Rail Manufacturing plant for Railway

INVESTMENT OPPORTUNITY

Railways

استثمر في السعودية
INVEST SAUDI

High Potential | Moderate Potential | Low Potential

Railways
Rail Manufacturing plant for Railway

OPPORTUNITY DESCRIPTION: [Setting up a plant for Rail manufacturing, and localizing the required expertise to support the rail industry in Saudi Arabia

DEMAND

MARKET SIZE, USD

Local region market size
500 M SAR

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

Expected Investment size of USD: 45M USD

Plant capacity: TBD ktpa

Expected IRR: 8%

Payback period: (9) years

Job Creation: (250)

GDP Impact: TBD

Location (Region): Riyadh – Dammam – Hail

VALUE PROPOSITION

- High demand in Saudi Arabia.
- No similar factories in MENA region, thus potential exporting to MENA & globally.

MARKET OVERVIEW

KEY DEMAND DRIVERS

- Future railway projects in KSA.

RAW MATERIALS

- As per Rails Specifications

GLOBAL TRENDS

- Increased demand on railway wheels.
- Supply Chain expenses increase due to (Pandemic, wars, Suez Canal blockage, etc.)

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Public / متاح

[Current Opportunity life Cycle Stage]

SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low | Medium | **High**

- TBD by the investor during his feasibility study.

IMPORT DEPENDENCY

- Europe market.

VALUE CHAIN

Upstream → Midstream → Downstream → **Applications**

TBD after feasibility study as this opportunity is still new in the market.

KEY STAKEHOLDERS

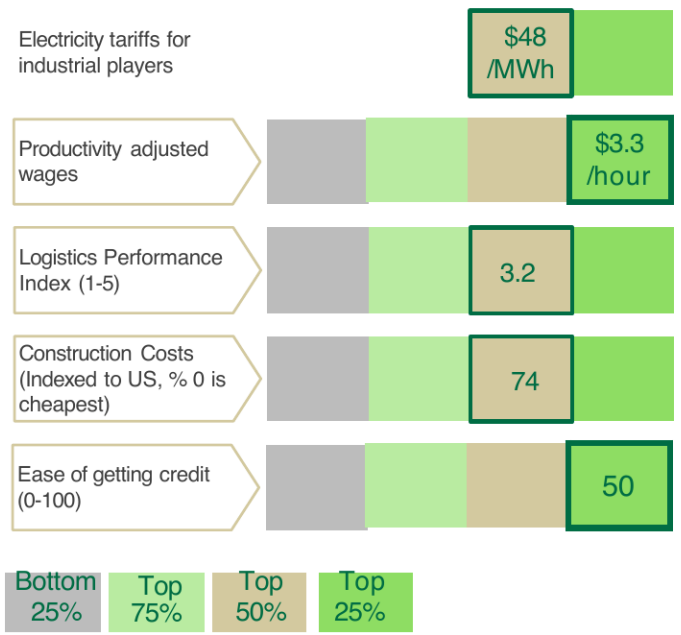
SAR السكة الحديدية السعودية SAUDI ARABIA RAILWAYS | وزارة النقل والخدمات اللوجستية Ministry of Transport and Logistic Services | الهيئة العامة للنقل TRANSPORT GENERAL AUTHORITY | وزارة الاستثمار Ministry of Investment | وزارة الصناعة والثروة المعدنية Ministry of Industry and Mineral Resources | هيئة المحتوى المحلي والمشتريات الحكومية Local Content & Government Procurement Authority

ENABLING FACTORS

ENABLERS & INCENTIVES

- Land & transportation (from SAR)
- Other Incentives from MISA, MIM, NIDLP & LCGPA.

COST OF DOING BUSINESS IN KSA



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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