

Food Processing
Bakery Ingredients



Food Processing Bakery Ingredients

Public / متاح

High Potential

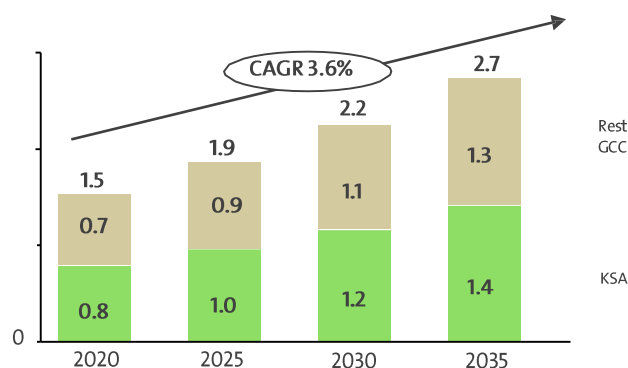
Moderate Potential

Low Potential

OPPORTUNITY DESCRIPTION: Opportunity to develop a Bakery Ingredients manufacturing plant to supply local & regional demand

DEMAND

MARKET SIZE, SAR Bn



INVESTMENT HIGHLIGHTS

- Expected Investment size of 475 M SAR
- Plant capacity: 50,000 MT
- Expected IRR: 12%
- Payback period: 10 years
- Job Creation: 200 – 300 Direct Jobs
- Location (Region): Based on investor

INVESTMENT OVERVIEW

VALUE PROPOSITION

- High local and regional demand
- Serve as a hub for the region, exporting to large markets (e.g., Egypt, Libya)
- Manufacturing in KSA can be expended into neighboring regions enabled by geographic proximity, trade agreements with other Arab countries and favorable trade regulations

KEY DEMAND DRIVERS

- The trends of home baking business for events that also require mixes and others semi-finished products and not single ingredients.
- Growth in demand for bakery and confectionery food directly correlates to increased demand for bakery enzymes, bakery flavors, baking colors, and specialty baking ingredients
- Increasing government focus on tourism will lead to an increase in HORECA consumption of bakery Ingredients

RAW MATERIALS

- Flours
- Starches
- Flavors
- Fats
- Sugars

MARKET OVERVIEW

GLOBAL TRENDS

- Shifting in consumers' behaviors towards healthy food has increased the demand on Gluten Free ingredients.



Food Processing Bakery Ingredients

Public / متاح

[Opportunity Development]

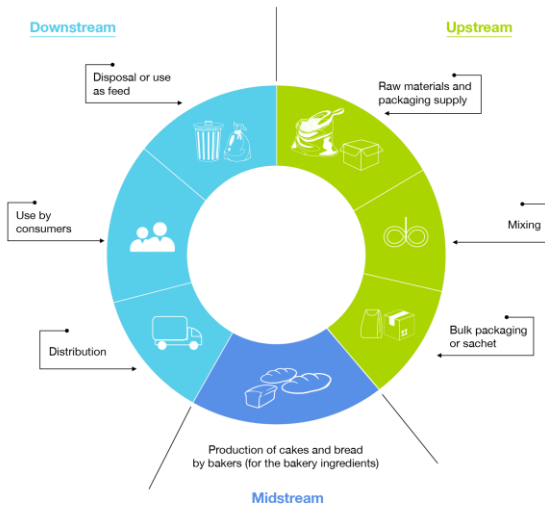
SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- Long shelf life allow production in big batches
- Bakery Ingredients manufacturing can be highly scalable in KSA owing to its growing market and high export potential

VALUE CHAIN



ENABLING FACTORS

ENABLERS & INCENTIVES

- Protection against imports of low-priced finished goods from neighboring countries
- 100% foreign direct ownership allowed

COST OF DOING BUSINESS IN KSA

Factor Ranking amongst regional peers

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	

IMPORT DEPENDENCY

- imported products make up 70% of the market
- Products are imported from some neighboring Arabic countries (Jordan, UAE...), EU and the US

KEY STAKEHOLDERS



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

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

DISCLAIMER

- This material must be used only to access information, and the information must not to be construed, under any circumstances, explicitly or implicitly, as an offer to sell or a solicitation to buy or sell or trade in any opportunity herein mentioned.
- Ministry of Investment (MISA) has no undertaking to update these materials after the date, with the understanding that such information may become outdated or inaccurate.
- Mentioned information in this material is obtained from reliable sources but its accuracy and reliability are in no way guaranteed. No guarantee of any kind is tacit or explicit when projections of future conditions are attempted. MISA has used public/or confidential data and assumptions and has not independently verified the data and assumptions used in the analyses. Changes in underlying data or operating assumptions will clearly impact the analyses and conclusions.
- The financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard methodologies, are not definitive projections, and are not guaranteed by MISA
- The content of this material must not be construed as an implied promise or guarantee for profit or limited loss express or implied by or from MISA or any of its officers, directors, employees and affiliates. All mentioned investments in this material are subject to risk, which should be considered prior to making any investment decisions
- MISA shall have no liability whatsoever to any third party, and hereby any third party waives any rights and claims it may have at any time against MISA with regard to this material, any services or other materials, including the accuracy or completeness thereof.

CONNECT WITH US FOR MORE DETAILS:

FoodProcessing@misa.gov.sa

investsaudi.sa



@investsaudi

