

Works & Transport Sector



SERVICING MOTOR VEHICLES

Introduction

Motor vehicle service is a series of maintenance procedures carried out at a set time interval or after the vehicle has travelled a certain mileage. The service capacity is 8 cars per day; total capital investment is estimated at US\$4,760 per year and estimated revenue is US\$ 102,960 per year.

Servicing Process

Clean-out is accomplished by applying suction near the top of the oil layer in the first compartment until it is completely removed, then proceeding directly to the sludge layer and removing the same. The intermediate water layer is left to act as a seal. The other chamber(s) should also be checked to ensure no significant quantity of oil or sludge is present.

Capital Investment Requirements

Capital investment item	Units	Qty	@ \$	Amount \$
Compressor	No.	1	1,250	1,250
Service tunnel	No.	1	2,000	2,000
Cc pump	No.	1	150	150
Tool box	No.	1	1,250	1,250
Grease pump	No.	1	100	100
Spray gun	No.	1	10	10
TC on equipment				4,760

Servicing and Operating Costs

Cost Item	Units	@	Qty/day	Pdn cost/day	Pdn cost/month	Pdn cost/year
Oil	Ltrs	3	8	24	624	7,488
Brake fluid	Ltrs	8	2	17	450	5,400
Oil Filter	Pieces	4	2	9	225	2,700
Coolant	ltrs	8	2	12	300	3,600
Fuel Filter	Pieces	1	20	20	520	6,240
Battery water	Ltrs	5	2	8	200	2,400
Sub-total			36	89	2,319	27,828

General costs(overheads)

Utilities (water and power)	400	4,800
Labour	900	10,800
Rent	350	4,200
Administrative cost	300	3,600
Miscellaneous costs	200	2,400
Depreciation (Asset write off) Expenses)	99	1,190
Sub -total	2,249	26,990
Total Operating Costs	4,568	54,818

1. Serving costs assumed 312 days per year with a daily capacity of 8 cars
2. Depreciation (fixed assets write off) assumes 4 years life of assets written off at 25% per year for all assets

Project product Costs and Price Structure in US \$

Item	Qty/day	Qty/ yr	@	Pdn cost /yr	UPx	TR
Big cars	2	624	44	27,409	75	46,800
small cars	6	1,872	15	27,409	30	56,160
		2,496				102,960

Profitability Analysis

Profitability Item	Per day	Per month	Per Year
Revenue	330	8,580	102,960
Less production and operating Costs	176	4,568	54,818
Profit	154	4,012	48,142

Market Analysis

Serving a vehicle is mandatory to all owners of cars. The market is in both urban and rural areas since motor vehicles work in both areas. The quality of service would influence the market.

Sources of Raw Materials

Consumables can be found in motor vehicle spare parts shops.

Government facilities and incentives

The government has favorable tax policy incentives. There is assistance through organization like Private Sector Foundation Uganda where small scale firms and medium sector enjoy partial financing on development initiatives.