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HAIL CONSTRUCTION AND DEMOLITION WASTE TREATMENT FACILITY 2

INVESTMENT OPPORTUNITY

Environmental services (Recycling sector)

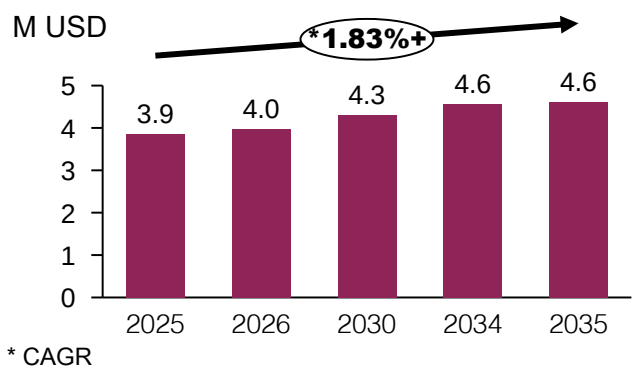
استثمر في السعودية
INVEST SAUDI

Environmental services (Recycling)

Hail construction and demolition waste treatment facility 2

OPPORTUNITY DESCRIPTION: The project is aiming to establish a fixed facility for construction and demolition waste (CDW) treatment, offering services in Hail

DEMAND



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS PROPOSITION

- Expected Investment size: 4.53M USD*
- Plant capacity: 300,000 tons of waste per year
- Expected IRR: 10.3%
- Payback period: 6-8 years
- GDP Impact: 95M USD
- Location (Region): Hail

Figures in real terms (not adjusted for inflation)

VALUE

- Due to continued growth in KSAs construction sector the project is looking to deliver greenfield opportunity in the sector with limited existing competition
- The project is aligned with the KSA vision 2030 and has significant support within the Kingdom

MARKET OVERVIEW

KEY DEMAND DRIVERS

- Hail's population growth and expansion are the main drivers of construction and demolition waste generation
- The increase in personal income and government incentives for homeownership
- The Vision 2030 initiative includes the development of the infrastructure sector, which is expected to lead to an increase in waste generation necessitating further waste management solutions

RAW MATERIALS

- The opportunity relies on a constant inflow of construction and demolition coming from private CDW collectors

GLOBAL TRENDS

- The global construction and demolition waste management market size was $115 billion in 2020. The market is expected to reach $542.7 billion in 2028, with a CAGR of 5.1%
- Construction and demolition waste accounts for 30% of the total waste produced worldwide and is expected to grow at a rate of 3.2 billion tons per year until 2025

*Total investment size is calculated based on the estimated lifetime CAPEX commitment for the project

Environmental services (Recycling)

Hail construction and demolition waste treatment facility

SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low | Medium | **High**

- The project is a waste management solution aimed at providing specialized services to the construction sector in Hail
- Market growth, population and personal income increase are expected to show steady growth over time with potential for expansion as market dynamics continue to evolve
- Local training and employment of Saudi nationals is projected to be engaged in the project

IMPORT DEPENDENCY

- The establishment of the facility would be dependent on the import of the machinery and equipment used in its operations
- The project has a potential dependency on the imported materials that construction operators use in their processes, which subsequently result in waste

VALUE CHAIN

Generation → Collection and transportation → **Treatment** → Disposal

- The service will encompass specialized construction waste treatment services. Additionally, it aims to integrate with independent collection operators and landfill operators in Hail
- The solution would produce recovered material for construction and aggregates that can be sold on the market before sending the process rejects to landfill
- Technology type: Pre-treatment + dry treatment (fixed crushers)

KEY STAKEHOLDERS

Ministry of Municipalities and Housing (MOMAH)

National Center for Waste Management (MWAN)

Industry/Privates

ENABLING FACTORS

ENABLERS & INCENTIVES

- Approval and adoption of a unified Hail waste management approach and alignment policy requirements with relevant enablers
- Increasing the demand for recycled material and byproducts

COST OF DOING BUSINESS IN KSA Factor

Ranking amongst regional peers

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

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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