of suppliers, the academe and other research institutions should also be maximized.

❖ **7.1.4.5 LEGAL**

- The automobile industry is subject to numerous technical directives and regulations, as well as legislation of a more legal nature. The legislation covers areas such as competition law, intellectual property law, consumer protection and taxation, and

emissions (air quality and fuels). When the auto parts industry reached full development, accelerated technological efforts were made to create a web of local suppliers that would make it possible to meet the growing legal requirements for the national integration of production.

❖ **7.1.4.6 ENVIRONMENTAL**

- Other than the vehicles themselves, and the roads and fuel needed to run them; the business is intricately tied to the manufacture of a wide range of components and the extraction of precious raw materials. Indirectly, it brings people road congestion, too many fatalities and a wave of other environmental troubles. The effect to the automotive companies are that they needed to establish R&D centers to take advantage of research infrastructure and human capital, so that they can develop vehicle products locally to satisfy the requirements of the environmental and safety regulations more effectively

7.1.5 PORTER'S FIVE FORCE MODEL

❖ **7.1.5.1 Threat of New Entrant**

- According to treaty signed between India and Philippines, soon Indian made vehicles will run on road of Philippines.
- Indian Heavy duty vehicles will be the first priority to run on Philippines road.
- Indian vehicles will compete against Chinese vehicles and that will be Philippines Plus Point.
- Result : Attractiveness :High
Threat : Low

❖ **7.1.5.2 The Bargaining Power of Customer**

- Toyota still reigns with 34 percent market share, Mitsubishi is runner-up with 19 percent and Hyundai is third with 11 percent. Not far behind Hyundai is Honda with 10 percent, while Ford/Mazda and Isuzu share fifth place with 6 percent

each. Nissan is sixth with 5 percent, Columbian Auto car (Kia) ranks seventh with 3 percent and The Covenant Car Company Inc., the distributor of Chevrolet organized only two years ago, is last with one percent. All the other remaining brands together have 5 percent market share.

- As there are many existing giant companies which cover a large market share, then there would be a high bargaining power of customers.
- Result : Attractiveness :Low
Threat : High

❖ **7.1.5.3 The Bargaining Power of Suppliers**

- In Philippines, there is a lack of strong supplier network, but many of the auto parts are imported from India, china, Malaysia and Thailand.
- So Bargaining Power of Supplier is High, because less number of Suppliers.
- Result: Attractiveness: Low
Threat : High

❖ **7.1.5.4 Threat of Substitute**

- Automobile products can be hardly replaced by other products.
- As Philippines people are willing to purchase car and the growth rate of this industry is increasing year by year.
- Result: Attractiveness : High
Threat : Low

❖ **7.1.5.5 Rivalry Among Competitors**

- There are lots of Competitors in Philippines Automobile Industry.
- Result: Attractiveness: Medium
Threat : Medium

7.2 BUSINESS PLAN ON CNG SOLUTION FOR CARS

❖ 7.2.1 COMPRESSED NATURAL GAS

- CNG or compressed natural gas is a domestically available, economical, clean burning, alternative fuel source for vehicles.
- Natural gas is compressed and enters the vehicle through the natural gas dispenser or fill post
- It flows into high-pressure cylinders that are located on the vehicle.
- When the driver steps on the accelerator, the natural gas leaves the on-board storage cylinder, passes through the high-pressure fuel line and enters the engine compartment.

❖ 7.2.2. COMPANY PROFILE

- Eco India as a professional company engaged in LPG/CNG gas vehicle project, since the establishment, always upholds the tenet of providing green gas solutions to customers. It wins the trust of the large numbers of customers with a cost-efficient, stable quality, quick response and perfect after-sales services.
- At the beginning, Eco India is specialized in manufacturing auto motive parts. Eco India founded in 2007 and was based in Maharashtra; In 2009 it got merged with the Manan Group in Ahmadabad. CNG is the abbr. version of Concentrate Natural Gas. A vehicle equipped with a CNG system, which has 2 separated fuel supply system. Eco India has grown rapidly to become the leader in providing integrated solutions facilitating smooth & efficient transition of vehicular fuel sources from fuels such as petrol & diesel to a CNG fuel source. The natural gas car can save much fuel, lower the cost, and reduce the pollution.
- The company sorts out the products into 2 mainly series: 3 wheeler and 4 wheeler CNG kit. All the products have passed ISO9001:2008, VRDE, ARAI, and iCAT approved. More product details please check the products.
- Our tenet: Use our most responsible attitude; provide our customer most professional service.

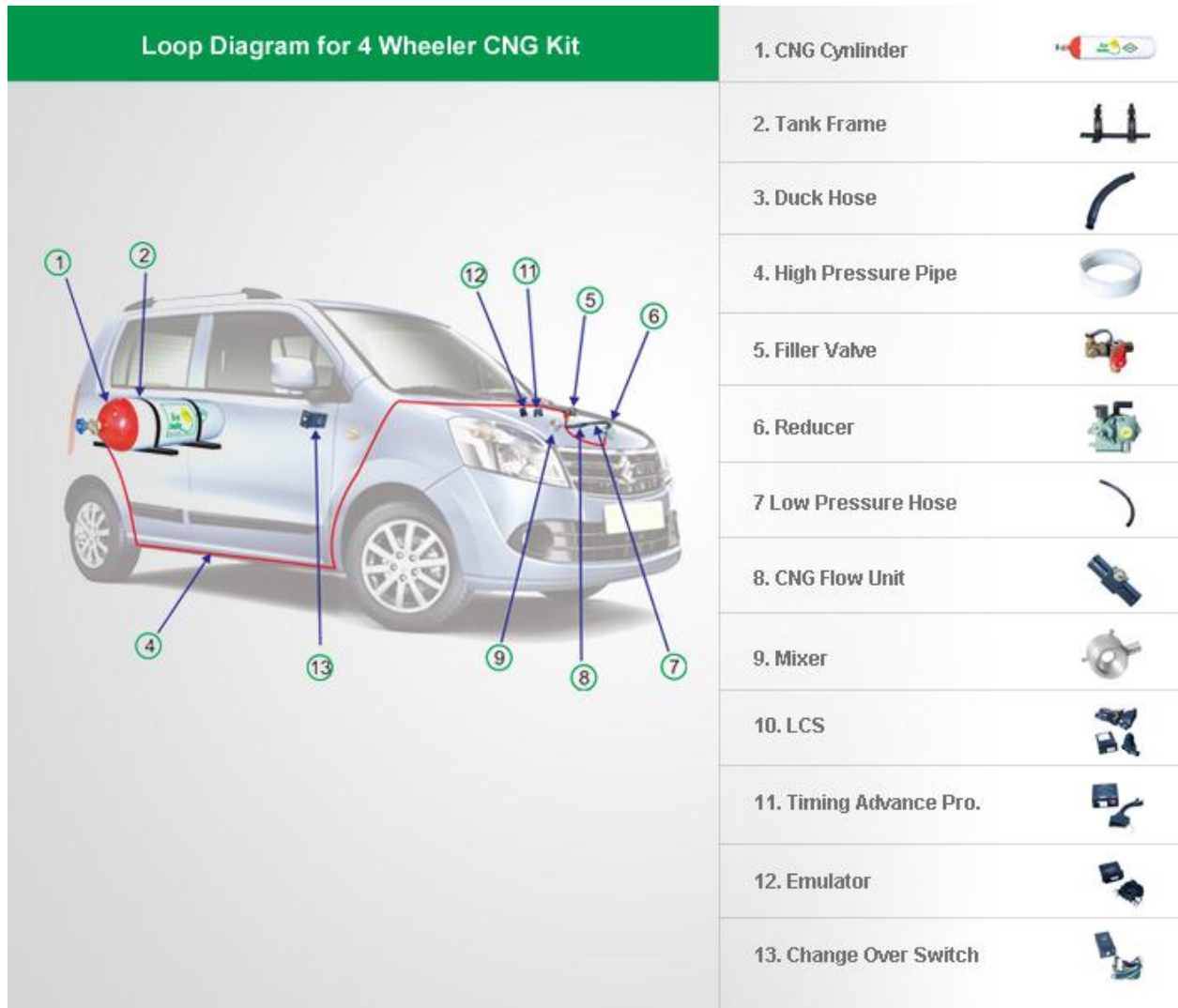
❖ 7.2.3 Vision

- Our India, Green India

❖ 7.2.4 Mission

- Our Mission is Atmospheric Pollution, Environmental Changes and Improved the quality of life.

➤ FEATURES OF CNG KIT FOUR WHEELER



➤ **POPULATION OF VEHICLES IN PHILIPPINES**

Rank	Province	Total
1	Cebu	466,086
2	Laguna	381,148
3	Bulacan	366,548
4	Batangas	366,049
5	Pampanga	361,748
6	Cavite	357,575
7	Pangasinan	340,294
8	Negros Occidental	313,435
9	Nueva Ecija	310,441
10	Davao del Sur	302,758

➤ **FACILITY OF CNG FUELING STATION**

- MANILA, Philippines - PNOC-Exploration Corp., a unit of state-owned Philippine National Oil Co. (PNOC), is seeking bids for the construction of two compressed natural gas refilling stations. Bid documents showed that the two stations would be constructed in Batangas and Laguna, with a total bid price of P112.99 million for refueling equipment and construction works. The refueling equipment worth P81.59 million for a daughter station will be delivered to the two sites. In the documents, PNOC-EC's Bids and Awards Committee invited bidders to submit proposals for the supply, delivery, installation, testing and commissioning of the modular CNG refueling equipment package. It also issued the notice to bid for the civil works for the modular CNG station in Batangas City, Batangas with a budget of P18.3 million. For the submission of bids for civil works on the CNG modular stations in Batangas and Laguna, PNOC EC set the deadline on Feb. 4. PNOC-EC is pursuing the construction of modular CNG instead of taking over the refilling station of Pilipinas Shell Petroleum Corp. in Mamplasan, Laguna. Company vice president Joseph Omar Castillo earlier said government is pursuing CNG stations because it is "more

economical.” PNOC-EC earlier agreed to take over the CNG facilities of Shell which agreed to put up the mother-daughter CNG stations. However, the stations were beset by technical problems. The government will source the CNG supply from the Malampaya deep-water-to-gas field in northwest Palawan.

❖ **7.2.5 REASON FOR CHOOSING PHILIPPINES**

- A 10-percent growth for the industry this year from the 185,000 vehicles sold in 2012.
- Filipino consumer behavior will remain favorable this year as the hoped-for P2,400 per capita income may be within reach and exciting new models will be introduced on the market.
- Among Asian Countries, the Philippines is among the lowest in terms of Rental Rates.
- The Prices of real estate properties in the Philippines are moderately low.
- CNG gas usage by Filipino is in Introduction stage of Product Life Cycle.
- CNG is sold at a price of 14 to 18 P per kg.
- A P 115.8 million has been spent after for construction refueling and daughter gas station, a wide infrastructure is in construction for gas station.
- At the end of January 2013, the Philippine Senate passed Senate Bill No. 2856 entitled *An Act Providing Incentives for the Manufacture, Assembly, Conversion and Importation of Electric, Hybrid and other Alternative Fuel Vehicles, and for Other Purposes*. Under “Alternative Fuels”, compressed natural gas (CNG) and liquefied natural gas (LNG) is amongst the fuels specified. A number of fiscal and non-fiscal incentives are notated.
- Section 5: *Incentives for Manufacturers and Assemblers* -
 - “... the manufacture or assembly of completely knocked-down (CKD) parts of ... alternative fuel vehicles, including the conversion of vehicles into ... alternative fuel vehicles, shall be exempt from the payment of excise taxes and duties for nine (9) years from the effectivity of this Act.

- “The imposition of the Value Added Tax (VAT) for the purchase and importation of raw materials, spare parts, components and capital equipment used in the manufacture or assembly of ... alternative fuel vehicles shall be suspended for the next nine (9) years from the effectivity of this Act.
- Section 6: *Incentives for Importers* – exempts the importation of completely built units from the same taxes specified above.

❖ **7.2.6 LAUNCHING CNG SOLUTION FOR CARS IN PHILIPPINES**

- As per our’s Plan the company is going to launch the Reva Electric Car in December 2013. The plan to launch the car in December 2013 is as follows.
- Plan from January 2013 - December 2013

Months	Description
January and February	R&D and design of car
March – April	Completion of legal documents for starting a business
May	Company has to do prototype, so that they can have idea about customer’s liking for the product
June-July	Purchasing of machinery, plant construction , machinery set up, showroom and warehouse on lease
August	Company will appoint employees
September	Purchasing of fixture and furniture for office and side by side the company will also give training to the employees
October-November	Company will do promotion of cng solution with advertisement and side by side they will collect the stock.
December	Company will finally launched and sell the cng gas solution in December

❖ 7.2.7 LEGAL PROCEDURE FOR STARTING A BUSINESS

No.	Procedure	Time to complete	Cost to complete
1.	Verify and reserve the company name with the Securities and Exchange Commission (SEC)	1 day	PHP 40
2.	Deposit paid-up capital in the Authorized Agent Bank (AAB) and obtain bank certificate of deposit	1 day	no charge
3.	Notarize articles of incorporation and treasurer's affidavit at the notary	1 day	PHP 500
5.	Obtain barangay clearance	1 day	PHP 500
6.	Pay the annual community tax and obtain the community tax certificate (CTC) from the City Treasurer's Office (CTO)	1 day	PHP 500
7.	Obtain the business permit to operate from the BPLO	6 days	(PHP 2,084.98 business tax (25% of 1% of paid-up capital)
8.	Buy special books of account at bookstore	1 day	PHP 400
9.	Apply for Certificate of Registration (COR) and TIN at the Bureau of Internal Revenue (BIR)	2 days	PHP 100 (certification fee) and PHP 15
10.	Pay the registration fee and documentary stamp taxes (DST) at the AAB	1 day	(PHP 500 registration fee + PHP 4,169.97
11.	Obtain the authority to print receipts and invoices from the BIR	1 day	no charge
12.	Print receipts and invoices at the print shops	7 days	PHP 3,500

❖ **7.2.8 MARKETING FOR OUR BUSINESS**

- **Target population:** 5 million cars running on the road and new cars customer
- **MARKETING STRATEGY**
- **PRE-MANUFACTURING STRATEGY**

Phase	Description of advertisement
1	Internet
2	Hoardings
3	Aid- through T.V
4	Display of CNG Kits at different Cities (Expo)

- **Phase1-** In first phase the company will do advertisement on internet. They will contact B2B sites and B2C sites so that whenever the customers enter on this site, a pop-up add will be display on their screen and if they select it then these sites will get commission on every click.
- **Phase 2-** In second phase the company will do advertisement on hoarding. They will make a hording that will easily attract the customers. Company will focus on price sensitive customer segment which are savvy for fuel efficiency.
- **Phase 3-** In Third phase the company will do display of cng kit at different cities(expo) so the people can have a physical look and also people can get information about its specification
- **Phase 4-** In third phase the company will do advertisement on T.V. so that it will easily create awareness in the mind of the customers related to CNG gas which is environmental friendly and cheap.

- **POST -MANUFACTURING STRATEGY**

Strategies
Test Drive
Mouth to mouth publicity
After sales services

- From a marketing perspective, we suggest a strategy for the marketing of CNG SOLUTION for following organizations and private consumers represent particularly promising segments to be targeted in the marketing plan:
 1. Public sector organizations.
 2. 'Green' companies and,
 3. The Consumers who are willing to convert their petrol running car to CNG Gas running car.

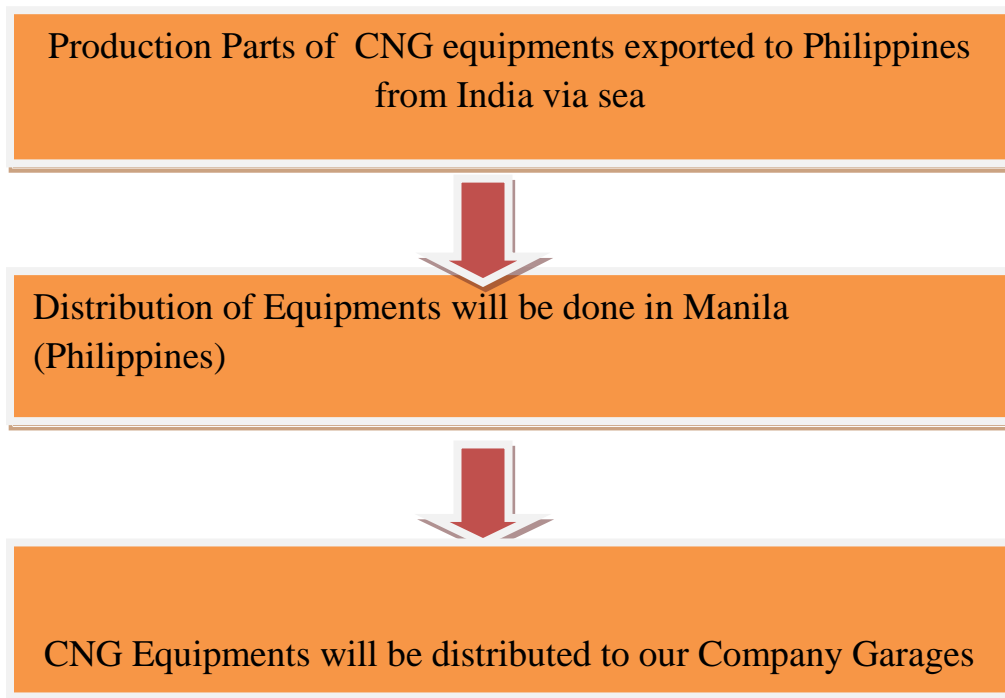
➤ **SALES TARGET**

No Of CNG KIT Installation	Duration
200	3 months
600	6 months
1200	12 months
2400	24 months

➤ **DISTRIBUTION CHANNEL**

- Manufacturing and production of CNG Kit Equipments will be done in India. Parts will be exported through sea from India to Philippines where these parts will be kept in the capital city of Denmark (Manila). The Distribution of the Parts will be done at the same place in the Manila. The car will be then distributed to other 10 province:

❖ 7.2.9 DISTRIBUTION FLOW CHART



➤ **CNG KIT SPECIFICATION**

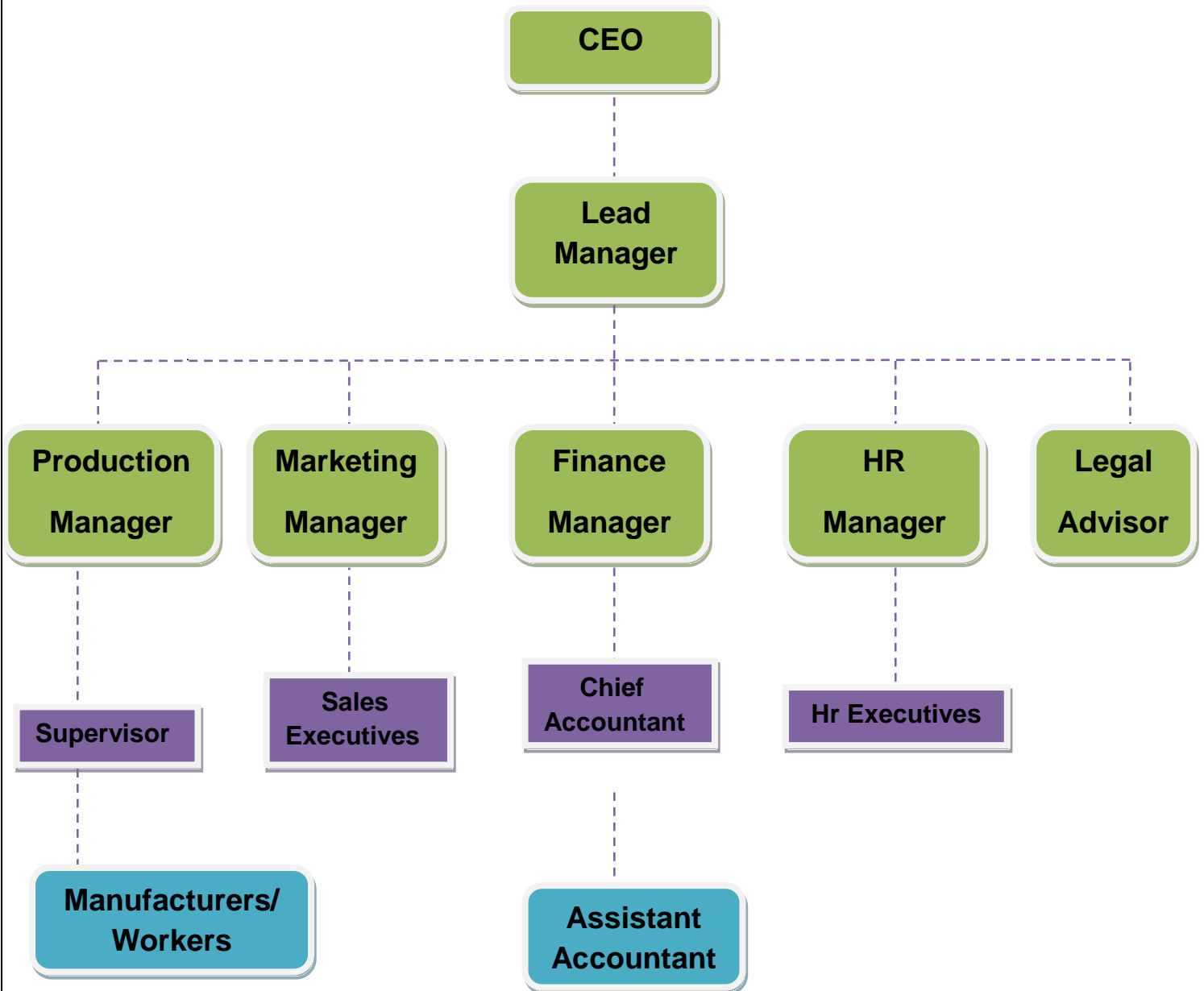
➤ **BENEFITS**

- On BB 3 norms government approved
- Average Min 22 to 29+ mileage per Kg
- Maintenance free kit
- Excellent pickup and power
- Auto converted
- 1 year warranty package free
- Eco friendly



❖ 7.2.10 PERSONNEL MANAGEMENT

ORGANIZATIONAL STRUCTURE



❖ **7.2.11 SALARY OF EMPLOYEES**

No.of employees (A)	Employee designation (B)	Per person salary yearly (RS) (C)	Salary yearly (RS) D=(A*C)
1	Lead manager	5,00,000	5,00,000
4	Branch manager	4,50,000	18,00,000
1	Legal Advisor	4,30,000	4,30,000
2	Supervisor	3,40,000	6,80,000
1	Chief Accountant	2,80,000	2,80,000
2	Assistant Accountant	2,00,000	4,00,000
10	Sales Executives	1,80,000	18,00,000
3	Hr Executives	1,40,000	4,20,000
50	Manufacturers/Workers	76,000	38,00,000

❖ **7.2.12 TRAINING PROGRAM**

- We will use classroom method to train the employees from October to December 2013. We will give brief information about our product. We will also teach them how to convince the customer's especially the sales executive and for that we will use self-paced method.

❖ 7.2.13 FINANCIAL PLAN

➤ SOURCES OF FUND

Investment Plan (annual)

Investment	Amount(Rs)
Rent for godown	7,00,000
Raw materials and spares (export)	28,00,000
Rent on production unit	20,00,000
Buy furniture and fixture	5,00,000
Plant for Assembling (lease)	25,00,000
Initial Fees to Philippines government	7 00,000
Salary	12,00,000
Advertisement Cost	5,00,000
Total	1,72,00,000

➤ Funding Investment

Particular	Rs
Share capital	90,00,000
Bank loan	50,00,000
Venture Capital Fund	32,00,000

➤ **Estimated Cost Sheet of (Per 1 CNG Kit)**

Particulars	Rupees
godown Price +Insurance	30280
Duties and other Transportation Charges	5000
Philippines Cost Per unit	35280
VAT	18%
Vat Added on Cost price	6350.4
Delivery Charges	4000
Cost per one cng kit	45630.4
+MARGIN 15%	6845
Final Selling price	52475

Dr. Estimated profit and loss a/c in one year

Cr.

Particulars	Rs	Particulars	RS
Opening Stock (125*45630.4)	57,03,800		
Bought Raw materials and spares(export)	28,00,000	Cng kit sold sold(150*52475)	78,71,250
Rent for Go Down	20,00,000	Loss	3,61,050
Fees paid to Government of Philippines	7,00,000	Closing stock (100*52475)	5,24,7500
Salary to workers and employees	12,00,000		
Interest on venture Capital (18%)	5,76,000		
Interest on Bank Loan (10%)	5,00,000		
Total	1,34,79,800		1,34,79,800

Estimated Profit and Loss A/c for 2nd year

Particulars	RS	Particulars	RS
Opening Stock (130* 45630.4)	59,31,952		
Bought Raw materials and spares(export)	28,00,000	Cng kit (200*52475) Sold	1,04,95,000
Rent on go down	20,00,000		
Salary to workers and employees		Closing stock (110*52475)	57,72,250
Rent of machinery	12,00,000		
Interest on venture Capital (18%)	5,76,000		
Interest on Bank Loan (10%)	5,00,000		
Stationary expenses	2,00,000		
Electricity bills	5,00,000		
Advertisement Expenses	4,00,000		
Profit	21,59,298		
Total	1,62,67,250		1,62,67,250

❖ **7.2.14 FINDINGS & CONCLUSION**

➤ **FINDINGS**

- From the study we found that the country likes Philippines where the major issue is increase in the level of pollution such as air pollution. It shows that there is a chance that Filipinos would adopt the CNG Solution for their Petrol vehicle cars as it produces less pollution.
- It is also found that people of Philippines would go for the CNG Fuel Solution as the CNG Gas rates are cheaper than that of Petrol Rates.
- From the study it is also found that the Philippines has already started installing CNG Gas Pump Station by company name Shell and the Business of installing CNG Kits in Car is in Introduction Stage of Product Life Cycle.

➤ **CONCLUSION**

- From the above study we conclude that Philippine has a great potential for the alternative fuel vehicles as it provides solution to the problems for the rising in petrol prices. CNG produces less carbon which will result into decrease in the level of air pollution.
- It also provides solution to the problems like economy of fuel as per kg of CNG is giving more economy than that of per liter of a petrol.
- During first two years we won't able to achieve our profit, during two years the goal is to achieve a breakeven point for the investment we have done in Philippines.

8.

TEXTILE

SECTOR

8.1 OVERVIEW OF INDUSTRY

8.1.1.Introduction

- Textile Industry is providing one of the most basic needs of people and the holds importance; maintaining sustained growth for improving quality of life. It has a unique position as a self-reliant industry, from the production of raw materials to the delivery of finished products, with substantial value-addition at each stage of processing; it is a major contribution to the country's economy.
- The textile industry began in the 1950s as an import substituting industry. It covers:
 - (1) Fiber production,
 - (2) Yarn, fabric, garment, and made-up textile manufacture.
- The textile industry comprises two sectors. The primary processing sector includes spinning, twisting, weaving, knitting, dyeing and finishing. Spinning involves the conversion of natural and man-made fibers into yarns and threads. The weaving process turns out woven fabrics, while the knitting process, knitted fabrics. The finishing stage improves the appearance, texture and quality of fabrics through bleaching, dyeing, printing, and treatment.
- The secondary-processing sector includes garment and made-up textile goods manufacturing. Although garment manufacturing, which is part of the industry, likewise started in the 1950s as a group of cottage-level enterprises that replaced the traditional home sewing, dressmaking and tailoring, it has never become significantly integrated with the other components of the textile industry. Garment manufacturing includes all items of clothing, such as men's, women's, children's and infant's wear, and the manufacture of other wearing apparel accessories such as hats, gloves, handkerchiefs, hosiery, and other related apparel.
- Firms in the primary processing sector can be classified broadly into two main Categories, depending on the number of processing stages they undertake *i.e.* integrated and non-integrated. Integrated firms perform all three (3) basic production stages of spinning, weaving and knitting, while non-integrated firms perform only one (1) or two (2) of these basic stages.

8.1.2 Philippines textile industry

- The Philippines garment and textile industry started as a cottage type industry early in 1950's. Since then, it has expanded and today it has strongly positioned itself as the country's leading export sector.
- **Main textiles supplying countries in 2011:**
 - ▶ China, Thailand, Korea, USA, Japan, Indonesia, Vietnam, Turkey, Mexico etc.
- India's trade in Philippines textile market was 12% during 2011. Moreover, in case of man-made fiber textiles, India's share in Philippines was only 11% during 2011. There is a substantial scope for India to increase its exports of man – made fiber textiles to Philippines.
- Today, the industry remains the Philippines' next main money earner, after that to electronics and semiconductor, considering the important payment of the clothes business to the millions of Filipino workforce and to the Philippine financial system as well, the Philippine administration has ready wrap up help for the advantage of the business,
 - ▶ **Philippines have export clothes to:** 110 countries,
 - ▶ **Number of manufacturer More than:** 200 manufacturers,
 - ▶ **Trader:** 240 Trader and
 - ▶ **Subcontractor's causal to the business presentation:** 1,150
 - ▶ **Employees, making it the largest employer in the manufacturing sector:** 3,20,000 employees
- **Venture opportunity**
Creation, Fabric designing, Pattern-making,
Wash, Dis-appearing, Print and final.
- **Incentive Obtainable to Investor Comprise:**
 - Extra inference for incremental work operating cost in the primary five existence as of register.
 - Duty and responsibility exception as of duty and duties on import additional part when bring in from side to side the firms' own bond developed warehouse.
 - Duty praise for import rare resources second-hand for the export goods.
 - Service of overseas national.

8.1.3 SWOT Analysis

❖ 8.1.3.1 STRENGTHS:

1. Abundant raw material
2. Low cost skilled labors
3. Growing domestic market
4. Large Cotton producer as well as the largest area under cultivation. [Total production of cotton is 1,00,04,80 lb. Bales in 2012.]
5. Government efforts to promote the industry.
6. Truly vertically integrated from raw material to finished products.

❖ 8.1.3.2 WEAKNESS:

1. Fragmented industry
2. Lower productivity and cost competitiveness
3. Low level of training.
4. Delay in delivering the goods at the right time.

❖ 8.1.3.3 OPPORTUNITIES:

1. Huge demand for value added goods in all major countries.
2. Relocation from high cost economies. [Philippines second biggest dollar earner]
3. Rate of import duties is minimal.[Philippines may allow 100% duty-free import of US textiles]

❖ 8.1.3.4 THREATS

1. Competition from other developing country, especially china.
2. To make balance between price and quality.
3. To balance the demand and supply.

8.1.4 Porter's five force analysis of textile industry

❖ The Threat of new entrants

Freedom of an entry in textile industry is widely regarded as a key indicator of an industry's competitiveness mostly in monopoly business. In a monopolistic competition there is a barrier to entry.

There are various reasons for barriers to entry in textile sector in Philippines.

1. Economies of scale.
2. Product differentiation.
3. Capital requirements.
4. Switching costs.
5. Access to distribution channel
6. Cost disadvantages independent of scale.
7. Government policy.

❖ 8.1.4.2 The Threat of substitution

As porters notes "identifying substitute's products is a matter of searching for other products is a matter of searching for other products that perform the same function as the products of the industry". As we consider our industry as textiles then there is no substitute of clothes in Philippines.

❖ 8.1.4.3 The Bargaining Power of Customers

1. Bargaining power of customers is high when customers purchase clothes in bulk.
2. The products it purchases from our industry represents a significant fraction of the buyer's cost of purchase in textiles.
3. The products it purchases from our industries are standard or undifferentiated.
4. When customers find an alternate suppliers.
5. It earns low profits.
6. Buyers pose a credible threat of backward integration.

7. The textile industry's product is unimportant to the quality of the buyer's Products or services.
8. The buyers have full information.

❖ **The Bargaining Power of Suppliers**

1. When few suppliers available in textile business in Philippines and It is dominated by a few companies and is more concentrated than the industry it Sells to.
2. It is not obligated to contend with other substitute products for sale to the Industry.
3. The industry is not an important customer of the supplier group.
4. The supplier's product is an important input to the buyer's business.
5. The supplier group's products are differentiated or it has built up switching costs.
6. The supplier group poses a credible threat of forward integration.

❖ **8.1.4.5 Rivalry Between Current Competitors**

1. Numerous or equally balanced competitors available in textile business.
2. When there is a slow industry growth in textile business in Philippines.
3. High fixed or storage costs in textile business in Philippines.
4. Lack of differentiation or switching costs.
5. Capacity augmented in large increments.
6. Diverse competitors.
7. High strategic stakes.
8. High exit barriers.

8.2 BUSINESS PLAN

❖ 8.2.1 COMPANY PROFILE

- Company name: **Lovely textile industry**
- Year of Establishment: 1985
- Nature of Business: Manufacturer, Exporter
- Address: Lovely textile, Near, railway station,

Adipur, Kutch, Gujarat-370205.

❖ 8.2.2 About the business:

- Lovely Textile Incorporated in the year 1985 as a Public Limited Company. company making a cloth of suiting, starting, and denim for all who wear cotton cloth . The company is doing all processing work in his unit, till gray cloth to finish product.
- At present, the company is a trendsetter in cotton textiles and also has a remarkable presence in the yarn, denim, viscose filament rayon yarn. Such a focus seemed pertinent to prepare the company for playing a dominant role in the global market. With the best of technology and business acumen, Lovely has become a true Indian multinational, having chosen to invest strategically, where demand has been high and quality required has been superlative.
- The principal business segments of the company include manufacturing and marketing of Voiles fabrics, Bottom weight fabric (khakis) and Yarn. The company operates through its divisions vise following independent unit. The company is engaged in the business of manufacturing, trading and dealing in textiles. The company manufactures and markets voiles fabric, bottom weights fabric and yarn. Their products include cotton yarn, dyed voiles and cotton fabric. The yarn manufactured by the company is mainly consumed by the parent company; The Company has a countrywide distribution network of almost 150 dealers that takes care of marketing their voiles and bottom weight division. The company has introduced some unique and differentiated products such as PU coated, slubby, sulphur-dyed, yarn-dyed, blotch printing, pigment dyeing, double dyeing like reactive base with pigment topping and combinations weaves, etc.

❖ **8.2.3 OBJECTIVE:**

“The aim was to produce fine and superfine cotton fabric as well as traditional material for vast potential global market”

❖ **8.2.4 COMPANY’S VISION**

"To achieve global dominance in select businesses built around our core competencies, through continuous product and technical innovation, customer orientation and a focus on cost effectiveness"

❖ **8.2.5 COMPANY’S MISSION**

- To provide a favorable work environment to the employees to direct their working towards achievement of corporate goals ethically to create a vibrant institution for the future of this nation and the world at large.

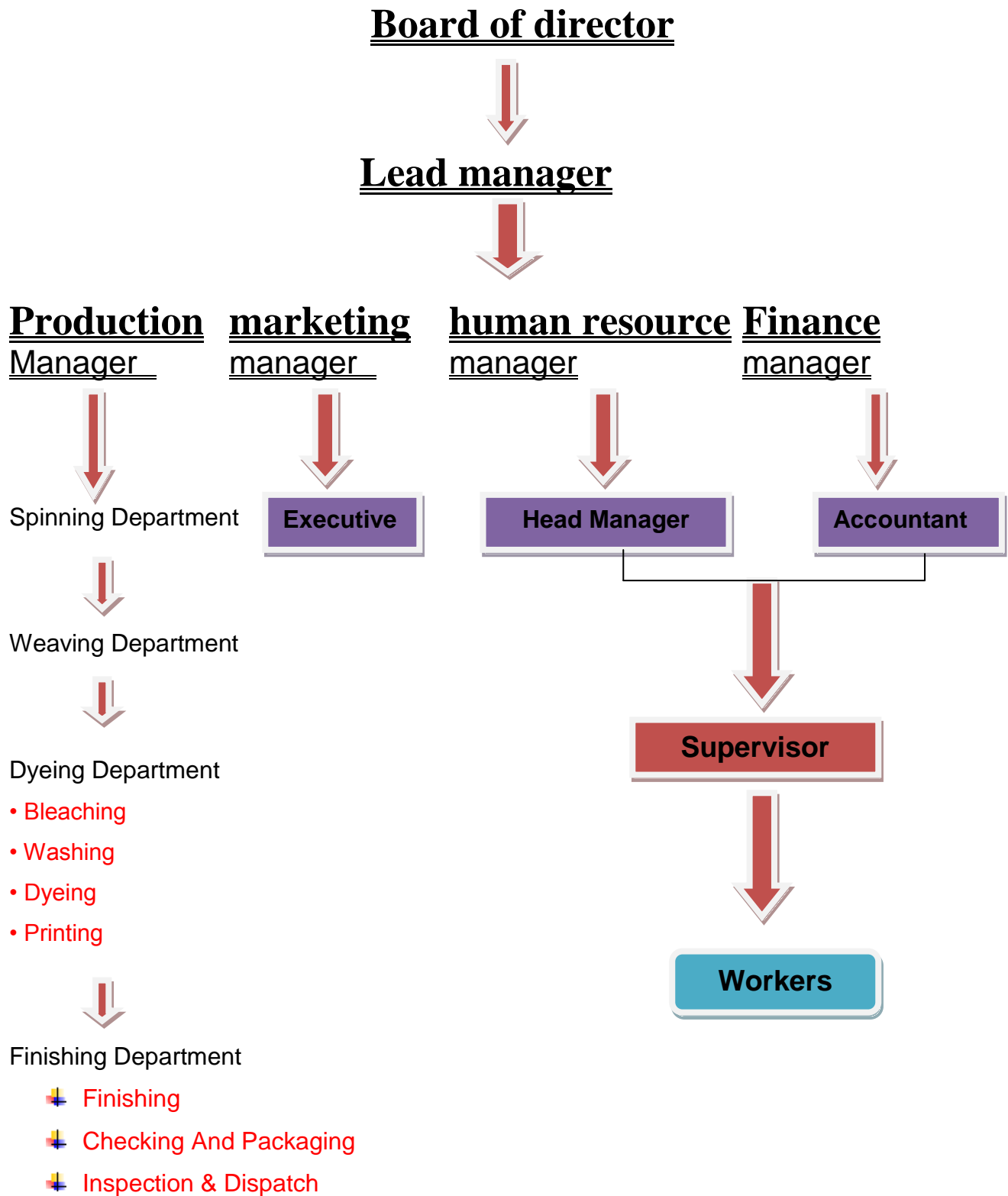
❖ **8.2.6 Target Customer**

Our targeted customer is all people who wear the denim, or cotton cloth

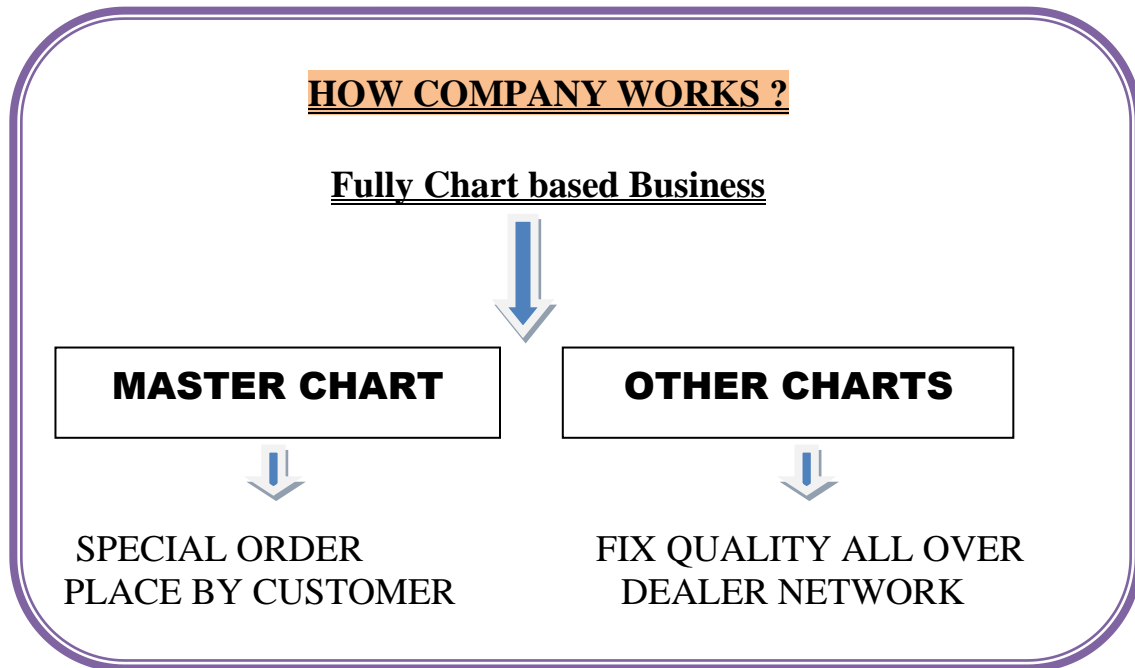
❖ **8.2.7 Branch location & facilities**

- Nueva Ecija is the best place for our manufacturing plant because this place is near by sea coast or also near the capital of Philippines, manila.
- One best thing is this place produce highest cotton in philippics so maximum raw material is taken easily.
- Areas for highest Cotton Production in the Philippines: in total 1, 43,510 hectares area cotton produces in Nueva Ecija.
- **Required land** - 5 hectors **Approx price-** rs. 33, 60,000
- **Construction** : 15, 00,000

❖ 8.2.8 ORGANISATIONAL STRUCTURE



❖ 8.2.9 MARKETING PLAN

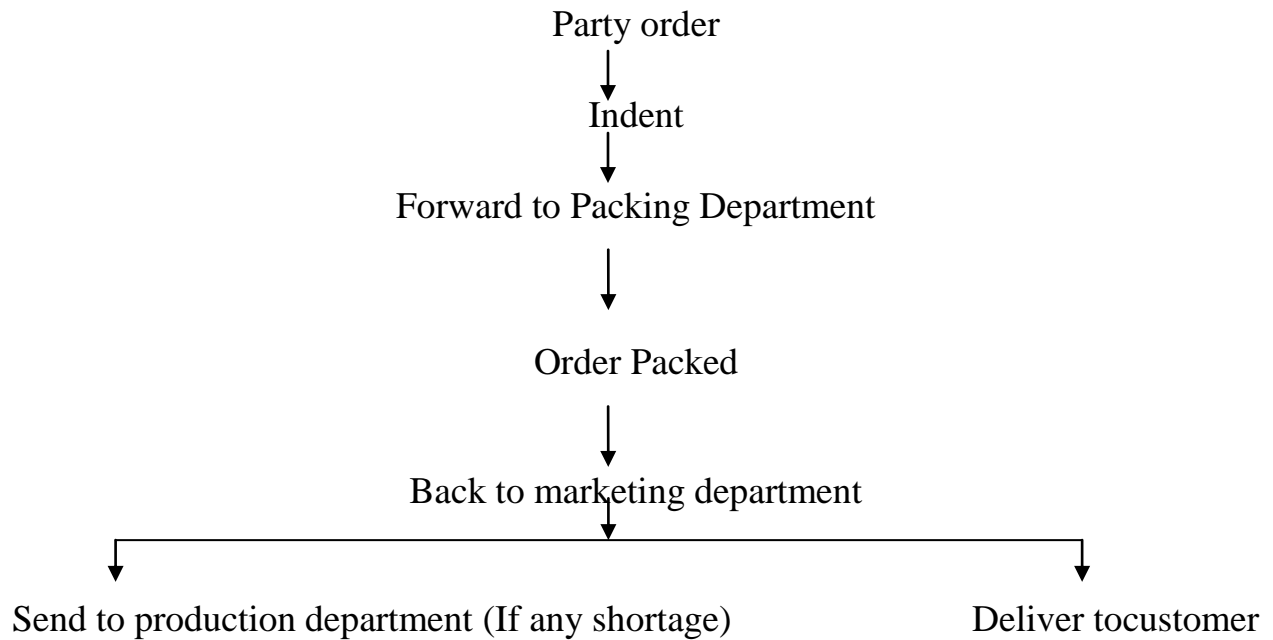


Master Chart Product Business

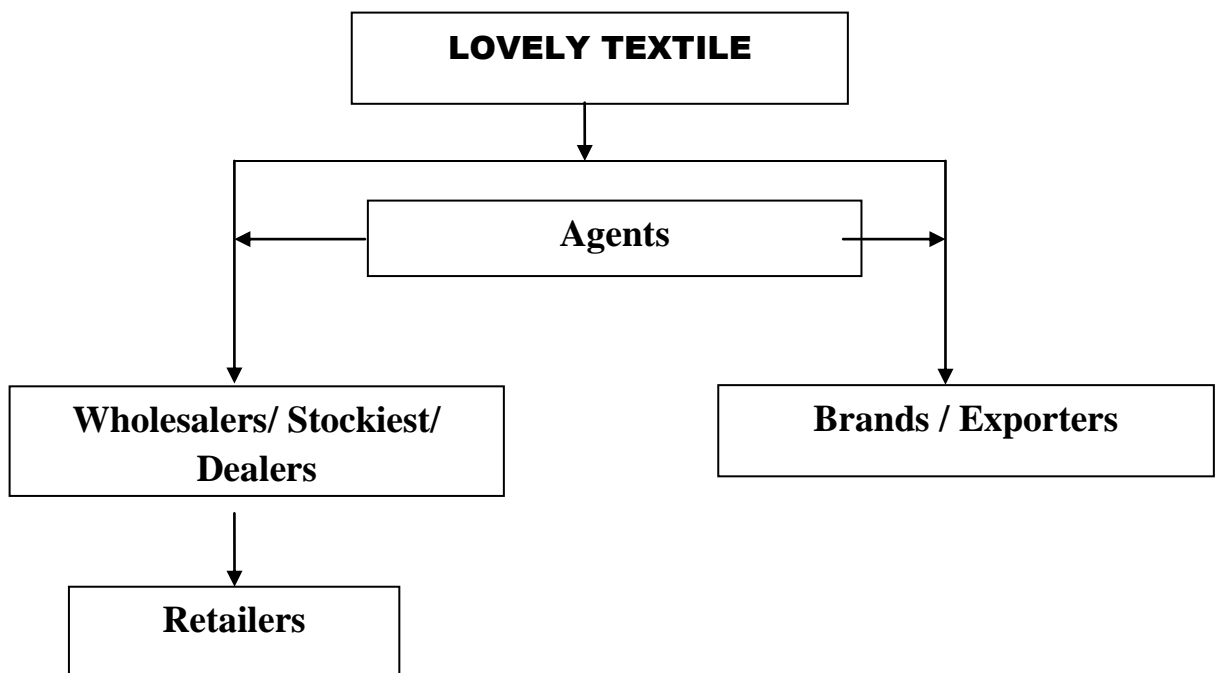
❖ **MEANING:** Any single quality or product with all shades & colors.

- Huge demand from Dealers or Garment business.
- Colors can easily available.
- Much type of shades are available in single chart.
- Example:
 1. Tip Top – 302 shades
 2. Chakori – 326 shades
 3. Anokhee – 276 shades

GENERAL PROCESS FOR MASTER CHART



DISTRIBUTION NETWORK



❖ **8.2.10 Human resource**

- **No. of departments required**

- Main 4 departments:

1-Marketing 2- Production 3- Finance 4- H.R. Department

- Sub-Department:

Spinning, Weaving, Processing, packing, warehouse.

❖ **8.2.11 Training program**

We will give off-the-job training to the worker before starting this branch. We will give brief information about our unit, our goal, vision, mission, and working strategy.

➤ **Facility provide to employee**

- Transportation facility
- Canteen facility [In cheaper rate good quality of food provide]
- Rest room
- Medical open for employee
- Water cooler in each department

No. Of Employee (Approx.)

Unit	Permanent	Temporary	Total
General	36	8	44
Spinning	66	21	67
Weaving	66	19	65
Processing	34	10	44
Cloth	17	5	22
Total			242

❖ 8.2.12 FINANCIAL PLAN

No. of employees	Employee designation	Per person salary yearly (RS)	Salary yearly (RS)
2	Board of director	6,00,000	18,00,000
1	Lead manager	5,00,000	5,00,000
4	Branch manager	3,60,000	14,40,000
1	Legal Advisor	360,000	3,60,000
9	Supervisor	2,40,000	21,60,000
1	Chief Accountant	300,000	3,00,000
15	Sales Executives	1,80,000	27,00,000
200	Manufacturers/Workers	72000	1,44,00,000
	Total		2,36,60,000

TERM LOANS

1. Long-Term Loans

- For project financing
- Loan maturities range from 2 to 7 years
- We can take a loan from Philippines national bank [PNB] this government bank give financial facility. These loans from government financial institutions aim to help startup projects, expansion projects, rehabilitation and relocation projects. Some loans can have maturities as long as 20 years.
- Loans taken for Business Purchase, with a term 6 to 84 months, have interest rates variable from 8.25% to 10.25%.

- Interest rates on loans, taken for Business Refinance with 6 to 84 months term period; vary from 8.25% to 10.25%.
- Business Loans taken for the purpose of purchasing equipments and furniture for the business, generally having 12 to 60 months loan term period comes up with interest rates varying from 8.25% to 10.25%.

Asset	Amt.
Land and sitedevelopment	33,60,000
Building	15,00,000
Plant andmachinery	2,00,00,000
Miscellaneous fixed assets	2,00,000
Preliminary expenses	2,00,000
Buy furniture and fixture	70,00,000
Total	3,22,60,000

Balance sheet of lovely textile industry on 31st march, 2014.

Liability	Amt.
Share capital [1,00,000 share @ 100 R.S per share fully paid up]	1,00,00,000
Bank loan	1,00,00,000
Own investment	1,22,60,000
Total	3,22,60,000

Estimated Profit and Loss A/c for 1 year

Particulars	Amt.	Particulars	Amt.
Bought Raw materials	3,60,00,000		
Purchase of machinery	2,00,00,000	Selling (4000*30*12* 60 R.s.)	8,64,00,000
Purchase of land	33,60,000		
Salary to workers and employees	2,36,60,000	Closing stock [1000*30*12*60]	2,16,00,000
Interest on Bank Loan (10%)	10,00,000		
Advertisement Cost	60,00,000		
Other expenses	10,00,000		
Profit	1,69,80,000		
Total	10,80,00,000		10,80,00,000

❖ 8.2.13 Finding:

- We find that the scope of textile business in Philippine is very huge.
- There are more than 200 manufacturers in Philippines but there is very few industry in which all work is to be done so we find the good opportunity for our business.
- We find that the Philippines government also support to new business in his country. Also government provides loan facility & these loans from government financial institutions aim to help startup projects, expansion projects, rehabilitation and relocation projects.

❖ 8.2.14 Conclusion

At the end, we conclude our report that there are many growing and upcoming industry in Philippine but the scope of textile industry is very huge. We not only considered the Philippine market but in global market also the scope of textile industry is very huge. The government of Philippine is also help to establish new venture. So we considered this all aspect and stat our new textile unit in Philippine.

9.
FOOD
&
BEVERAGES
SECTOR

9.1 OVERVIEW OF INDUSTRY

9.1.1 INTRODUCTION TO FOOD INDUSTRY

- Filipinos love to eat. This love for food and eating is the major reason why the food industry has flourished well in the Philippines and why you will see a lot of restaurants and fast foods. Food is a basic need and food service industry will always continue in demand. This industry includes restaurants, fast foods, and cafeterias, catering opportunities, food carts, and food trucks scattered all over the country. These fast foods and restaurants can be local or international.
- Filipino food is considered as a unique mixture of Eastern and Western cuisines that mirrors the history of the country. It includes plates and cooking procedures from countries like China, Spain, Mexico and the United States. Even although Filipino food has been influenced by Eastern and Western countries, what makes it unique is the history, the society that introduced and adapted it and the people who accepted it into their homes and restaurants.
- Filipinos are not just into good food but the total dining experience, good food is just a part of it. It is the way we feel when we are within a fast food or restaurant. How it feels to dinner out with family or friends or even when you're by yourself. When choosing a restaurant or a fast food, customers usually check for the cleanliness of the place, freshness of the food, watched over premises, enough parking area, the mood, design and land of the place, and for some restaurants, even the music. The physical and emotional response is a result of all these factors. These can make the whole dining experience level better.
- A recent study shows that due to economic crisis, customers or consumers think that when it comes to food shopping, preparing and dining. They are not for weight loss or just eating out at fancy restaurants but they choose what they eat for wellness. They want more nutrition for their money and are more conscious of it.

9.1.2 SWOT ANALYSIS

❖ 9.1.2.1 Strength:-

- Easy availability of raw material.
- Strong agriculture and food sectors.
- Central Government gives the agro processing status.
- Use network of manufacturing facilities all over the country.
- Use domestic market.

❖ 9.1.2.2 Weakness:-

- Lower availability of infrastructure facilities.
- Lack of quality control and testing methods.
- Due to the large intermediaries the supply chain management become ineffective.
- High working capital requirement.
- Poor linkages between research and development labs and industry.
- Seasonality of raw material.
- High transportation and inventory carrying cost.

❖ 9.1.2.3 Opportunities:-

- Increased demand for processed and packaging foods.
- Agro processing industry would be success due to the large crop and material.
- Favorable demographic profile and changing lifestyles.
- Combination of development in technology and offer scope for rapid improvement and progress.
- Global market development.

❖ 9.1.2.4 Threats:-

- Affordability and cultural preferences of fresh food.
- High carrying cost of inventory.
- Taxation rate would be high.
- Packing cost would be high.

9.2 BUSINESS PLAN

❖ 9.2.1 INTRODUCTION OF FAST FOOD

- Fast food is food, which is ready and served quickly at outlets called fast-food restaurants. A restaurant is an organization that serves ready food and beverages on tables set for individuals, pair or bigger groups, to be consumed primarily on the location. Restaurants serve a wide variety of food at a particular cost given on its menu card for on or off the place consumption. These include eating establishments where consumers are served at walkup or make away ordering counters for either on or off building consumption.
- However, most good restaurant serve food at tables to their consumers for on-premises consumption. Many of the restaurant chains, have improved their annual sales many times over, well away from the limits of the tables they can served each day, by contribution hot well packed meals through free home delivery service on orders placed through a telephone call. It is multi-billion peso businesses that continue to grow up quickly in many countries.
- A fast-food restaurant is a restaurant characterized both by food which is supplied quickly after ordering, and by smallest service. The food in these restaurants is often cooked in mass in advance and reserved hot, or reheated to order. Many fast-food restaurants are part of restaurant chains or license operations, and standardized food are shipped to each restaurant from central locations. In today's world, going to a restaurant has more to do with socialize then to just having a snack.
- Only a few decades reverse restaurants were specially target families, which situation does not hold true today. Nowadays, even children; regularly eat out with their friends, on their own. Therefore, restaurants are not just about food of ambience. On a worldwide level, they are an important supplier to the economy while on personal levels it provides us with a place to easily connect with others.

❖ **9.2.2 OBJECTIVES**

- To set up an existence as a successful local fast food outlets and get a market share in Philippines's fast food industry.
- To make FRHANP Fries a destination spot for malls.
- To expand into a number of outlets by near years, and sell the franchise to neighboring metropolitan cities.

❖ **9.2.3 MISSION**

- Our main goal is to be one of the most successful fast food outlets in Philippines, starting with one retail outlet located inside a major shopping mall as a “market tester”. Our main focus will be serving high-quality food at a great value.

❖ **9.2.4 COMPANY SUMMARY**

➤ **What is FRHANP Fries?**

- FRHANP Fries sells foodie fries in a cone with a choice of paste. We use the concept of Belgian Fries, where the fries are all made from fresh potatoes and fried twice. Our outlet also provides excellent and friendly customer service to support the a Youthful and fresh surroundings .

➤ **Youthful and fresh surroundings**

- We will imitate successful establishments, such as Jamba Juice and Starbucks, which represent the majority of our core target market, between 18 to 35 years of age. Our store will feature display cooking of our featured Fries from cutting to frying. Our customers will also be able to read our in-house brochures in regards to all knowledge about Fries and our featured sauces as well as other products like burgers and shakes. Our store will be decorated with fast food setting, such as a bright counter and display menu on the wall.

➤ **Quality Food**

- Each store will offer nothing but freshly fried Belgian fries, sandwiches, Burgers, Shakes and variety of unique blend sauces, all served with old-fashioned home-style care.

➤ **Open Everyday**

- Our store is open everyday from 10 am to 9 pm.

➤ **Variety, variety, variety**

- A different selection of burgers and sandwiches will be featured every three months and we will also change our Indian soda flavors and shakes to accompany our fries.

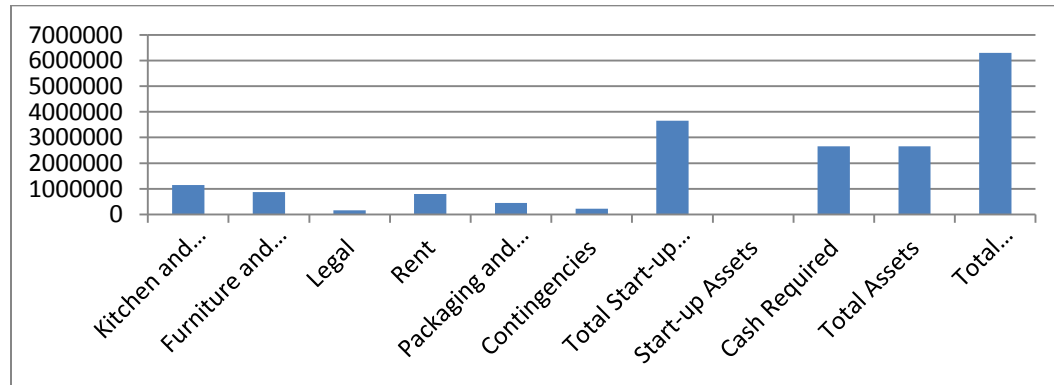
➤ **Start-up Summary**

- The retail outlet will be rented at one of the target location shopping malls. Our preference is Space A, for the main reason of reaching larger traffic.
- Startup requirements will be financed through owner investments.

Start-up Requirements

Start-up Expenses	Rs.
Kitchen and Fixtures	1144800
Furniture and Interior	874500
Legal	159000
Rent	795000
Packaging and Stationary	450500
Contingencies	222600
Total Start-up Expenses	3646400
Start-up Assets	0
Cash Required	2650000
Other Current Assets	0
Long-term Assets	0

Total Assets	2650000
Total Requirements	6296400



❖ 9.2.5 Products

- We want to focus only on selling fries. Alcoholic drinks will not be sold in our outlet, as FRHANP Fries promotes a healthy and positive Filipino lifestyle. Instead, we will offer Idian Soda and Sandwiches to complement the fries.
- The dips for Belgian style fries can also be served with sandwiches, they are available in more than 20 flavors:

- | | |
|---------------------------------|-------------------------------|
| • Pesto Mayo (150 Rs.) | Traditional Sambal (225 Rs.) |
| • Satay pulp (70 Rs.) | FRHANP Burger (80 Rs.) |
| • Teriyaki pulp (70 Rs.) | Hot Chili pulp (115 Rs.) |
| • Thai Chili Ketchup (30 Rs.) | Garlic Dip (100 Rs.) |
| • Creamy Wasabi Mayo(160 Rs.) | FRHANP Sandwich (70 Rs.) |
| • Roasted Pepper Mayo (130 Rs.) | Garlic Sandwich (25 Rs.) |
| • Lava Cheese (90 Rs.) | Chocolate Shake (25 Rs.) |
| • Black Pepper pulp (80 Rs.) | Special. Veg. Burger (25 Rs.) |
| • Curry Ketchup (45 Rs.) | Sandwich Tikkie (25 Rs.) |
| • Barbecue (90 Rs.) | Caribbean Islands (225 Rs.) |
| • Jalapeno Ketchup (65 Rs.) | |

❖ 9.2.6 Competitive Comparison

FARHANP Fries has several advantages over its leading competitors:

- We expect a high degree of enthusiasm and offer a fun store with friendly staff that reflects the company's youthful and energetic culture.
- Supporting merchandise items that support the company's brand building.
- Our fried potato is made 100% fresh, compared to most fast food outlets that use frozen fries.
- Our dipping pulp is also made fresh without preservatives.
- Our innovative packaging will be more entertaining than our competitors.

Company	Clean	Value	Merchandising	Hang Out	Simple	Fresh	Cool	Pop Culture
FAHANP	yes	yes	yes	yes	yes	Yes	yes	yes
McDonald's	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
KFC	Yes	Yes	No	Yes	No	No	Yes	No
SubWay	Yes	Yes	Yes	No	Yes	Yes	No	No

➤ Sales Literature

FARHANP Fries will use advertising and sales programs to get the word out to customers.

- 1500 color brochures to be distributed throughout destination shopping mall and facilities: in-store, cinemas, area eateries, information during the grand opening.
- Half page magazine reviews in Philippines's lifestyle magazines that advertise the presence of the outlet.

➤ **Sourcing**

Fresh potatoes will be delivered weekly by our distributor directly from the India . We also have an agreement with Company to exclusively manufacture our Shakes and signature sauces.

➤ **Future Products**

For now, we will focus on selling fries and signature shakes, burgers and sauces. However, as we grow further, we will add new categories to our menu, such as Belgian Sandwiches and Buffalo wings.

In the future, our growth strategy will be offering the franchise of our brand to food entrepreneurs in the Philippine region.

➤ **Value Meal**

Sales of FRHANP Fries will not only generated from the selling of its famous Belgian Fries, but also will be generated by the conception of an innovative package menu called the "value meal." It primarily consists of a combination of our featured Belgian Fries, sandwiches and Indian soda at greater value than selling at individual items. Further customization could be done by selling a bigger size of fries called "Uber FRHANP" to attract price sensitive customers.

❖ **9.2.7 Market Analysis Summary (Marketing)**

- Consumer expenditures for fast food in Philippines increase during the the year 2011-12, in news of Philippines's economy. The increasing number of new establishments as fast food franchises, new restaurants and bakeries around Philippines has revealed a significant growth in food sector. Food spending is around 51% of total consumer expenditures in Philippines, and consumer expenses on leisure and recreation made up of 13% of total consumer expenses.

A much broader appeal exists for weekend slots because those are the days when most of our core target market enjoys the mall going activities.

- Age - Youngsters, single, college-high school students.
- Family - families (young families) with children.
- Gender - target both sexes.
- Income - to the medium income individuals & to lower medium income.

According to a recent public survey of people 16 - 44 years old, 75% of those interviewed like fast food. 95% of them like fast food on a usual basis, and 10% of them like fast food "so much," or "love" fast food. The survey also provided the following:

- People have 52 weekends and three long holidays a year. Most of Philippino love to window shop, and when they do strolling around the shopping district, they need a quick bite to accommodate their activities.
- White-collar workers in offices have stopped bring lunch, and enjoy chicken, hamburger, pizza or other fast food joints in the vicinity.
- Parents give more money to kids and students to buy lunch. Fast food is naturally their first choice, because of the brand building effort that heavily targets their age group.
- Eating out still remains as Philippino's common habit of life. They do not perceive fast food is a luxury, and they enjoy it by bringing their family, especially if they have smaller kids, in the environment of the western-style fast food outlets.

➤ **Marketing Strategy**

- Our strategy is based on serving our markets well. We will start our first outlet as a "market tester" that could become a model of the expanding number of outlets in the future. Concentration will be on maintaining quality and establishing a strong identity in the local market.
- A combination of local media and local store marketing programs will be utilized at each location. Local store marketing is most effective, followed by print advertising. As soon as a concentration of stores is established in a market, then broader media will be explored. By providing a fun and energetic environment, with unbeatable quality at an acceptable price in a clean and friendly outlet, we will be the talk of the town. Therefore, the execution of our concept is the most critical element of our plan.

➤ **Pricing Strategy**

- Our pricing strategy is positioned as "generic", meaning that 200 INR is the average consumer spending for a snack or light lunch in Philippines. Leveraging the volume of fries, Indian Soda, Sandwiches, Burgers and signature style sauces to be sold, we are serving the majority of Philippino.

❖ **9.2.8 Human Resource**

- The initial management team depends on the founders. In Future, we will take on extra help in assured areas. Part of our basic philosophy will be able to run our executive management as a "knowledge sharing" fellowship. We will not add extra overhead until absolutely necessary. This will mean that the initial staff support team will have to work extra. With this, we will keep our overhead as low as possible, allowing us to adequately staff our outlets. This will also allow us and future business partners to recoup investments as quickly as possible and enjoy a higher return.
- At present time, FRHANP Fries is being owned by its 6 founders.

➤ **Management Team**

- FRHANP Fries is currently the creative idea of its six founders. As the company is small in nature, it only requires a simple organizational structure. Implementation of this organization form calls for all four individuals to make all major management decisions in addition to monitoring all other business activities.
- As we expand into multiple locations, each location will have a primary site manager.

➤ **Organizational Structure**

- Our managerial structure will contain a director of store operations when the store locations exceed 4 units. This will provide a supervisory level between the executive level and the store management level. Possible positions might be added later date include marketing executive, purchasing executive controller, HR, R&D and administrative support team.

➤ **Personnel Plan**

- Our initial workers will include 2 cashiers, two cooks and two bike youngsters per location, with one of each on the premises during open hours. This is considered an ideal personnel number for a food outlet the size of our own. Each member of staff will work for 34-35 hours per week.

Personnel Plan (Approx.)

Personnel plan	Year-1	Year-2	Year-3
Site manager	0	3180000	5088000
cashiers	1908000	4240000	7653200
Cook	1526400	3498000	6105600
Bus boy	1240200	2968000	4982000
Total people	12	26	40
Total payroll	4674600	13886000	23828800

9.2.9 FINANCIAL PLAN

Currently, the company is owned by the original 6 founders, who each will contribute Rs.30,60,000 for the same amount of share, 25%. This will more than cover start-up requirements, and provide the business with a cash pillow to use for expansion over the first year.

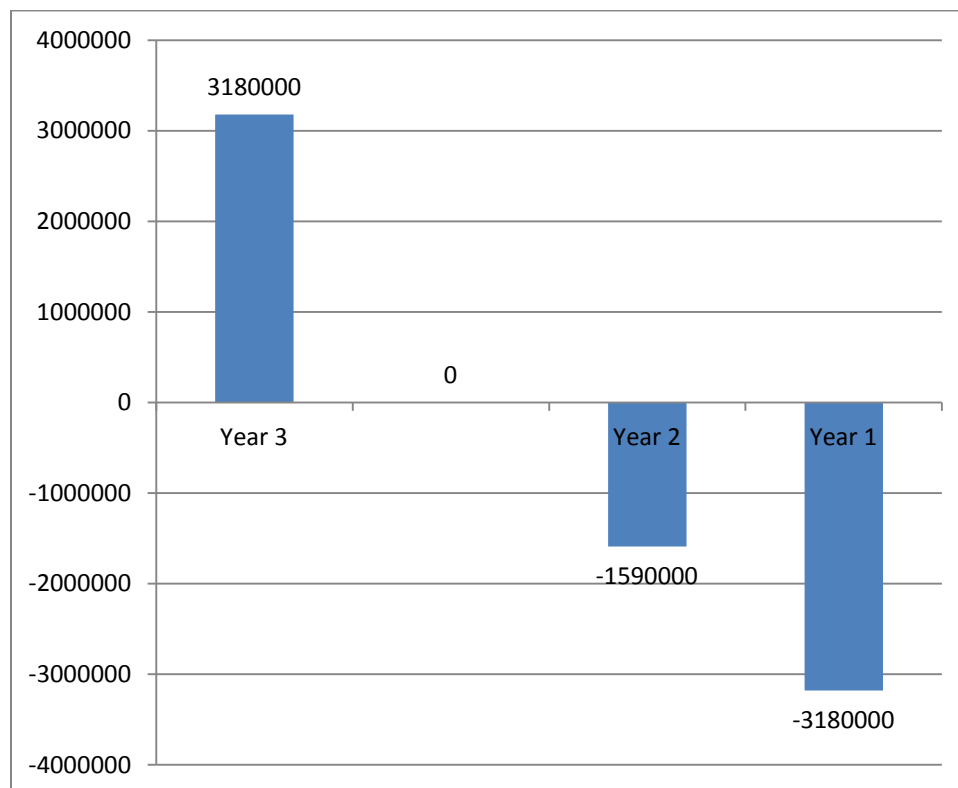
Start-up Funding

Start-up Expenses to Fund	36,46,400 Rs.
Start-up Assets to Fund	26,50,000
Total Funding Required	62,96,400
Assets	
Non-cash Assets from Start-up	15,90,000
Cash Requirements from Start-up	26,50,000
Additional Cash Raised	3,61,03,600
Cash Balance on Starting Date	3,87,53,600
Total Assets	4,03,43,600
Liabilities and Capital	
Liabilities	
Current Borrowing	0
Long-term Liabilities	0
Accounts Payable (Outstanding Bills)	0
Other Current Liabilities (interest-free)	0
Total Liabilities	0
Capital	
Person 1	1,06,00,000
Person 2	1,06,00,000
Person 3	1,06,00,000
Person 4	1,06,00,000
Total Planned Investment	4,24,00,000
Loss at Start-up (Start-up	(36,46,400)

Expenses)	
Total Capital	3,87,53,600
Total Capital and Liabilities	3,87,53,600
Total Funding	4,24,00,000

➤ **Projected Profit and Loss**

As the Profit and Loss shows, FRHANP Fries will run at a profit or loss for the first year, using up some of the cash reserves initially invested by the founders. As sales increase, we will expand into new locations to aggressively spread brand recognition. This increase in visibility will allow us to take up less expensive locations off of Orchard Road, while maintaining our flagship operation, the first store, in a prime spot.



We recommend using Business Plan Pro as the easiest way to create graphs for your own business plan.

	Year-1 (Rs.)	Year-2 (Rs.)	Year-3 (Rs.)
Sales	1,47,95,639	29591331	59182662
Direct Cost of Sales	32,83,721	6567442	13134831
Other Costs of Sales	0	0	0
Total Cost of Sales	32,83,721	6567442	13134831
Gross Margin	1,15,11,971	23023889	46047778
Gross Margin %	77.81%	77.81%	77.81%
Expenses			
Payroll	46,74,600	13886000	23828800
Marketing/Promotion	5,30,000	530000	530000
Depreciation	0	0	0
Rent	92,22,000	13144000	1579400
Utilities	1,35,150	265000	530000
New location setup	13,25,000	2650000	5300000
Total Operating Expenses	1,58,86,750	30475000	43226800
Profit Before Interest and Taxes	(4374779)	(7451111)	2820978
EBITDA	(4374779)	(7451111)	2820978
Taxes Incurred	0	0	0
Net Profit	(4374779)	(7451111)	2820978
Net Profit/Sales	-29.57%	-25.18%	4.77%

➤ **Projected Cash Flow**

The following chart and table show the Projected Cash Flow for FRHANP Fries.

	Year-1 (Rs.)	Year-2 (Rs.)	Year-3 (Rs.)
Cash Received			
Cash from Operations			
Cash Sales	14,795,639	2,95,91,331	5,91,82,662
Subtotal Cash from Operations	14,795,639	2,95,91,331	5,91,82,662
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	0	0	0

New Current Borrowing	0	0	0
New Other Liabilities (interest-free)	0	0	0
New Long-term Liabilities	0	0	0
Sales of Other Current Assets	0	0	0
Sales of Long-term Assets	0	0	0
New Investment Received	0	0	0
Subtotal Cash Received	14,795,639	2,95,91,331	5,91,82,662
Expenditures	Year-1	Year-2	Year-3
Expenditures from Operations			
Cash Spending	4,674,600	1,38,86,000	2,38,28,800
Bill Payments	12,946,045	2,28,02,985	3,17,62,158
Subtotal Spent on Operations	17,620,645	3,66,88,985	5,55,90,958
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	0	0	0
Principal Repayment of Current Borrowing	0	0	0
Other Liabilities Principal Repayment	0	0	0
Long-term Liabilities Principal Repayment	0	0	0
Purchase Other Current Assets	0	0	0
Purchase Long-term Assets	0	0	0
Dividends	0	0	0
Subtotal Cash Spent	17,620,645	3,66,88,985	5,55,90,958
Net Cash Flow	(2,824,953)	(70,97,654)	35,91,651
Cash Balance	35,928,647	2,88,30,993	3,24,22,644

➤ **Projected Balance Sheet**

FRHANP's projected company balance sheet follows.

Assets	Year 1 (Rs.)	Year 2 (Rs.)	Year 3 (Rs.)
Current Assets			
Cash	35,928,647	2,88,30,993	32,40,844
Other Current Assets	0	0	0
Total Current Assets	35,928,647		
Long-term Assets			
Long-term Assets	0	0	0

Accumulated Depreciation	0	0	0
Total Long-term Assets	0	0	0
Total Assets	35,928,647	2,88,30,993	32,40,844
Liabilities and Capital			
Current Liabilities			
Accounts Payable	1,549,826	29,63,283	26,73,956
Current Borrowing	0	0	0
Other Current Liabilities			
Subtotal Current Liabilities	1,549,826	29,63,283	26,73,956
Long-term Liabilities	0	0	0
Total Liabilities	1,549,826	29,63,283	26,73,956
Paid-in Capital	4,24,00,000	4,24,00,000	4,24,00,000
Retained Earnings	(36,46,400)	(80,21,179)	(1,54,72,290)
Earnings	(4,374,779)	(74,51,111)	28,20,978
Total Capital	34,378,821	2,69,27,710	2,97,48,688
Total Liabilities and Capital	35,928,647	2,88,30,993	3,24,22,644
Net Worth	34,378,821	2,69,27,710	2,97,48,688

10.

DAIRY

SECTOR

10.1 OVERVIEW OF INDUSTRY

10.1.1 Introduction

- Philippines are the second largest agriculture importer in dairy products after wheat. Philippines are producing less than 1% of the dairy products it consumes in a year.
- A major burden is that less productivity of animals and therefore less productivity in milk. “The average milk production per animal is 8 liters/day or rests low due largely to give bad food to their animals in Philippines,” Agriculture Assistant Secretary Davinio Catbagan said Filipinos consumed P90-billion worth of dairy products in 2011, but only one of every four glasses of milk consumed last year was locally produced. Of the dairy product imports, around 88 percent were under milk and cream. Only skim milk powder as well as buttermilk powder and cheese recorded increases in import levels.
- There are two major sectors that make the Philippines are milk industry. A vast importing and processing sector and a small milk producing sectors. Importing and processing sector provide 95% of milk to the Philippines. And second sector provide remaining of the supply. Out of 95% of imported milk 80% is in powder form. The local and small suppliers does not exceed one percent in liquid milk equivalent (LME).

10.1.2 Market Opportunity

Increase in Local Production:

- Local production is growing at an annual average rate of 5%
- Increase in local production from 13.8 thousand MT in 2008 to 14.3 in 2009
- 2010 production forecasted at 15.5 thousand MT
- Production comes from the estimated dairy animals of 15,891
- Production is composed of 66% cow’s milk, 33% caribou’s milk and 1% goat’s milk

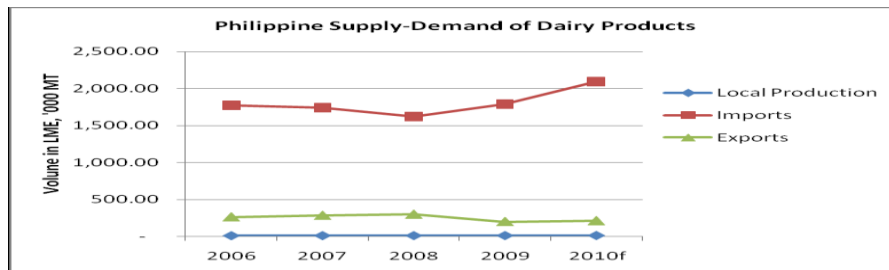
Increase in Consumption:

- Increase in per capita consumption from 16 kg/yr in 2002 to 19 kg/yr in 2009

- Increase in total consumption of about 1,717.6 thousand MT in 2008 to 1,752.6 thousand MT in 2009 or an annual average increase of 2%
- 2010 consumption forecasted at 1,786.2 thousand MT
- Increase in demand by the specialty coffee shop industry that is seen to sustain its growth of 20% for the next five years
- Growing awareness among consumers of the improving image of coffee and specialty coffee, in mainly, will help sustain the growth of the dairy industry

Presence of a Demand-Supply Gap:

- 2009 local production is less than one percent of total consumption or 14.3 thousand MT as against total consumption of 1,752.6 thousand MT



<http://www.boi.gov.ph/pdf/industryprofiles/Agri%20Business/Dairy.pdf>

10.1.3 PESTEL ANALYSIS

❖ 10.1.3.1 Political factor:

- Since 2001 to current time, a number of trends in the local dairy sector have help to increase speed growth. The law and the national development plan promote smallholder dairying, as contained in the following relevant provisions:
 - The objectives are:
- Developing the local dairy industry is one of the government’s strategies to help reduce poverty in the country.
- To give support and help in the processing, marketing activities and production of all those involved in the business of manufacturing milk and other dairy products.
- To inspire and support the active sharing of rural cooperatives, farm families and the private sector, identifying them as principal agents in the expansion of the Philippine dairy Sector.
- The regional government provides land for a processing plant and capital loans for dairy enterprise; sponsors milk feed programmers and deploy regional dairy programmed staff for services and other forms of assist.

❖ 10.1.3.2 Economical factor:

- The dairy market generates sales amounting to US\$ 1.1 billion annually.
- Australia, New Zealand and the USA supply 80 percent of milk imports.
- In 2002, Philippines imported some 215 million kg of milk and milk products at a cost of Php 17.3 billion (US\$ 346 million).
- Milk powder comprises 71% of the imports.
- Around 8,000 dairy farming in 223 villages is engaged in milk production. They pour milk to over 100 dairy co-operatives accounting for 23 percent of national liquid milk supply- 11 million kg of milk from some 8,900 milk animals.

❖ **10.1.3.3 Social factor:**

- The Filipino peoples enjoy milk with daily meals.
- The demand of milk and other things related with milk increased in day by day.

❖ **10.1.3.4 Technological factor:**

- Philippines still use old machineries to produce product with milk. Therefore Machineries for manufacturing have to Import from outside of Philippines.
- The advance machinery for making ice-creams is still not well developing.
- There is still lack of proper storage facility of ice-cream in bulk.

❖ **10.1.3.5 Ecological factor:**

Based on the seasonal rainfall distribution, the climate of the Philippines is classified as follows:

- Type I: Two distinct periods with extreme rain phase from June to September and a dry phase this lasts from three to six or seven months.
- Type II: No dry period with a very distinct extreme rain period from December to February.
- Type III: No distinct extreme rain phase with a short dry season lasting only from 1-3 months.
- Type IV: Rainfall additional or fewer equally circulated throughout the year.

(As ice-creams are mostly preferred in summer season it will be the most preferable season for the growth opportunity.)

❖ **10.1.3.6 Legal factor:**

- Presence of the NDA created under the National Dairy Development Act of 1995 to ensure the quicker expansion of the Philippine dairy industry through policy track and program application
- National Dairy Development Plan 2008-2030
Herd Build-up Program – rise in both local milk production and local dairy stocks

10.1.4 SWOT ANALYSIS

❖ 10.1.4.1 Strengths:

- The huge cattle population is a vital asset for the country and different many other natural resources which will reduce over the years, a supportable cattle production system will continue to push Philippine economy.
- The organizations have to focus on supply fresh milk to the customer market in a form that maximizes their returns from a premium product.
- The business should focus on the very clear, rising liquid milk market, which involves demand from middle to upper income group customers, the specialty coffee shops, and hotels.
- In Philippines animal's milk productivity is low; there is a huge scope for expansion of the milk production and accordingly increased salable excess of milk for processing.
- Purchase power of the customers is on the improvement with continually increasing population of middle class & growing economy of country.

❖ 10.1.4.2 Weaknesses:

- Periodic vacillations in milk production pattern, area difference of milk supply and species-wise variation (goat, cow, buffalo etc.) in milk quality expected through milk plants maintain to pose serious handicaps.
- Dependence on import for tropical crosses mostly source from New Zealand, Australia and US.
- Imperfect farmer learning, with poor farm management practices continuing to slow down growth of the industry
- The price of the product will be costly because of lack of easy availability of raw materials such as milk, milk powder etc.

❖ **10.1.4.3 Opportunity:**

- In Philippines there is a unique scope for innovation in product growth, covering and presentation.
- Expanding market will creation of huge self-employment opportunities and job.
- Company can introduce value-added products like shrikhand, ice creams, paneer, khoa, dairy sweets, etc. This will lead to a greater existence and flexibility in the market place beside by opportunity in the field of brand building.
- Some cultured products like yoghurt and cheese lend both in terms of use of resources and existence in the market place.
- As most of the Philippines people are ice-cream lovers it will be good opportunity for such market.
- There is a best opportunity to expand business through franchisee and contact with existing big Ice-cream Dealers.

❖ **10.1.4.4 Threat:**

- The Milk vendors are un-organized sector Today milk vendor are occupy the pride of place in the industry.
- Innovative Product can give either higher profit or higher loss also, so the risk in business is more.
- If Prices of Milk fluctuated as per countries fluctuating inflation it directly affects on business profits.
- Distributors still control a very big amount of the milk procurement. Serious hard work need to be taken to remove them from the supply chain.
- Entry of international business could result in a big percentage of milk being providing towards value added products which, though it augers well for the producers, is likely to disturb the accessibility of liquid milk deliver for mass use especially for the poor class.

10.1.5 Porter's Five Forces Analysis

❖ 10.1.5.1 Threat of new entrants to the industry: LOW

Some outstanding characteristics of the milk industry include stable growth, high profit, and comparatively stable market share. Therefore, in order to enter the market, companies must have an abundant source of capital to overcome such barriers as:

- Product specification: Most major dairy companies in the world have participated in Vietnam's dairy market, who have already had a certain and stable market share. Therefore, new competitors who want to enter the market will have to invest substantially in order to alter present customers' loyalty.
- Large capital requirement: Capital source must be abundant enough to cover advertisement and R&D expenses.
- Distribution channels: Dairy market's distribution channels are filled. Hence, new entrants have to attract these distribution channels by paying higher commission, leading to higher cost.
- However, the expansion and penetration of foreign brands into Philippines may pose a potential threat for current Dairy processors.

❖ 10.1.5.2 Threat of substitute: LOW

- Dairy products are nutritious ones that are essential for life. Therefore, it hardly can be replaced by other products.

❖ 10.1.5.3 Bargaining power of buyer: LOW

- 20% of dairy products are now distributed through small retailers to consumers. It is the necessity of the Filipinos and they are import 98% milk from Australia, New Zealand, US.

❖ **10.1.5.4 Bargaining power of the suppliers: AVERAGE**

- Limited bargaining power of domestic milk material suppliers.
- High dependence on imported milk powder prices.

❖ **10.1.5.5 Rivalry among competitors: HIGH**

- There is lot of dairy processors in Philippines in 2010. The major tools for competition are: (i) launching new products that are supplemented by new ingredients or new formula that provide special substance or usage, (ii) promotional program.

10.2 BUSINESS PLAN

❖ 10.2.1 Status of ice-cream industry in Philippines

1. In Philippines sales of Ice cream were expected to raise by 2.8% in 2009 to PHP8.75 billion (US \$195.4m). Volume was prediction to inch up 0.7% to 64m liters.
2. The market is subjected by two large players, with Unilever arm Selecta Wall's having a share of 40% and Nestle accounting for 42.5% of sales in 2008.
3. In Philippines the Nestle brand is the largest ice cream brand name, accounting for 37.2% of 2008 sales. The Selected brand enjoyed 36.2% of sales in 2008.
4. The medium term remains "dull" for ice cream in the Philippines; the volume CAGR is predictable at just 1% between 2009 and 2014.
5. The "nominal growth" will mainly come from the development of smaller lower-priced brands like Cream line Dairy Corp. and others in desire ice cream. On the other hand, main manufacturers such as Selected Wall's and Nestlé will see more development in quantity of ice cream.
6. Usage of ice cream in the Philippines was focused in the Greater Manila area between 2004 and 2008, with 60% of entire volume purchased there.

❖ **10.2.2 History of Kulfi**



- “Kulfi or Qulfi”, a popular frozen milk based dessert from India and Pakistan and is often described as the traditional ice cream of India. Kulfi is a famous street chilled dessert sold by many local street vendors sold at a very economical and reasonable price.
- It is frozen treat delight served chilled in a special ice and salt filled jar called a matka. Although the usual way to serve it is with a simple decorate of nuts, some vendors also serve up sweetened with vermicelli rice noodles with ice cream or also served like a stick ice cream. It is admired throughout many South Asian countries, Burma (Myanmar) and the Middle East. It has similarities to ice cream (as popularly understood) in appearance and taste, but is denser and creamier.

❖ **10.2.3 Business objective:**



- Main objective of company’s product is to introduce taste of Indian traditional ice cream (Kulfi) in Philippine.
- To develop and publish appropriate smallholder Distributors.

❖ 10.2.4 COMPANY PROFILE

- **Name of kulfi shop (Company):- Yummiza kulfi Center**



- **Business Type:** Kulfi center and Supply to Local Distributers

- **Location:** Manila
- **Area:** 55 Sq. Meter (Approx. 600 Sq. Ft.)
- **Rent:** 285120 (Estimate) (For 1 year)

- **Mission and Vision**



- **Mission:** Expand Indian taste of ice cream in Philippine and introduce Indian taste of kulfi in Philippine.
- **Vision:** To become one of the best brands of ice cream in Philippine

❖ 10.2.5 Products & Services by Company:

➤ Products

- **Matakakulfi**

1. White chocolate mataka kulfi
- 2.Mango kulfi

- **Stick Kulfi**

1. Chikoo kulfi
- 2.Pistachio

- **Rabari kulfi**

1. Pal mai rabri kulfi
- 2.Pinalple

- **Plate Kulfi**

1. Orange
- 2.Chocolate
- 3.Strawberry

- **Basket Kulfi**

1. Badam kulfi
- 2.Chocolate

➤ Services by Company

- Company will provide home delivery on bulk selling.
- Company will give on call service.
- To attract more number of People company will provide Family package schemes and child package.

❖ **10.2.6 Business plan phases**

● **1st Phase:**

Open a new unit and introduce an Indian kulfi and distribute our product to other Ice-cream parlors/Local Distributors.

● **2nd Phase:**

After getting success in the initial phase, the company going to open their own outlets in other different place.

● **3rd Phase:**

After achieving good position in the mind of people as well as in kulfi product we make our good brand.

❖ **10.2.7 Marketing Plan**

➤ **Target Population:**

- Consumption of ice cream and Kulfi in the Philippines was determined within the Greater Manila area between 2004 and 2008, with 60% of total volume purchased there. For the starting period of our business the target market will be Manila.

➤ **Branch Location:**

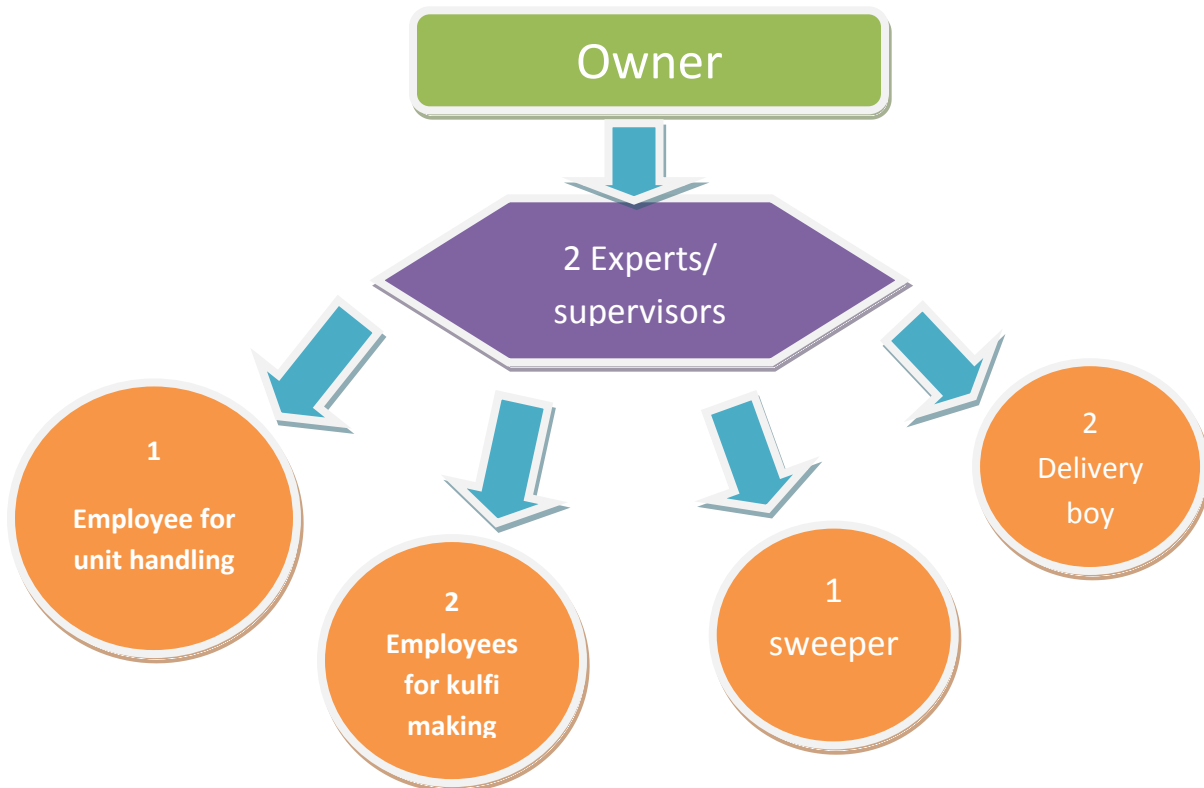
- The plant location for the Kulfi will be in Manila as our target market is Manila. Milk will be transported from Rizal Dairy for Kulfi making. Cost effective also as all the raw materials for making kulfi can be easily available.

➤ **Market strategy and implementation:**

- Kulfi will be distributed to the local distributed specially retailers surrounded near schools, malls and gardens and one own brand unit will also be started.

- On bulk order home delivery facility will be provided.
- Special discounts are to be given on purchase of bulk no. of Kulfi.
- To motivate the retailer's special incentives will be given at the completion of certain targets.
- Special hoardings on the retail shops of our Kulfi brand will be kept.
- To attract children, Kulfis with different attractive shapes will be manufactured.
- As nowadays people are more health conscious along with other flavors of kulfi we will also provide low calorie Kulfies.

❖ 10.2.8 Organization structure



❖ **10.2.9 Salary structure**

Numbers	Designation	Salary (Rs.)
2	Supervisors/Experts	40000
3	Employees	10000
2	Delivery boys	6000
1	Sweeper	4000

Maximum incentive per had is Rs. 3000 only for delivery boy.

❖ **10.2.10 Personal management**

- **Owner (Handling From India) :**

Owner will manage all the activities. Handle all the legal activities related to license for starting business, hiring people for business, guide the people for marketing, and taking major decision for that plant arrangement and related to equipments and related to finance.

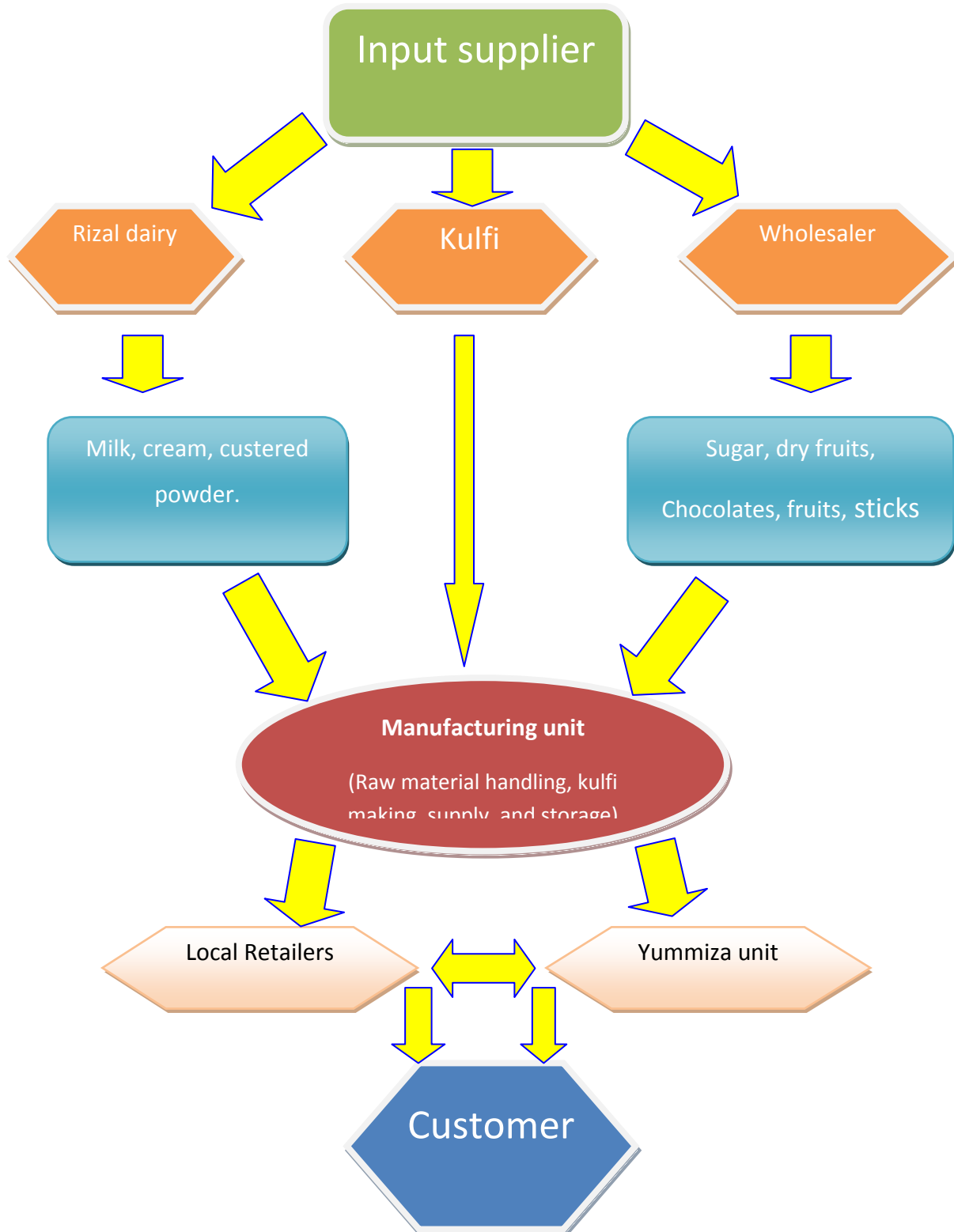
- **2 Supervisors/Experts (Kulfi making) From India:**

They will come to give training for making Kulfi to Philippines. This training will be conduct for 20 days and it will be on the job training.

- **Employees hiring from the Philippines:**

2 employees for kulfi making, 1 for Unit handling, 1 delivery boy, 1 sweeper

❖ **10.2.11 Supply chain management**



❖ 10.2.12 FINANCIAL PLAN

Cost sheet for the month of June, July, August, September 2013 (For 10 kg per day)

(100 units per day)

Particulars	June	July	August	September
Raw material:				
Matka (Rs 5 per unit)	15000	15000	15000	15000
Basket (Rs. 8 per unit)	24000	24000	24000	24000
Plate (Rs 5 per unit)	15000	15000	15000	15000
Milk (Rs 70 per kg)	21000	21000	21000	21000
Sugar (Rs 65 per kg)	19500	19500	19500	19500
Mava (Rs. 100 per kg)	30000	30000	30000	30000
Cream (Rs 140 per kg)	42000	42000	42000	42000
Chocolate	1500	1500	1500	1500
Custered	500	500	500	500
Dry fruits	22000	22000	22000	22000
Other ingredients	8000	8000	8000	8000
Fruits	15000	15000	15000	15000
	2,13,500	2,13,500	2,13,500	2,13,500
VARIABLE COST:				
Electricity	45000	45000	45000	45000
Gas	22000	22000	22000	22000
Stationary	500	500	500	500
Water supply	20000	20000	20000	20000
Packaging	8000	8000	8000	8000
	95,500	95,500	95,500	95,500
Administration O/H (FIXED COST):				
Rental expenses	28000	28000	28000	28000
Admin. Expenses	40000	40000	40000	40000
Salary (supervisor & employee)	1,10,000	1,10,000	1,10,000	1,10,000
Maintenance expenses	5000	5000	5000	5000
Cleaning expenses	4000	4000	4000	4000
Selling and distribution O/H				
Advertisement expenses	6,000	6,000	6,000	6,000
Salary (delivery boy)	12,000	12,000	12,000	12,000
	2,05,000	2,05,000	2,05,000	2,05,000
Total Cost	5,14,000	5,14,000	5,14,000	5,14,000
(-) Sales				
Matka (Rs. 165 per piece)	99,000	99,000	99,000	99,000

Stick (Rs 140 per piece)	84,000	84,000	84,000	84,000
Kulfa (Rs. 165 per piece)	99,000	99,000	99,000	99,000
Basket (Rs. 190 per piece)	1,14,000	1,14,000	1,14,000	1,14,000
Plate (Rs. 200 per piece)	1,20,000	1,20,000	1,20,000	1,20,000
	5,16,000	5,16,000	5,16,000	5,16,000
Profit	2000	2000	2000	2000
[: -] Units	(3000)	(3000)	(3000)	(3000)
PROFIT PER UNIT	0.67	0.67	0.67	0.67

Cost sheet for the month of October, November, December, January 2013-14 (For 12 kg per day)
(120 units per day)

Particulars	October	November	December	January
Raw material:				
Matka (Rs 5 per unit)	18000	18000	18000	18000
Basket (Rs. 8 per unit)	28800	28800	28800	28800
Plate (Rs 5 per unit)	18000	18000	18000	18000
Milk (Rs 70 per kg)	25200	25200	25200	25200
Sugar (Rs 65 per kg)	23400	23400	23400	23400
Mava (Rs. 100 per kg)	36000	36000	36000	36000
Cream (Rs 140 per kg)	50400	50400	50400	50400
Chocolate	1800	1800	1800	1800
Custered	600	600	600	600
Dry fruits	26400	26400	26400	26400
Other ingredients	9600	9600	9600	9600
Fruits	18000	18000	18000	18000
	2,55,660	2,55,660	2,55,660	2,55,660
Variable Expenses:				
Electricity	54000	54000	54000	54000
Gas	26400	26400	26400	26400
Stationary	600	600	600	600
Water supply	24000	24000	24000	24000
Packaging	9600	9600	9600	9600
	1,14,600	1,14,600	1,14,600	1,14,600
Fixed Cost:				
Rental expenses	28000	28000	28000	28000

Admin. Expenses	40000	40000	40000	40000
Salary (supervisor & employee)	1,10,000	1,10,000	1,10,000	1,10,000
Maintenance expenses	5000	5000	5000	5000
Cleaning expenses	4000	4000	4000	4000
Selling and distribution				
Advertisement expenses	6,000	6,000	6,000	6,000
Salary (delivery boy)	12,000	12,000	12,000	12,000
	2,05,000	2,05,000	2,05,000	2,05,000
Total Cost	5,75,260	5,75,260	5,75,260	5,75,260
(-) Sales				
Matka (Rs. 165 per piece)	1,18,800	1,18,800	1,18,800	1,18,800
Stick (Rs 140 per piece)	1,00,800	1,00,800	1,00,800	1,00,800
Kulfa (Rs. 165 per piece)	1,18,800	1,18,800	1,18,800	1,18,800
Basket (Rs. 190 per piece)	1,36,800	1,36,800	1,36,800	1,36,800
Plate (Rs. 200 per piece)	1,44,000	1,44,000	1,44,000	1,44,000
	6,19,200	6,19,200	6,19,200	6,19,200
Profit	43,940	43,940	43,940	43,940
[: -] Units	(3600)	(3600)	(3600)	(3600)
PROFIT PER UNIT	12.21	12.21	12.21	12.21

Cost sheet for the month of February, March, April, May 2014 (For 17 kg per day)

(170 units per day)

Particulars	February	March	April	May
Raw material:				
Matka (Rs 5 per unit)	25,500	25,500	25,500	25,500
Basket (Rs. 8 per unit)	40,800	40,800	40,800	40,800
Plate (Rs 5 per unit)	25,500	25,500	25,500	25,500
Milk (Rs 70 per kg)	37,500	37,500	37,500	37,500
Sugar (Rs 65 per kg)	33,150	33,150	33,150	33,150
Mava (Rs. 100 per kg)	51,000	51,000	51,000	51,000
Cream (Rs 140 per kg)	71,400	71,400	71,400	71,400
Chocolate	2,550	2,550	2,550	2,550
Custered	850	850	850	850
Dry fruits	34,700	34,700	34,700	34,700
Other ingredients	13,600	13,600	13,600	13,600
Fruits	25,500	25,500	25,500	25,500
	3,62,050	3,62,050	3,62,050	3,62,050
Variable Expenses:				
Electricity	76,500	76,500	76,500	76,500
Gas	37,400	37,400	37,400	37,400

Stationary	850	850	850	850
Water supply	34,000	34,000	34,000	34,000
Packaging	13,600	13,600	13,600	13,600
	1,62,350	1,62,350	1,62,350	1,62,350
Fixed Cost:				
Rental expenses	28000	28000	28000	28000
Admin. Expenses	40000	40000	40000	40000
Salary (supervisor & employee)	1,10,000	1,10,000	1,10,000	1,10,000
Maintenance expenses	5000	5000	5000	5000
Cleaning expenses	4000	4000	4000	4000
Selling and distribution				
Advertisement expenses	6,000	6,000	6,000	6,000
Salary (delivery boy)	12,000	12,000	12,000	12,000
	2,05,000	2,05,000	2,05,000	2,05,000
Total Cost	7,29,400	7,29,400	7,29,400	7,29,400
(-) Sales				
Matka (Rs. 165 per piece)	1,68,300	1,68,300	1,68,300	1,68,300
Stick (Rs 140 per piece)	1,42,800	1,42,800	1,42,800	1,42,800
Kulfa (Rs. 165 per piece)	1,68,300	1,68,300	1,68,300	1,68,300
Basket (Rs. 190 per piece)	1,93,800	1,93,800	1,93,800	1,93,800
Plate (Rs. 200 per piece)	2,04,000	2,04,000	2,04,000	2,04,000
	8,77,200	8,77,200	8,77,200	8,77,200
Profit	1,47,800	1,47,800	1,47,800	1,47,800
[: -] Units	(5100)	(5100)	(5100)	(5100)
PROFIT PER UNIT	28.98	28.98	28.98	28.98

Profit and loss account

Particulars	Amount (Rs)	Particulars	Amount (Rs)
Salary		Income from Sales	80,49,600
Indian 80,000/month			
Philippines 30,000/month	13,20,000		
Incentives	2,15,000		
Raw material	33,24,840		
Rent charges	3,36,000		
Maintenance exp.	60,000		
Cleaning exp.	48,000		

Electricity exp.	7,02,000		
Gas expenses	3,43,200		
Admin expenses	4,80,000		
Advertisement exp.	72,000		
Water supply exp.	3,12,000		
Stationary exp.	7800		
Packaging	1,24,800		
Travelling & visa exp.	1,35,000		
Profit	5,68,960		

Particulars	Amount (Rs.)
2 machines	3,00,000
2 Refrigerators	1,70,000
Equipment	50,000
Furniture	2,00,000
10 Cold box	75,000

❖ **10.2.13 CONCLUSION**

Company has decided to launch “Kulfi” in Philippines, because their people prefer to have ice cream. Our main source of raw material is Rizal dairy which very near to the area of our business. It will be easy for us to get the raw material as the suppliers of raw material are available in nearby places.

As per our study we also found that the business of KULFI is having a good scope in Philippines. If any company wants to launch dairy product or even KULFI is beneficial to those companies.

Overall we concluded that in Philippines there is a good scope for conducting the business in dairy industry. The KULFI business is more benefited to us and it gives good profit to our business also in first phase and so on.

11.

FOOTWEAR

SECTOR

11.1 OVERVIEW OF INDUSTRY

11.1.1 Introduction:

- Footwear manufacturers in Philippines are geographically dispersed in island of Luzon, Visayas and Mindanao. But most of the industry players are located in NCR, Central Luzon and CALABARZON. They are classified as either micro, small, medium and large enterprises. These enterprises manufacture leather and non-leather footwear products including sports footgear, special use shoes, sandals, slippers and footwear accessories.
- An enterprise is deemed as a micro if its total assets, inclusive of those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, have an assessed value below three-million pesos (not more than Php. 3,000,000).
- A small enterprise on the other hand ranges its value from Php. 3,000,001 to Php. 15,000,000.
- A micro enterprise employs about one (1) to nine (9) worker while a small enterprise employs ten (10) to ninety-nine (99) persons.

11.1.2 Overview:

❖ Product scope:

- Footwear manufacturing in the country covers a range of products that includes sports shoes, dress or casual shoes, slippers and sandals. Materials range from leather, rubber and plastic to textile and other components. The sector targets buyers of all ages and offers products for men, women and children.
- Leather footwear is normally used as dress shoes. Nonleather footwear with outer soles of rubber or other materials such as plastic, wood, textile is commonly used as casual footwear. Sandals and slippers are mostly made of textile or plastic material and are used both indoors and outdoors. Sports footwear entails high standards of production and most sport shoes facilities in the country involve some direct foreign investments.

❖ **Industry Coverage:**

- As of 2010, there were about 2,148 registered footwear manufacturers nationwide. Total direct employment for the same year was estimated at around 26,396. Another 30,000 workers are estimated to be indirectly employed in the sector.
- The industry has a large presence in the National Capital Region (NCR), where 924 firms or 43% of the total manufacturers are located. Other regions with significant footwear producers include Central Luzon, Southern Tagalog and Central Visayas.

❖ **Firms in the Industry:**

- Most firms in the industry have their own production facilities. A smaller number, however, rely on a network of subcontractors who manufacture all or part of their products. These companies have very minimal in-house production facilities, and in certain cases, have none at all. In this setup, the company maintains a number of subcontractors with qualified production operations and manufacturing standards. These firms focus their resources on the marketing and distribution of finished goods. They are referred to either as ‘brand distributors’ or ‘traders’.
- The former refers to a company that develops its own market under a specific brand and has its products manufactured by a network of local sub-contractors or, in the case of some companies, supplements production with importation.

❖ **Local Footwear Market:**

- The local consumption of footwear is currently estimated to be around 46 million to 51 million pairs per year. Most firms in the industry are engaged in the manufacture of ladies shoes, either as their sole product line or the bulk of their general product lines. The inclination of the local footwear sector to cater to ladies footwear is dictated by fashion. Women have a penchant (desire) for purchasing more than three or four pairs of footwear per year, depending upon their income level.

11.1.3 PORTER FIVE FORCE ANALYSIS

❖ 11.1.3.1 Threat of new entrance (low):-

- ▶ MNC and large scales firms have economic of scales.
- ▶ Customers are not brand loyal.
- ▶ switching cost is low
- ▶ Govt. support for new small scales firms.

❖ 11.1.3.2 Threat of substitute products (low)

- ▶ Perfect substitute is not available.
- ▶ However internal industry substitute is available.
- ▶ Perceived level of product differentiation

❖ 11.1.3.3 Bargaining power of customers (high)

- ▶ Good competition in small scale firms
- ▶ Homogenous product & no differentiation
- ▶ Product do not have any strategic important.
- ▶ Low Degree of dependency upon existing channels of distribution
- ▶ Switching cost is low

❖ 11.1.3.4 Bargaining power of suppliers (low)

- ▶ No .of suppliers
- ▶ Switching cost is low
- ▶ Backward integration is possible
- ▶ Low Degree of differentiation of inputs
- ▶ Low / no Impact of inputs on cost or differentiation

❖ 11.1.3.5 Intensity of competitive rivalry (High)

- ▶ Low /no level of Sustainable of competitive advantage through innovation.
- ▶ Low level of advertising.
- ▶ Lack of Powerful competitive strategy.
- ▶ Lack of Flexibility through customization, volume and variety.
- ▶ Homogeneous products.

11.1.4 Swot Analysis

❖ 11.1.4.1 Strength:-

- ▶ Good quality which can be export in long run.
- ▶ Tax incentive on machinery by govt.
- ▶ Easy availability of raw material.
- ▶ Easy availability of labor.

❖ 11.1.4.2 Weakness:-

- ▶ Uneconomic size of manufacturing units.

❖ 11.1.4.3 Opportunity:-

- ▶ Growing local and global market
- ▶ Use of IT and DSS for forecasting of demand and supply.
- ▶ 20% to 25% unsatisfied market in phillippine.

❖ 11.1.4.4 Threat:-

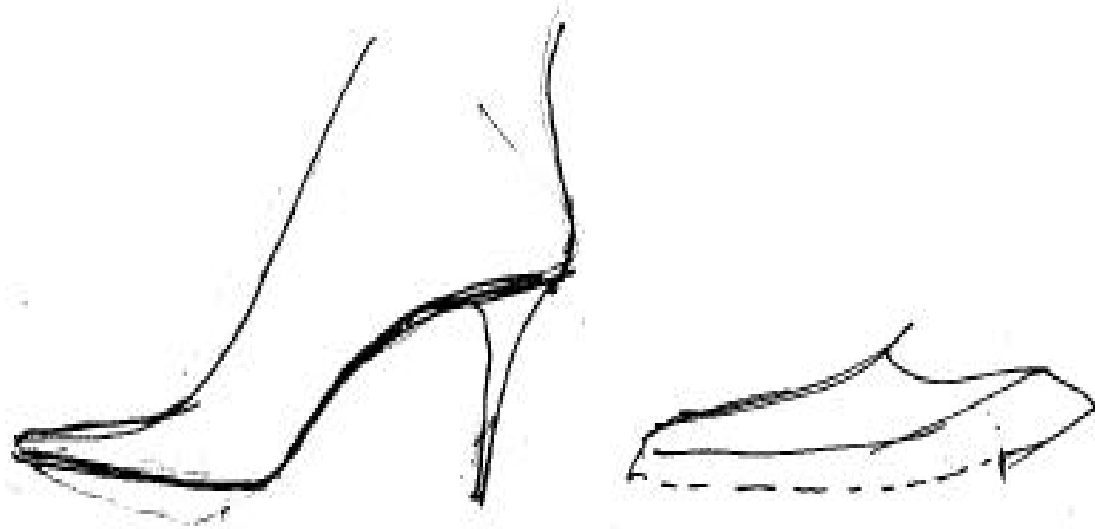
- ▶ Problem of funds because most of the competitors owns their family business.
- ▶ Fast changing fashion trends.
- ▶ Entry of MNCs in market, their eco.of scales is one of the biggest threat to small scales business.

11.1.5 Shoe manufacturing process

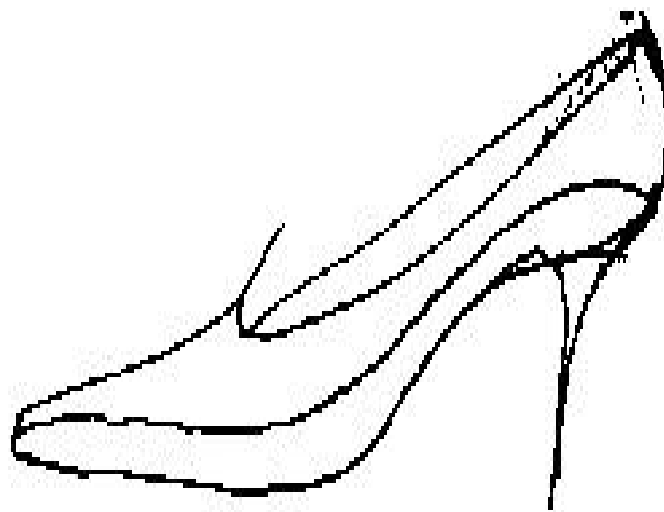
- ▶ 1. Product/ Market Research DEVELOPMENT
- ▶ 2. Design/ Sampling/ Costing/ Grading
- ▶ 3. Organizing Before Production
- ▶ 4. Preparation of Pattern Making (Grading) of uppers, linings, counters.
- ▶ 5. Threads
- ▶ 6. Tools, supplies, equipment, machines
- ▶ 7. Actual cutting and sewing of complete uppers
- ▶ 8. Assembling for lasting
- ▶ 9. Lasting process: front, back, sides
- ▶ 10. Heel attachments, soles
- ▶ 11. Finishing
- ▶ 12. Packing in individual/ group boxes
- ▶ 13. Documentation for final costing and delivery

11.1.5.1 Production process after samples are approved

- ▶ UPPERS Leather or UPPER MAKING PREPARATION:-
- ▶ Various reinforcements according to design
- ▶ Threads, adhesives, pins/nails,
- ▶ Graded patterns.



- ▶ UPON FINISHING
- ▶ Lasting (Toe, Heel, Sides)
- ▶ ATTACHMENTS OF:-
- ▶ Insoles with Shanks
- ▶ Midsoles
- ▶ Heels
- ▶ Outsoles
- ▶ Sock lining of labels



11.2 BUSINESS PLAN

❖ 11.2.1 Raw material:-

- ▶ The basic raw material is leather, pig skin, insole, heels, shoe last buckles and other accessories and it is easily available in Marikina with no of suppliers which are near by manila.

❖ 11.2.2 Manufacturing:-

- ▶ The local government had passed legislation in 2006 named as lather goods act.....
- ▶ According to this act if firms satisfied all the requirements of PFF than it do not need to pay any import duty on import of machinery from other country.
- ▶ On the other hand labors are also available in manila and Marikina.

11.2.3 Distribution channel:-

- ▶ All the local competitors are using zero or one level of distribution channel. So they either selling to direct consumers or to retailers.

❖ 11.2.4 Marketing:-

- ▶ Currently local players are using television advertisement and hoardings and posters as a advertising tools. we can use these at the same time we can use some sale promotion technique also

❖ 11.2.5 Selling and Margin:-

- ▶ As such we will be operating as small scale bases, so our target market would be local customers.
- ▶ In footwear industry, in organized sector the margin level is 8% to 10% and on another side in unorganized sector the level of margin is 10% to 15%

❖ **11.2.6 Market Structure**

- ▶ The market can be divided into the following consumer segments: Men's footwear, women's footwear, and footwear for children.
- ▶ In the Philippines mostly the men and women have a choice of the footwear which is fit for the different seasons as well as for the different occasions, work, leisure, sports etc. however, in the Philippines one segment of the footwear market primarily young people tend to prefer sports shoes all over the year.
- ▶ In the Philippines most of the parents consider greater importance for selecting the footwear for their children. They believe that the design of the footwear must be shaped and of high quality. Normally the children will get a full set of footwear each year to fit their growing feet.

❖ **11.2.7 Legal requirements for producing footwear in Philippines**

- ▶ For producing the footwear of SATA in Philippines, there are some rules and regulations described by the local govt. The necessary steps for producing in Philippines are as follows:
 - ▶ Declaration of Conformity
 - ▶ Technical Construction File (TCF)
 - ▶ CE User Manual
 - ▶ Documentation

1. Declaration conformity

- The declaration of conformity should include the following information:
- Identification of product
- Standard necessary for the verification of compliance with the directives
- Be signed by or on behalf of the producer or the authorized representative and identify that signatory
- Name and address of the producer

2. Technical Construction File (TCF):

- There is an obligation for the manufacturer or the authorized representative to provide a technical file which includes the technical basis for the conformity of the product as per requirement of the directive.
- This TCF file is important or essential for the purpose of national surveillance authorities. This file must be kept at the disposal of national surveillance authorities for the inspection and control purposes and it is available for the at least 10 years, Starting from the production date of the final product.
- The main elements of the TCF files are,
 - Declaration of conformity
 - A general description for the product
 - Design, diagrams and production drawings
 - Detailed technical data for essential aspect of the product
 - List of standards and solutions applied for that
 - Calculation reports and tests that have been carried out
 - Certificate and inspection reports

3. CE User Manual

- Generally the directives have a direct relation with the user safety. For reducing safety risks or avoiding risks information provided to the users are play an important role. So the user manual is considered as an essential requirement for safety.. A user manual should contain all the information required for the correct and safe use of a product and it should be include the following:
 - Information for the risk
 - Identification for the hazardous applications
 - Instructions for the safe use of product
 - Set out the authorized persons to perform the certain actions
 - Identification for taking the some safety precautions.

4. Documentation

- There is no requirement of the production licenses for the footwear product in Philippines.

- However in long run or at the time of establishment if firm wants to export their product than, it has to be documented with some special requirements. In addition, as a general rule the goods have to be sent directly from the country of origin to the exported country.

❖ **11.2.8 Vision**

- The vision of SATA footwear is to achieve sales of 150000 pairs footwear in next five year at the same time to become one of the top ten manufacture in next ten years.

❖ **11.2.9 Mission**

- The mission of the SATA is to ensure a customer satisfaction keeping with the company's value of "Quality product at reasonable price".

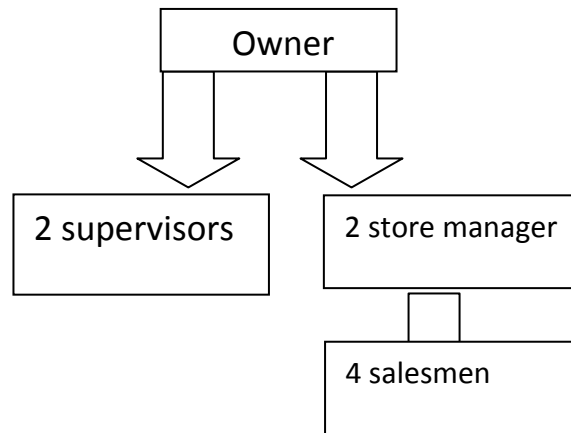
❖ **11.2.10 Core values**

- The core values of the SATA are,
 - ▶ Honesty
 - ▶ Transparency
 - ▶ Employee satisfaction
 - ▶ Customer orientation
 - ▶ Team orientation

❖ **11.2.11 Objectives of SATA footwear in Philippines**

- ▶ The main objectives of the SATA are as followings:
 - ▶ To establish a footwear business in Philippines
 - ▶ To achieve good customer relationship
 - ▶ To provide qualitative footwear products as per the quality standards of Philippines.

❖ 11.2.12 Organization structure



➤ **Product groups:**

▶ **Based on user**

- Women's footwear
- Men's footwear
- Children's footwear

▶ **Based on type**

- Casual footwear
- Formal footwear
- Evening footwear
- Sports footwear

▶ **Based on material** (used for production and trade statistics)

- Leather footwear
- Plastic or rubber footwear
- Textile footwear

❖ **11.2.13 Marketing Strategy:**

- For the marketing perspective SATA will develop the new marketing strategy as per the requirement of the footwear's market of Philippines which are as follows:
 - **Mass Marketing strategy:**
 - Various kind of the SATA footwear product produce in Philippines country and having a various market segments for selling in footwear market.
 - Footwear product produces with the low cost per pair.
 - **Low price strategy:**
 - SATA footwear tries to produce with the low cost product. So, price will be the low charge the footwear product.
 - **Advertisement:**
 - SATA will use the TV media and print media for the advertisement. In print media we will include magazine and local news paper.

❖ **11.2.14 FINANCIAL PLAN**

Cost-sheet for the SATA footwear for one year (No of
footwear: 30000pairs)

particular	Total cost	p.u
Direct Material:		
Men's footwear 10000 pairs	1500000	150
Women's footwear 10000 pairs	1500000	150
Children's footwear 10000 pairs	1000000	100
Direct Labour (20persons 100piso pd*360*)	720000	24
Direct expenses	22500	0.75
PRIMECOST	4742500	158.08
<u>Factory overheads</u>		
Warehouse electricity bills (5000*12)	60000	-
Stationary	1000	-
warehouse cleaning(1000*12)	12000	-
Water supply	15000	-
warehouse insurance(600*12)	7200	-
WORK COST	95200	3.17

<u>Administrative overheads</u>		
Rent & Taxes	100000	-
Legal expenses	10000	-
	OFFICE COST	110000
		3.67
<u>Selling & Distribution Overheads</u>		
Bad debts	10000	-
Advertisement	35000	-
Supervisor's Salary (15000*2*12)	360000	-
Store manager's salary (20000*2*12)	480000	-
	SELLING COST	885000
		29.5
TOTAL COST	5832700	194.42

Estimated Profit And Loss account for the 1st year

Expenses	Amount	Income	Amount
		Sales :	
		<u>Unit sold</u>	
Material:		Men's footwear (9500*250)	2375000
Men's footwear (150 piso per Unit*10000Unit)	1500000	Women's footwear(9500*250)	2375000
Women's footwear (150 piso per unit*10000unit)	1500000	Children's footwear(9800*250)	2450000
Children's footwear (100 piso per unit10000 per unit)	1000000	Closing Stock:	
Labour:		Men's footwear (500*250)	125000
Direct labour	720000	Women's footwear (500*250)	125000
Direct Expenses	22500	Children's footwear (200*250)	50000
Electricity Bill	60000		
stationary	1000		
warehouse Cleaning (1000*12)	12000		
Water supply:	15000		
warehouse Insurance (600*12)	7200		

Rent (5000*12)	60000		
Legal Expenses	10,000		
Bad debts	10000		
Advertisement	35000		
Salesmen's salary	480000		
Supervisor's salary	360000		
Store manager's salary	480000		
Profit	1224800		
	<u>7500000</u>		<u>7500000</u>

❖ **Balance sheet at the end of 1 st year**

Liability	Amount	Assets	Amount
Capital	1500000	Closing stock	300000
Profit	1224800	Cash at bank	4936300
Creditor	1500000		
Outstanding expenses	1011500		
Total	5236300		5236300

11.2.15 CONCLUSION

- ▶ From the analysis of every aspects of producing the SATA footwear in Philippines we come to know that this business will be successful if SATA footwear will produce in Philippines. And the SATA footwear gets enough profit from the investment. The rules & regulation of the Philippines are also favorable for SATA footwear production business in Philippines. From this business plan one can easily get information about the investment in footwear industry in Philippines.

12.

SHIPPING

SECTOR

12.1 OVERVIEW OF BUSINESS

12.1.1 INTRODUCTION

- We live in a global society which is supported by a global economy – and the economy in such society simply cannot function if there were no ships and the shipping industry. Without shipping, the bulk transport of raw materials, the import/export of reasonable food and manufactured goods and worldwide trade would simply not be possible.

➤ **Shipping and World Trade**

- The international shipping industry contributes to over 90% of world trade. Without shipping the export and import of goods on the scale necessary for the modern world would not be possible. The potential for the further growth of shipping industry continue to be strong due to increased liberalization and growing efficiency of shipping as a mean of transport.

➤ **The different kinds of ship**

1. Container ships



World's most of the manufactured products and goods are carried by these ships through programmed liner services.

2. Bulk Carriers



These transport raw materials for example coal and iron ore; and are the work horses of the fleet. Identifiable by the hatches raised above deck level which cover the large cargo holds.

3. Tankers



Tankers can appear similar to bulk carriers, but the deck is flush and covered by oil pipelines and vents. Tankers transport petroleum products, chemicals and crude oil.

4. Ferries and Cruise ships



Ferries usually perform short journeys for a mix of business vehicles, cars and passengers. Most of these ships are Ro-Ro (roll on - roll off) ferries, where vehicles can drive straight on and off, making it a quick and simply reachable way to travel.

Demand for cruise ships stretched quickly during the 1980s, leading to a new generation of luxurious and big 'floating hotels'.

5. Specialist Ships



Such as supply vessels and anchor managing for the offshore research vessels, salvage tugs, ice breakers and oil industry.

➤ How shipping is regulated internationally

- Regulations for shipping are developed at the global level. Because shipping is naturally international, it is very important that shipping is subject to uniform regulations on matters such as standards of crew competence, navigational rules and construction standards.
- International Maritime Organization (IMO), which is the United Nations agency based in London responsible for the protection of the marine environment and the safety of life at sea regulates the shipping industry. The labour standards applicable to sailors worldwide are developed by the International Labour Organization (ILO).

12.1.2 SWOT ANALYSIS

12.1.2.1 Strength

- Good work ethics and availability of manpower.
- Good geographical situation

12.1.2.2 Weakness

- Inadequate maritime policies and regulations.
- Operational hazards such as continuing overloading of vessels.
- Lack of clearly defined sea lanes to facilitate vessel traffic.

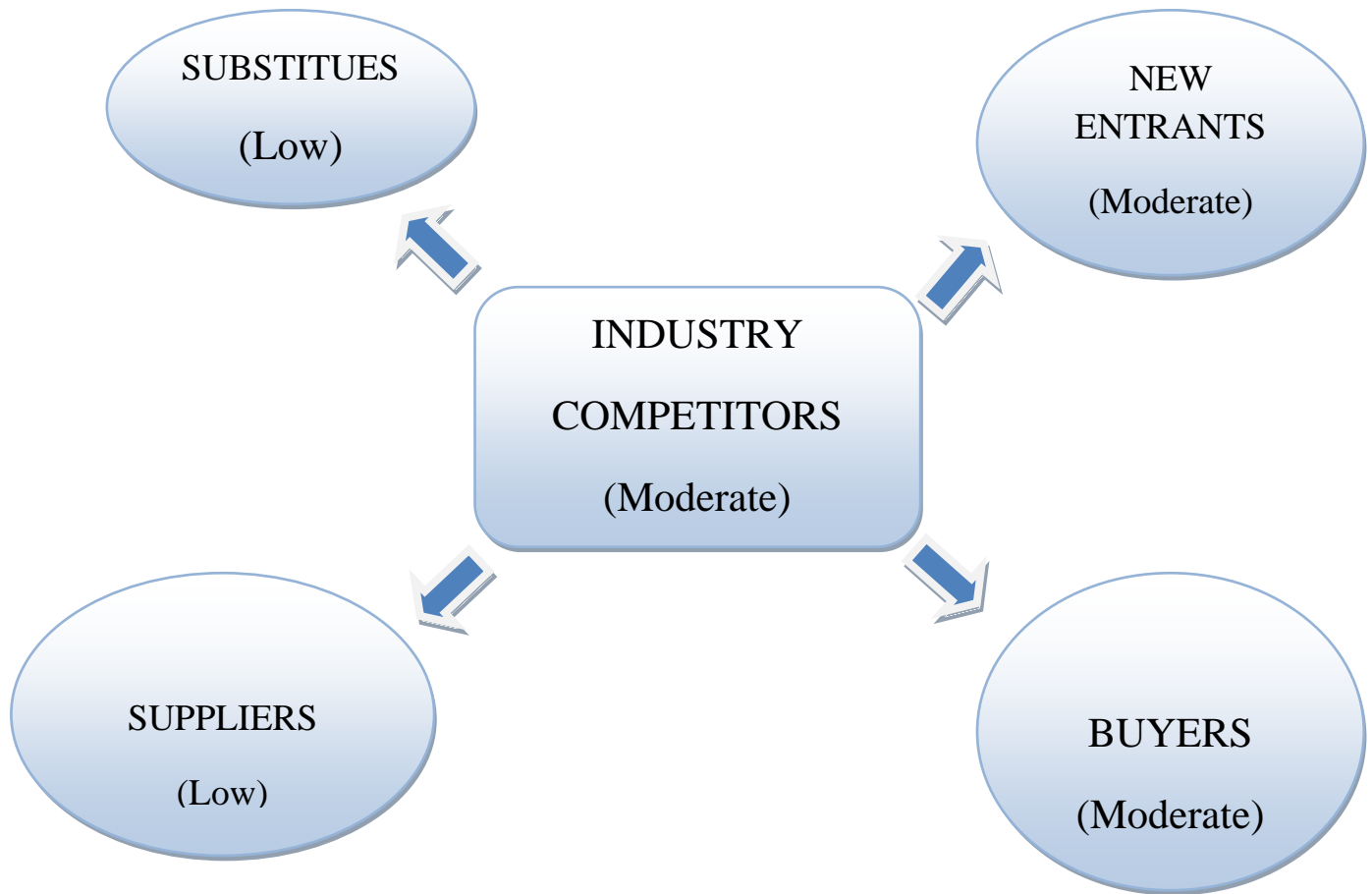
12.1.2.3 Opportunities

- Advancing globalization.
- More flexible tax regimes.
- Increasing mobile workforce.
- Increasing international operations.

12.1.2.4 Threats

- More disasters and deaths at sea.
- Increasing competition due to deregulation policy.
- Move to lift the Cabotage Law.

12.1.3 PORTER'S ANALYSIS



Factor	Threat
Industry Competition	Moderate
Bargaining Power of Suppliers	Low
Bargaining Power of Buyers	Moderate
New Entrants	Moderate
Substitutes	Low

12.1.4 PEST ANALYSIS

12.1.4.1 Political and legal Factor

- The Philippine legal system is quite well developed, and is based on respect for the rule of law and court decisions.
- This makes it subjected to low levels of tax.
- Rules and regulation is favor for importer.

12.1.4.2 Economic Factor

- Manila carries the most economic importance of any shipping business in the Philippine.
- Shipping industry is developing industry in Philippine.
- Accordingly research manila and other cities the use of shipping transportation is high as compare to other transportation.
- Globalization has given a boost to the shipping business.
- Shipping has provided the really cost-effective method of bulk transport over any large distance.
- The establishment of a global system of trade and the development of shipping has moved further simultaneously.
- More than 90 per cent of global trade is carried by sea.

12.1.4.3 Social Factor

- Ensuring international rules and regulations are respected.
- Working to continuously improve environmental performance.
- Upholding high ethical business standards.

- Safeguarding crew against abuse onboard.
- Working to optimize the welfare of crew by providing training and safety.
- Striving for sound corporate governance.

12.1.4.4 Technological Factor

- To reduce operating costs by achieving economies of scale, carriers have increased their vessel sizes.
- Information technology, especially Internet-based systems, is increasingly being employed in all transport services.
- Ship owners and their suppliers use the Internet for innovative purposes such as ship inspections using electronically transmitted data and Internet-based classification society records

12.2 BUSINESS PLAN

❖ 12.2.1 Company Profile

- **Name of Company:** A-One Ltd.
- **Year of establishment:** 2014
- **Nature of business:** Container Shipping Business
- **Port for Shipping:** Manila International Container Terminal (MICT), in Manila, capital of Philippines

❖ 12.2.2 Vision

- To become leading shipping company in international trade.

❖ 12.2.3 Mission

- ⇒ To be trusted and supported by customers.
- ⇒ To provide a place of work where all employees can have hopes for the opportunity for development.
- ⇒ To attain customer satisfaction through working for operational excellence by zero accidents.
- ⇒ To make the shipping process smooth and efficient.

❖ **12.2.4 Legal Procedure for registering the business**

- Foreign companies doing business in the Philippines by starting an office whether it is a domestic subsidiary, a foreign branch office or a foreign representative office they have to get license to do business in the Philippines. For this purpose they have to register the business with different government agencies after issuance of the Certificate of Incorporation.
- Remember that once business operations have been started it is important to register your business to avoid any legal problems. Usually, competitors may check on you if you have all the necessary registrations completed because if not, this will be an opportunity for them to delay and disturb your operations by notifying the proper authorities.
- In order to give your business a legal personality, you have to contact the following government agencies.
- Your first step is to get a certificate of registration for name of you business, depending on the structure of your business, in one of these agencies:
 - **Department of Trade and Industry (DTI)** – for single proprietorship
 - **Securities and Exchange Commission (SEC)** – for partnerships or corporations
 - **Cooperative Development Authority (CDA)** – for cooperatives

Once you get your certificate of registration, you will have to visit the below offices:

- **Homeowners Association** – You need to get a homeowner’s clearance for businesses inside villages and subdivisions.
- **Local Government Unit (LGU)** – You can process your business permit by visiting the city hall office or municipality.
- **Bureau of Internal Revenue (BIR)** – Apply for a business taxpayer identification number (TIN), register your receipts, point-of-sales (POS) machines and books of accounts.

After the above process you can now legally start your business operations, but you will need to then register your employees (which may include yourself) to the following agencies:

- **Social Security System (SSS)** – You have to secure an SSS number for your employees and yourself.
- **Department of Labor and Employment (DOLE)** – Businesses which have five workers or more have to register their business with DOLE.
- **Home Development Mutual Fund (HDMF)** – As requisite by RA 7742, members of SSS who are earning minimum P4,000 a month should be registered with HDMF.
- **Philippine Health Insurance Corp. (PhilHealth)** – As stated in the New National Health Insurance Act (RA 7875 / RA 9241) all employers have to register their employees to this agency. PhilHealth administers and manages the government health care system.

4. Rental Agreement for hiring an office

❖ Rental and Deposit

The lessor can demand advance payment even before the date the lease agreement will take effect as per the Rental Reform Act of 2002. According to this law the advance payments must not exceed the equivalent of one month's advance rent and two month's deposit.

❖ Tenant Eviction

In Philippine the contract of land lease can freely state the specific grounds for the eviction of the lessee. But the provisions mentioned in the lease contract must be accepted by the parties involved in the lease and the minimum conditions required by law should also be covered.

Five legal grounds for eviction are listed in the Rental Reform Act of 2002. These include assigning the lease to another person and subleasing without the written approval of the owner. The lease can also be evicted due to the failure to make regular rent payments for three consecutive months.

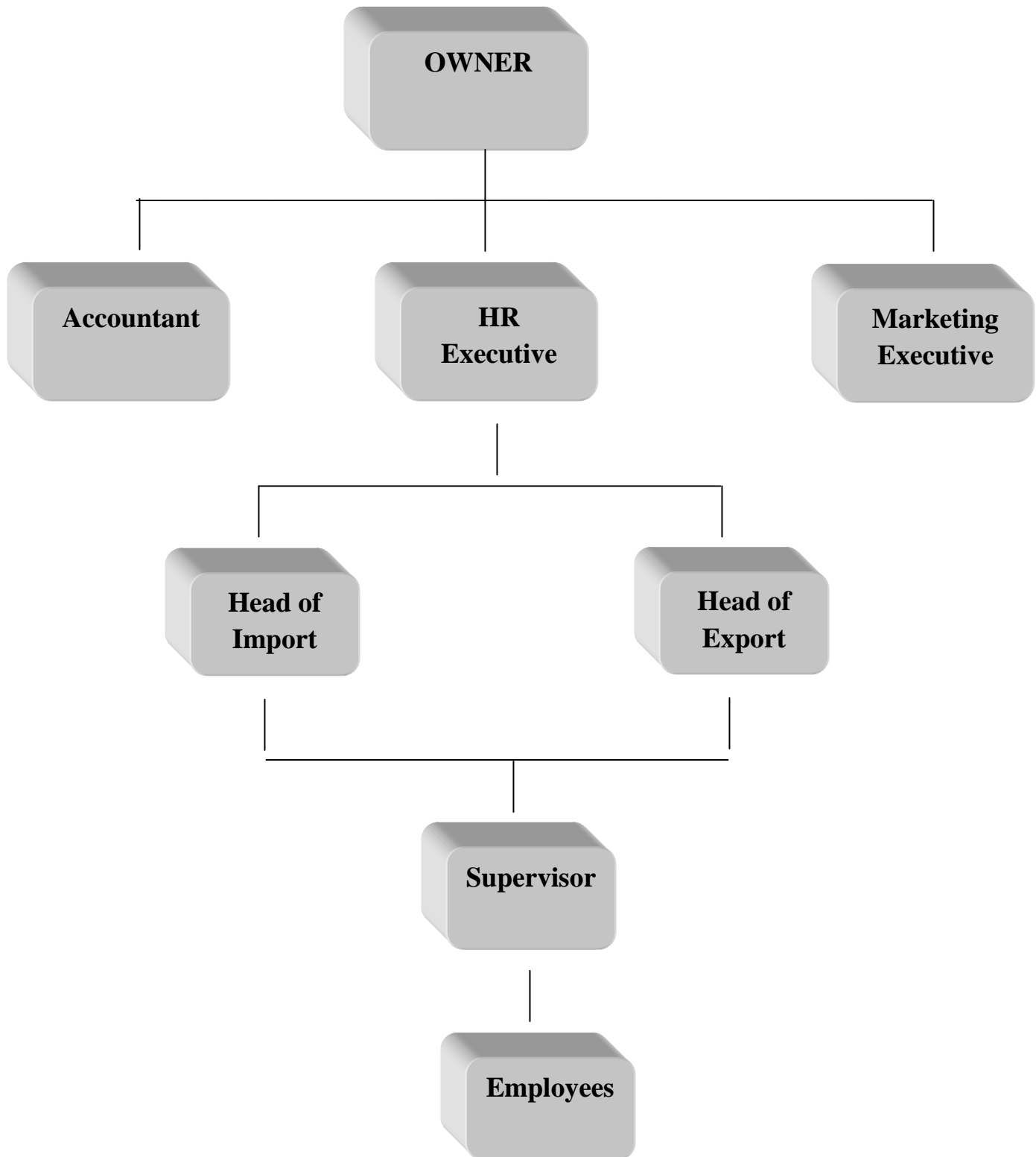
If the lessor needs the land for his or his family's personal use then he can also take back the leased land and remove the tenant. When this happens, the landlord should notify the lessee three months before the repossession takes place. After the repossession the landlord is prohibited to lease the land to another party within one year by Philippine law.

If there is a genuine need of the land owner to make necessary unit repairs or land maintenance he can evict the lessee. The law states that after the repairs or maintenance functions are completed, the evicted lessee has priority in leasing back the land. Finally, the lessor can evict the leaseholder from the premises once the lease contract has expired.

❖ **Rent-to-Own Schemes**

According to Rental Reform Act of 2002 certain lands available for lease in the Philippines are rented under a rent-to-own scheme. The lease contract should clearly state that the purpose of the lessor for leasing her land is to transfer land ownership to the leaseholder. The ownership can be transferred after a specific payment amount is met or after a certain period of time, as predetermined in the agreement.

❖ 12.2.5 Organizational Structure



❖ 12.2.6 Salary of Employees

No.of employees (A)	Employee designation (B)	Per person salary monthly (RS) (C)	Salary monthly(RS) $D=(A*C)$
3	Executives	60,000	1,80,000
2	Head of department	40,000	80,000
1	Supervisor	30,000	30,000
10	Workers	7000	70,000
2	Truck drivers	5000	10,000

❖ 12.2.7 Process of Shipping

- ⇒ Receive a call or mail from the customer to ship the goods and giving information about the pickup location of goods, details about the goods and at which port the goods are to be delivered.
- ⇒ Then we would send our truck driver to the site along with the empty container for loading the goods.
- ⇒ Then the driver would take the container to the port where it is to be loaded.
- ⇒ There we would check that all the necessary documents to meet the export compliance standards are available.
- ⇒ Then finally the container would be delivered to the port mentioned by the customer.

❖ **12.2.8 Marketing plan**

➤ **Market Analysis**

According to our research, we have found that in Philippines the services of the existing shipping companies are not upto the mark. The customers are not so satisfied with the services offered to them. So we would try to provide the best services.

➤ **Target Market**

We would mainly target the big companies which exports/imports goods through the sea route.

➤ **Advertising Strategy**

We would conduct advertisement by following ways:

1. Ads through Internet.
2. Distribution of pamphlets to the companies.
3. Ads in business magazines.

❖ **12.2.9 Financial Plan**

➤ **Sources of Fund**

1. Owner's Capital
2. Bank Loan

➤ **Estimated Cost Sheet (Annual)**

Particulars	Amount (Rs.)
<u>Fixed Cost</u>	
Rent for land	6,00,000
Rent for ship	12,00,000
Salaries	44,40,000
Administration expenses	4,80,000
<u>Variable Cost</u>	
Electricity	2,40,000
Fuel	9,60,000
Maintenance expenses	3,60,000
Advertisement expenses	1,80,000
Total Cost	84,60,000

➤ **Estimated Profit and loss Account (Annual)**

Expenses	Amount (in Rs)	Income	Amount (in Rs)
Salary	44,40,000	Income from Operations	88,00,000
<u>Rent Charges</u>			
Land	6,00,000		
Ship	12,00,000		
Maintenance expenses	3,60,000		
Electricity	2,40,000		

Fuel	9,60,000		
Advertisement expenses	1,80,000		
Net profit	3,40,000		
Total	88,00,000		88,00,000

➤ **Estimated Balance Sheet**

Liability	Amount (in Rs)	Assets	Amount (in Rs)
Owner's capital	50,00,000	Containers	40,00,000
Bank loan	30,00,000	Furniture	2,60,000
		Trucks	8,00,000
Net profit	3,40,000		
		Current Assets	2,80,000
		Cash/ Bank Balance	30,00,000
Total	83,40,000		83,40,000

12.2.10 Conclusion

After analyzing the scope of the upcoming industries in Philippines we have come to know that there is a good scope for the new entrants in Philippines and we can establish a new business over there and can earn more and more profit.

We found from the research that the scope for container shipping business in Philippines is high as many companies are exporting and importing their goods through the sea route. The government is also trying to develop the ports that are available for shipping.

As the data regarding the shipping industry is so much customised and personal so we cannot get financial information for starting a shipping business in Philippines. But from our study of shipping industry we are very much sure that there is a good scope of shipping business in Philippines.

13.

WINE

SECTOR

13.1 OVERVIEW OF INDUSTRY

- The total capacity of the international wine market in 1998 was stately at 6.8 billion tons with 25% of the total capacity secretarial for wine that was purchased separate the country from which the wine was created. This characterizes a rise over the 1991-95 periods, through which the spread segment of the market averaged around 17% by capacity. The increasing trend for the spread market since 1995 is due mostly to a change in the tactical importance that wine manufacturing countries are hiring on spreading as a technique for development. Generally, The market for wine was mostly one of limited manufacture and drinking. That example has different in the last few years as a little of the extra recognized wine drinking countries have seen their per capita consumption fester or weakening.
- At the similar period, some wine manufacturing countries nearby the world have created to make an impact on the spread market in an effort to increase their businesses outside their partial local markets. The result of this shift in market attention for some of the older wine manufacturing countries positive the growth of new wine manufacturing countries around the world has produced an rise in the economical nature of the international wine market.
- Presently the U.S. is the fourth major manufacturer of wine in the world however only explanations for around 4.2% of the entire wine spread market based on capacity. In the past, a very corporate spread strategy for U.S. companies was to spread only the additional capacity that was on hand due to over manufacture thus there was slight attention on creating a company in the international market place.
- This Business Note provides contextual info relating to the third planned priority of locating U.S. wine as the high-quality, high-value product in international markets. An overview of wine and the current international wine business will be given along with some examples of how U.S. vineyards are realizing plans to compete beside foreign creators.

13.1.1 INTRODUCTION TO INDUSTRY

- The dynamics of the international wine business are well understood over a momentary history of wine as well as an overview of the wine manufacture process. Some countries have extensive past and social connections with wine then others and that can affect the quality and awareness of the product in the eyes of the consumer. Also, The situations in which the wine grapes are raised and the procedures used to make the wine can produce a greater wine and a competitive advantage.
- Wine has been a portion of Western historical since the Neolithic Period. When cultures first happening to grow lasting groups and still being roaming hunter-gatherers. One of the initial written archives of the consumption of wine is documented in the Bible and the effect of wine on Mediterranean cultures became further distinct over the years as the geopolitical condition stabilized in the district below the Roman Territory.
- Varietal is a sensitive description determination founded on the type of grape used to create a wine. Varietal is predominately used as U.S. industry marketing tool to section the market and is not precise to a physical location. Specific mutual Varietals today are White Zinfandel, Riesling, Chardonnay, Burgundy, Shiraz, Petite Shiraz, Merlot, Pino-Noir, Zinfandel and Cabernet Sauvignon.
- The wine manufacturing process is very difficult and as results there are several occasions to injury, as well as expand. The quality of the wine being manufactured. The wine manufacture process starts in late decrease. When the grapes are cut from the sneaking plant and laid on the crushed in the sun to dry for a short period time. This is complete to increase the ratio of sugar to water content in the grape. Thus creation the opportunity to create a sweeter wine. Then the grapes go into a storage box and are crushed to eradicate the liquid. The longer the covering of the grape remains with the liquid, the darker the wine will be. If a white wine is needed, then the coverings of the grapes are removed quickly after the crush, but if a red wine is needed then the skins of the grapes are left in with the liquid for a protracted period of time. The liquid is then placed in a vessel made of wood or storage box made of stainless steel for on average year. The aging processes allow the natural yeast from the sugar in the grape to enthusiasm and create alcohol.

13.1.2 SWOT ANALYSIS

❖ 13.1.2.1 Strength

➤ Climatic condition

- Climate condition favorable in Philippines because the over production of fruits
- There are only few winners in Philippines In terms of rm climate alcohol base ciders produced from apple have strong potential

➤ Trade related factors

- There have not been import fruits on imports
- The factors proving the link agreement on internal trade (AIT) which come into effect in 1996 , Provides for improved distribution of alcoholic beverages inter provisionally

➤ Technical related factor

- Wine making may be throughout of as a mature technology
- Some wineries adopting artificial tubular stoppers and others screw caps, even for premium wines.
- The labor forces in Philippines are highest for our studies so we get labor at a chipper for wine industry.
- The wine market shares which continuously growing.

❖ 13.1.2.2 Weakness

- It is the basic weakness of our project that the country is new for us for this kind of industry.
- For the marketing aspect is difficult to setup new distribution channel in competitive market.
- When we setup new winery a wine sale when its become old so we can get return on project after 8 to 10 years.
- The cost of project is high compare to other industry in term of risk and return.

❖ **13.1.2.3 Opportunities**

- Philippine wine imports remained sluggish until the late 1990s due to the high price of wines in the market at that time, poor distribution, and perception of wine as a luxury product.
- Sales picked up dramatically in recent years as both Old and New World suppliers began shipping full container loads of value-priced product, mostly sweet, fruity wines that appealed to local tastes.
- Wine distribution also improved with more floor space dedicated to wine in supermarkets and specialty shops, greatly improving visibility and spurring a mass market.
- The tourism sector of Philippines is faster growing so the foreign tourist will demand wine its one kind of opportunity.

❖ **13.1.2.4 Threats**

- Larger wineries have additional marketing dollars, additional sales force, further everything.
- There are a number of actual thoughtful economic threats that cloud the short term position. National price increases is high in Philippines.
- The government approximation is about 10%, but I failed to find anybody who thinks that it is less than 25%. Manufacture budgets are raising quickly– labor, grapes and other contributions are progressively costly. Land prices for new winery projects look to be developing exponentially.
- We visited some vineyards that were obviously attentive on growing productivity in an effort to claw back margin without forgoing quality. But I also got gossips of vineyards that were attractive the possibly worried move to basis lower cost grapes from other regions to break in company. The concern was that quality would writhe and The Brand destabilized.

13.1.3 Porter's Five Forces Analysis

❖ 13.1.3.1 Bargaining Power of Suppliers (low)

- The suppliers overshadow the buyers thus given them slight or no bargaining power given increased plantings and advantageous climate situations in the past few years.
- The overflow of grapes has been a heavy strength to prevent prices from decreasing more due to this additional capacity so some manufacturers had to resort to extreme procedures.

❖ 13.1.3.2 Intensity of Rivalry (low)

- Rivalry was lessened because several competitors were capable to distinguish their collects though larger creators held advantages in measure and wealth.
- The minor vineyards were able to strive by steadily manufacturing great quality wine in limited capacities.
- The fact is that there was no switching cost and that sales be contingent either on price or marketing for the lower and higher segments individually

❖ 13.1.3.3 Bargaining Power of Buyers (low)

- The industry is marked with shortage with consumption covering way behind production.
- This may permit them to demand only industry morals though it should be noted that many inexpert wine drinkers feel disordered about all the wine selections.

❖ 13.1.3.4 Threat of New Entrants (moderate)

- Economies of scale, Capital investment requirements aren't high. "Using personal savings and loans from friends.
- Customer switching costs is minimal "the source of competition in the lower parts of the wine market is mainly driven by price, marketing projection space, and labeling, rivalry at the higher sections was driven by more quality and brand image"
- "Entrance to manufacturing supply networks is difficult for lower sections of the wine market but very nearby brands in the higher market segment "While many retail chains accepted ultra-premium to super-premium wines"

- The likelihood of retaliation from existing industry players is very low as no instances were stated.

❖ **13.1.3.5 Threat of Substitutes (High)**

- Buyers are extra enthusiastic to substitute wine for other alcoholic drinks based on partiality “investigation into Philippine consumption designs show that of the residual who are not steady wine customers, half are teetotalers and the other half prefer beer or spirits”
- The price of wine’s substitutes are relatively cheaper “while entirely income stages spent wine, higher income was related with better wine consumption” There is not any switching cost related to substitution”

13.2 BUSINESS PLAN

➤ **Project at glance**



(Red Grapes wine)

❖ **13.2.1 COMPANY PROFILE**

- **Company Name:** The BAADDS BEVERAGES & Wine
- **Business Type:** Manufacturer, Agent, Other
- **Main Products:** Grape wine
- **Substitute products:** pineapple wine, banana wine
- **Factory Information**
 - **Factory Size (Sq. meters):** Below 1,000 square meters
 - **Factory Location:** Manila, Philippines
 - The BAADDS BEVERAGES & Wine will be a manufacturing firm to setup a Winery like getting a certificate of commencement of business license, promotion, strategic location for Winery and then getting it on rent and hiring employee from Philippines.
- **Mission:**
 - Our mission is to provide best quality of wine in Manila city of Philippines and create big image in customers mind.
- **Vision:**
 - To provide best wine at reasonable price
 - Customers can feel great relaxation in the Winery
- **Promotion:**
 - The main objective would be to make aware the people of Philippines about our Winery through newspaper advertisement and hoardings. The advertising started before the three months of installation of the Winery.
 - We will provide a discount coupon to every customer and this discount will be redeemed on the next month purchase.
 - We are also connected with the people by internet that is, we are making our own website so that Philippines people as well as the other countries tourist's are also connecting with us.

❖ **13.2.2 Company overview**

➤ **What is BAADDS WINE?**

- BAADDS is a wine manufacturing company operating in Philippines. where we produce different types of wine like Banana ,grapes, pineapple wine. our company also provides excellent and friendly customer services to distributor and costumer.



➤ **Quality of wine**

- Company will offer nothing but fresh, melt and verity of unique wine, all served with old fashion and party style.

➤ **Start up summary**

- To appoint the intermediates of distribution channel and supply to them on weekly bases so we can serve the large population.

➤ **Packaging of Grapes red wine:-**

- Packaging is the very crucial part of in our product because quality of the product is depend upon the way you are pack the Grapes red wine. Grapes red wines non durable drink for extend the durability of the wine we'll highly focusing of the packing quality. For maintain the quality we'll use 6 layer tetra pack, will available in bottle and cans. Grapes red wine is available at 200ml, 500ml & 1ltr pack.

➤ **Analysis of red Grapes wine**

	Red Grapes Wine
Total solids%	5.4
Reducing sugars %	0.2
Minerals %	0.5
Protein %	0.1
Fat %	0.1
Acidity mg %	60.0
pH	5.2
Potassium mg%	247.0
Sodium mg%	48.0
Calcium mg%	40.0
Magnesium mg %	15.0
Phosphorous mg%	6.3
Iron mg%	79.0
Copper mg%	26.0

➤ **Product Specification:**

pH	4.5
Total solids	4.71 g/100 ml
Sucrose	1.28 g/100ml
Total sugar	2.08 g/100ml
Ash	0.62 g/100ml

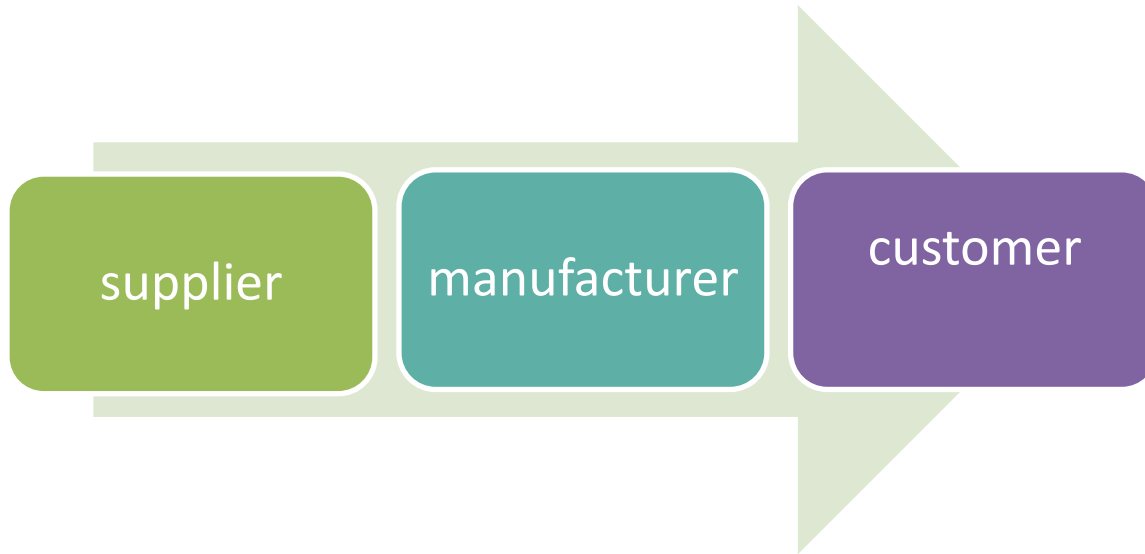
➤ **The machinery includes:-**

- Grapes water and mix Alcoholic product collection in tank
- Filter
- Additive mixing tank
- Capacity trice filling machine
- Grapes water storage tank
- Baby boiler
- Autoclave

➤ **Benefits of the red Grapes wine :-**

- Grapes red wine can be kept in fridges for drinking elders which cannot potential in case of tender Grapes.
- No requirement of a blade to scratch it, and no perturbing about the blade's hygiene.
- Patients in hospitals are harmless from pollution because no cutting and transfer to glass is complex. Just slice, addition the stubble and beverage.
- The problem of keeping massive caring Grapes wine in a home/offices/hospitals are eradicated.
- Similarly there is no more leakage over your body while scratching / wounding the packets.

❖ 13.2.3 SUPPLY CHAIN OF WINE



Interpretation:

- The supply chain of wine having major three steps of process or three parties plays an important role they are suppliers, Manufacturer, and customers.

➤ **SUPPLIER:-**

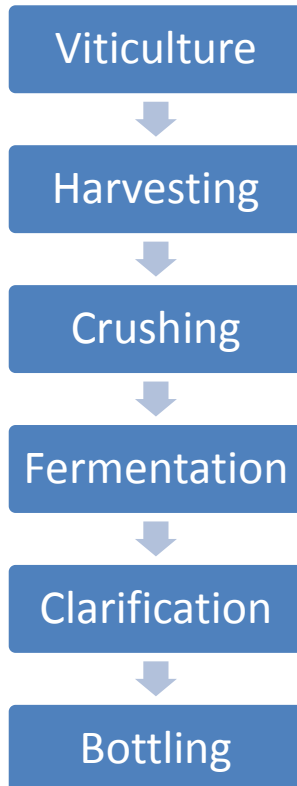
- Here, the raw material grapes and apple gets from the farmers. as we know that in Phillipines production of grapes are more. So we can get easily raw Grapes from the farmers. And its directly send on daily basis to godown.

➤ **MANUFACTURE :-**

- There is the own manufacturing process and all operation like cutting, processing and packaging etc are done in proper temperature and all materials will be issued from store manager as and when process will required. After, mfg the finished goods transfer in to the stores of finished goods were also temperature will be maintained.

❖ **13.2.4 MANUFACTURING PROCESS**

- For several years wine making has been practiced through the process called as vilification. This method is very simple for making alcoholic beverages.
- The process of making wine involves six steps



➤ **Viticulture:**

- We knew that flavor of the wine is dependent on the kind of grapes which are used in wine making process. The verity of grapes depends on the place they are grown so the climate of the place are depend that the quality of grapes.

➤ **Harvesting:**

- The second steps in wine making process are the harvesting of the sanely cultivated grapes. When grapes are ripped it is very significant that the effectiveness of splitting.

The timing of the ripping should be that the grapes have the appropriate mixture of sugar, acid and moisture. The harvesting can be done by both the way either manually or mechanically, however most of the grapes wineries ripping it manually.

➤ **Crushing:**

- In these steps the harvested grapes is to crush and press so as to have their inherent flavor in the form of liquid. For that crushing fruits winery use the specialized machines. After the devastating and demanding the wines is mentioned to as necessity, at this stage the wine will turned into either red colour or white colour. When it leaves must for certain period, the wine develops red wine and in cases you directly affection the wine after processing the skin then the wine become white wine.

➤ **Fermentation:**

- When the grapes are existence creased and strapped the fermentation takes place since the grapes have decent quantity of sugar and moisture. They simply get inflamed with the response of desolate yeast. In this step taken 10 to 30 days however this be contingent on the superiority of grapes and climate.

➤ **Clarification:**

- The wine is being decanted from a take or barrel leaving precipitates and solids in the bottom of the fermentation tank. The wine makers are adding eggs whites, clay, or other compounds to wins.

➤ **Aging and bottling:**

- The final stage of the wine making process the aging is holding in barrels. The wine makers are verifying the bottling.

❖ 13.2.5 CATAGORIES OF CUSTOMERS



➤ **TARGET CUSTOMER**

- At the primary stage we'll focusing more on customer like homes, Restaurants, beer bar, wine store, luxurious hotels, Air lines, party organizer, Welcome drinks at marriage and other occasion.

➤ **PROMOTIONAL ACTIVATES:-**

- Here, as the company having daily delivery of finished products, it brings return products from customers which are not out dated and then use it as the test marketing to the customers. Company also gives the lunch party of drinks.
 - Providing a free sample to the target sample in luxurious hotels.
 - Collaboration with bar to promote the product.
 - Uses of regional cable connection for TV add.

❖ 13.2.6 MARKETING PLAN

- **Marketing Strategy:-**Here the company used major two marketing strategy which is as follow

1. Sales Promotion: - here, company use sales promotion of those products like to give extra bottles with whole carets of 5 bottles.

2. Test marketing: - it is used for attracting new customers and company do it in that place where company is going to expand its business and market like south Philippines And these products are given to the customers as (BUY 2 GET 1 FREE)

➤ **Fixed cost:**

- Salary of employees,
- Bonus,
- Maintenance of staff and office.

❖ **13.2.7 HUMAN RESOURCE: (stat:b)**

- The human resource agency will be contacted for hiring employees.
- For employees that need to be hired on temporary basis a contract company supplying human resource will be contacted.

	Designation	No. of person	Education Qualification	Salary Peso
1.	General Manager	1	MBA	10500 (per hour 35 Peso=35*10*30)
2.	Cashier come accountant	1	Commerce graduate with main accounting	6000(per hour 35 Peso=20*10*30)
3.	Skilled labour	10	12 th pass	36000(per hour 35 Peso=12*10*30)
4.	Unskilled labour	20	Basic knowledge	60000 (20*3000)
5.	Security Guard	2	12 th pass	5000 (2500*2)
	TOTAL			1021200(85100*12)

❖ **13.2.8 FINANCIAL PLAN**

- Starting business with the paid fee of license of Winery 20,000 peso and capital of 9,00,000

➤ **Fixed Expenses: (stat:a)**

Particulars	Total Amount (peso)
Wine production system	40,00,000
Factory tools & fixtures	6,00,000
Office assets	3,50,000
TOTAL	49,50,000

➤ **Cost sheet**

Particulars	Est. Amount (In peso.)
Production costs:	
Direct materials	18,00,000
Direct labour (stat:b) (96000*12)	11,52,000
Indirect production costs electricity, fuel	200000
Other expenses:	
Sales expenses	300000
Advertising	200000
Miscellaneous expense	100000
General expenses:	
Office salaries	130800
Suppliers (farmers)	710000

General expenses Rent, maintenance.	305000
Totals	4897800
Allocated Fixed Costs	
Sales and Income data:	
Selling price per unit	120
Expected unit sales	50000
Target operating income for the period	11,02,200
Total sales (120*50000)	60,00,000

➤ **Projected Profit and Loss Statement:**

Particulars	1st year	2nd year
Sales (including closing stock)	6000000	7000000
Closing Stock		
(-)Purchases (includes Purchase expenses)	15,00,000	2000000
Gross Profit	45,00,000	50,00,000
(-)Operating expenses:		
Business License Fee	20,000	-
Liquor License Fee	10000	-
Salary (stat:b)	1021200	1021200
Advertisement expenses (it includes website expense)	30000	50000
Depreciation	10000	10000

Rent and Rates	50000	60000
Grand Opening	10000	-
Insurance of Building	20000	20000
Telephone	8000	7200
Other Expenses (Electricity expenses, discount coupon, etc.)	7000	13000
Total operating expense	1186200	1136400
Net Profit / Loss	33,13,800	38,63,600

➤ **BALANCE SHEET**

Liabilities	Amount Peso	Assets	Amount Peso
		Current assets	
Capital	9,00,000	Furniture	50000
		Machinery (stat:A)	4950000
		Current assets	
creditors	86200	Cash on hand	200000
Loan from Bank	9,00,000		
Profit and Loss A/C	3313800		
Total liabilities	52,00,000	Total assets	52,00,000

❖ **13.2.9 Conclusion**

We come to conclude that for opening the wine manufacturing firm in Philippine is quite easy as compare to other because of favorable environment and government policy for the production process like material, labour, capital are easily available. In fact as our company located nearby sea so we can easily available at cheaper rate so we can sell our product in just 98 peso.

14.

ELECTRONIC

SECTOR

14.1 OVERVIEW OF INDUSTRY

14.1.1 Scope of Solar Energy

Are the applications of solar power limited? What is the scope of solar energy?

- History suggests that the technological discoveries have led to a creation of vast and progressing industries within themselves. For example 100 years ago when Wright brothers made the first airplane it opened a totally new possibility of flying which made the investors to notice and encourage the market and then forty years later the air flying became a fully fledged industries and it became a serious business. In the same way when the first computer was invented during the second world war, the idea of a machine that could calculate at a lightning speed was came true, this encouraged the further development around the world and this led to the creation of a computer industry. The point is that any major breakthrough in the technology and commercial industry as well, starts with a birth of small idea. The idea may not be as realistic to become a reality but given some time to it can turn into something much bigger than ever imagined. And this I believe is the scope of solar energy.
- The solar energy is the most vast and abundantly available form of energy. Therefore it is possible to imagine our cars powered by sunlight and our refrigerators running on solar energy. Seeing the current efforts to improve solar energy go in vain, it might seem that the future of cars running on sunlight may be too far away from reality. However the technological advancement and man's urge to become fossil fuel independent will continue man to find the solution of how to make energy coming from solar energy more effective. Plus the scope of solar energy has no limits.
- For years man has realized importance of renewable energy sources such as bio fuels, organic fuels, wind energy and geothermal energy. As the result sunlight for his survival and its potential as an energy source. Also the man has been harnessing this energy for various domestic purposes depending on the era in time. In fact it is the solar energy that has given the rise to various other you may not tap solar energy in its raw form, the very fact that the sun and the solar energy can affect different energy sources and the natural

environment. There are different ways from which we can generate energy which has indirectly come from the sun. The biomass processing plant, the geo thermal power plants are the some examples.

- Since the techniques used to draw solar energy in the different forms is possible we are able to use the solar energy in various numbers of industries including the industrial, agricultural and power industries. The direct forms of applications include the desalination of sea water in order to generate pure drinkable water, the heating of water for cooking purposes; solar cooker is one such application, solar energy tapped with solar energy photovoltaic cells can be used to power fridge and air conditioners. The industrial applications include production of steam, construction of green house and water pumping. The power applications include installing hydro-thermal plants; it also contributes in ocean thermal energy conversion.
- The scope of solar energy is quite wide and seeing so many applications of solar energy in the various above mentioned solar applications, become a minor part of our life. In order to have solar energy contribute more in our life. Larger and bigger projects have to be taken to increase the solar energy output. Also it is very likely that more emphasis will be given to alternative sources of energy in order to tackle current global problems. Solar energy has it is very unlikely that the solar energy will be forgotten as a dream that never became a reality

14.1.2 SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<p>Government support</p> <p>Project is approvable according to the financial ratios of Andasol 1 and 2</p> <p>Good reputation cause of the Energy globe award in 2008</p>	<p>Relatively high consumption of water, especially under southern weather conditions</p> <p>High consumption of agrarian fields comparing to other energy production methods</p>

OPPORTUNITIES	THREATS
<p>References (Andasol 1+2)</p> <p>High potential of solar energy in the future</p>	<p>- Substitution by a newer technology (problem of storage capacity)</p>

14.1.3 PORTER'S FIVE FORCE

❖ 14.1.3.1 Rivalry

- Solar energy seems to have a little rivalry because it's a current strongly growing industry
- Excellent current profits will let industry leaders to expand in future

❖ 14.1.3.2 Threat of substitutes

- The initial investment in this alternative power sources is expensive, but when buyers start to acknowledge the shortage in the current source of power, many buyers will start to consider these substitutes
- The current CO₂ emissions created by using fossil fuels is a high cost to the earth

❖ 14.1.3.3 Buyer and supplier power

- A high variety of energy sources leaves consumers with the ability to choose
- There is no high competition in the solar energy market
- Increase in production materials during the crisis
- Moving from a seller's market to a buyer's market

❖ 14.1.3.4 Barriers to entry

- ✓ A shortage of information about solar technologies and little consumer awareness
- ✓ Limited education for and insufficient numbers of trained and experienced personnel

14.1.4 PESTEL ANALYSIS

❖ 14.1.4.1 Political

- Incentives of the government for investments in solar energy (around 5%)
- Tax benefits from Spanish government, like a buyback price
- EU legislation in general

❖ 14.1.4.2 Economic

- Interest rates
- Inflation
- Unemployment (relatively high in Spain)
- Price of construction materials

❖ 14.1.4.3 Social

- Image of solar energy is strongly positive
- Can create a lot of high-valued jobs

❖ 14.1.4.4 Technological

- Strongly growing technology with a high potential in general
- Government support for Research and Development

❖ 14.1.4.5 Environmental

- The weather, climate and climate change affecting the solar energy
- Impact on landscape

14.2 BUSINESS PLAN FOR COOLER PLANET SOLAR ENERGY(PVT.) LIMITED

❖ 14.2.1 Description of the Firm

- **Cooler Planet** Solar energy is one of the leading and largest integrated alternative energy supply companies in Philippines. Our goal and vision is to bring affordable energy solutions to the consumers.
- At a time when the world is clamoring for affordable 'Green' energy, and made significant stride in it's development by harnessing energy from Solar, Wind, Tidal etc., cooler planet will contribute by helping to bring these innovations to the public at large.
- COOLER PLANET SOLAR ENERGY developed a highly integrated structure that will help to fill up the tremendous shortage of energy in Philippines. In this regard, we will, with our high level of technical skills, provide solutions that can be as small and simple as a small solar table lamp to the mega projects of providing megawatts of energy.
- COOLER PLANET SOLAR ENERGY (PVT.) LTD is a private limited company. The main motive of the company is to make a load shedding free country. And our brand message is solar energy- brings sun in your life. We are different from other because we provide you full credit facility with zero deposit and we have different packages as your need. We don't say you to cut your greed line, use solar panel beside your greed line. And save the valuable resources of our country as much as you can, at the same time save your own money also.
- **Aspiration:**
To be the most admired and trusted organisation through excelling in everything we do, following ethical business practices and adding value to stakeholders.
- **Vision:**
To become the most reputed brand name in the solar energy industry of the country committed to adding value to all stakeholders and community.

❖ **14.2.2 Regulations which affect our Business:**

➤ As mentioned previously each category of business will have differing regulation. The regulations which will affect our venture in our district are:

- Business registration
- Licensing requirements
- Sales tax
- Income tax
- Labor legislation
- Checklist of legal requirements
- Goods public relation

The protection of customers is also ensured mainly by legislation from the central and ministries of consumer and commerce affairs. The laws cover employees and consumers headline of credit.

➤ **SOLAR GARDEN LIGHT:**

- During the day, this light re-charges its internal battery, so that after nightfall that energy can be put to use to light up your garden, porch, or pathway. Light sensing technology will automatically turn these lights on when it gets dark and then off when it gets light out again. Under strong sunlight, it needs to charge for 6-8 hours so that it can operate for another 6-8 hours at night time. It has amorphous panel on top of the light with 2 pcs. Ni-Cad high capacity rechargeable battery storage.

▶ **SOLAR FAN_DQ-928**

- This is solar powered fan. Including 1 piece of 5 watt poly-crystalline solar panel, 1 piece of lantern, and alarm clock attached with built-in 6V/4.5Ah rechargeable battery and LED light source. The solar panel transforms sun light into DC electricity, and recharges the battery. The battery can also be charged using the normal AC power. This makes it a very convenient product both at home or for a small retailer.
- We will add some other product after five year in our list. They are solar mobile charger, solar hijack light, solar security system, solar ac, solar mosquito killer, solar torch, solar fm radio, etc.

▶ **SOLAR FAN_DQ-1298A**

- This is solar powered fan. This makes it a very convenient product both at home or for a small retailer. This system can be charged both by solar and AC power. Operating hours is 4 if it is fully charged.

❖ **14.2.3 Marketing Strategy for our product:**

➤ **Market Analysis:** We want to achieve 40% market share.

➤ **MARKETING STRATEGY**

- The business will provide quality and superior service at a fair price to the customers on time. Promotional measures therefore will be quality recreational activities availability at the right place and time. The most important marketing strategies will be:

a) Product strategy:

- In response to the customers' needs the business shall strive to lead with innovations both in product design and services which are unequalled in this specific market and industry.

b) Pricing strategy :

- The business will have a mark-up policy of 20%-30% which will be affordable by the target market. The market place dictates our pricing and the approval of loans for customers is a proof that our pricing structure is acceptable in the market. It means a fair price lead by demand and supply.

c) Promotion strategy:

- The business will be engaged in direct marketing. The products will be market by means of word of mouth and house visits. The owner plans to mount a demonstration model on his four wheel drive vehicle for promotion purposes.

d) Distribution strategy:

- Products (panels) will be distributed by technicians to the site.

➤ **Segmentation & Target Customer:**

- Major segments are basically are those people who is totally detached from electricity and those areas where the demands is higher then the others areas. The strategy of segmentation allows us to avoid head on competition in the market place by differentiating. Market segmentation is the first step in a marketing strategy. After segmenting the market into homogenous cluster, we must select one or more segment to target. To accomplish this, we must decide on a specific marketing mix. Our target markets are as follow:

1) **Geographic Segmentation:** We have selected rural area. All of we know that this type of people are huge number. If we able to reach this target group, then we will be able to make more profit.

2) **Demographic Segmentation:** We have selected 25-50 years of age people. This group is those person who earn at a sufficient level

3) **Psychographic Segmentation:** We have selected economy minded people. Philippines is developing country and maximum numbers of people are middle class. So market size is big.

➤ **Location:**

- Location analysis is an important decision for any business. We have to consider cost for analyzing location. For finding location, we have considered a suitable location where customers are available for our business. The following things are given preference. We setup our industry at Chandina (near Meghna River), Comilla.

SIZE OF AVAILABLE LOCATION FOR INVESTMENTS

The size of available location for investments is shown in Table 4.

Agency	Available location
BOI	No preferred location
	Operating economic zones 2 Medical tourism / prks

PEZA (as of 13 december 2010)	12 Tourism zones 13 Agro-industrial zones 64 Manufacturing zones 148 IT parks/center
SBFZ	1,663.22 Hectares

➤ **Cost Effectiveness:**

- The cost of land and production should be low. We enjoy low cost labor facility here. The cost of land in chandina is comparatively low.

➤ **Transportation:**

- The communication system is another issue. Product can easily transported from the industry to customer place.

➤ **Pricing:**

- For the new company at the introductory stage is especially challenging. We introduce a new company no one dose not aware our company, so face the challenges of setting price for the time.
- For our company's product we set the market penetration price mean we set a low initial price in order to penetrate the market quickly and deeply to attract a large number of buyers and win a number of share in market. We set low initial price for three reasons.
- Price is very sensitive issue to our customer. Slightly changed price can create a large impact on our business. For setting price we have considered the following issue
- We have conducted a survey and have found the price which is the most desirable to our customer .Then we have selected that price.
- We have collected the information of our competitor's price and our price is lower than the competitor's.
- Our selected price covers our cost.

- Price of our Product:

1. Solar Home System..... (14,000- 50,000) tk.
2. Garden Light.....15,000 tk.
3. Fan_DQ-928.....3,000tk.
4. Fan_DQ-1298..... Products (panels) will be distributed by technicians to the site.

➤ **Cooler Planet Solar Modules:**

▶ **Capacity range and Quality**

- Exhaustive range – 1 watt to 80 watts
- Manufactured to international specifications

▶ **Features:**

- High performance
- Maximum reliability and minimum maintenance
- Resistant to water, abrasion and hail impact
- Light weight anodized aluminum frame with silicon edge sealant around the laminate

▶ **Components:**

- Series connected Monocrystalline Silicon Solar Cells
- Toughened High Transmission Glass
- Ethyl Vinyl Acetate (EVA) Encapsulant
- Anodized Aluminum Frame
- Silicone Frame Seal
- Polyester/Tedlar trilaminate back surface

▶ **Junction Box:**

- Hinged weather-proof lid
- Captive screws
- Three cable gland entry points
- One cable gland (Standard)

▶ **Applications:**

- Solar lanterns, Domestic lighting, Street lighting
- Domestic power, Water pumping, Medical refrigeration
- Rural electrification, Telecommunications, Telemetry
- Navigational aids, Offshore platforms, Railway Signaling
- Cathodic protection, Obstruction lighting
- Grid connect power plants

▶ **Terms and Condition**

1. **Price:**

- The above prices are net. This price includes VAT.
- Transportation charges during the installation would be born by the customer.

2. **Delivery from:**

- From our Regional office.

3. **Validity:**

- The price offered is valid for 60 Days.

4. **Mode of Payment:**

- 50 % payment along with the work order and 50% after installation of the systems.
- This will vary for the customer who will buy on credit.

5. **Installation:**

- Installation done by the technician of Cooler planet Solar Energy (pvt.) ltd.

6. **Warranty, servicing & packaging:**

- The system is guaranteed for one year against any manufacturing defects except tube light. The warranties of the components are given below:

Name of the components	Warranty	Expected Life
Solar Module	20 years	25-30 Years
Battery	5 years	8-10 Years
Charge Controller	2 years	4-5 years
DC Fluorescent Lamp circuit	2 years	4-5 years
Panel Structure	2 years	8 years

- If there is any operating problem during warranty period, our technician goes to the place for solving problem. If the product is unstable we will replace it with new ones. Generally we packaging the product according to the customer needs.

➤ **Place Strategy:**

- Although our main goal is to electrified the rural area of Philippines. And our target customer is scattered all over the Philippines. So we are starting a wide range of business, setup a divisional branch in every division, to control and supply that division requirement, with direct supervision of our managing director.

➤ **Promotional Strategy**

- This is the most important part of marketing a product. The customer knows a product by Promotion. So if Promotions have a lacking the product will not get the market. There is various ways of doing Promotion. As my product is new and novelty, I will go for certain communication, and those are as follows:
 - Publicity/ Public Relation
 - Print media (news paper)
 - Radio
 - Billboard & poster

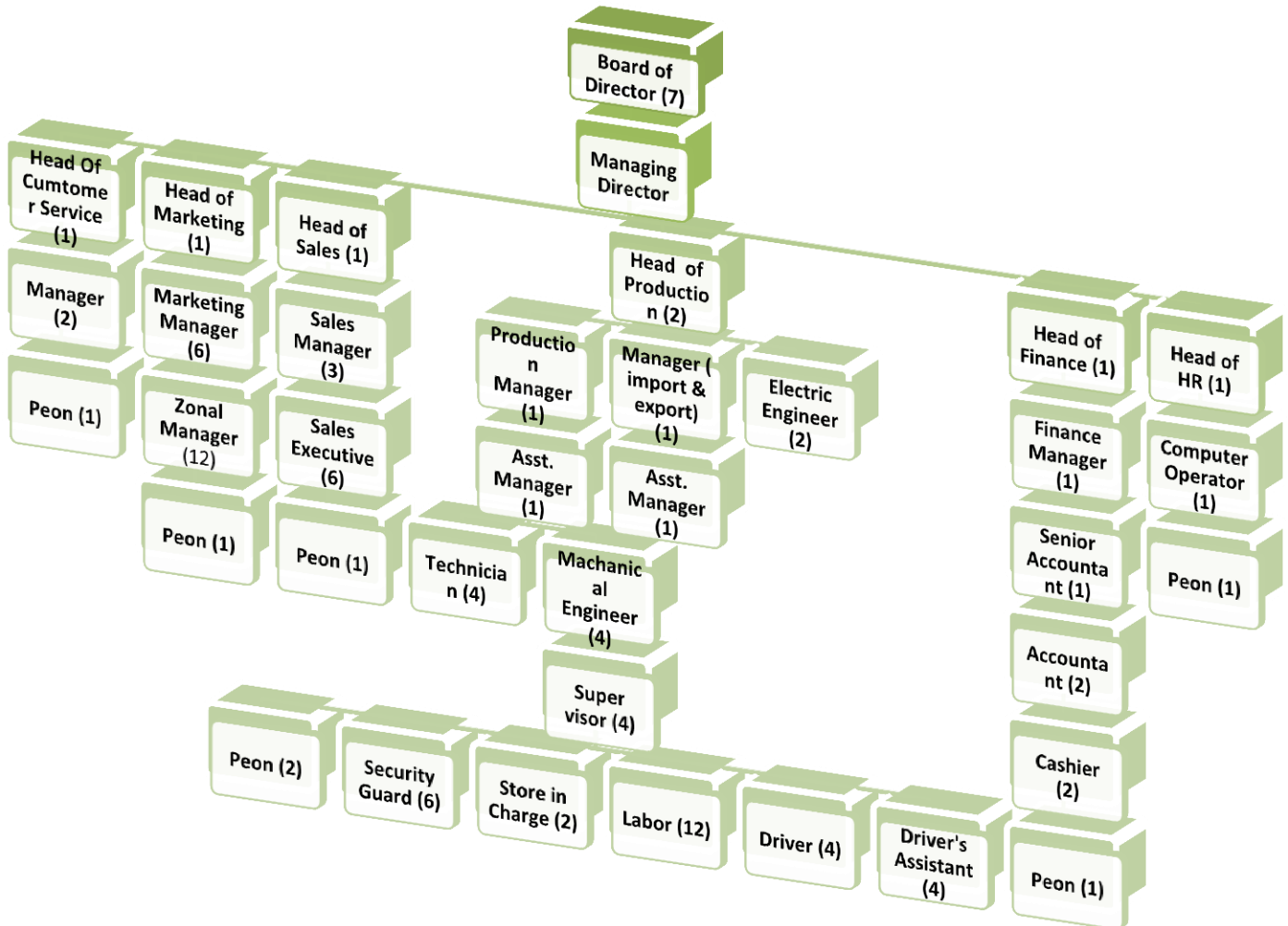
- Event management
 - Spoke person
- Our target is to promote our product by achieving each step. First of all we are trying to get the awareness in the customer mind. Then we provide the usefulness and the advantage of this product. We associated this product with the people through different event and sponsorship.

➤ **Sales Promotion Activities**

- Sales promotion objectives vary widely. Sellers may use consumer promotions to increase short-term sales or to help build long-term market share. Sales promotions will be used together with advertising or personal selling. Consumer promotions must usually be advertised and can add excitement and pulling power to ads. Sales force promotions support the company's personal selling process. In the below mention the ingredients of sales promotion for the coming year.
- **Samples:** A small amount of a product will be offered to consumers for trial when launching the product rather than using advertising specialty tools.
- **Price pack:** Reduce the price that will be marked by the producer directly on the label or package.
- **Different Price in Different Seasons:** Cooler weather will change its product prices according to the season. Summer is supposed to be a good season for our product in Bangladesh. So in winter we will reduce its prices to maintain our sales and profit.
- **Functional discount and Allowance:** We will give allowance only to those field workers who participate in advertising and other sales support programs.

❖ 14.2.4 ORGANIZATIONAL STRUCTURE

➤ ORGANOGRAM: Total No. of Employee = 88 persons.



❖ 14.2.5 SALARY STRUCTURE

➤ Customer Service Department

No.	Position Name	Monthly salary	No. of Employee	Total
1.	Manager	10,000/-	2	20,000/-
2.	Peon	3,000/-	1	3,000/-
Total			3	23,000/-

➤ Marketing Department

No.	Position Name	Monthly salary	No. of Employee	Total
1.	Marketing Manager	10,000/-	6	60,000/-
2.	Zonal Manager	6,000/-	12	72,000/-
3.	Peon	3,000/-	1	3,000/-
Total			19	1,35,000/-

➤ Sales Department

No.	Position Name	Monthly salary	No. of Employee	Total
1.	Sales Manager	10,000/-	3	30,000/-
2.	Sales Executive	5,000/-	6	30,000/-
3.	Peon	3,000/-	1	3,000/-
Total			10	63,000/-

➤ Finance Department

No.	Position Name	Monthly salary	No. of Employee	Total
1.	Finance Manager	10,000/-	1	10,000/-
2.	Senior Accountant	6,000/-	1	6,000/-

3.	Accountant	5,000/-	2	10,000/-
4.	Cashier	4,000/-	2	8,000/-
5.	Peon	3,000/-	1	3,000/-
Total			7	37,000/-

➤ **HR Department**

No.	Position Name	Monthly salary	No. of Employee	Total
1.	Computer Operator	4,000/-	1	4,000/-
2.	Peon	3,000/-	1	3,000/-
Total			2	7,000/-

➤ **Production Department**

No.	Position Name	Monthly salary	No. of Employee	Total
1.	Electric Engineer	15,000/-	2	30,000/-
2.	Production Manager	10,000/-	2	20,000/-
3.	Asst. Manager	7,000/-	2	14,000/-
4.	Technician	5,000/-	4	20,000/-
5.	Mechanical Engineer(diploma)	5,000/-	4	20,000/-
6.	Supervisor	4,500/-	4	18,000/-
7.	Security Guard	3,000/-	6	18,000/-
8.	Store in charge	3,000/-	2	6,000/-
9.	Driver	3,000/-	4	12,000/-
10.	Driver's Assistant	2,000/-	4	8,000/-
11.	Labor	3,000/-	12	36,000/-
12.	Peon	3,000/-	1	3,000/-
Total			45	2,05,000/-

❖ 14.2.6 FINANCIAL PLAN

➤ Yearly Cost for Salary, Bonus & pension Fund

Particulars	Name of the Dept.						
	Productio n	Financ e	Sales	HR	Marketin g	Custome r Service	Total
Salary (monthly Salary*12)	24,60,000	4,44,00 0	7,56,000	84,000	16,20,000	2,76,000	56,40,00 0
Bonus (monthly salary*2*50%)	2,05,000	37,000	63,000	7,000	1,35,000	23,000	4,70,000
Pension Fund (monthly salary*12*50 %)	12,30,000	2,22,00 0	3,78,000	42,000	8,10,000	1,38,000	28,20,00 0
Total Cost	38,95,000	7,03,00 0	11,97,00 0	1,33,00 0	25,65,000	4,37,000	89,30,00 0

➤ Stage in Product Life Cycle:

- The Market of Solar energy system is not well established in Philippines, But we have chance to create a huge market. The demand of electricity will increase day by day, and other available resources are decreasing at a good rate. So we have a great opportunity to increase our market, in future. And we expected that we will run at least 70 years. Although we are in introduction stage in life cycle, we hope we will continue for growth stage, within the end of this year.

➤ **COOLER PLANET SOLAR ENERGY (PVT.) LIMITED**

Income Statement

For the Year ended, xxxx

Particulars	Amount(tk.)	Amount (tk.)
Net Sales		12,01,43,000
(-) Cost of good sold		1,60,00,000
Gross Margin		10,41,43,000
Less: Expenses		
Selling expenses	25,00,000	
Administrative Expenses	1,10,00,000	
Total Expenses		1,35,00,000
Earnings before income Taxes		9,06,43,000
(-)Tax (15%)		1,35,96,450
Net Income		7,70,46,550
Dividends(70% of net income)		5,39,32,585
Retained Earnings (30% of net income)		2,31,13,965

➤ **COOLER PLANET SOLAR ENERGY (PVT.) LIMITED**

Balance Sheet

For the Year ended xxxx

<u>Particulars</u>	<u>Amount</u>	<u>Amount</u>
LIABILITIES & SHARE HOLDERS'S EQUITY		
<u>Current Liabilities</u>		
Accounts Payable		57,67,119
Taxes Payable		1,35,96,450
Total Current Liabilities		1,93,63,569
<u>Long Term Liabilities</u>		
Bank Loan	0	0
<u>Share Holder's Equity</u>		
Common Stock		14,71,00,000
Retained Earning		2,31,13,965
Total Liabilities & Share holder's Equity		18,95,77,534
ASSETS		
<u>Current Assets</u>		
Cash		14,73,72,000
Account Receivable		70,000
Inventory		30,000
Total Current Assets		14,74,72,000
<u>Fixed Assets</u>		
Land		70,00,000
Buildings	77,17,325	
Less: Accumulated Depreciation (5%)	3,85,866	
Building(net)		73,31,459
Pick up Van		1,00,00,000
Equipment	1,02,88,500	
Less: Accumulated Depreciation (5%)	5,14,425	
Equipment (net)		97,74,075
Furniture	85,00,000	
Less: Accumulated Depreciation (5%)	5,00,000	
Furniture (net)		80,00,000
Total Fixed Assets		4,21,05,534
Total Assets		18,95,77,534

➤ **COOLER PLANET SOLAR ENERGY (PVT.) LIMITED**

Cash Flow Statement

For the Year xxxx

Particulars	Cash Transaction Amount (in'000)											
	Jan.	Feb	Mar	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.
Cash Inflows												
Cash Sales	97,06	80,40	89,66	79,87	1,05,55	1,37,98	1,68,35	1,36,60	1,18,37	79,95	76,07	72,53
Earnings from Interest	12	10	13	12	12	11	10	11	12	13	11	14
Total Cash In	97,18	80,50	89,79	79,99	1,05,67	1,38,09	1,68,45	1,36,71	1,18,49	80,08	76,18	72,67
Cash Disbursement												
Rent	1,70	1,70	1,70	1,70	1,70	1,70	1,70	1,70	1,70	1,70	1,70	1,70
Salaries & wages	5,00	5,00	5,00	5,00	5,00	5,00	5,00	5,00	5,00	5,00	5,00	5,00
Legal & Audit Fees	10,00	0	0	0	0	0	0	0	0	0	0	0
Utilities (heat, light, water)	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00
Insurance	10,00	0	0	0	0	0	0	0	0	0	0	0
Cash Dividend	0	0	0	0	0	0	0	0	0	0	0	5,39,33
Income Tax	0	0	0	0	0	0	0	0	0	0	0	1,39,97
Other cash Expenses	1,26	1,73	1,43	1,42	1,52	1,32	1,42	1,23	1,76	1,65	1,23	1,84
Total Cash out	28,96	9,43	9,13	9,12	9,22	9,02	9,12	8,93	9,46	9,35	8,93	6,88,84
Reconciliation of Cash Flow												

Opening Cash	1,0	1,1	1,1	1,25,	1,33,	1,42,	1,55,	1,71,	1,84,	1,95,	2,02,	2,08,98,9
Balance	3,9	0,8	7,9	98,3	07,0	71,5	62,2	55,5	33,3	23,6	30,9	
	8,8	1,0	1,7									
Add: Cash In	97,	80,	89,	79,99	1,05,	1,38,	1,68,	1,36,	1,18,	80,08	76,18	72,67
	18	50	79		67	09	45	71	49			
Deduct: Cash Out	28,	9,4	9,1	9,12	9,22	9,02	9,12	8,93	9,46	9,35	8,93	6,88,84
	96	3	3									
Closing Cash	1,1	1,1	1,2	1,33,	1,42,	1,55,	1,71,	1,84,	1,95,	2,02,	2,08,	14,73,72
Balances	0,8	7,9	5,9	07,0	71,5	62,2	55,5	33,3	23,6	30,9	98,9	
	1,0	1,7	8,3									

❖ **14.2.7 Conclusions**

For our future, it is now essential to diversify our energy sources. If we do not react now and stop or decrease our dependency on fossil fuels the future is in danger. When oil and coal resources will be exhausted, there will probably have tensions between the countries, maybe war or economic crisis will increase. We have lost too much time, we have to react, the solar project of the professor Nazare already exist for 40 years, but neither private company nor European Union accept to give money to develop this project. But now we think that the things will change because a lot of companies understood that the renewable energies market can be prosperous. Greed has always been the best engine for human race, but if it works...Solar power plants are currently the mere process which can be used in all the poor developing countries. So we think that if researchers continue to work hard to improve all the processes, in several years, solar energy will be the first renewable energy source.

CONCLUSION

To establish any business any the owner must needs different departments and Number of Employees, through this report we are come to know that how to trade with other countries businesses from different Political factors, Economical factors, Social factors, Technological factors, Ecological factors & Legal factors.

Through Different business plans in different industry i.e. Automobile sector, Textile sector, Food & Beverages sector, Dairy sector, Footwear sector, Shipping sector, Wine sector, and Electronic sector these all different areas of industries with different business plans helps to open new business in Philippines.

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