

EXPORTING FRESHWATER AQUARIUM FISH TO THE UNITED STATES

800300

**A Project Feasibility Study
Presented to the
Faculty of the College of Business Administration
De La Salle University-Dasmariñas
Dasmariñas, Cavite**

**In Partial Fulfillment
of the Requirements for the Degree
Bachelor of Science in Business Administration**

Riza B. Dimaunahan

Rowena O. Flores

Erveenson Paul C. Sabile

March 1997

AKLATANG EMILIO AGUINALDO

ABSTRACT

Name of the Institution : De La Salle University - Dasmariñas

Address : Bagong Bayan, Dasmariñas, Cavite

Title : Exporting Freshwater Aquarium Fish to the United States

Authors : Riza B. Dimaunahan

Rowena O. Flores

Erveenson Paul C. Sabile

Type of Document : Project Feasibility Study

Date Started : June, 1996

Date Finished : March, 1997

Cost : P 3,000.00

Executive Summary**Management Aspect**

This project feasibility study uses a sole proprietorship type of organization. The proponents used this type of business organization because it is easy to form and requires small amount of capital. The proponents want to have a direct participation on the proposed business, and since the proprietor/owner will be the one to make the decision, it will be easy for him to manage the business directly. The profit will also belong to the proprietor/owner himself.

The organizational members employed are the proprietor who will act as the manager, a secretary, and accountant, a marketing assistant, two packers/helpers, and a driver who will be handling different duties and responsibilities.

Marketing Aspect

AQUALIFE Exporter is chosen as the business name, because of the appeal it can trigger to the mind of the American buyers of freshwater aquarium fish from the Philippines. The target market will be the importers, pet shop operators, hobbyist of

swordtail, and goldfish. The business will penetrate the market through direct exporting.

In pricing policy, the pricing method to be used is the cost plus standard mark-up set by the majority decision of the members of the Aquarium Fish Industry Association of the Philippines. However, possible losses during acclimatization or transportation process will be also considered as part of the price. The business intends to capture 4.60% market share for the first year and expects to increase of at least two percent every year.

Technical Aspect

The proposed project feasibility study is an export business, known as **AQUALIFE Exporter** to be located in the municipality of Dasmariñas, Cavite. The business will export freshwater aquarium fish, specifically, molly, angelfish, swordtail, guppy, and goldfish to be supplied by the member-breeders of AFIAP.

The exporting process involves eight stages and these are: (1) sending sample shipment; (2) accepting of orders; (3) purchasing of orders; (4) sorting and screening; (5) securing clearance permit from the Bureau of Fishery and Aquatic Resources (BFAR); (6) preparing to export which includes packing, transporting of goods, and shipping of goods; (7) processing of export documents; and (8) loading.

Financial Aspect

The sixty percent (60%) of the initial capital requirement will come from personal contribution of the proprietor/owner and the remaining forty percent (40%) from bank loan. This will sum up as in as much as P 1,636,039.00. This will be allocated to the land, construction of building, purchasing of machinery and equipment, overhead expenses, and payment of all necessary permits and other legal requirements.

Socio-Economic Aspect

This study aims to help your local fish industry in its boost for our freshwater resources and its production development. It will also help our national economy as additional employment and would be another source of government revenues as tax.✓

Conclusion and Recommendation

The Philippines is rich and endowed with resources which if only realized will bring the country substantial earnings. One of these is our freshwater species or what is commonly called “the freshwater aquarium fish.” The industry now is being developed. The demand of foreign market is very high, specifically the US market and it is increasing continuously every year, reason why there is a need for an immediate supply.

We have a handful of breeders and growers but still lack with exporters. According to Mr. Frank J. Thomas, chairman of AFIAP. There are now thirty to thirty-five businessperson engaged in this business. Seventy percent of which are foreign-owned, while the remaining thirty percent are Filipino-owned. In lieu of this, the government is disseminating information to those who are interested to invest in this business.

By re-directing efforts to the development of freshwater species, the industry expects to double export figures in the near future, following closely the export lead of neighboring countries like Singapore, Thailand and Hongkong.

The matter of location for the business establishment is not so important because these species can thrive even in ordinary water supplied by DWD. The opportunity is just a step away, waiting to tap the export market, and who knows...

TABLE OF CONTENTS

Title	Page
Title Page	i
Approval Sheet.....	ii
Abstract	iii
Acknowledgement.....	iv
Table of Contents	vii
List of Figures	ix
List of Tables	x
List of Exhibits	xi
List of Appendices	xii
Chapter 1 Introduction	1
The Need	2
Objective of the Study	3
Significance of the Study	5
Scope and Delimitation	5
Review of Related Literature	6
A Foreign Study	6
B Local Study	7
Definition of Terms	8
Methodology	10
Treatment of Data	11
Chapter 2 Organization and Management Aspect	12
Form of Organization.....	12
Job Specification	14
Duties and Responsibilities.....	15
Remuneration	17
Hiring of Employees.....	18
Action Plan	21
Chapter 3 Marketing Aspect	22
Market Description	23
Analysis of Demand and Supply	24
Historical Demand	25
Projected Demand.....	26
Historical Supply	28
Projected Supply	29
Factors Affecting Trend	31
Competition	31
Selling Price	31
Quality	31
Packing	32
Trade Practices	32
Proposed Marketing Program	32
Promotional and Advertising Scheme	32
Tarket Market	33
Price	33

Title	Page
Chapter 4 Technical Aspect	39
The Product	39
Exporting Process	52
Transport Schedule	55
Machinery and Equipment	57
Plant Size and Plant Location	59
Plant Layout	63
Building and Facilities	69
Building Cost and Structure	70
Utilities	71
Waste Disposal	72
Labor Requirement	72
Chapter 5 Financial Aspect	74
Total Project Cost	74
Source of Financing	74
Financial Assumptions	75
Financial Projections	76
Projected Balance Sheet	78
Projected Income Statement	79
Projected Statement Purchase Cost and Cost of Sales	80
Projected Cash Flow	77
Financial Analysis	95
Analysis of Liquidity	95
Analysis of Stability	96
Analysis of Profitability	97
Supporting Schedules	98
Chapter 6 Socio-Economic Aspect	100
Chapter 7 Summary, Conclusions and Recommendations	102
Summary	102
Conclusion	102
Recommendation	103
Appendices	104
Bibliography	122
Curriculum Vitae	124

LIST OF FIGURES

Figure		Page
Figure 1	Organizational Chart	13
Figure 2	Flowhart of Hiring Procedure	19
Figure 3	Gantt Chart	20
Figure 4	Channels of Distribution	34
Figure 5	Process Flowchart of Exporting	56

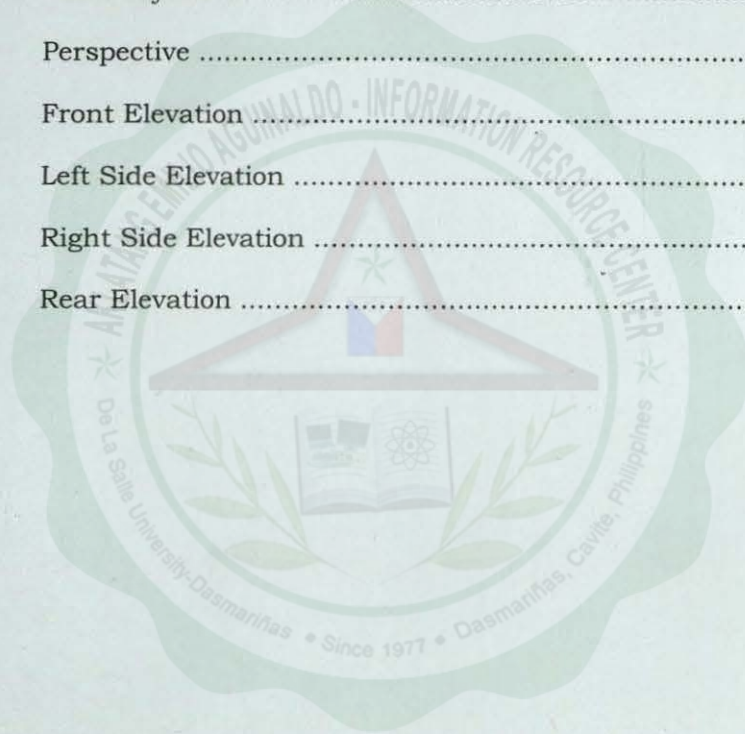


LIST OF TABLES

Table		Page
Table 1	Compensation Plan	17
Table 2	Compensation Schedule	18
Table 3	Historical Demand	25
Table 4	Projected Demand	26
Table 5	Historical Supply	28
Table 6	Projected Supply	29
Table 7	Supply-Demand Gap	30
Table 8	Market Share	35
Table 9	Sales Forecast	36
Table 10	List of Store Equipment	57
Table 11	List of Transportation Equipment	57
Table 12	List of Office Equipment	58
Table 13	List of Furnitures and Fixtures	59
Table 14	Utility Consumption Schedule	72
Table 15	Direct Labor	73
Table 16	Indirect Labor	73

LIST OF EXHIBITS

Exhibit		Page
Exhibit 1	Advertising and Promotion	51
Exhibit 2	Map of Cavite	60
Exhibit 3	Map of Dasmariñas	61
Exhibit 4	Vicinity Map	62
Exhibit 5	Plant Layout	63
Exhibit 6	Perspective	64
Exhibit 7	Front Elevation	65
Exhibit 8	Left Side Elevation	66
Exhibit 9	Right Side Elevation	67
Exhibit 10	Rear Elevation	68



LIST OF APPENDICES

Appendix	Page
Appendix A	List of Transshippers 104
Appendix B	AFIAP Membership Directory 105
Appendix C	Establishment of an Export Enterprise 108
Appendix D	Procedures, Documentation, and Regulation 110
Appendix E	Information Gathering Materials 115
Appendix F	Export Documents 118
Appendix G	Specific Allocations 118
Appendix H	Point of Entry 121

