

# Data Acquisition and Provision Solutions Development

INVESTMENT OPPORTUNITY

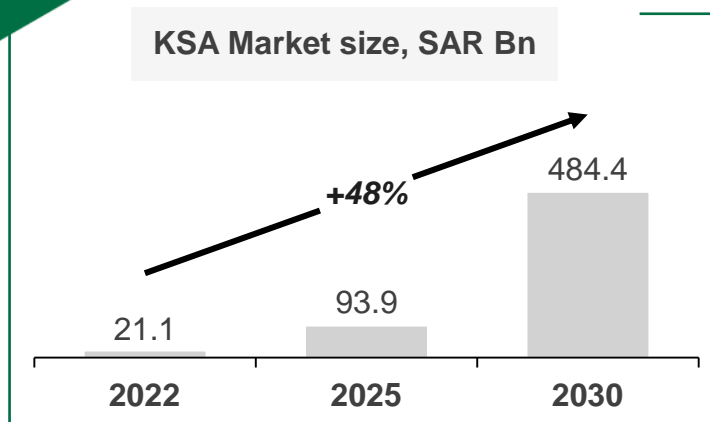
ICT



# Data Acquisition and Provision Solutions Development

OPPORTUNITY'S DESCRIPTION: Creation of companies focusing on data acquisition and provision solutions

## DEMAND



## INVESTMENT OVERVIEW

### INVESTMENT HIGHLIGHTS

- Opportunity to consider different models - FDI with 100% ownership or JV with local player(s)
- 2022-2033 cumulative market to be captured by local players can reach up to SAR 1.9 Bn
- To capture such market, local players will need to invest cumulatively SAR 0.1 Bn in CapEx and spend cumulatively SAR 1.7 Bn in OpEx
- Attractive project IRR of 20-25% expected for the investors
- Estimated investment size SAR 0.1 Bn

### VALUE PROPOSITION

- Fast-growing local market expected to grow by 45-50% CAGR for the 2022-2030 period
- Potential to export data acquisition and provision solutions and tap into other regions
- Government institutions that provide numerous enablers and infrastructure to support the growth

### KEY DEMAND DRIVERS

- Surge in adoption of big data analytics software globally leading to more demand for data that can lead to better insights
- Big Data and analytics is identified as one of the Technology drivers by the Smart Government Strategy (2020-2024)
- SDAIA's National strategy for Data & AI aims to have ~45 Bn SAR cumulative local investment in Data and AI

## MARKET OVERVIEW

### MARKET READINESS AND COMPETITOR ANALYSIS

- Market is currently served by both specialized big data acquisition companies and diversified companies having data acquisition offerings
- Potential for localizing the data acquisition and provision solutions and serving local and regional demand



### GLOBAL TRENDS

- Global alternative data acquisition market expected to grow at ~50% CAGR from 2021-30
- Rise in big data, AI solutions that can analyze vast quantities of data leading to more demand for new data sources
- Rising demand from financial sector to use alternative data to make better investment decisions, determine credit worthiness etc.



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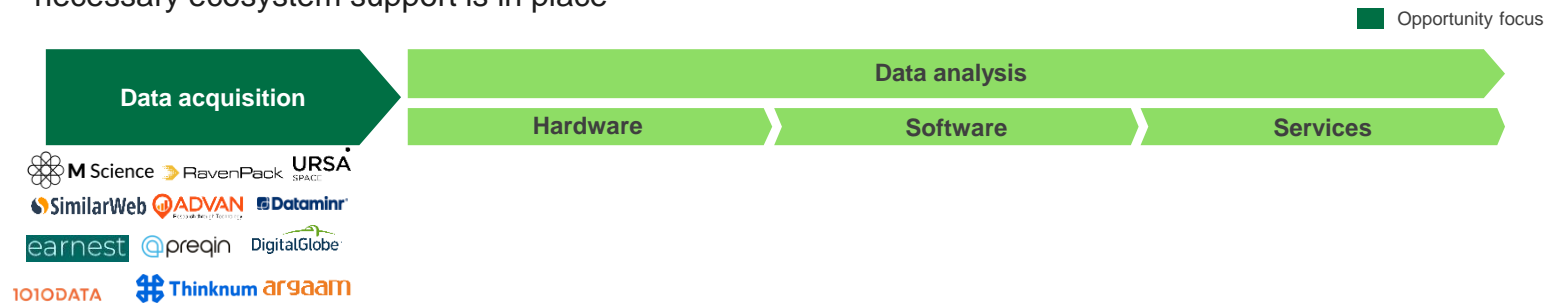
## SUPPLY

### SCALABILITY AND LOCALIZATION

- KSA is an optimal location within the MENA region, where use cases are very similar, and regionally tailored data acquisition and provision solutions can be easily exported
- National strategy for Data & AI identified 5 key application sectors for big data and announced SAR 75 Bn cumulative FDI and local investment in Data & AI domain in KSA

### ECOSYSTEM ANALYSIS

- Data acquisition is dependent on several tech to ensure it realizes its full potential, including data analysis, 5G, cloud computing, supercomputers, IoT etc.
- Several national strategies and frameworks are in place to develop majority of such tech in KSA and ensure the necessary ecosystem support is in place



### KEY STAKEHOLDERS



## ENABLING FACTORS

### ENABLERS

- HRDF offers salaries support for KSA nationals
- SDAIA has accelerator program for grants up to SAR 150k for startups
- Financing support through SIDF

### COST OF DOING BUSINESS IN KSA

Factor	Ranking Amongst Regional Peers
ICT access index <sup>1</sup> (1-10, 2020)	8.0
ICT use index <sup>2</sup> (1-6, 2021)	3.64
ICT Spend <sup>3</sup> (% GDP, 2022)	3.8
R&D index <sup>4</sup> (Count, 2022)	448
Patent applications (#/GDP, 2020)	1.38

# 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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