Early Warning System

IFC-48442

Armstrong Tyres

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Quick Facts

Countries	Pakistan
Specific Location	Karachi
Financial Institutions	International Finance Corporation (IFC)
Status	Hold
Bank Risk Rating	B
Voting Date	2024-06-26
Borrower	Armstrong ZE (Private) Limited
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 35.00 million
Project Cost (USD)	$ 92.00 million

Project Description

According to the Bank’s website, IFC is proposing to provide an A-loan of up to US$25 million to Armstrong ZE (“Armstrong ZE” or “Company”), to partially finance the establishment of a greenfield tyre manufacturing facility near Karachi, Pakistan at an overall cost of US$ 92 million (the “Project”). The Project aims to address the under-served replacement tyre market in Pakistan, predominantly reliant on imports and the informal sector. The plant, with a production capacity of 1.4 million tyres annually, will focus on producing Armstrong brand tyres for passenger cars and light truck segments.

Early Warning System Project Analysis

This is a Category B project according to IFC's Policy on Environment and Social Sustainability (2012). Based on information reviewed by IFC, the proposed project will have limited adverse E&S impacts that are few, site specific, largely reversible, and readily addressed through existing mitigation measures and good international industry practices (GIIP).

Investment Description

- International Finance Corporation (IFC)

The total estimated Project cost is up to US$92 million which will be funded by Sponsors' equity, local currency loans and an up to US$25 million A Loan from IFC.

Investment as approved by the board: 35.0 million (USD)

Private Actors Description

Client: Armstrong Tyres

The shareholding of the Project will be held by the Hussain and Yusufzai families of Pakistan (collectively the “Sponsors”) directly and indirectly. The Sponsors also own Zafar Enterprises in Pakistan and Zafco Holdings in the UAE, both operating in the tyre distribution business.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Armstrong ZE (Private) Limited	Client	-

Contact Information

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Bank Documents

- Draft ESIA of Armstrong Tyres
- EIA Armstrong ZE (31_03_22) Final Report
- Environmental & Social Review Summary (ESRS)