

Infrastructure Sector



MAKING CEMENT BASED PRODUCTS

Introduction

The business idea is for the production of and marketing of cement based products. Cement Products are more on the move nowadays with the increase in housing activity. These may include but are not limited to: Cement Blocks, pavers, Bricks, Slabs, Culverts, Manhole covers, Sculptures or Statues to mention but a few. To have such an Investment one needs to have at least a small piece of land of about ½ Acre that can be either rented or owned. The idea is premised on production of 26,000 blocks per month and 312,000 per year. The revenue potential is estimated US 218,400\$per year with total investment of US \$13215.5.

Process Description and Production Capacity

Cement, sand, stone chips, stone dust and rods are mixed in suitable proportions along with water. This concrete mix is placed on metal or wooden moulds. For reinforcement, wire mesh or rods are placed between successive layers of Concrete mix and compacted by vibration. The cast items are kept for a day to set. They are then cured in water tank for 15 days for complete setting.

Capital Investment Requirements

Capital investment item	Units	Qty	@	Amount
Cement Block making Machine	No.	1	6,400	6400
Cement mixing machine	No.	1	5700	5700
Coffee tray	No.	1	6.7	6.7
Vibrator	No.	1	800	800
Moulds	No.	50	2	100
Wheel barrows	No.	6	34.8	208.8
Total cost on machinery				13215.5

Production and Operating Costs in US\$

This business idea is premised on production of 1,000 blocks. A producer needs 500kg of cement, 1,500kg of stone dust and 4,000kg of sand that totals to 6,000kg per day.

Cost Item	Units	@	Qty/ day	Pdn cost/ day	Pdn cost/ month	Pdn cost/ year
Cement	kg	0.04	500	20	520	6,240
Stone dust	Tones	75	1.5	112.5	2925	35,100
Sand	Tones	50	4	200	5200	62,400
Sub-total				332.5	8,645	103,740

General costs(overheads)

Utilities(water and power)	275	3,300
Labour	1,300	15,600
Rent	200	2,400
Miscellaneous costs	50	600
Administration expenses	275	3,300
Repairs and maintenance	100	1,200
Depreciation (Asset write off)Expenses	3304	39,647
Sub -total	5,504	66,047
Total Operating Costs	14,149	169,787

Ratio=1:3:8, that is cement, stone dust and sand respectively (kg) and each dried block weighs 6kg

Project Product Costs and Price in US\$

Item	Qty/ day	Qty/yr	@	Pdn cost /yr	UPx	TR
Cement blocks	1,000	312,000	0.5	169,787	0.7	218,400
Total		312,000				218,400

Profitability Analysis in US\$

Profitability Item	Per day	Per month	Per Year
Revenue	700	18,200	218,400
Less production and operating Costs	544	14,149	169,787
Profit	156	4,051	48,614

Market Analysis

Cement based products are used in construction of houses, schools and other public buildings and compounds.

Sources of Raw Materials and Equipments

Raw materials can be locally supplied and equipments can be fabricated locally by John Lugando &Co.ltd and Kisenyi- Kampala.

Government facilities and incentives available

In a bid to boost the construction sector, the government of Uganda has reduced taxes on all Construction materials.