

ALUMINUM CIRCLES & SLUG

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS



ALUMINUM CIRCLES & SLUG

Opportunity Description: Opportunity to develop a 20 ktpa Aluminum circles & slug manufacturing plant to cater local and regional demand

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected investment size of USD 60 Mn
- Plant capacity: 20 ktpa
- Circles & slugs are precision aluminum raw materials that are further processed using impact extrusion and punched out of aluminum sheet coils in different shapes.

FUTURE OPPORTUNITIES

- Opportunity to integrate with manufacturing line for Kitchenware products with a minimal investment of USD 5-6 Mn to produce 30,000 Units per annum.

VALUE PROPOSITION

- The KSA is likely to be a powerhouse for value added downstream products, driven largely by easy and abundant availability of feedstock and competitive energy prices.
- Presence of locally available raw material and smelter with own captive bauxite mines and refinery facility ensures quality supply of uninterrupted feedstock.
- The KSA is the largest market for aluminium products, with 45% demand share in GCC region.
- Tremendous growth potential is observed due to mega projects in construction & Industrial segments to the tune of USD 1.6 trillion.

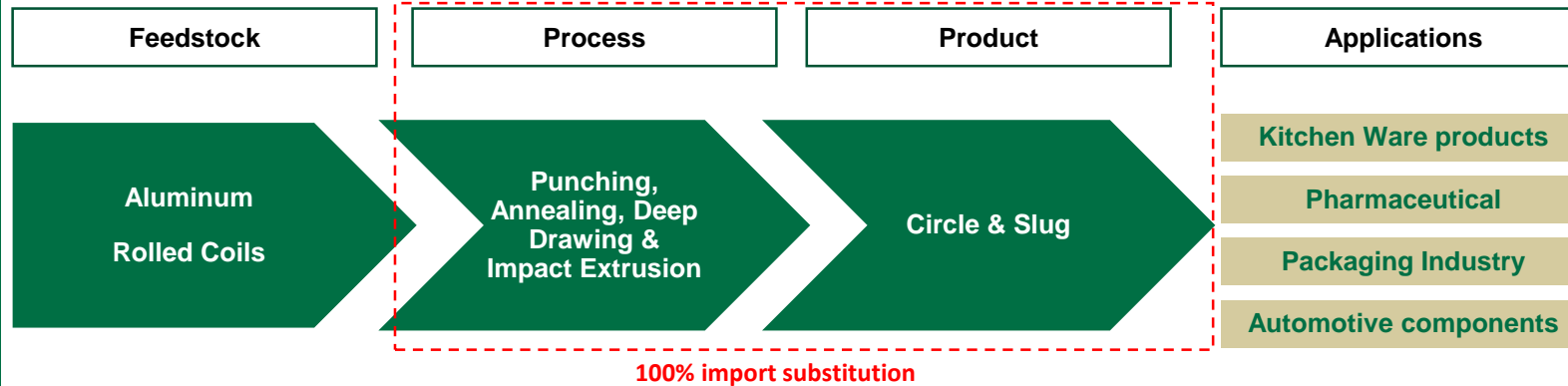
MARKET OVERVIEW

GLOBAL TREND

- The global Aluminum Circles & Slugs market is estimated at USD 1 Bn & USD 3.5 Bn in 2020 and is expected to reach USD 1.35 Bn & USD 5.1 Bn by 2027 registering a CAGR of 3.8% & 5.3% respectively.
- Cookware occupies 85-90% share in Aluminum Circles as it provides better aesthetics and coating options.
- Aluminum Slugs mainly finds application in aerosol cans, collapsible tubes and other niche sectors in automotive components such as airbag housings, parking sensors, heat sinks and precision electronics.

VALUE CHAIN ANALYSIS

Opportunity Focus



KEY DEMAND DRIVERS

- Aluminum Circle & Slug demand in MENA is 5-10 ktpa growing at 4-5 % YoY with favorable demographics; rising consumerism and rise in urbanization levels.
- This project can leverage locally available sheets
- Aluminum Circles offer high import substitution potential, similar to Aluminum Slugs, which caters to packaging and pharmaceuticals industry
- Extended shelf life is a major technical advantage of the product.

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	Competitor analysis	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	Global trends	Latest business developments within the sector/product category
8	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
9	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
10	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
11	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
12	Enablers	Factors that enable investment in the underlying opportunity
13	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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