

# Health Sector



## PROJECT PROFILE ON MAKING SANITARY TOWELS

### Introduction

This business idea is for production and marketing of sanitary towels. A sanitary towel is an absorbent item worn by a woman while she is menstruating, recovering from vaginal surgery or any other situation where it is necessary to absorb a flow of blood from a woman's vagina. The towels are made of cotton, which is extensively grown in Uganda. The product is a necessity. The total investment cost is estimated at US\$ 47,749 per year, with a production capacity of 200 packets per day and revenue estimated at US\$53,040 per year.

The project is expected to yield a net profit of 48% and payback period of 7months.

### Production process:

Cotton yarn is knitted into loose fabric tube. The loose fabric tube is cut into required pieces of absorbent cotton with the ends of the towels tied by thread. The towels are packed in printed polythene bags.

### Capital Investment Requirements in US \$

Item	Units	Qty	@	Amount
Hand driven knitting machine	No.	1	3,462	3,462
Yarn twister	No.	2	173	346
TC of machinery				3,808

### Production and Operating Costs in US \$

Cost Item	Units	@/ day	Qty/ day	Pdn cost/ day	Pdn cost / month	Pdn cost/ year
Cotton threads	Cartons	1.5	2	3	78	936
cardboards boxes	No.	7	3	21	546	6,552
Cotton staple yarn	Yard	4	2	8	208	2496
Absorbent cotton	kg	6.5	5	32.5	845	10,140
Sub -total					1677	20124
Craft papers	Grams	14	8	112	2912	34944

### General costs(overhead)

Utilities(water and power)	50	600
Labour	83	1000
Rent	125	1,500
Production and operating costs	41.66667	500
Distribution costs	260	3,120
Depreciation(Asset write off)Expenses)	79	952
Sub -total	639	7672
Total Operating Costs	2,316	27,796

- 1, Production costs assumed 312 days per year with a daily capacity of 200, packets of sanitary towels
- 2, Depreciation (fixed assets write off) assumes 4 years life of assets written off at 25% per year for all assets
- 3, Direct costs include materials, supplies and other costs that directly go into production of the product.

### Project Product Cost and Price

Item	Qty/ day	Qty/ yr	@	Pdn cost/ yr	UPx	TR
Sanitary Towels	200	62,400	0.45	27,796	0.9	53040

### Profitability Analysis (\$)

Profitability Item	Per day	Per month	Per Year
Revenue	170	4,420	53,040
Less production and operating Costs	89	2316	27796
Profits	81	2104	25244

### Market Analysis

Sanitary towels are on high demand in urban areas and are supplied in supermarkets, retail shops, hospitals, dispensaries, educational institutions and clinics. Demand has stretched to rural areas due to raising standards of living.

### Government Facilities and Incentives Available

There are a number of government programs to facilitate industrialists; one such institution is Private Sector Foundation Uganda that has boosted the capacity and development of business plans.

### Sources of raw materials

Raw materials are locally available and equipments can be imported from China and India