



MASAHA[®]
Your Gate To Development!



SANY

BUSINESS PLAN

SANY Commercial Trucks Factory -Kuwait-

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Executive Summary

Project Name	SANY – Commercial Truck Factory
Partnership	SANY Heavy Industry (China) & MASAHA Heavy Equipment (Kuwait)
Location	Kuwait
Industry	Commercial Truck Manufacturing
Capacity	1,500 trucks / year (initial phase)
Primary Objective	Localize commercial truck manufacturing to cover GCC and MENA

Business Objectives:

Year 1-2: Establish factory, hire workforce, complete prototype and safety testing

Year 3-5: Reach break-even point, produce 2,000-3,000 Units/year, achieve 15% market share in domestic market

Year 5-10: Expand to electric trucks and other products and export to 10+ new countries

Why Kuwait ?

1 Contribute to developing business relationship between China and Kuwait

Benefits

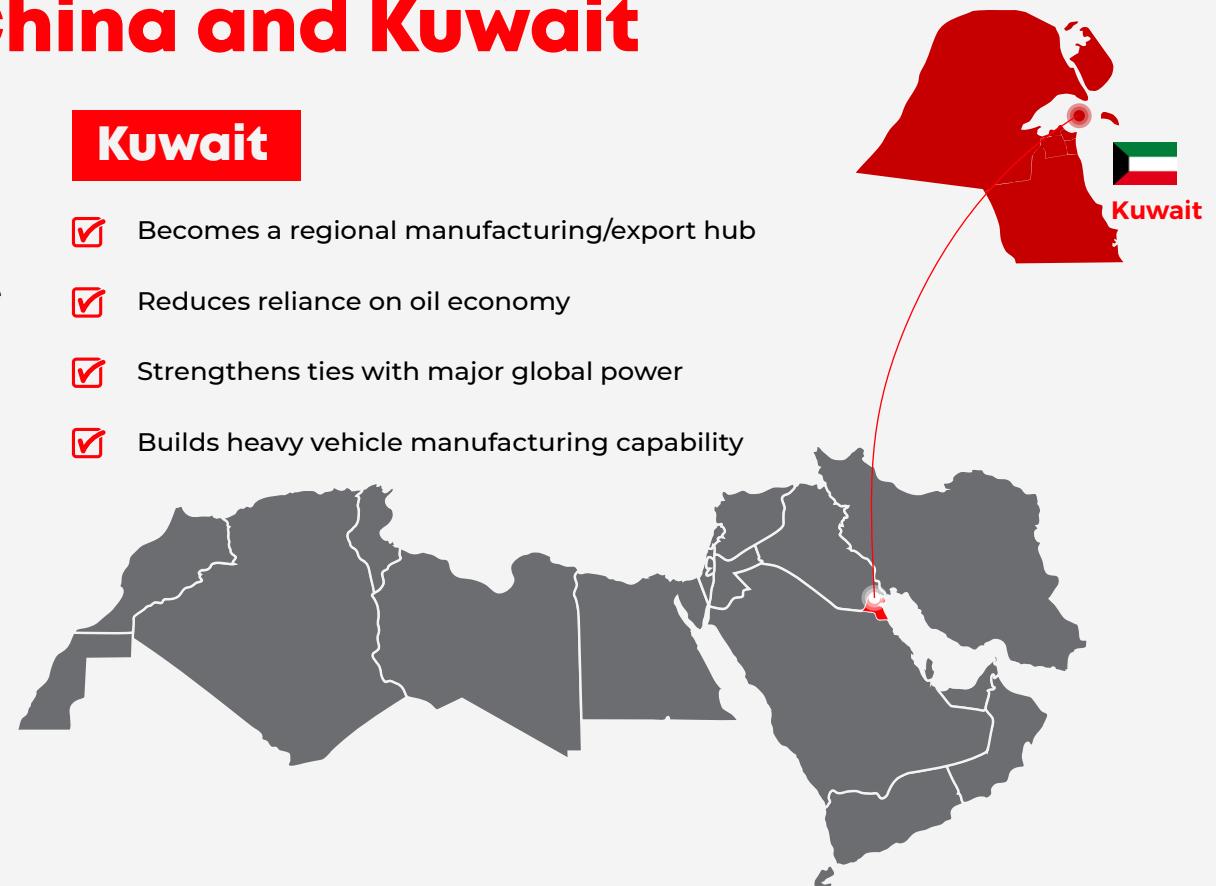
- Market Expansion
- Economic Diversification
- Strategic Positioning
- Industrial Development

China

- Access to GCC
- Overseas revenue and brand exposure
- Anchor in Gulf under BRI framework
- Exports components and machinery

Kuwait

- Becomes a regional manufacturing/export hub
- Reduces reliance on oil economy
- Strengthens ties with major global power
- Builds heavy vehicle manufacturing capability



Secured economical situation

Indicator	Status
Sovereign wealth assets	\$700 - + billion - top 6 in the world
Public debt (% of GDP)	Low (<10% in recent years) - kuwait 6%, The overall public debt-to-GDP ratio of Gulf Cooperation Council (GCC) countries is projected to stabilize at around 28% during 2024-2025.
Currency stability	Strong Kuwaiti Dinar (KWD) - Fixed Exchange Rate Regime: Since 2003, the Kuwaiti Dinar (KWD) has been pegged to a basket of major currencies (with the US dollar accounting for $\geq 70\%$ of the weighting), rather than being solely pegged to the USD. Official Exchange Rate: 1 KWD \approx 3.25–3.30 USD (2025 latest range), making it the highest-valued currency against the US dollar in the world.

Indicator	Status
Budget reserves	High – future fund + general reserves
Trade balance	Consistent surplus (oil exports)
Inflation	<p>Low and well-managed - Global inflation rate in 2023: Approximately 6.9% (IMF data), significantly higher than Kuwait's 3.2%.</p> <p>2025 forecast: Global inflation is projected to decline to 4.5%, still above Kuwait's 2.25%.</p> <p>Reasons: Kuwait relies on oil revenues, maintains a dollar-pegged exchange rate (which helps curb imported inflation), and the government provides substantial subsidies (e.g., for housing and food).</p>
Financial regulation	<p>Economic Policy: Balancing Oil Dependence with Financial Openness</p> <p>Foreign Policy: Non-Interventionist Stance and Regional Conflict Avoidance</p>

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Safe investing environment

Factor	Strength
Political Stability	High – constitutional system with sovereign wealth buffer
Banking System	Strong – well-capitalized and government-backed
Legal Protections for Investors	Strong – 100% ownership, repatriation rights, arbitration
Economic Fundamentals	Solid – oil-backed economy, sovereign wealth, low debt
Market Access	Strategic GCC & regional hub
Incentives	Tax breaks, customs exemptions, land allocation

1. Tax Breaks in Kuwait

Key Policies

Corporate Tax Exemption: Foreign companies enjoy 100% income tax exemption for the first 10 years (under the Foreign Direct Investment Law).

2023 Update: Tech and renewable energy projects may extend tax holidays to 15 years.

VAT Postponement: Kuwait remains the only GCC country not implementing VAT (5% proposed rate indefinitely delayed).

Free Zone Benefits: Companies registered in Kuwait Free Trade Zone (KFZA) receive permanent exemption from corporate tax and import/export duties.

Eligibility Criteria : Minimum 50% foreign ownership (relaxed for priority sectors).

Projects must align with "Kuwait Vision 2035" (e.g., digital economy, clean energy).

2. Customs Exemptions

Applicable Cases

- Production Equipment: Full customs duty exemption for manufacturing machinery (requires equipment list and usage certification).
- Essential Goods: Zero tariffs on pharmaceuticals and staple foods (per GCC Common Market Agreement).
- Free Zone Privileges: KFZA companies enjoy 100% duty exemption, including re-exports.

Application Process

- Submit exemption application + commercial registration to Kuwait Customs.
- Industrial Authority (PAI) reviews project qualifications (typically 30 working days).

3. Land Allocation

Policy Features

Industrial Land Incentives:

- In Shuaiba Industrial Zone or Northern Economic Zone, foreign investors receive:
- 100% land rent waiver for first 5 years (50% market rate thereafter).
- Infrastructure subsidies (up to 80% utility connection costs).

Long-Term Use:

Maximum 40-year lease (renewable), though land ownership remains government-held.

Key Restrictions

- Minimum investment: 500M KWD (~\$165M).
- Projects must create at least 30% Kuwaiti employment.

4. CCC Comparative Analysis

Policy	Kuwait	Saudi Arabia (Comparison)	UAE (Comparison)
Tax Breaks	10-15-year full tax exemption	5-year tax holiday (SEZs)	50-year corporate tax waiver (Free Zones)
Customs	100% equipment duty waiver	50% industrial machinery relief	100% Free Zone exemption
Land Policy	5-year rent-free + 40-year lease	30% industrial land subsidy	99-year lease (Dubai Industrial City)

5. Case Study

Chinese Solar Project:

A photovoltaic panel manufacturer in Shuaiba Industrial Zone secured:

- 10-year tax holiday
- Customs exemption for production lines (\$12M equipment)
- 200,000 sqm land with 5-year free lease

Note:

Land allocation requires approval from Kuwait Direct Investment Promotion Authority (KDIPA), averaging 6-8 months processing.

6. 2025 Updates

Digital Economy Incentives:

- 2024 regulations grant cloud computing/AI companies:
- Customs exemption for data servers
- 5-year free land use in government data centers

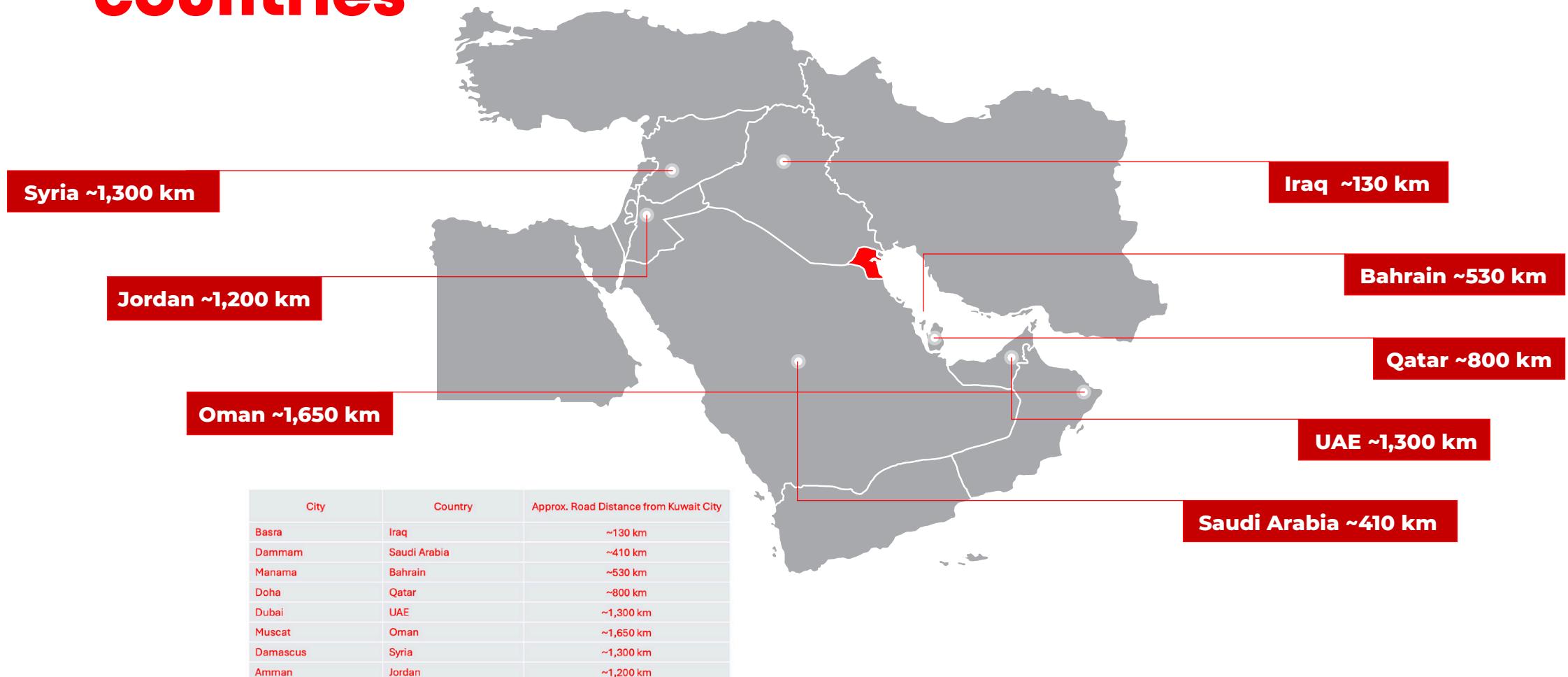


4 Governmental facilities – Kuwait vision 2035

Cost Component	China	Kuwait
<input checked="" type="checkbox"/> VAT on Production (13%)	<input checked="" type="checkbox"/> \$6,500~	<input checked="" type="checkbox"/> \$0
<input checked="" type="checkbox"/> Export Logistics & Fees	<input checked="" type="checkbox"/> \$2,000~	<input checked="" type="checkbox"/> Minimal (domestic)
<input checked="" type="checkbox"/> Import Duty into Kuwait (5%)	<input checked="" type="checkbox"/> \$2,500~	<input checked="" type="checkbox"/> \$0
<input checked="" type="checkbox"/> Corporate Tax on Profits	<input checked="" type="checkbox"/> (China) 25%	<input checked="" type="checkbox"/> (Kuwait) 15%-0
<input checked="" type="checkbox"/> Labor & Regulatory Costs	<input checked="" type="checkbox"/> High (esp. Tier-1 cities)	<input checked="" type="checkbox"/> Lower

5

Geographic access to GCC and neighboring countries



6

No corporate income tax for local companies

- No VAT: As of now, Kuwait does not impose VAT
- No Corporate Tax for Kuwaiti Owners
- No Export Taxes: Trucks exported from Kuwait to GCC face fewer trade barriers
- Government Incentives: Land, financing, and potentially tax holidays under Kuwait Vision 2035
- Avoid import duties

High purchasing power and fleet renewal programs

Factor	Benefit for Local Truck Factory
High business and consumer spending	More buyers for modern trucks
Government fleet renewal	Guaranteed demand from state contracts
Private sector expansion	Large logistics, O & G, construction fleets need upgrade
Import substitution opportunity	Faster, cheaper local supply for urgent demand

Example

Country	GDP per capita (2024 est.)	Key Notes
Qatar	\$78,000+	One of the highest globally
UAE	\$50,000+	Diversified economy
Kuwait	\$40,000+	High disposable income
Saudi Arabia	\$30,000+	Large population, growing middle class



SANY Commercial Trucks Factory- Kuwait

Why SANY ?

1

One of the world's top 5 construction machinery manufacturers globally

2

Advanced R&D and technologies

3

Reliability in quality control

Why MASAHA ?

High Service Quality for Private Sector

- 20,000 m² service center
- 25 mobile workshops
- USD 3.0 m – Stock of spare parts
- 250+ skilled technicians and

Strong Safety & Reliability Record

- Adheres to international HSE (Health, Safety, Environment) protocols — a major requirement for oil, gas, and public contracts.

Regional heavy equipment rental and logistics leader in Kuwait

- Fleet of 2000+ machines

Deep knowledge of GCC and regional demand, models especially in construction, oil and gas and logistics.

- MASAHA (Rental, Sales, Power and Projects) - Kuwait
- MASAHA Rental - KSA

Proven Track Record

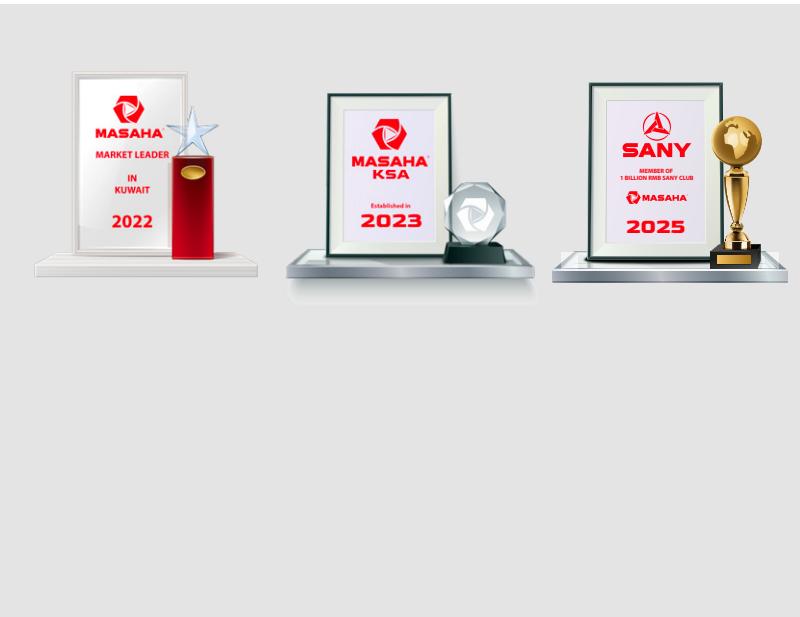
- Successfully completed high-impact projects on time and within budget.

Compliance with Government Standards

- Fully aligned with Kuwaiti and GCC regulatory frameworks (procurement laws, environmental, safety standards).

Strong Relationships with Government Entities

- Ministry of Public Works
- Kuwait Oil Company (KOC), Kuwait National Petroleum Co. (KNPC)
- Municipalities and infrastructure authorities



Market Analysis

Industry Overview

Strong and growing demand for commercial trucks 6-8% annually through 2030

Target Markets

Primary Market: Local logistics companies, construction firms, O&G etc.

Export market: Saudi Arabia, UAE, Qatar, Oman, Bahrain, Iraq, Jordan, Syria and MENA

Competitive Landscape

Existing players:



Mercedes-Benz



MAN



UD



Sino Trucks



Shacman



FAW

Gap in the market for competitively priced, durable trucks tailored to harsh Gulf conditions.

Tractor Head	2025 Mar	2024	2023	2022
SAUDI	4377	13333	7110	1739
UAE	1904	4581	4250	3675
OMAN	83	274	62	12
KUWAIT	33	338	169	97
QATAR	25	87	38	91
BAHRAIN	6	1	9	6
IRAQ	3	46	7	7
SPECIAL	4	32	0	0
TOTAL QTY	6435	18692	11645	5627

Dump Truck	2025 Mar	2024	2023	2022
SAUDI	1625	5768	3299	762
UAE	555	1542	470	172
KUWAIT	144	157	75	107
OMAN	51	109	22	5
QATAR	32	98	108	90
BAHRAIN	16	53	19	8
IRAQ	16	31	8	16
SPECIAL	6	9	0	0
Total Qty	2445	7767	4001	1160

SWOT Analysis

Strengths

- SANY's engineering & technology
- MASAHA's local network
- Regional demand growth



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Opportunities

- Local manufacturing incentives
- Export potential



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Weaknesses

- New market entry
- High upfront capex
- Logistics & customs regulation



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Threats

- Competition from legacy brands
- Supply chain volatility



Products

Product Lines



Chassis



Dump Trucks



Tractor Heads



Water Tankers



SANY Commercial Trucks Factory- Kuwait

Operations Plan

a. Factory Specifications

- Size: 30,000 m²
- Location: Industrial zone with proximity to port & highways
- Initial Capacity: 1,500 trucks / year
- Potential expansion to 20% / year

b. Technology & Equipment

- SANY to provide production line equipment and training
- Robotics and semi-automated lines for assembly

c. Workforce

- Skilled local & expat technicians
- R&D, quality control, production, logistics teams

Marketing & Sales Strategy

1

Sales Channels

- MASAHA dealer network
- Regional distributors
- B2B fleet partnerships
- Online platform & direct orders

2

Branding & Positioning

- “Built for the Gulf” – highlighting durability, customization, and value
- Strong SANY-MASAHA co-branding

3

Promotion

- Trade shows (e.g., The Big 5, Intermat)
- Government tenders & fleet operators
- Digital marketing & influencer campaigns targeting transport / construction sectors

Financial Plan

Item

- Land Acquisition
- Factory Construction
- Equipment & Machinery
- Working Capital
- R&D and Design
- Initial Inventory
- Marketing & Distribution

Total (Phase 1)
Revenue Projections (Years 1-5)

▼
YEAR 1
\$80M

▼
YEAR 2
\$120M

▼
YEAR 3
\$160M

▼
YEAR 4
\$200M

▼
YEAR 5
\$250M

Break-even: 4.5 years (approx.)

Legal & Regulatory Framework

- Government incentives for industrial investment (customs duty, tax, electricity rate etc.)
- Compliance with Kuwait's labor, environmental, and industrial regulations
- Joint venture contract under Kuwaiti law with international arbitration clause

Risk Analysis

Risk	Mitigation
Supply chain delays	Local sourcing and strategic stockpiling
Market penetration	Aggressive pricing and value-added services
Regulatory change	Legal advisory and lobbying through KCCI
Labor & skill gap	Training programs, partnerships with technical institutes

Conclusion & Call to Action

- ✓ This joint venture will position SANY-MASAHA as a first-mover in the GCC's commercial vehicle localization drive.
- ✓ By combining SANY's technological strength with MASAHA's market leadership, the project aims to create a sustainable, scalable, and export-ready manufacturing hub in Kuwait.