Ultrasound Machines

INVESTMENT OPPORTUNITY

Medical Devices

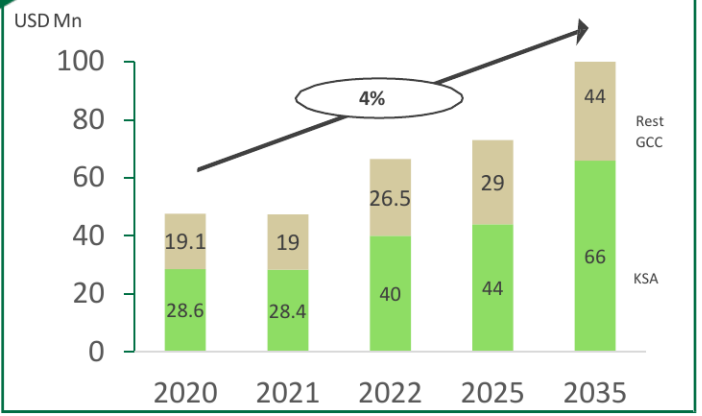
استثمر في السعودية
INVEST SAUDI

Medical Devices
Ultrasound Machines

OPPORTUNITY DESCRIPTION: Production of Ultrasound

DEMAND

MARKET SIZE, USD



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected Investment size of USD: ~ **7.7 Mn**
- NPV: **2.0 USD - mil**
- Expected IRR: **~17.1%**
- Payback period: **8 years**
- Job Creation: **~103**
- GDP Impact USD: **10.1 Mn**
- Location (Region): **Not specified**

VALUE PROPOSITION

- The healthcare sector in Saudi Arabia is anticipated to experience considerable growth as the country plans to increase its population to 50-60 million by 2050. This will result in a large and expanding demand for healthcare services throughout the years.
- GCC countries dominate the ultrasound devices market due to the rising patient population base for chronic and lifestyle-related disorders, technological advancements, and growing market demand for minimally invasive diagnostic and therapeutic techniques.

KEY DEMAND DRIVERS

- Minimally invasive therapies and image-guided procedures are increasingly being adopted by healthcare practitioners and patient across the world.
- The ultrasound industry has witnessed a significant shift from being a conventional diagnostic modality OB/GYN imaging to a therapeutic techniques.
- Screening programs for liver fibrosis and stroke increase the demand.

MARKET OVERVIEW

RAW MATERIALS

- Plastic
- Metal
- Lead zirconate titanate (PZT)
- Electronics and cable harness
- Firmware and Software development
- Trolleys and castors

GLOBAL TRENDS

- Increase dependence on ultrasound machines beyond the imaging department to other clinical specialties, including surgery, gastroenterology, to name a few, expanding the customer base and driving additional revenue growth.
- Point-of-care ultrasound are expected to prevail in various clinical setting and for home use as well.
- The use of ultrasound with existing customers is expanding, typically as a lower-cost and/or radiation-free alternative to other imaging modalities, such as MRI and CT.

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SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low | Medium | **High**

- Availability & pricing mechanism: Long term raw materials contracts to reduce price volitivity, improve visibility & secure cheaper prices for local material
- Encouraging establishing training partnerships with educational institutions.
- Expanding into the production of specialized ultrasound units such as those used in bladder scanning, mamo elastography, angio, etc.

IMPORT DEPENDENCY

- The Kingdom is currently mostly covered by a network of distributors and local subsidiaries, with a few local suppliers.
- USA accounts for 40 % of the supply, Korea 23 %, China 12 %, Japan 6 %, and the rest is supplied by a mix between mainly Western Europe and some Asian countries:

VALUE CHAIN

Upstream → **Midstream** → **Downstream** → **Applications**

Each phase of the chain comprises different activities such as initial concept, product design, prototyping, device testing, design verification and validation, clinical evaluation and medical device manufacturing.

- Research in enhancing the imaging acquisition process to get precise results.
- Research in the application of AI in auto diagnosis.

- Basic components production.
- Transducers manufacturing and testing
- Probes assembly, finished product testing, and packaging.

- Distribution through supplier network.
- Direct sales to end users (healthcare facilities: hospitals/clinics/retail)
- Accessories sales (e.g.gels).

Aftersales support

KEY STAKEHOLDERS

وزارة الصناعة والثروة المعدنية — Ministry of Industry and Mineral Resources
وزارة الاستثمار — Ministry of Investment
نوبكو
المركز الصناعي — Industrial Center
وزارة الصحة — Ministry of Health
هيئة المحتوى المحلي والمشتريات الحكومية — Local Content & Government Procurement Authority
مدن — MODON

ENABLING FACTORS

ENABLERS & INCENTIVES

- Fund support for employment of Saudi Nationals of up to 50% of the salary
- 10% preferential prices for locally produced products in Govt procurement.
- 75.3 % of the current demand is driven by govt demand
- Saudi Industrial Development Fund loans coverage up to 75% of capital invested
- Export enablement package

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

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