CALUINARY TEST KITCHENS

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

استثمر في السعودية
INVEST SAUDI

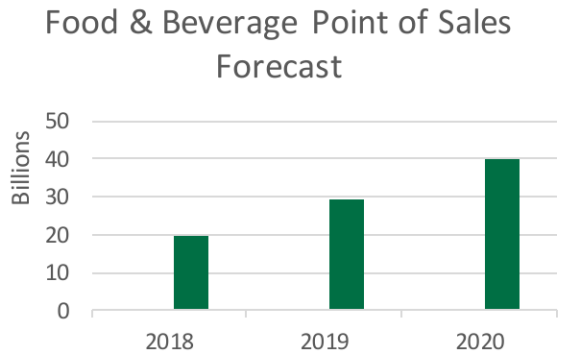
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High Potential | Moderate Potential | Low Potential

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CULINARY TEST KITCHENS

OPPORTUNITY'S DESCRIPTION: A physical setup/infrastructure with high end cooking equipment allowing entrepreneurs and chefs to test their recipes and menus on a short term 'pay as you go' basis

DEMAND



Sales in Saudi Riyals

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Operator can choose from multiple investment models including pure play private investment, public private partnership and pure operation model with government ownership
- ~40-50% profit margin for existing kitchens2

VALUE PROPOSITION

- Saudis are avid travelers and spenders, due in large to deficiency in local offerings, spending USD 5.6 Bn annually on leisure, where 80% is spent abroad
- Increased number of leisure activities, sports, concerts, and events in KSA also positively impacts the food & beverage sector. This growth already appears in increased mobile delivery applications, food trucks, and international and local restaurants in large cities
- Great cuisines typically influence food culture around the world and is viewed as a form of art by many. Moreover, Saudi Arabian cuisine, despite being rich in culture and history, has not been utilized to its full potential

KEY DEMAND DRIVERS

- KSA has a rapidly growing and young population which will boost demand. More than 50% population of KSA is less than 30 years old
- Market entry support for international players (e.g. help find location)
- Partial subsidies for members / entrepreneurs using test kitchens (subsidizing fees)
- High demand for the Food & Beverages industry is expected to be driven by Saudi Arabia new infrastructure developments of the culture & entertainment sectors and government initiatives such as the relaxation of visas, etc…

MARKET OVERVIEW

MARKET READINESS

- High market demand, e.g. more than 90% of Riyadh's population (7.8 million people) eats out at least once a week.
- The average monthly spend per person on eating out in a restaurant or ordering for delivery in Saudi Arabia Is approximately SAR1,330 (USD355).

COMPETITOR ANALYSIS

- Fine Dining offering was limited a few years ago, however, the number of Fine dinging in Saudi is growing due to the massive demand. Yet The Saudi Cuisine has great potential to be utilized

GLOBAL TRENDS

- Culinary tourism, where individuals exploration of food is the purpose of tourism. It is now considered a vital component of the tourism experience.
- 53% of leisure travelers choosing their next destination because of food and drink. That means more than attractions, more than sightseeing, more than scenery or architecture, and more than price, good food and drink are a driving force in which destinations travelers now choose.

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SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low | Medium | **High**

- Support in content creation through coverage opportunities and expert network access
- Low cost of construction, labor wages and utility fees combined with availability of trained resources to support low capital and operating expense for the investor and maximize investment returns
- The government has already started restructuring visa processes and issuing online visas. This will boost pilgrimage and touristic visits to KSA in the coming years

ENABLING FACTORS

ENABLERS

- MISA license for foreign investment in the Kingdom (applicable for new test kitchens only)
- License from Ministry of Commerce for local investment in the Kingdom
- Permit by Ministry of Municipal and Rural Affairs (MOMRA) for building commercial facilities (applicable for new test kitchens only)

KSA CALUINARY STEAKHOLDERS

وزارة التجارة

وزارة الاستثمار
Ministry of Investment

هيئة فنون الطهي
Culinary Arts Commission

وزارة الثقافة
Ministry of Culture

Ministry of Human Resource and Social Development
Kingdom of Saudi Arabia

صندوق التنمية الثقافي
Cultural Development Fund

وزارة الشؤون البلدية والقروية
Ministry of Municipal & Rural Affairs

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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