

# COPPER CATHODE

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS

**Opportunity Description:** Opportunity to setup a 300 ktpa capacity Copper cathode manufacturing plant to cater local and regional demand

### INVESTMENT OVERVIEW

#### INVESTMENT HIGHLIGHTS

- Expected investment size of USD 1,000 Mn
- Plant capacity: 300 ktpa
- Copper Cathode is 99.99% pure form of copper, produced by smelting and electrolytic refining process.

#### FUTURE OPPORTUNITIES

- Opportunity to add further semi-continuous and continuous casting production lines for value-added downstream products

#### VALUE PROPOSITION

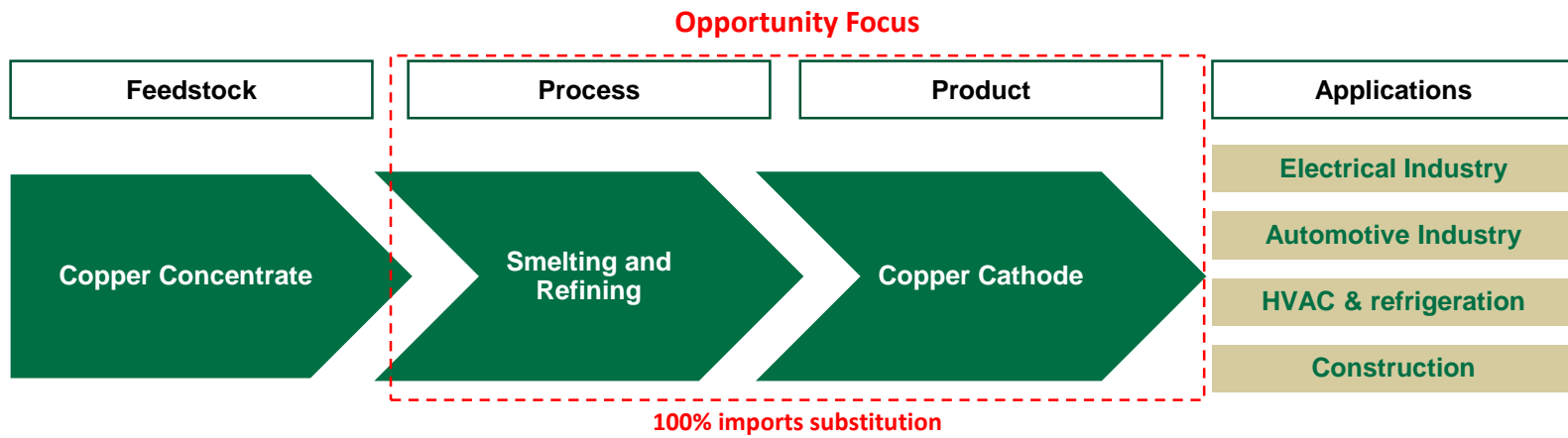
- The Arabian Shield which is located in the west part of Saudi Arabia is rich with valuable deposits, including precious, base metals and phosphate.
- The KSA aims to introduce Copper cathode smelting to leverage locally produced raw materials and prospecting studies for more opportunities are ongoing.
- Currently, 100% of the local demand in the KSA is met by cheaper imports are likely to reduce driven by increased government controls to ensure fair price for domestic manufacturers.
- Access to competitive energy prices can be a key competitive advantage for new investments

### MARKET OVERVIEW

#### GLOBAL TREND

- Global refined copper market is estimated at 23.8 mmtpa in 2020 and expected to reach 29.3 mmtpa by 2027 registering a CAGR of 3.5%.
- Wire rods (63%) is the largest end use sector followed by plate, sheet & strip (12%) and tubes (12%). Other key end user segments are bars & sections (10%) and copper foil (3%).
- Demand for battery powered electric vehicles (BEV) is expected to see major growth in the long term, driven by technology improvements and increases in electric charging network.

#### VALUE CHAIN ANALYSIS



#### KEY DEMAND DRIVERS

- Copper cathode demand in the KSA is about 170-180 ktpa, expected to grow at a CAGR of 3.7% between 2020 and 2027.
- The Kingdom planned & initiated multiple “giga-projects” that drive demand for copper rods. Demand across many value chains is rising with planned/initiated projects in the KSA.
- GCC demand for Copper downstream products to cross 900 ktpa by 2027.

# DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	<b>Market size</b>	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	<b>Business drivers</b>	A select number of factors that will influence future demand for the related product/service
3	<b>Investment highlights</b>	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	<b>Value proposition</b>	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	<b>Market readiness</b>	An overview of KSA market structure, market maturity and level of participation by local and global players
6	<b>Competitor analysis</b>	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	<b>Global trends</b>	Latest business developments within the sector/product category
8	<b>Scalability and localization</b>	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	<b>Import dependency</b>	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
10	<b>Value chain analysis</b>	The process or activities that would potentially need to be carried out to deliver the underlying product or service
11	<b>Key stakeholders</b>	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
12	<b>Enablers</b>	Factors that enable investment in the underlying opportunity
13	<b>Cost of doing business in KSA</b>	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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