

1. EXECUTIVE SUMMARY

Business Name: MINGXIN RUBBER INDUSTRY (T) LIMITED.

Location: Plot No. 6384, Minazi Mikinda Village, Ruvu Ward, Coast Region - Tanzania Mainland.

Business Type: Tyre Manufacturing (Radial and Bias Tyres for Passenger, Truck, Agricultural Vehicles and Motorcycle)

Vision Statement:

To become the leading tyre manufacturer in East Africa by delivering durable, affordable, and eco-friendly tyres for diverse road conditions.

Mission Statement:

To manufacture world-class tyres locally, reduce import dependency, and create jobs for Tanzanians while maintaining the highest quality and environmental standards.

Products and Services:

- Passenger car radial tyres
- Truck and bus radial tyres
- Off-road and agricultural tyres
- Retreading services (future phase)
- Tyre recycling (future phase)

Funding Requirement:

USD 15 million (equipment, facility setup, working capital)

Ownership Structure:

Privately held company, with plans for public offering in 7-10 years.

2. MARKET ANALYSIS

Industry Overview:

Tanzania's tyre market is largely dependent on imports, primarily from China, India, and South Africa. Demand is driven by the increasing number of vehicles, infrastructure development, and agricultural mechanization.

Market Opportunity:

- Over 1.5 million registered vehicles in Tanzania (and growing).
- Rising demand for local manufacturing due to EAC tariffs and FX constraints.
- Opportunity to serve neighboring markets: Kenya, Uganda, Zambia, Rwanda, and Burundi.

Target Market:

- Transportation companies and individuals (Motorcyclists)
- Agricultural cooperatives
- Government and municipal fleets
- Retail tyre shops and wholesalers

Competitive Advantage:

- Locally manufactured = lower cost and quicker delivery
- Customized for East African road conditions
- Strong after-sales service and warranty.

3. PRODUCTS AND SERVICES

Phase 1 (Year 1-3):

- Standard radial tyres (passenger, Motorcycle and light truck)
- Agricultural bias tyres.

Phase 2 (Year 4-5):

- Bus and heavy truck tyres.
- Retreading service center

Phase 3 (Year 6+):

- Tyre recycling and reclaiming facility.
- Export to regional markets

4. OPERATIONS PLAN

Facility:

100,000 sq ft manufacturing plant in Mingxin Industrial Park, Minazi Mikinda Village, Ruvu Ward, Kibaha, Coast Region.

Machinery Needed:

- Banbury mixers.
- Tyre building machines.
- Vulcanization presses.
- Testing equipment (X-ray, balancing, etc.)

Raw Materials:

- Natural rubber (imported from SE Asia and locally sourced from Tanga region).
- Carbon black, steel cords, and chemical additives (imported)

Workforce:

- 150–200 employees (production, quality, admin, logistics).
- Partnerships with VETA and engineering colleges for skilled labor

5. MARKETING AND SALES STRATEGY

Brand Positioning:

- Durable, locally made tyres for African roads.

Promotion Channels:

- Trade shows (e.g., Autoexpo Tanzania).
- Roadshows and demos.
- Partnerships with garages and tyre shops.
- Digital marketing and fleet deals

Distribution:

- Direct to large fleet owners.
- Network of distributors and tyre retailers.
- Online B2B platform (planned).

6. MANAGEMENT TEAM

- **CEO:** 10+ years in automotive manufacturing (local + international).
- **Operations Manager:** Ex-Pirelli or MRF engineer (to be recruited).
- **Finance Director:** CPA with manufacturing sector experience.
- **Marketing Lead:** Local expert in FMCG and auto sector marketing

7. FINANCIAL PLAN (ESTIMATES)

- Working Capital: \$380,000 USD (equity)
- Loan: \$120,000 USD (long-term)
- Total Available Capital: \$500,000 USD

Assumptions:

- Type: Small-scale tyre manufacturing unit
- Daily Capacity: 100 tyres/day
- Product: Bias-ply or basic radial tyres for local/regional markets
- Selling Price per Tyre: \$45 (conservative average)
- Location: Cost-effective region (Tanzania, Kenya, India, Bangladesh, etc.)
- Timeframe: 3-year projection
- Loan Terms: 5 years at 10% annual interest, 1-year grace period for principal repayment.

7.1. Capital Allocation (Startup Cost Breakdown)

Total Initial Investment: \$500,000

| Category | Estimated (USD) | Cost Notes |
|-----------------------------------|----------------------------|---|
| Land & Infrastructure (leased) | \$60,000 | Simple factory shell (rural/semi-urban) |
| Machinery & Equipment | \$180,000 | Mixing, extrusion, curing, building |
| Utilities & Installation | \$30,000 | Compressors, power setup, water |
| Raw Materials (3 months) | \$70,000 | Rubber, chemicals, steel, etc. |
| Labor Setup (3–6 months) | \$40,000 | Operators, supervisors, admin |
| Working Capital Reserve | \$60,000 | Initial operations, logistics |
| Licensing, Legal, Insurance | \$10,000 | Local regulatory & compliance |
| Contingency | \$50,000 | ~10% reserve |
| Total | \$500,000 | Fully allocated |

Funding Sources:

- 76% Owner's Equity
- 24% Bank Loan (Foreign loan).

8. RISK ANALYSIS

Risks & Mitigation:

- **Import competition:** Position on quality + cost advantage.
- **Raw material volatility:** Multi-source suppliers.
- **Skilled labor shortage:** In-house training and incentives.
- **Power outages:** Invest in solar + diesel backup systems.

9. APPENDIX

- Machinery quotations.
- Letters of intent from distributors.
- Environmental impact assessment (EIA).
- Tanzania Investment Centre (TIC) registration documents (if ready).