

**[Bispyribac-Sodium]**

INVESTMENT OPPORTUNITY

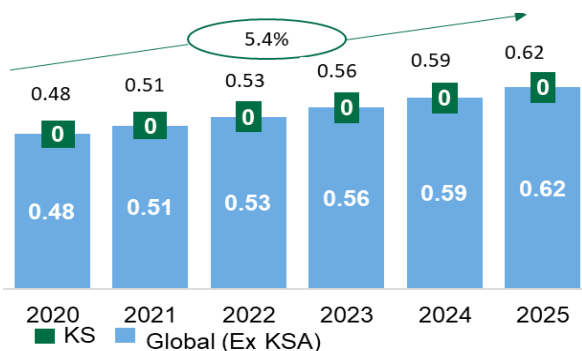
**[Specialty]**



**OPPORTUNITY DESCRIPTION:** Opportunity to develop Bispyribac-Sodium production facility of ~10 KTA in KSA to cater regional and global demand.

## DEMAND

### MARKET SIZE, KT



### INVESTMENT HIGHLIGHTS

- Expected investment size of ~USD 25 MN
- Plant capacity: 10 KTA
- Expected IRR: ~15-20%

## INVESTMENT OVERVIEW

### VALUE PROPOSITION

- Even though KSA does not have a major consumption of herbicides and its precursors, it has a strategic location and access to feedstock enabling it to serve emerging markets like India, Africa and Southeast Asia where there is a major demand for herbicides.
- KSA is also strategically located to serve North Africa, an important agricultural player through the Red Sea port facilities, being more advantageous than producers bringing herbicides from Far East.
- Bispyribac-sodium can enable further downstream applications and investments in clusters to produce agri-chemicals.

### KEY DEMAND DRIVERS

- Bispyribac sodium market is expected to gain traction as this herbicide can be used before and after the plantation of crops preventing them from the growth of unwanted weeds.
- Increasing water crisis, as well as the unavailability and high cost of labor has forced rice-growers to plant rice directly into the field where bispyribac-sodium effectively controls the weed. This factor is expected to attract farmers and thereby increase demand for bispyribac sodium globally.

### KEY PLAYERS

- Kumiai Chemical Industry
- Hefei Xingyu Chemical
- Jiangsu Runze Agrochemical
- Hubei Huida High Tech
- Guangdong Liwei Chemical Industry

## MARKET OVERVIEW

### GLOBAL TRENDS

- The top 3 exporters of Bispyribac sodium are Japan, China and India.
- India is the largest importer of Bispyribac sodium followed by Philippines and Indonesia at the 3rd spot.
- Global Bispyribac-sodium market is estimated to be more than USD 106.17 million.
- USA, Brazil, Italy, Thailand and Russia are the leading country markets, among others.

## SUPPLY

### SCALABILITY AND LOCALIZATION

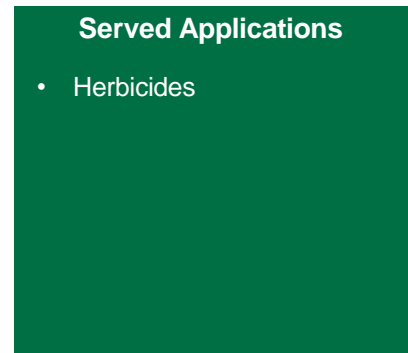
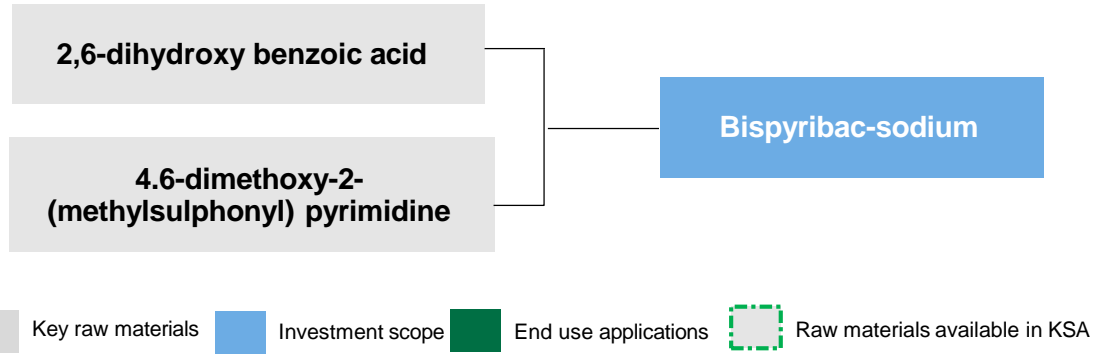
Grade: Low Medium High

- Imports of 2,6-dihydroxy benzoic acid and 4.6-dimethoxy-2- (methylsulphonyl) pyrimidine would be required from countries like the Mainland China, Japan, and India where most of the capacities are concentrated.

### IMPORT DEPENDENCY

- There is no demand for bispyribac sodium in KSA

### VALUE CHAIN



### KEY STAKEHOLDERS



## ENABLING FACTORS

### ENABLERS & INCENTIVES

- Up to 75% of project financing by Saudi Industrial Development Fund (SIDF).
- 2-year grace period for the repayment of loans
- Expat worker levy waived-off for industrial manufacturers until October 2024.
- HRDF covers 30-50% of Saudi employee's monthly salaries (additional 10% for females) for 2 years, provide that it does not exceed USD 4,000

### 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

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

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