Confidentiality Agreement; Non-Disclosure Form

The undersigned reader acknowledges that the information provided by in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of ________________.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to ________________.

Upon request, this document is to be immediately returned to ________________.

________________________

Signature

________________________

Name

________________________

Date
(1) Entrepreneur’s Details

<table>
<thead>
<tr>
<th>Applicant (s) Name, as per passport: (English &amp; Arabic)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Highest Education Certificate &amp; Field of Study:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current/Last Position Held:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Current Salary:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Years Work Experience:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Personal Loans:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Monthly Loan Installment:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marital Status:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Children (If Applicable):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Khalifa Fund Training Program (Yes or No):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phone Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>
(1) Entrepreneur’s Details

- Your relevant educational experience?

- Your relevant work experience?

- Have you run a business before or is this your first business?

- What makes you the right person for the proposed business?
2.1) the Project

Project Overview

Our business idea is to establish a local factory in Al-Ain to produce the V shape paper bags. The main target is to diminish the use of all type of plastic bags used by the public especially the plastic bags distributed by retailers to carry shopped materials, as well as to completely stop non-biodegradable plastic products, which causes unsolvable damages to both health and environment.

Paper bags:

A paper bag or paper sack is a preformed container made of paper, usually with an opening at one end. It can be one layer of paper or multiple layers of paper and other flexible materials. Paper bags are used for packaging and/or carrying items. Paper bags are readily recyclable. Plastic or water resistant coatings or layers make recycling more difficult.

Paper, of course comes from trees. Trees are grown or found, then marked and felled, as it shown in figure (2.1). Loges are moved from the forest to mill, where there is a three year wait for the logs to dry before they can be used. Logs are stripped of bark and chipped into one inch squares. The chips are cooked with tremendous heat and pressure. Then, they are digested with limestone and sulfurous acid until the wood becomes pulp. The pulp is washed, requiring thousands of gallons of fresh water and bleach, and then pressed into finished paper. Cutting, printing, packaging and shipping to make paper bags require additional time, labor and energy.

Figure (2.1): Paper Bags Production.
Paper must be returned to pulp by using many chemicals to bleach and disperse the fibers. Although paper bags have a higher recycling rate than plastic, each new paper grocery bag you use is made from mostly virgin pulp for better strength and elasticity. Bags that are recycled are often turned into corrugated cardboard, not new paper bags.

- **Objectives**
  - To provide top quality of paper bags.
  - To achieve customer satisfaction levels.
  - To diminish the use of all type of plastic bags used by the public.
  - To make our brand one of the best international manufacturers.
  - To make our products be the first choice for the customers and stakeholders.

- **Vision & Mission**

  Our vision is to establish a local paper bags factory, to be one of the best national manufacturers. Moreover, to maintain continuous development in the factory, while maintaining high quality of products and services in environmentally responsible practices.

  Our missions are to go beyond customer satisfaction by providing high quality products and services, while still being able to conduct our business in a manner that is environmentally sustainable. We will pursue processes that are designed to maximize efficient, minimize waste of materials and conserve resources, in order to provide our customers and stakeholders with products that are long lasting by providing an excellent performance.
• **Keys To Success**
  1. Environmentally beneficial products.
  2. Harness our growth potential and sustain profitable growth.
  3. Qualified and experienced employees.
  5. Communicate with our clients through the website.
  6. Being able to maintain success over time while adjusting to meet the changing demands and buying habits of the customer.

To open a business successfully and become profitable is one thing, but to maintain that success over a long period of time is winning.

• **Ownership**
  Sole proprietorship for the applicant.

• **Licenses & Approvals Required**
  3. Abu Dhabi City Municipality.
  4. Planning Department.
2.2) Location & Area

- **Location of the project and the reason behind that choice of location**

The proposed location will be in New Industrial Area, Al Ain - United Arab Emirates.

Site plan is attached.

Location benefits:

1. Accessibility: The importing of raw materials and exporting of finished products can be done easily.
2. Availability of water and power.
3. The efficiency of the transportation service.
4. Access to markets is available.
5. Away from the residential areas.
The project will start with one line (L machine) and it will expand after paying the capital back to Khalifa Fund to 3 lines and increase the productivity.
(3) The Industry & The Proposed Products

3.1) The Industry

- Type & Nature of the Industry

Industrial process is used in producing the paper bags.

- Industry Overview & Growth

A paper bag or paper sack is a preformed container made of paper, usually with an opening at one end. It can be one layer of paper or multiple layers of paper and other flexible materials. Paper bags are used for packaging or carrying items.

Plasctics are used globally in industries like packaging, construction and medical equipment among others. This is because plastics are durable, water-proof, lightweight and versatile. However, some countries use them more than others due to certain socio-economic factors. UAE has witnessed rapid growth in the last decade or so. This has been in terms of population as well as GDP per capita, both of which have more than doubled in this period. The above two factors result in higher consumer spending. Moreover, the latter translates to greater importance, given to ‘convenience and hygienic shopping’ resulting in higher demand for plastics in packaging and shopping.

All this consequently leads to increased waste generation. From the supply side also, plastic manufacture (for all purposes including packaging) is a booming industry in UAE and rest of Gulf, one factor for it being abundance of petrochemicals, the raw material for plastics, in this region.

The plastic bags are used for an average of five minutes, but takes over thousands of years to decompose in landfills, they don’t biodegrade, but are broken into smaller fragments that are toxic and contaminate soil and waterways. Plastic bags are also posing as a danger to animals, as they often mistake them for food and die after swallowing it! In fact, 50 per cent of the
camels that die in the UAE are due to ingesting plastics. The solution is only to reduce plastic bags consumption and start producing paper bags.

Paper Bags Benefits:

- 100% reusable, recyclable and biodegradable.
- Easier to carry than plastic bags.
- Holds more items than plastic bags; fewer bags to handle.
- Environmentally preferred.
- Contains 40% post-consumer recycled material.
- A renewable resource comes from trees.

Plastic Bags Consumption Statistics are shown in table (1.1) and chart (3.1):

<table>
<thead>
<tr>
<th>Plastic Bags Consumption</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Dhabi</td>
<td>5,428,800,000</td>
<td>4,524,000,000</td>
<td>3,480,000,000</td>
</tr>
<tr>
<td>Dubai</td>
<td>4,524,000,000</td>
<td>3,770,000,000</td>
<td>2,900,000,000</td>
</tr>
<tr>
<td>Other Emirates</td>
<td>8,143,200,000</td>
<td>6,786,000,000</td>
<td>5,220,000,000</td>
</tr>
<tr>
<td>Total</td>
<td><strong>18,096,000,000</strong></td>
<td><strong>15,080,000,000</strong></td>
<td><strong>11,600,000,000</strong></td>
</tr>
</tbody>
</table>

**Table (1.1): Plastic Bags Consumption.**
According to statistics from UAE’s Ministry of Environment and Water, 11.6 billion bags are used per year, this goes on to add up to an annual overall waste of 912.5 kilogram per capita. These statistics reflect on the extent of use of plastic bags in UAE and the consequent generation of plastic waste. 46.7 per cent of the bags are biodegradable and 53.3 per cent are non-biodegradable, as it shown in chart (3.2). The ministry’s strategic plan for 2011 says the aim is to reduce use of non-biodegradable plastic bags by 15 per cent. The reduction has surpassed 36 per cent during the past three years.
The UAE has one of the highest per capita productions of waste in the world. Each person in the UAE produces 750 Kilograms of domestic waste per year. In 2008, about 5.9 million tons of waste was produced in the Emirate of Abu Dhabi.

Most of this waste ended up in landfills. It may seem like a harmless act to throw a plastic bag outside your window, but it takes that plastic bag 20 years to decompose. Moreover, the top hit in the list of marine debris collected from the seas of the UAE is the plastic bags.

Top 10 marine debris collected from our seas:

1. Plastic bags.
2. Bottle caps.
3. Food wrappers.
4. Picnic items such as cups.
5. Plastic beverage bottles.
6. Glass beverage bottles.
7. Aluminum cans.
8. Cigarette butts.
10. Rope.

Realizing the flip side of high use of plastics, UAE has initiated definitive corrective measures. The Ministry of Environment and Water has reported that it will ban circulation and marketing of non-biodegradable plastic products in UAE from early next year. In that direction, The Government of Abu Dhabi has established ‘The Center for Waste Management’ (CWM) to control and coordinate all activities related to sustainable waste management. Several non-government organizations as well as community groups are also working towards the goal of better plastic waste management in UAE.

Dubai Municipality have launched a “Say No to Plastic Bags” campaign starting May 2013 targeting a 20 per cent reduction in the estimated 2.9 billion plastic bags used annually in the emirate, by the end of this year. This is to be done by means of creating consumer-awareness and offering reusable and recyclable alternatives like jute and paper bags in major supermarkets12.

In Sharjah, a private company, in partnership with Sharjah Municipality, is working towards a 100% landfill diversion target set for the Emirate of Sharjah by
the end of the first quarter of 2015. This is being done through development of waste management infrastructure on one hand and community education of the importance of environment principle of 3Rs; Reduce, Reuse and Recycle.

**Paper Industry in the UAE**

Paper Industry has shown a huge development during the past few years, the number of manufacturing firms is increasing yearly; it is a direct indication for the huge market demand, shown in chart (3.3) and (3.4).

The following table (1.2) has summarized the industrial paper and paper products manufacturers in the UAE:

<table>
<thead>
<tr>
<th>Year</th>
<th>Local</th>
<th>International</th>
<th>Total</th>
<th>Growth Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>115</td>
<td>269</td>
<td>384</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>124</td>
<td>277</td>
<td>401</td>
<td>3.01%</td>
</tr>
<tr>
<td>2012</td>
<td>128</td>
<td>291</td>
<td>419</td>
<td></td>
</tr>
</tbody>
</table>

**Table (1.2): Industrial Paper.**

**Chart (3.3): Industrial Paper.**
3.2) the Product Offering(s)

- **Products Description:**
  Flat and satchel V shape paper bags with gusset and without, with window strip application of various sizes and four different colors.

- **Product Application:**
  It is generally used for packaging or carrying items in super markets, shopping malls, restaurants, hotels, shops, etc…
4.1) **Overall Market (Demand Supply Analysis)**

- **Overall Market**
  The UAE and the GCC are on the forefront of countries preserving the environment when it comes to producing plastics. The UAE will be free of plastic bags in 2013. The national plastics and petrochemicals companies are adhering to the environmental measures we have in place to enhance the environment friendly approach of the UAE as part of their corporate social responsibility towards the community. Alternatives to plastic bags such as jute bags, canvas, paper bags are widely available in the UAE and some supermarkets have already replaced non-biodegradable bags with bags made out of Oxo-biodegradable plastic that eventually breaks down into nonpoisonous materials.

- **Market segmentation**
  1. Retailers.
  2. Restaurants & Cafes.
  4. Governmental events.

We are planning to establish our factory in Al Ain, so we will be targeting Al Ain & Abu Dhabi markets at the first stage, but later on, we will expand our network to cover all the other emirates market in the future. In Al Ain also there are four main retailers; Carrefour, Al Ain Co-op society, LULU and Spinneys.
The market statistics are shown in table (1.3) and in chart (3.5):

<table>
<thead>
<tr>
<th>Cities</th>
<th>Retailers</th>
<th>Carrefour &amp; Express</th>
<th>Co-op Societies</th>
<th>LULU</th>
<th>Spinneys</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Dhabi</td>
<td>10</td>
<td>13</td>
<td>25</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Dubai</td>
<td>15</td>
<td>18</td>
<td>14</td>
<td>32</td>
<td></td>
</tr>
<tr>
<td>Other Emirates</td>
<td>20</td>
<td>23</td>
<td>10</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>45</td>
<td>54</td>
<td>49</td>
<td>48</td>
<td></td>
</tr>
</tbody>
</table>

**Table (1.3): Market Statistics.**

**Chart (3.5): Market Statistics.**
From the data above we found that there are around 196 big outlets across the UAE with a huge amount of plastic bags consumption! If we could replace at least 20% to 30% from their annual consumption of plastic bags by paper bags, then that would make a huge difference.

Although the statistical data of the average customers for these stores are highly confidential, but they are serving around 80% of the total UAE residences plus a big portion from the visitors, that means around 6 million residences plus visitors, which is equal 1,000 shoppers per day per center. So we can say that the consumption rate is 588,000 bags per day and around 214 Million bags yearly.

The restaurants and cafes demand is high as well, the marketing strategy is to hire sales personnel and let him offer our products to the new restaurants here in Abu Dhabi and make some agreements so we can step in to the market.

Abu Dhabi & other emirates market is big and promising, there are around 1,300 groceries in Abu Dhabi (1 Grocery for every 45 square meter), and around 1,400 groceries in Dubai. The average daily customers rate is 150 per grocery, if we assume that the average bags consumption for every customer is 2 to 3 bags, then we can say that the daily demand of Abu Dhabi groceries only = 487,500 bags.

The Groceries Statistics are shown in table (1.4) below:

<table>
<thead>
<tr>
<th>2012</th>
<th>Abu Dhabi Groceries</th>
<th>Total Customers / Day</th>
<th>Total Bags Per Day</th>
<th>Total Bags / Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1,300</td>
<td>195,000</td>
<td>487,500</td>
<td>174 Million Bag</td>
</tr>
</tbody>
</table>

Table (1.4): Groceries Statistics.

During the governmental and national events, the organizers require a lot of packaging stuff and bags. By following the events calendar we can approach the organizers and offer them our best prices for specialized packages.
• **Target Market**
  - Retailers.
  - Shopping malls.
  - Organizations.

• **Market Demand (Current and Forecasted)**
  Recycling is a relatively new concept in Al-Ain and the UAE as a whole. However, over the past few years several initiatives have sprung up to establish the required infrastructure for recycling all the waste and to get the public involved, by reusing paper bags or using material shopping bags that you can use for groceries multiple times.

  Paper consumption is rising in the region and the industry is witnessing spectacular growth with new production centers and paper conversion businesses being set up to meet demand. The UAE is one of the leading players in these sectors. The paper industry is registering spectacular growth with several production centers and paper conversion businesses flourishing. Paper conversion is a process by which paper is used to make paper products such as envelopes, paper bags, boxes, containers, tubes and cores.

• **Competitors Analysis**
  Out of 419 organization in the paper and paper products industry, there are 62 companies registered in the local economical departments as paper bags suppliers (manufacturers and importers), and most of them are importers and only. In Abu Dhabi there are 20 industrial factories to produce paper & paper products, and if you compare it with the other emirates, you will find that Abu Dhabi has the lowest numbers in paper factories, as Dubai has 150 and Sharjah has 120 factories.
In Abu Dhabi there are only two registered factories as paper bags manufacturers and producing V shape products, they are shown in table (1.5):

<table>
<thead>
<tr>
<th>Factory Name</th>
<th>Products</th>
<th>Advantages</th>
<th>Disadvantages</th>
<th>Prices (AVG) DHS / Bag</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Wataniya bags</td>
<td>Plastic &amp; Paper bags</td>
<td>High Quality</td>
<td>Price is High</td>
<td>0.80</td>
</tr>
<tr>
<td>Emirates Packing Factory</td>
<td>Plastic &amp; Paper bags</td>
<td>High Quality Average Price</td>
<td>Standard Sizes</td>
<td>0.75</td>
</tr>
</tbody>
</table>

Table (1.5): Competitors Analysis.

Most of the restaurants, retailers and other potential clients are importing their paper bags from outside the UAE.

Note: The average price we considered and checked is for 50 GSM bag (15 cm X 30 cm).

The total output of the production firms is not enough to satisfy the annual increasing demand of the UAE market; according to the latest customs reports, UAE imported paper products in a value of 4.6 Billion Dirham last year. This huge gap between what UAE produce and import will give us the opportunity to think and to succeed in such business.
(5) Market Strategy

5.1) Competitive Edge

- Environmentally beneficial products.
- Deliver high quality and cost competitive products.
- To be the first choice to the customers.
- Enterprise management System: Is to apply and implement a full ERP system to connect all departments with one and unique system.
- Custom Made Products.

5.2) Marketing Mix (The 4Ps) & Strategy

<table>
<thead>
<tr>
<th>Products</th>
<th>V shape paper bags with gusset and without, with window strip application of various sizes and four different colors.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>The average price for the paper bags depends on the following factors:</td>
</tr>
<tr>
<td></td>
<td>1- GSM (Grams per square meter) of the paper.</td>
</tr>
<tr>
<td></td>
<td>2- Lamination type.</td>
</tr>
<tr>
<td></td>
<td>3- Coloring.</td>
</tr>
<tr>
<td></td>
<td>4- Size.</td>
</tr>
<tr>
<td></td>
<td>5- Any specific demand (die cutting, trimming, etc...)</td>
</tr>
</tbody>
</table>

In the full feasibility study, our pricing model will be based on the breakeven cost analysis. Finally, adding the appropriate profit margin after a general market overview.
**Location factors:**
1. Accessibility: The importing of raw materials and exporting of finished products can be done easily.
2. Availability of water and power.
3. The efficiency of the transportation service.
4. Access to markets is available.
5. Away from the residential areas.

**Direct marketing**
- Introduce the services and update pricing strategy.
- Direct Marketing sites visits, to offer free samples and to present our products.
- Best way to compete is know when you breakeven.

**Relationship Marketing**
- Aiming the client satisfaction to avail the new opportunities.

**Advertising**
1. List our company in the Directory.
2. Advertise everywhere with vehicle magnets.
3. Build a website to introduce our services and all related subjects.
4. Online advertising (Websites & Social Media).

**Table (1.8): Marketing Mix (The 4Ps) & Strategy**

### 5.3 Market Viability

The project is expected to have market viability due to following reasons:

- Feasibility Study results.
- Market Demand.
- Paper bags factory with high quality of products.
- Environmentally beneficial products.
• Growth in the industry.

(6) Technical Analysis

6.1) the Technology

• Equipment Supplier Details:
   Supplier company

Somtaş Machinery was established in 1993 as a family company. Through these years it has grown and become a trustworthy machinery factory with 7500 meter square in Esenyurt/Istanbul/Turkey.

Somtaş produces laminating machines and paper bag making machines under ISO 9001-2000 quality certificates. Somtaş production and services are guaranteed by CE certificates as well, which shows how much they care about their customers before and after sale.

They have already proven their quality standards in practice since Somtaş is internationally oriented company. You may find their products all around the Europe, Middle East, and North Africa as well as in Turkey.

   Warranty and service
    - 2 years warranty.
    - For the broken facts that are out of standards usage, warranty is not spread.
    - The warranty blank is fulfilled and given with the machine by SOMTAS.
    - You have to save the warranty document and in case of any breakage.

   Location

Istanbul, Turkey.
• **Equipment Details:**

The proposed bag paper machine is the flat and satchel paper bag making machine with 4 color flexo printing unit stack type, which is one of the best sellers in their factory.

Output Products specifications:

- Repeat cut: 200 – 780 mm.
- Bag length: 175 – 760 mm.
- Bag width: 80 – 350 mm.
- Gusset depth: 12 – 50 /80 mm.
- Folding bottom: 10 – 40 mm.
- Paper width max: 900 mm.

![Figure (2.2): Product Specifications.](image)

The machine quotation is attached.
6.2) Sales Forecasting & Planning

Attached Financial Analysis.

- Capacity & Basis of Estimates

<table>
<thead>
<tr>
<th>Description</th>
<th>Y1</th>
<th>Y2</th>
<th>Y3</th>
<th>Y4</th>
<th>Y5</th>
<th>Y6</th>
<th>Y7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working hours per shift</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Number of shifts</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Working days per year</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Ideal Capacity (units)</td>
<td>20%</td>
<td>30%</td>
<td>40%</td>
<td>45%</td>
<td>50%</td>
<td>55%</td>
<td>60%</td>
</tr>
<tr>
<td>Capacity Utilization (%)</td>
<td>14%</td>
<td>28%</td>
<td>35%</td>
<td>42%</td>
<td>46%</td>
<td>50%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Table (1.9): Capacity & Basis of Estimates.
6.3) **Staff Requirements and Salaries**

- **Organization Structure**

![Organization Chart](image)

**Figure (6.3):** Organization Chart

- **Staff & Salaries**
  
  Attached financial study.

6.4) **Project Cost Analysis**

Attached financial study.
6.5) Project Implementation Plan

The project activities would be implemented as follows:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Duration (Months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Securing the Location</td>
<td>1</td>
</tr>
<tr>
<td>2 Licensing</td>
<td>2</td>
</tr>
<tr>
<td>3 Design &amp; Engineering</td>
<td>3</td>
</tr>
<tr>
<td>4 Construction</td>
<td>1 2 3 4 5 6 7</td>
</tr>
<tr>
<td>5 Supply of Equipment</td>
<td>8 9 10 11</td>
</tr>
<tr>
<td>6 Hiring &amp; Training of staff</td>
<td>12 13 14 15</td>
</tr>
<tr>
<td>7 Trial Run &amp; Commissioning</td>
<td>1</td>
</tr>
</tbody>
</table>

Table (1.10): Project Implementation Plan.

The project will be closely monitored to enable timely corrective action to avoid any time and cost over runs. The tentative project schedule envisages the commissioning of the project within 12 months from date of financial approval of funding.
(7) Business Risk & Sensitivity

7.1) SWOT Analysis

a. Strengths

Some strength in promoting to be environmentally friendly includes stopping the distribution of plastic bags, and encourages consumers to buy the paper bags or bring their own bags. The store used such strategy includes Whole Food Market and IKEA. They stopped the use of plastic bags, and forces consumers to bring their own bag or purchase their company’s reusable bags. This is way for the stores to increase sales, meanwhile, also encourage in saving the environment. (Improve sales, and promote ecofriendly). The other strength points are:

- Experience and knowledge in the same field
- Location advantages
- Pricing and quality of products

b. Weakness

Considering the target audience as all residence in United Arab Emirates area, one of the major weaknesses faced by this campaign is how to reach the audience base and conduct effective communications with them. Through posters and social media, we can only reach a small fraction of the audience who are supposed to be active and young. However, a large part of the consumers group for local grocery shopping is from middle aged or elder people, who have limited time and energy to participate in social activities. Thus the influence of this campaign would become restricted. On the other hand, the middle aged and elder consumers have already built up their lifestyle and purchasing habits and many of them are used to getting plastic bags while shopping. It’s more difficult to change their habits than that of younger people. The other weakness points are:

- Weak financial position
- Lack of financial resources
c. **Opportunities**

Currently, environmental issues are discussed frequently all around the world. People in different nations and backgrounds are now paying more attention to environmental issues and starting making personal actions to protect environment. Governments have already established significant policies for protecting the environment and environment organizations have been promoted to the mainstreams. At the same time, products of using less resource and producing fewer pollutants become popular. As one of these products, the environment friendly paper bag will definitely have a bright future.

In addition, new technology has been introduced to different fields in manufactory. By taking advantage of technology development, we can use recyclable resources to produce the low cost environment friendly paper bag up to national standards, which reduces the cost and saves resources. At the same time, the low cost element will make the bag popular and competitive. The other opportunity points are:

- Industry trends
- Technological innovations and development
- Global influences
- Exports and imports

**d. Threats**

- Predatory pricing by competitors
- Loss of key staff

### SWOT ANALYSIS

<table>
<thead>
<tr>
<th>STRENGTH</th>
<th>WEAKNESSES</th>
<th>OPPORTUNITIES</th>
<th>THREADS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Experience and knowledge in the same field</td>
<td>• Weak financial position</td>
<td>• Industry trends</td>
<td>• Predatory pricing by competitors</td>
</tr>
<tr>
<td>• Location advantages</td>
<td>• Lack of financial resources</td>
<td>• Technological innovations and development</td>
<td>• Loss of key staff</td>
</tr>
<tr>
<td>• Pricing and quality of products</td>
<td></td>
<td>• Global influences</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Exports and imports</td>
<td></td>
</tr>
</tbody>
</table>

7.2) **Exist Strategy**
In the event the proposed plan is not successful the owners will implement necessary measures to exit the business endeavor with minimal damage to the owner. All equipment and merchandise will be sold to cover any outstanding debts. Any remaining debt will be paid by the owner in the form of monthly payments until all debts are paid in full.

(8) Conclusion

- Our business idea is to establish a local factory in Al-Ain to produce the V shape paper bags.
- Our vision is to establish a local paper bags factory, to be one of the best national manufacturers. Moreover, to maintain continuous development in the factory, while maintaining high quality of products and services in environmentally responsible practices.
- The proposed location will be in New Industrial Area, Al Ain - United Arab Emirates.
- The project will start with one line (L machine).
- The UAE has one of the highest per capita productions of waste in the world.
- The top hit in the list of marine debris collected from the seas of the UAE is the plastic bags.
- Paper Industry has shown a huge development during the past few years, the number of manufacturing firms is increasing yearly.
- The project will be implemented in 12 months after getting the approval from Khalifa Fund.
- The total cost of the project is 3 Million Dirhams (Establishing + Working capital for the first six months).

(9) References
1 - Dubai statistics center (DSC).
2 - Abu Dhabi statistics center.
3 - UAE Statistics.
4 - UAE Export Directory.
5 - UAE Customs.
6 - Etisalat - Yellow Pages.

(10) Summary List

1 - IRR (Internal Rate of Return).
2 - NPV (Net Present Value).
3 - EMS (Enterprise Management System).
4 - ERP (Enterprise Resources Planning).