

# CENTRALIZERS

## INVESTMENT OPPORTUNITY SCORECARD

### INDUSTRIAL EQUIPMENT

AUGUST 2021

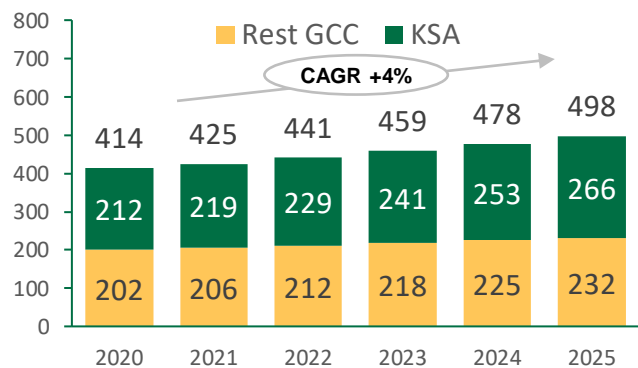


# INDUSTRIAL EQUIPMENT CENTRALIZERS

**OPPORTUNITY'S DESCRIPTION:** Establish a manufacturing unit for Centralizers.

## DEMAND

### MARKET SIZE, QUANTITY x 1000



### INVESTMENT HIGHLIGHTS

- Establish a workshop to manufacture Centralizers.
- Establish technical support service center to serve requirements for Centralizers.
- Establish a Centralizer design and R&D center to develop designs for KSA requirements.

## INVESTMENT OVERVIEW

### VALUE PROPOSITION

- Centralizers represent an attractive localization opportunity given the current supply gap and expected demand growth.
- Attractive cost base including low logistics, land, utilities, and labor costs.
- Currently, majority of KSA demand of Centralizers is imported.
- Centralizer demand is driven by the upstream activities in the region.
- Strong oil and gas production activities is expected to fuel the growth in Centralizers.
- In addition to KSA demand, oil and gas industry activities in the rest of the GCC will support demand growth.

### KEY DEMAND DRIVERS

- Centralizer demand in KSA has been growing and is estimated to be ~206,000 in 2019.
- Forecasted ~4% annual growth in the regional Centralizer market until 2025.
- The demand for Centralizers in KSA is expected to reach ~266,000 by 2025.
- The demand for Centralizers in the GCC is expected to reach ~498,000 by 2025.

## MARKET OVERVIEW

### COMPETITOR ANALYSIS

- NONE

### GLOBAL TRENDS

- Valued at \$991.6 million in 2018, the global centralizers market is projected to reach \$1,439.3 million by 2024,
- The growth in the market is attributed to the recovery in crude oil prices, coupled with increasing prosperous oil and gas fields.

# 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	Demand 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

# DISCLAIMER

- This report must be used only to access information, and the information must not 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 report 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 report 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 report 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 report, any services or other materials, including the accuracy or completeness thereof.

CONNECT WITH US FOR MORE DETAILS:

[Industrial@misa.gov.sa](mailto:Industrial@misa.gov.sa)

investsaudi.sa



@investsaudi

