Food Processing

Frozen Potatoes

INVESTMENT OPPORTUNITY

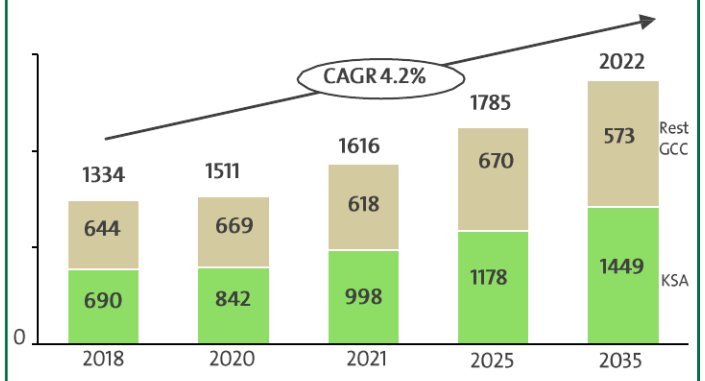
استثمر في السعودية
INVEST SAUDI

Food Processing
Frozen Potato

OPPORTUNITY DESCRIPTION: Opportunity to develop a Frozen Potato manufacturing plant to supply local & regional demand

DEMAND

Imports Size , “Millions" SAR



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected Investment size of 1.2B SAR
- Total capacity: 240K MT
- Expected IRR: 16%
- Location (Region): Based on investor

VALUE PROPOSITION

- High dependency upon imports raises prospect of significant import substitution opportunities within KSA food industry
- High local and regional demand
- Sustainable Agricultural Rural Development Program launched in 2019 , aims at boosting production, processing and availability of locally produced food items
- Manufacturing in KSA can be expended into neighboring regions enabled by geographic proximity, trade agreements with other Arab countries and favorable trade regulations

MARKET OVERVIEW

KEY DEMAND DRIVERS

- Owing to busy lifestyles and increase in number of working women, the demand for convenience foods that requires less cooking time is on the rise
- One of the major demand drivers for processed food is the strategic shift of the industry from traditional factors such as preservation and stabilization, to enhancing health aspects, flavor and taste, nutrition, sustainable production and food security
- Additionally, increasing number of restaurants and hotels further scale the consumption of processed food items

RAW MATERIALS

- Potatoes, sourced globally from (Europe, USA,) or locally

GLOBAL TRENDS

- Frozen potatoes Market is valued at USD 64.56 Billion in 2021 and is expected to reach USD 83.88 Billion by 2028 with a CAGR of 4.46% over the forecast period.
- Some of the key players globally include McCain Foods Limited., The Kraft Heinz Company., J.R. Simplot Company., Agristo NV

Food Processing
Frozen Potato

SUPPLY

SCALABILITY AND LOCALIZATION

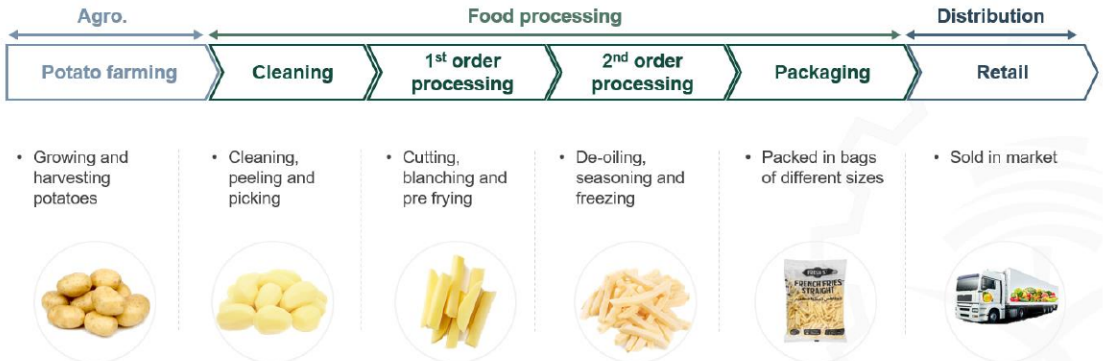
Grade: Low | Medium | **High**

- Easy access to labor, approval of foreign suppliers, and an expedited process for licenses and permits will allow for quicker localization of the industry
- Saudi Arabia has an established F&B industry that benefits from state of the art technologies and highly advanced packaging, cold chain facilities and distribution networks to enable efficient distribution of products across the country

IMPORT DEPENDENCY

Country	% of Saudi Imports
Netherlands	39%
Belgium	35%
USA	9 %
Others	17 %

VALUE CHAIN



KEY STAKEHOLDERS

Saudi Food & Drug Authority | الهيئة العامة للغذاء والدواء | الصادرات السعودية | Industrial Center | المركز الصناعي | وزارة الصناعة والثروة المعدنية | وزارة البيئة والمياه والزراعة | MODON | SIDF | وزارة الاستثمار Ministry of Investment

ENABLING FACTORS

ENABLERS & INCENTIVES

- Protection against imports of low priced finished goods from neighboring countries
- 100 % foreign direct ownership allowed

COST OF DOING BUSINESS IN KSA

Factor	Ranking amongst regional peers
Electricity tariffs for industrial players	$48 /MWh
Productivity adjusted wages	$3.3 /hour
Logistics Performance Index (1-5)	3.2
Construction Costs (Indexed to US, % 0 is cheapest)	74
Ease of getting credit (0-100)	50

Bottom 25% | Top 75% | Top 50% | Top 25%

Definitions

#	SCORECARD SECTION	DEFINITIONS
1	Market size	Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources
2	Business drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Global trends	Latest business developments within the sector/product category
7	Scalability and localization	Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components
8	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	Enablers	Factors that enable investment in the underlying opportunity
12	Cost of doing business in KSA	Key factors that position KSA as a competitive destination for investment in the region. Productivity adjusted wages do not include cost of $1.23/hour towards annual recurring charges including work permit, resident identity (iqama) and health insurance

Disclaimer

1. This material must be used only to access information, and the information must not to be construed, under any circumstances, explicitly or implicitly, as an offer to sell or a solicitation to buy or sell or trade in any opportunity herein mentioned.

2. Ministry of Investment (MISA) has no undertaking to update these materials after the date, with the understanding that such information may become outdated or inaccurate.

3. Mentioned information in this material is obtained from reliable sources but its accuracy and reliability are in no way guaranteed. No guarantee of any kind is tacit or explicit when projections of future conditions are attempted. MISA has used public/or confidential data and assumptions and has not independently verified the data and assumptions used in the analyses. Changes in underlying data or operating assumptions will clearly impact the analyses and conclusions.

4. The financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard methodologies, are not definitive projections, and are not guaranteed by MISA

5. The content of this material must not be construed as an implied promise or guarantee for profit or limited loss express or implied by or from MISA or any of its officers, directors, employees and affiliates. All mentioned investments in this material are subject to risk, which should be considered prior to making any investment decisions

6. MISA shall have no liability whatsoever to any third party, and hereby any third party waives any rights and claims it may have at any time against MISA with regard to this material, any services or other materials, including the accuracy or completeness thereof.

CONNECT WITH US FOR MORE DETAILS

استثمر في السعودية
INVEST SAUDI