

**BUSINESS PLAN  
FOR INVESTMENT OF  
MANUFACTURING  
OF TYRE**

**FREEBO TYRE  
INDUSTRY LIMITED**

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## EXECUTIVE SUMMARY

**FREEBO TYRE INDUSTRY LIMITED** is limited Company incorporated in Tanzania under the Company act of 2002. The Company was incorporated 08<sup>TH</sup>, March 2024, and bears Certificate of Incorporation No. 172869874.

**FREEBO TYRE INDUSTRY LIMITED** will be located at Mlandizi-Kibaha, Coastal Region. In addition, will be allocated at Plot number 200 DISUNYARA INDUSTRIAL AREA, MLANDIZI, KIBAHA.

### Company Goals and Objectives:

In Summary **FREEBO TYRE INDUSTRY LIMITED** aims to;

- To conduct the business of manufacture of rubber tires and tubes, retreading and rebuilding of rubber tires, sale of motor vehicles parts and accessories.
- To conduct the business of wholesale of construction materials, agricultural machinery, equipment and supply, construction of buildings, hardware, plumbing and heating equipment and supplies.
- Manage **FREEBO TYRE INDUSTRY LIMITED** by human resource policies which encourage and reward individual and unified effort and achievement, provide training and personal development opportunities and create a working environment in which staff can feel a real sense of job involve
- Build relationships with investors in the sector and conducts the business of manufacture of parts and accessories for motor vehicles, manufacture of other rubber products and refined petroleum products.
- Represent persons at meetings of local, national and international organizations and bodies concerned with activities connected or associated with any of the business of the company, to provide services of all kinds to such organizations and bodies and to negotiate and enter into national and international agreements/standards relating to matter of concern or interest to the company.
- To enter into any commercial or other arrangements with authority, corporation, government, company or persons to obtain or enter into any legislation, orders, charters, contracts, decrees, rights, privileges, licenses, franchise, permits and concessions for any purpose and to carry out, exercise and comply with the same and to make prosecute and defend all steps, contacts, arrangements, negotiations, legal and other proceedings, compromises, arrangements and schemes and to do all other acts that shall at any time appear conducive or expedient for the advantage of the company.
- Adopt best commercial practice and ethical standards in dealing with clientele, suppliers of goods and services and other contacts.

The project will be managed and operated by **FREEBO TYRE INDUSTRY LIMITED** is owned by Chinese citizens form China with the following share distribution;

NAME OF SHAREHOLDERS	NATIONALITY	SHARES%
XINCUW WU	CHINESE	40%
LIANG LU	CHINESE	15%
WEI LI	CHINESE	20%
LIYA YANG	CHINESE	20%
YONGZE SUN	CHINESE	5%

## PURPOSE OF BUSINESS PLAN

The investment objective of this business plan is to establish Manufacturing of a Tires company in Pwani, Tanzania, which will produce high-quality manufacturing of Tires including rubber tires and tubes, retreading and rebuilding of rubber tires hardware, sale of motor vehicles parts and accessories, other rubber products and wholesale of construction materials, hardware, plumbing and heating equipment's and supplies. The need of manufacturing of Tires in Tanzania has significant growth potential due to the increasing demand for manufacturing of Tires in the country and the East African region.

The products of the company will be conducted from sustainable sources, ensuring environmental sustainability and social responsibility. The company will target both domestic and international markets.

## INDUSTRY OVERVIEW:

The Tanzania construction market is fragmented with domestic and international businesses, FREEBO TYRE INDUSTRY LIMITED being one among them. The construction industry is characterized by a huge number of microentrepreneurs, most of whom work in the country's informal economy. The country's formal construction business comprises indigenous and indigenized corporations as well as several big civil engineering and construction firms. However, the demand for manufacturing of Tires in Tanzania and the East African region is growing rapidly, driven by the growth of various industries. This presents an opportunity for manufacturing of Tires to capture a significant market share. Ensuring quality control in the tires manufacturing process involves implementing a comprehensive quality control system that covers all aspects of the manufacturing process. In summary, ensuring quality control in the Tires manufacturing process involves developing clear quality control standards, training employees, inspecting incoming materials, conducting in-process and final inspections, documenting quality control activities, and continuously improving the quality control system.

By implementing these steps, Tires manufacturers can produce high-quality Tires that meets customer expectations and manufacturing standards

### **MARKET ANALYSIS:**

The target market for the manufacturing of Tires will be the industrial and commercial sectors, including buying, selling, importing, exporting, industrial, manufacturing of Tires and all other sectors manufacturing and producing company. Tanzania has a growing population of approximately 65 million people, and the demand for manufacturing of Tires is expected to grow at a compound annual growth rate of 8% over the next five years. The market is expected to be worth over \$6.75 billion by 2028, providing ample opportunities for growth and expansion.

Tanzania's heavy investment in building infrastructure has raised its indebtedness in recent years, as more infrastructure projects are being built around the country. Fiscal spending in 2021 was USD 15.7 billion with donors covering only 8% of the total. From 2021 to 2023, the government anticipates the economy to grow at a rate of 6.3%. Tanzania was promoted from a low-income country to a lower-middle-income status by 2030. The Tanzania's government is working to develop its infrastructure, energy and agriculture sectors to grow its economy and expand export opportunities.

### **INVESTMENT OBJECTIVE:**

The primary investment objective of the business is manufacture of rubber tires and tubes, retreading and rebuilding of rubber tires, sale of motor vehicles parts and accessories in Dar es Salaam, Tanzania with a mission of establishing world-class manufacturing of Tires that will make a wide range availability from top manufacturing brands at affordable prices. The structural of manufacturing of Tires account for more than 42.3 percent of sales, its types include rubber tires and tubes, motor vehicles parts and accessories, rubber products and accessories for motor Vehicles.

### **PRODUCTS:**

The proposed business will establish the following building materials:

Manufacturing of Tires is the process of creating furniture, which refers to any movable object that is designed to support various human activities such as seating, sleeping, eating, and storage.

The process of Tires manufacturing involves designing, cutting, shaping, joining, finishing, and assembling various materials such as wood, metal, plastic, and glass to create a final product that is both functional and aesthetically pleasing.

Tires manufacturing involves several stages, including design, engineering, prototyping, production, quality control, and shipping. The design process involves creating a blueprint or a 3D model of the Tires, which is then used to create a prototype. The prototype is then tested for functionality, durability, and safety before it is put into production.

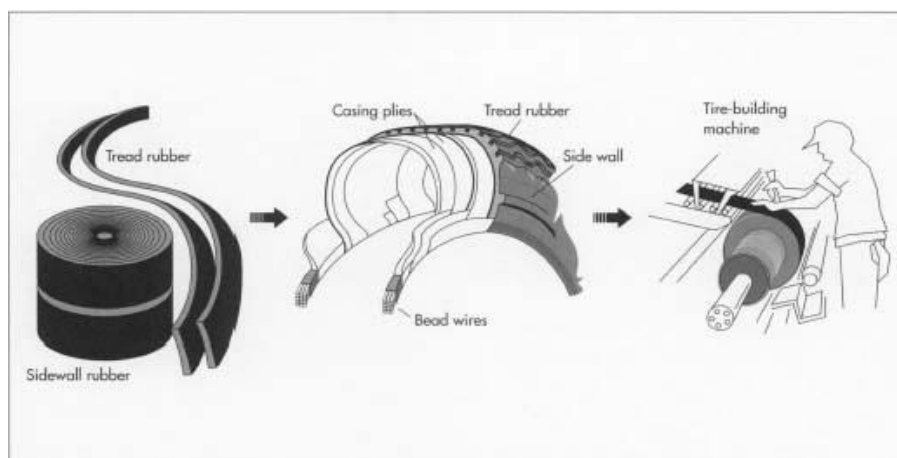
In the production stage, skilled workers use a variety of tools and equipment to cut, shape, and join the various components of the furniture. The materials used in furniture manufacturing vary depending on the type of furniture being produced.

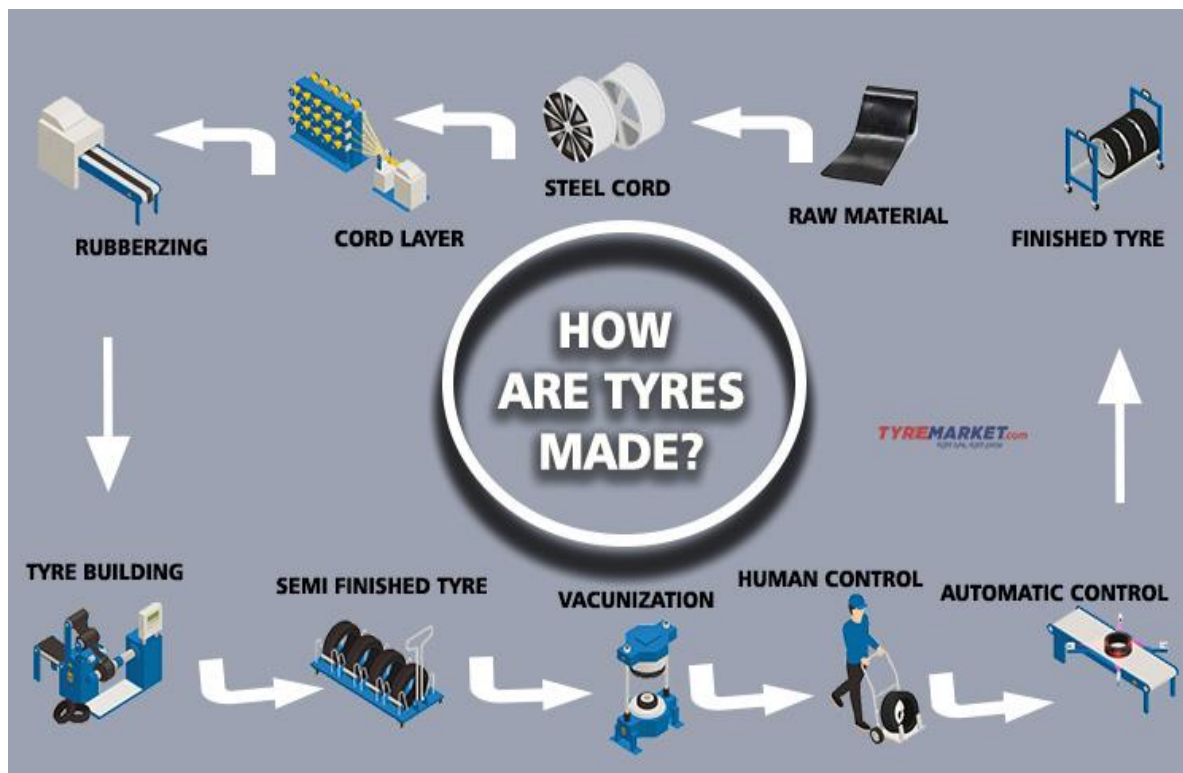
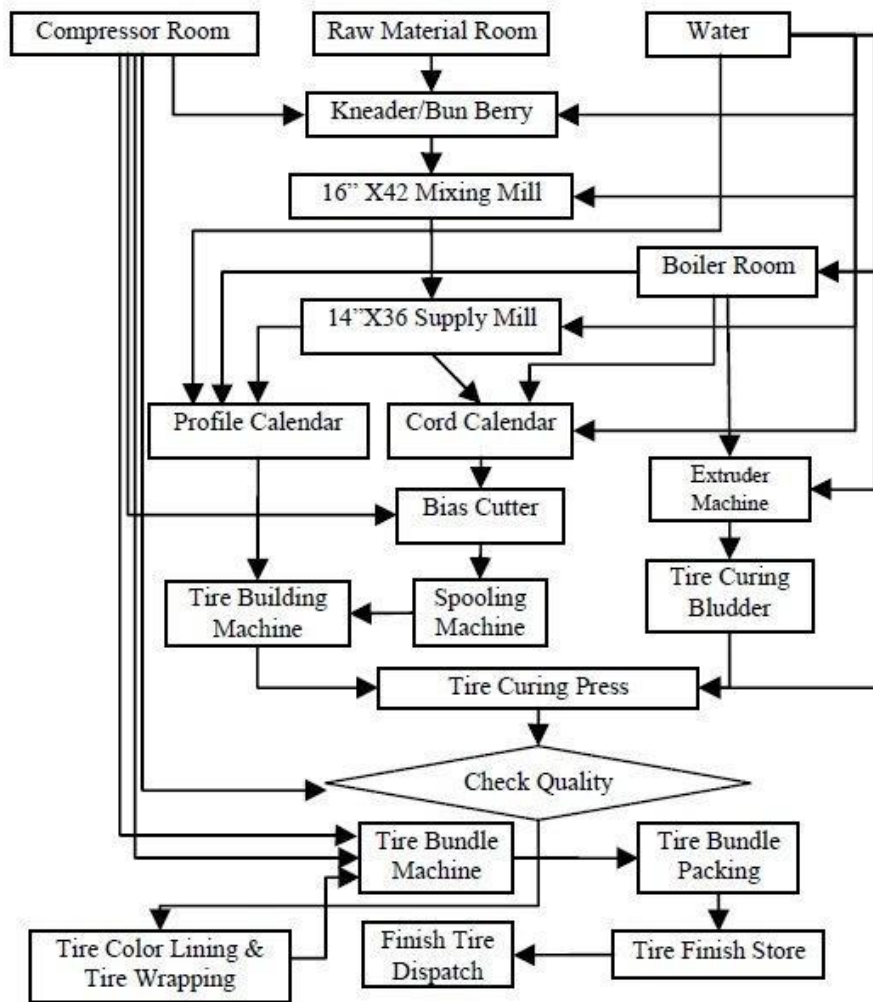
For example, wooden furniture may use hardwoods, softwoods, or engineered wood products like particleboard or medium-density fiberboard (MDF).

Quality control is an essential part of Tires manufacturing, as it ensures that each piece of Tires meets the required standards for safety, durability, and functionality. Once the Tires has passed quality control, it is packed and shipped to the retailer or directly to the customer.

The basic process of manufacturing of Tires typically involves the following steps:

1. **Research and ideation:** The design process begins with research and ideation. Designers research current trends, buyer persona and customer preferences, and the target market to gather insights and inspiration. They may also sketch and brainstorm different concepts and ideas for the Tires.
2. **Concept development:** Once designers have gathered insights and ideas, they begin to develop the Tires concept. This stage involves creating sketches, 3D models, and technical drawings that outline the Tires shape, size, materials, and functionality.
3. **Material selection:** After the concept is developed, the designers select the appropriate materials for the Tires. The materials selected depend on the Tires design and purpose, as well as the available manufacturing methods.
4. **Design refinement:** The Tires design is then refined based on the feedback received from engineers, manufacturers, and customers. Designers may need to adjust the Tires shape, size, materials, or functionality to ensure it meets manufacturing and customer requirements.
5. **Prototyping:** Once the design is finalized, a prototype is created to test the Tires functionality, durability, and safety. The prototype is reviewed, tested, and refined until it meets the required standards.
6. **Final design:** After the prototype is approved, the final design is created, which includes technical drawings, specifications, and instructions for manufacturing the Tires.





### **Investment Costs and Sources of Finances:**

The total investment required for the project is estimated around \$1 million. The funding will be an equity financing from shareholders.

### **JOB CREATION:**

The proposed business of import and sale of manufacturing of furniture plant is expected to create over 150 direct jobs and an additional 300 indirect jobs in the supply chain and related industries. The business will employ skilled and experienced personnel, including engineers, technicians, economist, production staff and local people to ensure smooth operations and adherence to quality standards. Additionally, indirect employment opportunities will be created in the supply chain, including transportation, raw material suppliers, and other support services.

### **Investment Funds Expenditure Breakdown:**

The funds raised from the equity will be utilized as follows (USD):

Land/ Building:	\$650,000.00
Plant:	\$150,000.00
Vehicles:	\$20,000.00
Furniture & Fittings:	\$2,000.00
Pre-expenses:	\$30,000.00
Others:	\$8,000.00
Working capital:	\$140,000.00

### **OPERATIONS PLAN:**

**Location:** FREEBO TYRE INDUSTRY LIMITED will be headquartered located at Mlandizi- Kibaha, Coastal Region that offers easy access to construction sites and client meetings.

**Premises:** Our office space will be designed with sustainability in mind, incorporating energy-efficient features and eco-friendly materials.

**Equipment:** We will invest in state-of-the-art construction equipment to ensure efficient project execution and maintain high standards of quality.

**Staffing:** Our team will consist of experienced architects, engineers, project managers and skilled laborers who share our passion for innovation and sustainability.

## **MARKETING PLAN:**

The marketing plan for the import and sale of manufacturing of Tires will focus on the following strategies:

Use word of mouth marketing: This marketing strategy is quite common and simple however; besides the influencers, customers also depend on hear-say when making their decisions on where to purchase materials, therefore, it is essential to control what is said by other customers, employees and even the influencers thus market share will definitely decrease. One effective way of controlling word of mouth is by maintaining close follow up with the customers.

Impress the Influencers: Influencers include architects, contractors and builders while the consumers are your actual customers having the influencers at your corner. This is because most of the time, actual customers depend on the influencers to decide on their behalf or advise them on which materials to use therefore, demonstrating the quality and affordability of the products.

Building a business name: This is the most significant bit of marketing, as far as manufacturing of Tires are concerned. While customers depend hugely on influencers and word of mouth, it is also essential to build a reputable name so that it can speak for itself because of the good quality and reasonable pricing.

Utilize online marketing: The internet has become the core of everything, under the construction industry it has no exception. Building material retailers are also adapting to these changes. In order to keep up, we are active in social media platforms like Facebook, Twitter, Instagram, LinkedIn, Email and YouTube.

## **IMPLEMENTATION SCHEDULE:**

The implementation schedule for the manufacturing of Tires is estimated to be 15 months, as follows:

Pre-construction phase: 2 months. This will involve site selection, land acquisition, and obtaining necessary permits and approvals.

Design and engineering phase: 2 months. This phase will involve the design and engineering of the materials, including the layout, equipment and machinery selection, and other technical aspects.

Construction phase: 10 months. This phase will involve the construction of the materials and installation of equipment and machinery.

Testing and commissioning phase: 1 months. This phase will involve testing and commissioning of the material and equipment to ensure proper functioning before the start of production.

## FINANCIAL PROJECTION:

The financial projections for the Tires manufacturing primary input are as follows:

**TABLE 1**  
**FINANCING**

<i>Financing</i>	<b>\$</b>
<b>Owner's equity</b>	
Cash	200,000
Contributed asset value	800,000
<b>Total</b>	<b>1,000,000</b>

**TABLE 2**  
**INVESTMENT COST PLAN**

<i>COST INVESTMENT STRUCTURE</i>	<b>\$</b>
<b>Current assets</b>	
Working capital	140,000
<b>Property and equipment</b>	
Land	50,000
Building	600,000
Equipment/plant	150,000
Furniture and fixtures	2,000
Motor Vehicles	20,000
Other	8,000
Pre- Expenses	30,000
<b>Total assets</b>	<b>1,000,000.000</b>

As shown in the cash flow statement, we expect to have a steady inflow of cash from sales in the next three years. Our outflow will mainly consist of inventory costs, employee salaries, rent and utilities and marketing and advertising expenses. The net cash flow and cumulative net cash flow are expected to increase annually due to the growth in sales and efficient operation of the business. We aim to achieve profitability within the first five years of operations and this projected cash flow statement shows that we are on track to achieving

These projections assume that the company will gradually increase production capacity and expand its customer base over the years. It also assumes that the cost of raw materials and operating expenses might have slightly variation.

It is important to note that these projections are only estimates and are subject to change based on market conditions, operating costs, and other factors.

### **CAPACITY OF THE PROJECT:**

The proposed manufacturing of Tires will have a production capacity of 60000 tons per annul. This will be achieved through the installation of modern machinery and equipment, utilizing the latest technology in the manufacturing of Tires industry. The plant will operate 24 hours a day, seven days a week, ensuring efficient production processes and meeting the growing demand for paper products in Tanzania and the East African region.

### **CONCLUSION:**

Sustainable manufacturing of Tires is those which are produced or sourced locally, these materials are containing recycled & industrial waste materials and by-products, sustainable materials have a lower impact on the environment & are thermally efficient. The production of these manufacturing of Tires requires considerably less amount of energy in production when compared to modern or traditional

construction materials. The advantages in the selection of sustainable manufacturing of furniture lie in the fact that they are not only economically viable but also reduce toxic emissions thereby reducing overall environmental impact.

Sustainable construction should be considered as an important component in creating a sustainable development to the country. Therefore, a need to make a proper selection of construction materials, which have minimum environmental burdens, is of great significance in order to boost a building environmental performance. One important consideration is to integrate building design and manufacturing of furniture from the design process stage.

As the business grows, we intend to hire knowledgeable and experienced staff that can provide exceptional customer service and technical advice. We will offer competitive hourly wages and benefits that include health and dental insurance, paid time off and retirement plans. Our employees will be an integral part of our business operations, working together to provide a seamless shopping experience for our customers.

## FREEBO TYRE INDUSTRY LIMITED

### CASH FLOWS PROJECTION FOR FIVE YEARS FROM 2023 TO 2028

	Pre-Startup EST	,2024	2025	2026	2027	2028	Total
<b>Cash on Hand</b> (beginning of month)	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 2,400,000	\$ 3,840,000	\$ 5,424,000	\$ 13,664,000
<b>CASH RECEIPTS</b>							
Cash Sales			\$ 1,000,000	\$ 1,000,000	\$ 1,100,000	\$ 1,210,000	\$ 4,310,000
Collections from CR accounts		\$ -	\$ 400,000	\$ 440,000	\$ 484,000	\$ 532,400	\$ 1,856,400
Estimated Capital for startup	\$ 500,000		\$ -	\$ -	\$ -	\$ -	\$ 500,000
Loan	\$ 500,000						\$ 500,000
<b>TOTAL CASH RECEIPTS</b>	\$ 1,000,000	\$ -	\$ 1,400,000	\$ 1,440,000	\$ 1,584,000	\$ 1,742,400	\$ 7,166,400
<b>Total Cash Available</b> (before cash out)	\$ 1,000,000	\$ 1,000,000	\$ 2,400,000	\$ 3,840,000	\$ 5,424,000	\$ 7,166,400	\$ 20,830,400
<b>CASH PAID OUT</b>							
Purchases other fixed		\$ -	\$ 7,200	\$ 7,920	\$ 8,712	\$ 9,583	\$ 33,415
Purchases vehicles		\$ 80,000	\$ -	\$ 41,000	\$ -	\$ -	\$ 121,000
Gross wages (exact withdrawal)		\$ 15,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 255,000
Payroll expenses (taxes, supplies)		\$ 4,500	\$ 20,400	\$ 20,400	\$ 20,400	\$ 20,400	\$ 86,100
Supplies (office & operation.)		\$ 1,000	\$ 1,100	\$ 1,210	\$ 1,331	\$ 1,464	\$ 6,105
Repairs & maintenance		\$ 1,250	\$ M1,375	\$ 1,513	\$ 1,664	\$ 1,830	\$ 7,631
Advertising		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 916
Car, delivery & travel		\$ 1,800	\$ 1,980	\$ 2,178	\$ 2,396	\$ 2,635	\$ 10,989
Accounting & legal		\$ 4,500	\$ 4,950	\$ 5,445	\$ 5,990	\$ 6,588	\$ 27,473
Rent		\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 180,000
Telephone & internet		\$ 120	\$ 132	\$ 145	\$ 160	\$ 176	\$ 733
Utilities		\$ 150	\$ 165	\$ 182	\$ 200	\$ 220	\$ 916
Insurance		\$ 21,200	\$ 21,412	\$ 21,626	\$ 21,842	\$ 22,061	\$ 108,141
Taxes (real estate, etc.)		\$ 240	\$ 240	\$ 240	\$ 240	\$ 240	\$ 1,200
Interest		\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 375,000
Miscellaneous		\$ 200	\$ 220	\$ 242	\$ 266	\$ 293	\$ 1,221
<b>SUBTOTAL</b>	\$ -	\$ 241,110	\$ 230,339	\$ 273,282	\$ 234,400	\$ 236,710	\$ 1,215,840

Loan principal payment		\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 2,431,681
Capital purchase (land)		\$ 100,000					\$ 4,829,946
Capital purchase (excavators)		\$ -	\$ 1,000,000	\$ 100,000	\$ -	\$ -	\$ 9,538,892
Owners' Withdrawal			\$ -	\$ -	\$ 10,000,000	\$ 12,500,000	\$ 18,736,684
<b>TOTAL CASH PAID OUT</b>	\$ -	\$ 1,091,110	\$ 1,980,339	\$ 1,123,282	\$ 10,984,400	\$ 13,486,710	\$ 36,753,042
<b>Cash Position (end of month)</b>	\$ 1,000,000	\$ (91,110)	\$ 419,661	\$ 2,716,718	\$ (5,560,400)	\$ (6,320,310)	\$ (15,922,642)