

**SUNBELT KAILION SPECIAL PURPOSE VEHICLE COMPANY
LIMITEDCOMPANY LIMITED**

Business Plan

for

Vehicle assembling plant

PREPARED FOR

SUNBELT KAILION SPECIAL PURPOSE VEHICLE

Dar es Salaam

1.0 EXECUTIVE SUMMARY

SUNBELT KAILION SPECIAL PURPOSE VEHICLE COMPANY LIMITEDCOMPANY LIMITED is a company registered in the country under the Companies Act 2002 and bears Certificate of Incorporation No.200911520 issued on 4th March, 2026.

The project proposes the establishment of a vehicle assembling plant that will assemble passenger vehicles, pickup trucks, and light commercial vehicles using Semi Knocked Down (SKD) and Completely Knocked Down (CKD) kits imported from international manufacturers.

The proposed investment is estimated to cost US\$ 10 million

1.1 COMPANY OWNERSHIP

SUNBELT KAILION SPECIAL PURPOSE VEHICLE COMPANY LIMITED is promoted by investors who are very experienced in vehicles assembling business

Shareholder Name	% of ownership	Nationality
BAI YANG P. O. Box 19088-DAR ES SALAAM	5500	China
ZHU XUSHENG P. O. Box 19088-DAR ES SALAAM	2000	China
HUA TENG INDUSTRIES LIMITED P. O. Box 19088-DAR ES SALAAM	2500	Tanzania

1.2 PROJECT LOCATION

The project head office will be located at Plot No.14564 Kigogo Street, Kisarawe II, Kigamboni District, Dar es Salaam Region.

1.3 Vision: To become a leading vehicle assembling company in East Africa.

1.4 Mission: To assemble vehicles efficiently, responsibly, and profitably while creating employment and contributing to Tanzania's economy.

2.0 Industry Overview

Vehicle demand in East Africa is growing rapidly due to:

- Population growth
- Urbanization
- Infrastructure development
- Growth in logistics and transport sectors

Vehicle Market in Tanzania

Most vehicles are imported through:

- Japan
- UAE
- China

- Europe

Many are used vehicles, creating strong opportunity for locally assembled affordable vehicles.

Government policy increasingly supports local manufacturing through incentives under the Tanzania Investment Centre.

3.0 Market Analysis

Tanzania Vehicle Demand

Estimated vehicle imports annually:

Category	Units per year
Passenger cars	45,000
Pickup trucks	25,000
Commercial vehicles	18,000

Total annual demand exceeds 85,000 vehicles.

3.1 Regional Export Markets

Potential export markets include:

- Kenya
- Uganda
- Rwanda
- Burundi

- Democratic Republic of the Congo
- Zambia

The region imports over 500,000 vehicles per year.

4.0 Business Process for Vehicle Assembling Project

The vehicle assembling plant will operate using CKD (Completely Knocked Down) and SKD (Semi Knocked Down) kits imported from international manufacturers and assembled locally in Dar es Salaam, Tanzania.

4.1 Supplier Partnership and Procurement

The first step is establishing partnerships with international vehicle manufacturers.

Activities

- Identify global automotive manufacturers
- Sign licensing and supply agreements
- Order CKD/SKD vehicle kits
- Arrange shipping logistics

Suppliers may come from China

Components Imported

- Engine systems
- Transmission systems

- Chassis frame
- Body panels
- Electrical wiring
- Interior components
- Tires and braking systems

4.2 Importation and Logistics

Vehicle kits are shipped to Tanzania through the Port of Dar es Salaam.

Process

Key Authorities

- Tanzania Revenue Authority
- Tanzania Ports Authority

4.3 Warehouse and Inventory Management

All imported parts are stored in a central warehouse before entering the assembly line.

Activities

- Inventory registration
- Quality inspection
- Component sorting
- Just-in-time supply to assembly line

Warehouse management systems ensure:

- Production efficiency
- Reduced inventory losses
- Accurate production planning

4.4 Vehicle Assembly Process

This is the core manufacturing process.

Stage 1 – Chassis Assembly

The vehicle frame is assembled.

Installed components include:

- Suspension system
- Axles
- Brakes
- Fuel system

Stage 2 – Engine and Transmission Installation

The powertrain is installed.

Components include:

- Engine
- Gearbox
- Drive shafts

- Exhaust system

Stage 3 – Body Assembly

Vehicle body panels are installed.

Includes:

- Doors
- Roof
- Fenders
- Bumpers
- Windshield

Stage 4 – Electrical System Installation

Technicians install electrical systems.

Components include:

- Wiring harness
- Lighting systems
- Dashboard electronics
- Sensors and safety systems

Stage 5 – Interior Assembly

Interior components are installed.

Includes:

- Seats
- Steering system
- Air conditioning
- Infotainment system
- Floor panels

5. Painting and Finishing

Vehicles pass through a painting booth where they receive protective coating and final color.

Process

1. Surface treatment
2. Anti-rust coating
3. Base paint application
4. Clear coat finish
5. Drying and curing

This stage ensures durability and aesthetics.

6. Quality Control and Testing

Each vehicle undergoes rigorous inspection.

Quality Checks

- Engine performance
- Brake testing

- Electrical system check
- Road simulation testing
- Safety compliance

Vehicles must meet standards set by:

- Tanzania Bureau of Standards

7. Distribution and Sales

After approval, finished vehicles are transferred to distribution centers.

Sales Channels

1. Authorized dealerships
2. Government procurement
3. Corporate fleet buyers
4. Individual retail customers

Export Markets

Vehicles may also be exported to:

- Kenya
- Uganda
- Rwanda
- Zambia

Business Process Flow Summary

1. Supplier partnership
2. Importation of vehicle kits
3. Warehousing and inventory management
4. Chassis assembly
5. Engine installation
6. Body assembly
7. Electrical and interior installation
8. Painting and finishing
9. Quality testing
10. Distribution and sales

Estimated Production Cycle

Process Stage	Time
Component preparation	2 hours
Assembly	8 hours
Painting	4 hours
Testing	2 hours

Total time per vehicle: ~16 hours

4.5 Machinery and Equipment

Major equipment required:

- Assembly line system
- Painting booth
- Chassis assembly tools

- Testing equipment

4.5 Operational Capacity

A plant will have assembly line with production capacity of 4,000 vehicles per year

5.0 Government Incentives

Potential incentives from:

- Tanzania Investment Centre and Export Processing Zones Authority (Tanzania)

Benefits may include:

- Import duty exemption on machinery
- VAT deferment

6.0 Environmental Impact

The project will implement:

- Waste management systems
- Water recycling
- Low-emission paint systems

Environmental approvals from National Environment Management Council (Tanzania)

7.0 Risk Analysis

Risk	Mitigation
Currency fluctuations	Local sourcing
Supply chain delays	Multiple suppliers
Market competition	Affordable pricing
Policy changes	Government engagement

7.0 Implementation Timeline

Phase	Duration
Project approval	3 months
Land acquisition	2 months
Construction	8 months
Equipment installation	4 months
Testing & commissioning	3 months

Total project timeline: 18–20 months

8.0 Human Resource Requirements

Position	Number
Engineers	12
Technicians	60
Assembly workers	80
Management staff	15
Administration	20

Total employment: ~187 workers

9.0 Revenue Model

Average vehicle selling prices:

Vehicle	Price
Passenger car	\$16,000
Pickup truck	\$25,000
Light truck	\$32,000
SUV	\$30,000

Annual Revenue Estimate

Vehicle	Units	Revenue
Passenger cars	1,200	\$19.2M
Pickup trucks	900	\$22.5M
Light trucks	400	\$12.8M
SUVs	500	\$15M

Total annual revenue: \$69.5M

10.0 Operating Costs

Major costs include:

- CKD kit imports
- Labor
- Utilities
- Logistics
- Marketing
- Maintenance

Estimated annual operating cost: \$62M

12.2 PROJECT COST

The project has budgeted to cost the followings:

Land and Buildings	2,200,000
Machinery & Equipment	5,000,000
Motor Vehicles	150,000
Furniture & Fixtures	20,000
Pre exp	50,000
Others	30,000
Working Capital	2,550,000
TOTAL	10,000,000

13.0 FINANCIAL ASPECTS FOR THE PROJECT

- **Projected Profit and Loss Statement**

The attached Appendix I shows the projected income for the 8years period. The position depicted is that the project earns profit throughout its life. Accumulated after tax profits grow from. **US\$ 4,731,300** in the 1st year to **US\$ 109,156,406** in the 8th year.

- **Projected Cash Flows**

The project's cash flows are shown in Appendix II. They depict a good liquid position right from the first year. Cash accumulation builds up from **US\$ 5,472,300** in the first year to **US\$ 112,114,406** at the end of 8th years of the project's operations.

- **Projected Balance Sheet**

The project's assets cash flows are shown in Appendix III. Owners' equity grows from **US\$ 3,000,000** in the first year to **US\$ 112,156,406** at the end of 8th years of the project's operations based

- **Payback Period**

Total investment is **US\$ 10,000,000** cash accumulation in 2nd year **US\$ 13,133,100** which is more than the initial investment. The project payback Period is exactly 2years. The project has a relatively short payback period.

- **Loan repayment**

Total investment loan is **US\$7,000,000** to be repaid within 8 years.

14.0 **ECONOMIC ASPECTS OF THE PROJECTS**

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 187 people. This is a significant contribution coming from investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

- **Foreign Exchange Earning**

Project is planning to export, thus earn foreign currency for the United Republic of Tanzania.

15.0 **CONCLUSION**

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 187 people.
- The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that they are ready to invest such large sums of investment despite the odds of the sector in question.

16.0 **RECOMMENDATION**

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technically feasible, economically viable and socially acceptable.

APPENDIX I

SUNBELT KAILION SPECIAL PURPOSE VEHICLE COMPANY LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

	1	2	3	4	5	6	7	8
Revenue	69,500,000	72,975,000	76,623,750	80,454,938	84,477,684	88,701,569	93,136,647	97,793,479
Total Cost	62,000,000	62,310,000	62,621,550	62,934,658	63,249,331	63,565,578	63,883,406	64,202,823
Profit before Depreciation & Interest	7,500,000	10,665,000	14,002,200	17,520,280	21,228,353	25,135,991	29,253,241	33,590,657
Interest	630,000	540,000	360,000	270,000	180,000	90,000	-	-
Depreciation	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000
Gross Profit	6,759,000	10,014,000	13,531,200	17,139,280	20,937,353	24,934,991	29,142,241	33,479,657
Tax (30%)	2,027,700	3,004,200	4,059,360	5,141,784	6,281,206	7,480,497	8,742,672	10,043,897
Profit After Tax	4,731,300	7,009,800	9,471,840	11,997,496	14,656,147	17,454,494	20,399,569	23,435,760
Accumulated Profit	4,731,300	11,741,100	21,212,940	33,210,436	47,866,583	65,321,077	85,720,646	109,156,406

SUNBELT KAILION SPECIAL PURPOSE VEHICLE COMPANY LIMITED PROJECTED CASH FLOWS US\$

SOURCES:		1	2	3	4	5	6	7	8
Profit before interest and depreciation	-	7,500,000	10,665,000	14,002,200	17,520,280	21,228,353	25,135,991	29,253,241	33,590,657
Equity	3,000,000								
Loan	7,000,000								
Total Sources	10,000,000	7,500,000	10,665,000	14,002,200	17,520,280	21,228,353	25,135,991	29,253,241	33,590,657
Applications:									
Capital expenditure	7,370,000	-	-	-	-	-			
working Capital & Others	2,630,000								
Cash	-	5,472,300	7,660,800	9,942,840	12,378,496	14,947,147	17,655,494	20,510,569	23,546,760
Tax	-	2,027,700	3,004,200	4,059,360	5,141,784	6,281,206	7,480,497	8,742,672	10,043,897
Sub total	10,000,000	7,500,000	10,665,000	14,002,200	17,520,280	21,228,353	25,135,991	29,253,241	33,590,657
Total applications	10,000,000	7,500,000	10,665,000	14,002,200	17,520,280	21,228,353	25,135,991	29,253,241	33,590,657
Accumulated cash		5,472,300	13,133,100	23,075,940	35,454,436	50,401,583	68,057,077	88,567,646	112,114,406

APPENDIX III

SUNBELT KAILION SPECIAL PURPOSE VEHICLE COMPANY LIMITED PROJECTED BALANCE SHEET US\$

Fixed Assets	-	1	2	3	4	5	6	7	8
Opening balance	-	7,370,000	7,259,000	7,148,000	7,037,000	6,926,000	6,815,000	6,686,000	6,575,000
Total Long-term Assets	-	7,370,000	7,259,000	7,148,000	7,037,000	6,926,000	6,815,000	6,686,000	6,575,000
Less depreciation	-	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000
Closing balance	-	7,259,000	7,148,000	7,037,000	6,926,000	6,815,000	6,704,000	6,575,000	6,464,000
Working capital	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000	2,630,000
Accumulated cash	-	5,472,300	13,133,100	23,075,940	35,454,436	50,401,583	68,057,077	88,567,646	112,114,406
Total assets	2,630,000	15,361,300	#REF!	32,742,940	45,010,436	59,846,583			
Financed by									
Equity	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Accumulated profit	-	4,731,300	11,741,100	21,212,940	33,210,436	47,866,583	65,321,077	85,720,646	109,156,406
Total equity	3,000,000	7,731,300	14,741,100	24,212,940	36,210,436	50,866,583	68,321,077	88,720,646	112,156,406
Long term loan	7,000,000	6,000,000	50,000,000	4,000,000	3,000,000	2,000,000	1,000,000	-	-
Total debts	7,000,000	6,000,000	50,000,000	4,000,000	3,000,000	2,000,000			
Total equity and debts	10,000,000	13,731,300	64,741,100	28,212,940	39,210,436	52,866,583	68,321,077	88,720,646	112,156,406

SUNBELT KAILION SPECIAL PURPOSE VEHICLE COMPANY LIMITED DEPRECIATION SCHEDULE US\$

NAME OF ASSETS	1	2	3	4	5	6	7	8
Land And Buildings	2,200,000	2,156,000	2,112,000	2,068,000	2,024,000	1,980,000	1,936,000	1,892,000
Machinery, Tools & Equipment	5,000,000	4,950,000	4,900,000	4,850,000	4,800,000	4,750,000	4,700,000	4,650,000
Motor Vehicles	150,000	135,000	120,000	105,000	90,000	75,000	60,000	45,000
Furniture & Fixtures	20,000	18,000	16,000	14,000	12,000	10,000	-10,000	-12,000
Total	7,370,000	7,259,000	7,148,000	7,037,000	6,926,000	6,815,000	6,686,000	6,575,000
DEPRECIATION	160000	2	3	4	5	6	7	8
Land and buildings	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Machinery tools & Equipment	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Motor Vehicles	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Furniture & Fixtures	2,000	2,000	2,000	2,000	2,000	20,000	2,000	2,000
ANNUAL DEPRECIATION	111,000	111,000	111,000	111,000	111,000	129,000	111,000	111,000

SUNBELT KAILION SPECIAL PURPOSE VEHICLE COMPANY LIMITEDPROJECTED LONG TERM LOAN REPAYMENT

Repayments US\$				
Year	principle	Loan Interest (9%)	Total Amount Paid	Loan Balance
1	1,000,000	630,000.00	1,630,000.00	7,000,000.00
2	1,000,000	540,000.00	1,540,000.00	6,000,000.00
3	1,000,000	450,000.00	1,450,000.00	5,000,000.00
4	1,000,000	360,000.00	1,360,000.00	4,000,000.00
5	1,000,000	270,000.00	1,270,000.00	3,000,000.00
6	1,000,000.00	180,000.00	1,180,000.00	2,000,000.00
7	1,000,000.00	90,000.00	1,090,000.00	1,000,000.00

