

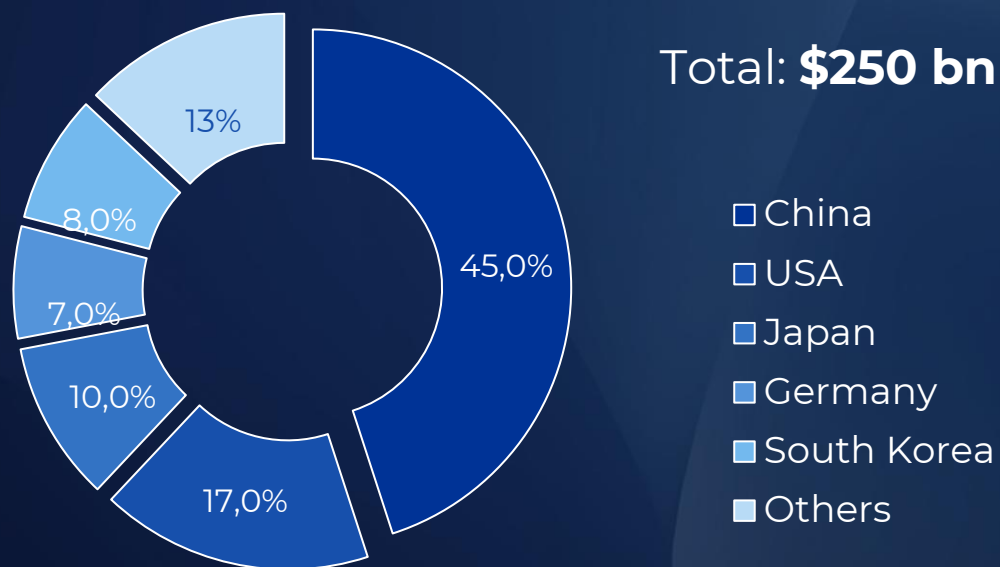


Ministry of Investment,
industry and trade
of the Republic of Uzbekistan

Investment proposal: Production of automotive tires

World market and global trends:

Tire Market Shares by Country (2025)



This distribution demonstrates that more than 60% of global tire production is concentrated in four countries—China, the United States, Japan, and Germany—reflecting strong scale advantages and established automotive supply chains. In contrast, Central Asia represents approximately 1.5–2.0% of global tire demand and has limited domestic manufacturing capacity, resulting in high import dependence. Establishing local tire production would therefore enable significant import substitution for passenger, commercial, and fleet vehicles, while providing a base for exports to nearby growth markets, particularly MENA (approximately 6–7% of global demand) and Eastern Europe (approximately 4–5%).

Tire Production and Usage Highlights

- Global Market Scale:** Global tire demand is estimated at ~2.5 billion units annually, representing a total market value of ~USD 250 billion. The replacement segment dominates, accounting for around 70% of total demand, providing structural market stability.
- Production Concentration & Risk:** Approximately 60% of global tire production capacity is concentrated in Asia, led by China, with the United States, Japan, and Germany as key additional producers. This concentration creates cost and supply exposure for import-dependent regions.
- Product & Segment Mix:** Passenger car tires account for ~55–60% of global volume, followed by truck and bus tires (~25–30%). Premium segments (SUV, winter, EV-specific) are the fastest-growing by value, while fleets and public transport drive volume demand.
- Primary Growth Drivers:** Key drivers include vehicle parc growth in emerging markets, increased replacement frequency, expansion of logistics and e-commerce fleets, and rising demand for fuel-efficient and EV-compatible tires.

Top 5 Tire Producers Worldwide:

Michelin
(France)



Bridgestone
(Japan)



Goodyear
(USA)



Continental
(Germany)



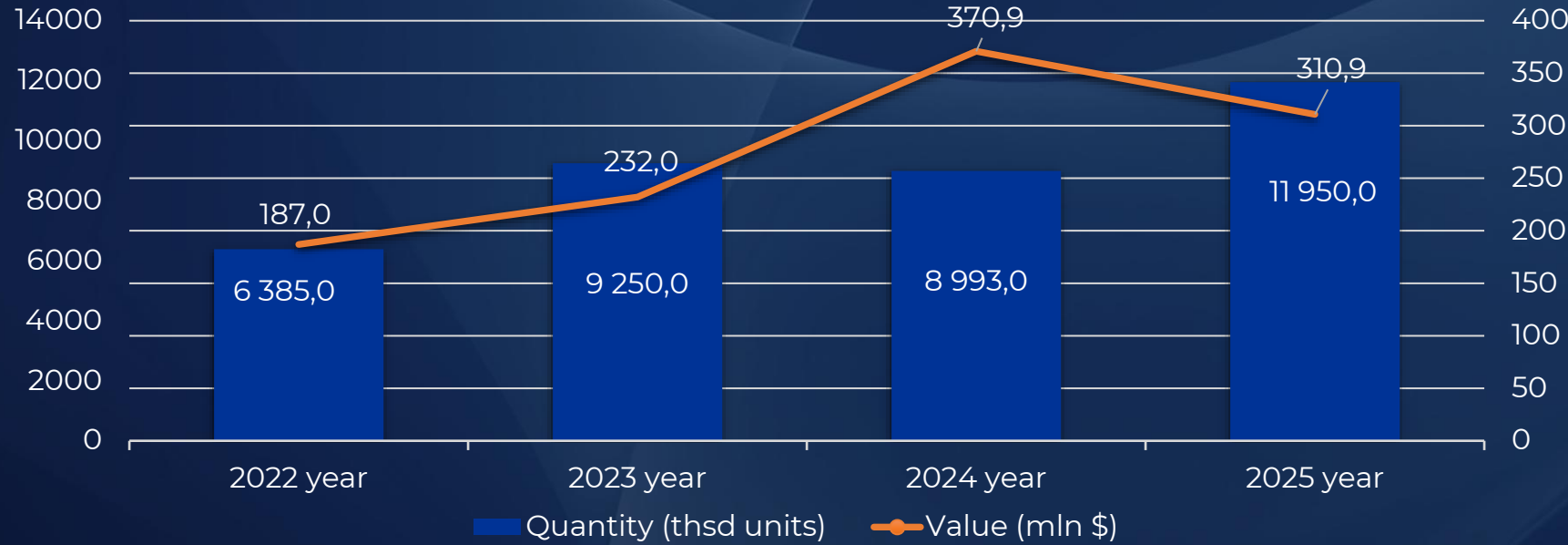
Pirelli
(Italy)





Export and import analysis

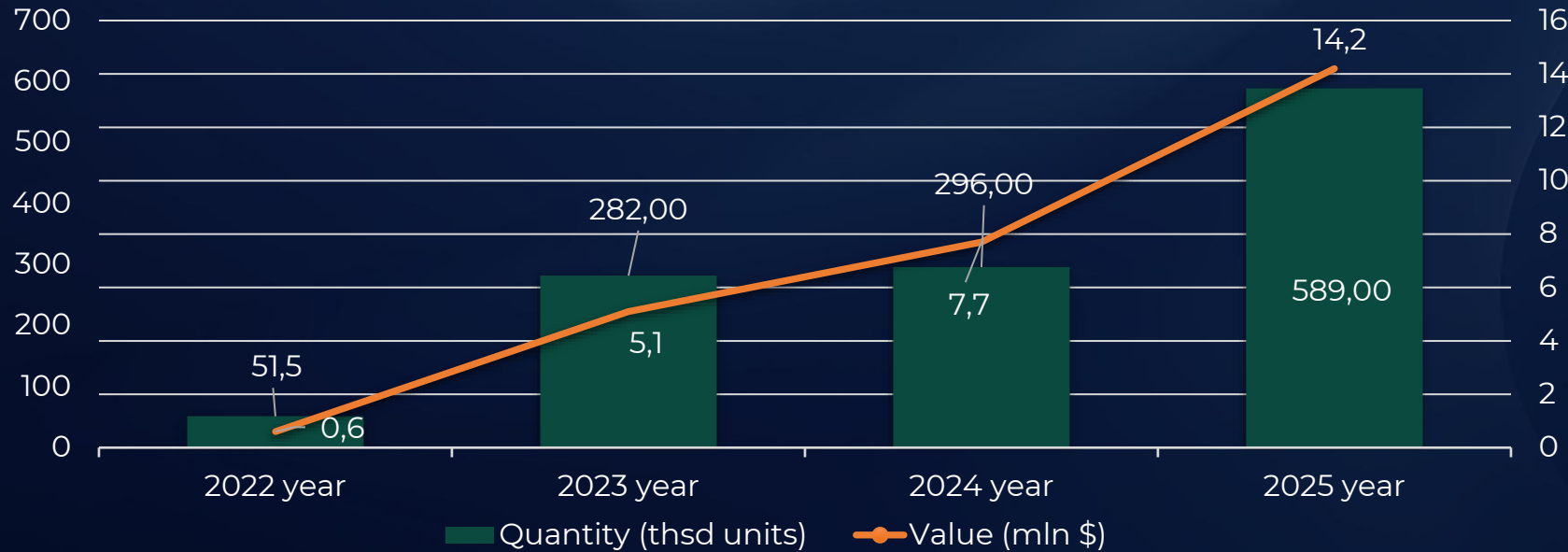
Import of generators



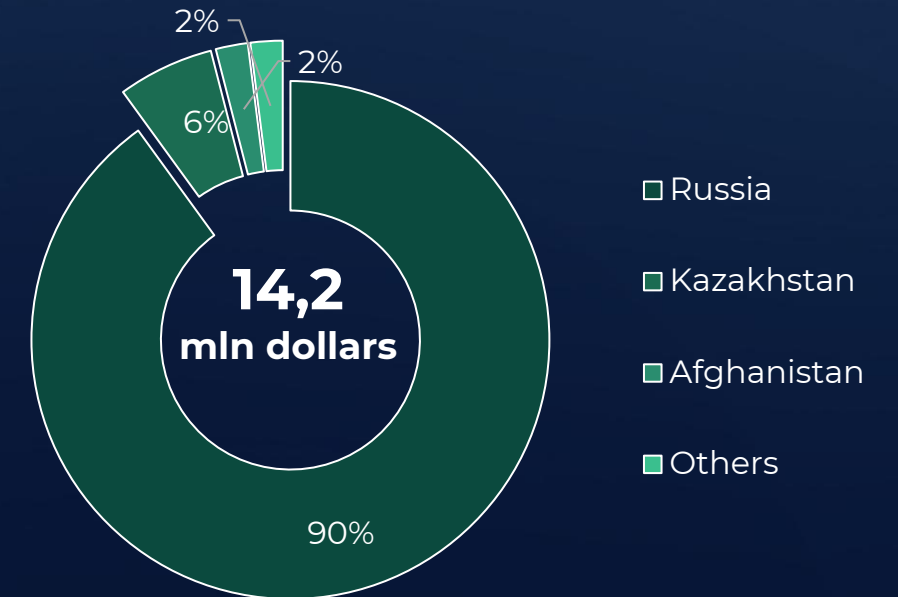
Import by countries



Export of generators

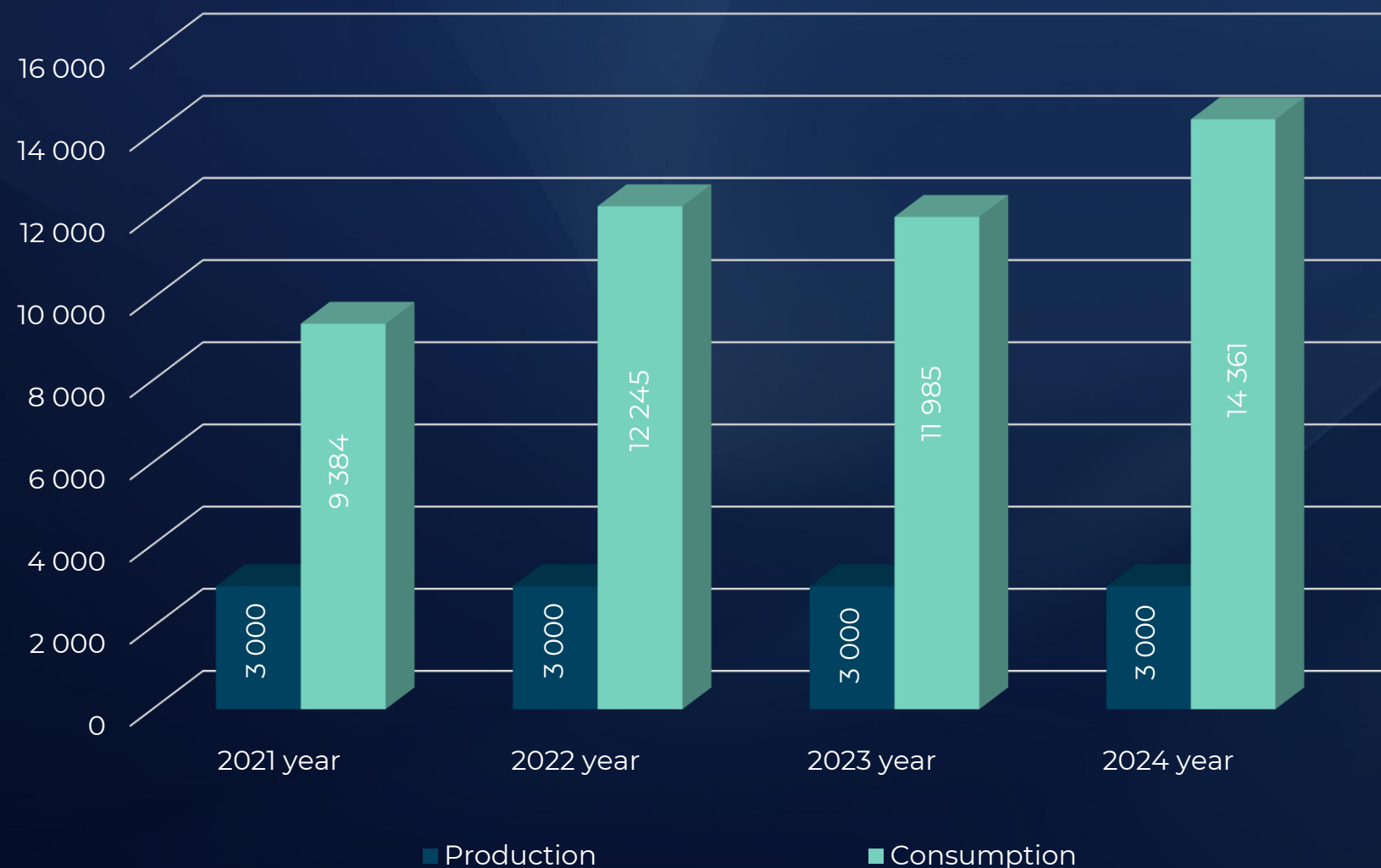


Export by countries



Analysis of generators market

Production and consumption of generators
(thsd units)



The chart highlights a **persistent and widening gap between domestic production and market consumption of generators.**

While local production has remained stable over the observed period, consumption has increased steadily, indicating that demand growth is being met primarily through imports.

This trend demonstrates that **existing domestic capacity is structurally insufficient** and is not scaling in line with market needs. The stability of production alongside rising consumption suggests that the market expansion is **demand-driven**, not temporary, and reflects underlying factors such as increased reliance on backup power, industrial growth, and infrastructure constraints.

For investors, this imbalance represents a **clear localization opportunity**: additional domestic production can be absorbed by the market without displacing existing manufacturers. The gap between production and consumption provides immediate room for new capacity, supporting an **import-substitution-focused investment model** with reduced market entry risk.

Overall, the data confirms that demand growth is **sustained and structural**, reinforcing the economic rationale for expanding local manufacturing capacity to replace imports and stabilize domestic supply









Production of automotive tires

Economic and social impact:

- Import substitution:**
 In 2025, Uzbekistan imported 1,135,000 automotive tires valued at USD 376 million, mainly from China, South Korea, Latvia, and Slovakia. Local production could replace USD 90–120 million of imports annually, reducing foreign currency outflow.
- Export activity:**
 Current tire exports amount to approximately USD 2 million per year. The project will maintain modest export volumes in Phase I, with gradual expansion after quality stabilization.
- GDP contribution:**
 With projected annual revenue of ~USD 120 million, direct value-added contribution to GDP is estimated at ~USD 35 million per year.
- Supply chain development:**
 Packaging materials, logistics and warehousing services, tooling and maintenance, testing and certification services



Economic indicators:

-  **Financing:** 90 million USD
-  **Area:** 6 hectares
-  **Revenue:** \$135 million/year
-  **ROI:** 45 %
-  **NPV:** ~ \$60 million (5 years)
-  **IRR:** ~32%

Production indicators:

-  **Passenger car tires:** 2 000 000 units
-  **Light commercial tires:** 300 000 units
-  **Truck and bus radial:** 1 00 000 units

Location of the project



Syrdarya region	
Size	4 280 km ²
Population	0,9 million

Project description:

The project aims to establish a modern industrial plant for the local production of passenger car tires (PCR) with a limited share of light commercial tires (LTR) to meet domestic replacement demand.

Objectives:

- Establish a local facility for cost-effective tire production.
- Replace imported tires with domestic production, reducing foreign currency outflow.
- Ensure stable supply for the domestic automotive market.
- Create a scalable industrial base for future expansion



Processing chain & product yield

Key production stages

Key production stages (Automotive tires – PCR, LTR, limited TBR)

1. Raw material procurement & inbound logistics

- Natural and synthetic rubber.
- Carbon black, silica, chemical additives (accelerators, antioxidants).
- Steel cord and bead wire.
- Textile reinforcement materials.
- Packaging materials.
- Supply from international producers and selected local partners

2. Rubber mixing & compound preparation

- Weighing and dosing of raw materials.
- Internal mixing (Banbury or equivalent mixers).
- Compound cooling, milling, and batch preparation.
- Quality checks of rubber compounds before production

3. Component manufacturing

4. Tire building (green tire assembly)

5. Vulcanization (curing)

6. Testing & quality control

7. Finishing & marking

8. Packaging, warehousing & storage

9. Outbound logistics & distribution

10. After-sales support & technical service

Technology & features

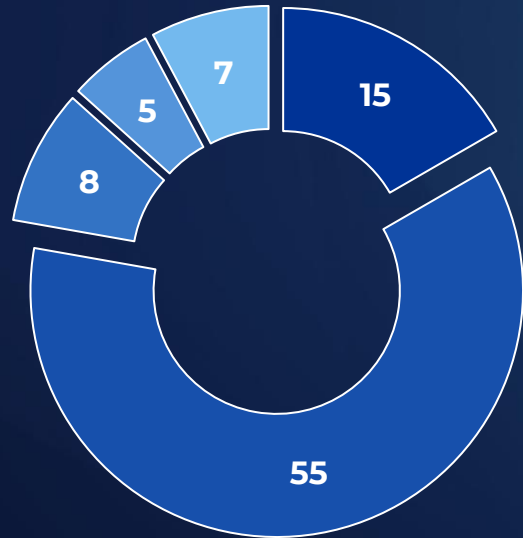
	Technology	Features
1	Tire building & assembly line	Semi-automated tire building machines for PCR, LTR, and limited TBR, ensuring consistent structure, dimensional accuracy, and productivity
2	Rubber mixing & compounding system	Controlled dosing and internal mixing of natural/synthetic rubber and additives to ensure uniform compound quality and performance consistency
3	Vulcanization (curing) technology	Hydraulic curing presses with precise temperature and pressure control; separate press configuration for PCR/LTR and limited TBR products
4	Testing & quality laboratory	Uniformity, balance, pressure, and visual testing in accordance with domestic and regional certification standards





Project expenses

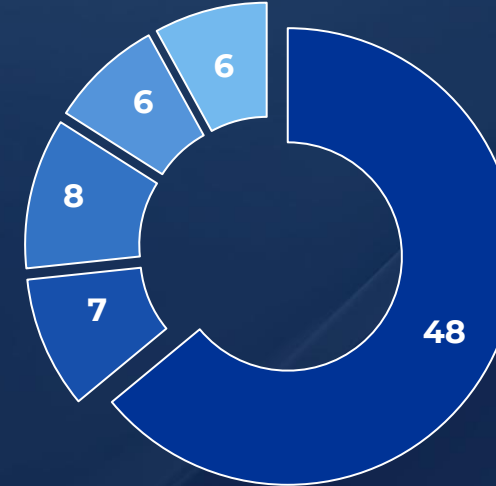
Initial Investment (CAPEX) (mln dollar)



Total CAPEX: **\$90 mln**

- Land and construction
- Machinery & equipment
- Utilities & infrastructure
- R&D and testing facilities
- Other

Operating Costs (OPEX) (mln dollar)



Total OPEX: **\$75 mln**

- Raw materials
- Labor
- Utilities & maintenance
- Sales & distribution
- Admin & overhead

This financial overview outlines a comprehensive cost structure and strong profitability of the proposed generator production project. The breakdown includes both initial capital investment (CAPEX) and annual operating costs (OPEX), alongside projected revenue and profit estimates.

Product	Capacity	Amount (million USD)
Passenger car tires	2 000 000 units	80
Light Commercial tires	300 000 units	30
Truck and bus tires	100 000 units	25
TOTAL	2 400 000 units	135

Annual EBITDA:

$$= \$135 \text{ mln} - \$75 \text{ mln} = \mathbf{\$60 \text{ mln}}$$

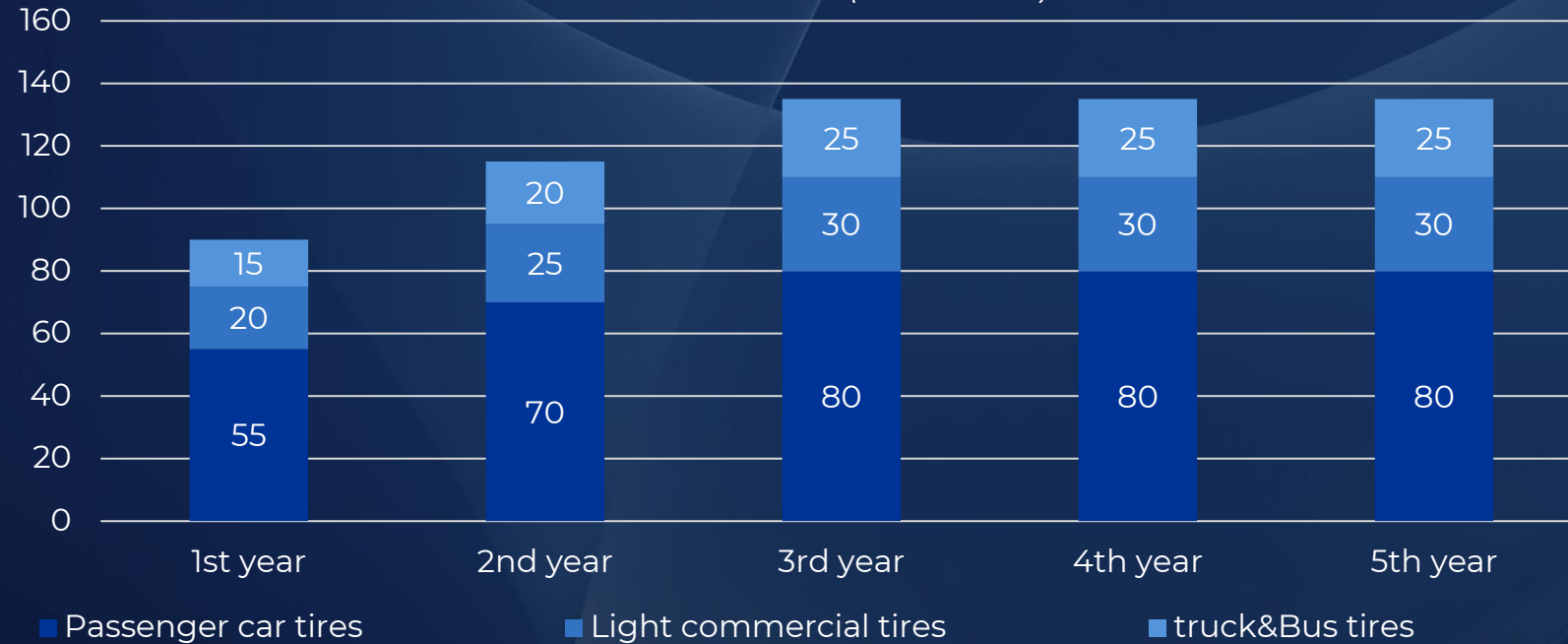
The project's strong profitability forecast is underpinned by efficient operations and high market demand, positioning it as a highly attractive investment.



Financial indicators

(5-year projection)

Revenues (mln dollars)



Operating expenses (mln dollars)



Total 10-year cash flow:

\$124,6M after full CAPEX recovery

NPV (12% discount rate):

NPV= **\$60 million** (Highly favorable!)

IRR (Internal rate of return): ≈ **32%**

Payback period (PP):

= **2,5years**

Profitability index (PI):

$= (\text{NPV} + \text{CAPEX}) / \text{CAPEX} = (\$60\text{M} + \$90\text{M}) / \$90\text{M} = \mathbf{1,6}$

Return on investment (ROI):

= **45%**

Information about “Birinci Rezinotexnika Zavodi” (BRZ)

Company overview

Company overview

- **Birinci Rezinotexnika Zavodi (BRZ)** is the **only large-scale tire manufacturing plant currently operating in Uzbekistan.**
- The project was **established by government initiative in 2014** as part of the national industrial localization program.
- **Serial tire production started in 2018**, after completion of construction, equipment installation, and certification.
- The plant focuses primarily on **passenger car tires**, with additional production of **agricultural tires and rubber-technical products.**



Production facility



Cost of utilities

- Gas 17 cents/m³
- Electricity 8,5 cents/kWh
- Water \$1,1/m³