

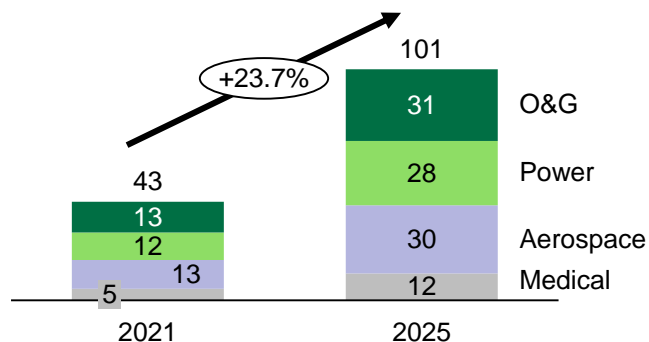


ADVANCED MANUFACTURING HUB

OPPORTUNITY'S DESCRIPTION: Opportunity to launch a unique platform in the Middle East to connect manufacturing services and engineering solutions with factories, companies, and customers to offer them the ability to manufacture anything using any material at any time using one platform

DEMAND

KSA MARKET SIZE FOR ADDITIVE MANUFACTURING, USD MN



INVESTMENT HIGHLIGHTS

- Opportunity to consider different operating models – FDI with 100% ownership or joint venture with local private sector player(s)

INVESTMENT OVERVIEW

VALUE PROPOSITION

- KSA is supporting a digitally-enabled industrial revolution for projects in mining, industry, logistics, and energy
- KSA has 40+ industrial cities which contain over 10,000 factories highlighting the importance for digital transformation across sectors
- Government-led initiatives and programs aimed to enhance human capital required for digital transformation through specialized programs from different government entities
- Support from Saudi Industrial Development Fund (SIDF) which offers funding programs such as Tanafusiya, a program that provides consulting and financing services to enable digital transformation

KEY DEMAND DRIVERS

- Prominent industrial companies make up 60% of local demand, with plans to increase reliance on local content. For example; Saudi Aramco planned to increase its localization from 40% in 2016 to 75% by 2030
- Local spending on additive manufacturing is estimated at approximately USD 27 Mn, and is expected to reach USD 65.3 Bn by 2030, as many components and parts have a great potentials to be manufactured locally
- KSA has 40+ industrial cities which contain over 10,000 factories highlighting the importance for digital transformation across sectors

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- The opportunity is a greenfield as there currently exists no similar practice in KSA, existing players practice traditional methods of direct contact to facilitate and connect
- The market is ready for new entrants who can develop tailored solutions to Saudi businesses

GLOBAL TRENDS

- Global spending on additive manufacturing is expected to increase by 20 – 25% in the next 5 years
- The global market for additive manufacturing is estimated to be USD 12 Bn
- Industry 4.0 has significant implications for the global economy as it spans across industries representing 62% of GDP among G20 nations, including manufacturing and utilities sectors

ICT ADVANCED MANUFACTURING HUB

Restricted / مقيد

برنامج تطوير الصناعة
الوطنية والخدمات
اللوجستية



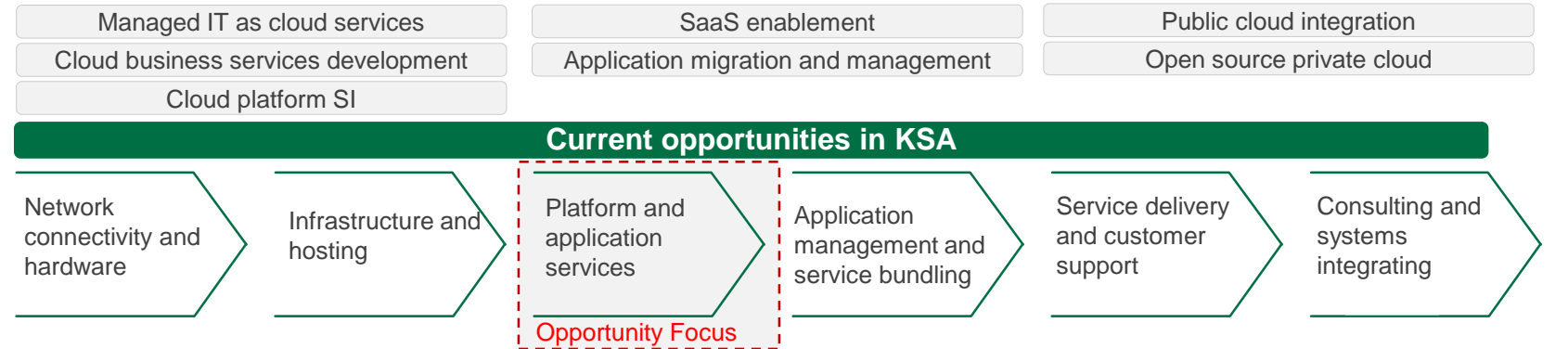
SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- An increase in the proportion of domestic spending is expected in the coming years, specifically in power related additive manufacturing
- 30% of local manufacturing is estimated to be related to the manufacturing of components for pumps, valves, and compressors in the near future
- Localization is possible due to a ready IoT infrastructure which is characterized by high mobile speed, large 5G rollout in the Middle East and presence of LoRaWAN infrastructure
- There is opportunity to scale by tapping into the wider MENA region by tailoring solutions for other markets

ECOSYSTEM ANALYSIS



KEY STAKEHOLDERS



ENABLING FACTORS

ENABLERS

- MODON offers admin support and subsidized lands
- MoF & SIDF offer financing support
- Discounted power tariff for DCs (18H/kWh)
- SDA conducts regular training programs to build cloud capabilities with local content
- CITC launched National Center for Information Security to enhance cyber security and provide healthy environment for electronic transactions and attract FDI

COST OF DOING BUSINESS IN KSA

Factor	Ranking Amongst Regional Peers
Patent application (\$/PPP, 2016)	0.6
Software spending (% GDP, 2016)	0.3
ICT Access Index (1 – 10)	7.4
ICT Use Index (1 – 10)	6
Government online services (0 – 1)	0.77



Sources for Cost of Doing Business: EIU, World Bank

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