

# INDUSTRIAL WASTE MANAGEMENT

## INVESTMENT OPPORTUNITY SCORECARD

### Waste Management Segment

June 2021

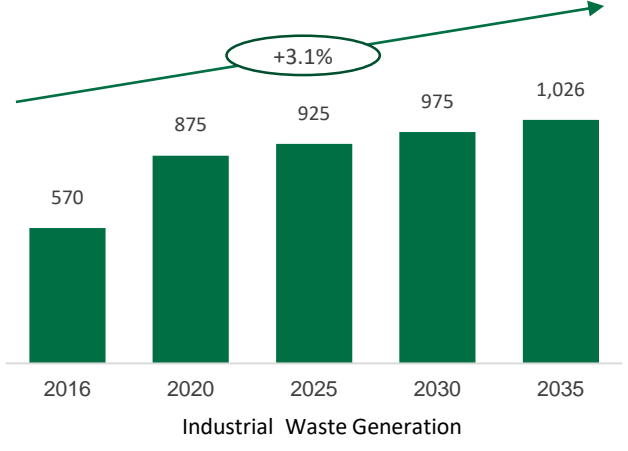


# Industrial Waste Management

**OPPORTUNITY'S DESCRIPTION:** To establish an industrial waste management facility for collecting, transporting, processing and disposing the waste safely, efficiently and economically.

## DEMAND

### MARKET SIZE, THOUSAND TONS



### INVESTMENT HIGHLIGHTS

- Opportunity to consider different operating models – pure private sector model or joint venture with local player. 100% foreign direct ownership allowed
- Opportunity to setup external processing facility for the industrial waste

## INVESTMENT OVERVIEW

### VALUE PROPOSITION

- Government enforcement to all industrial facilities to contract with qualified industrial waste management companies to collect and treat their generated waste.
- As part of Saudi Vision 2030, National Center for Waste Management (NCWM) was established to unify the waste sector roles, standards and requirements and streamline incentives to attract investments to the sector
- 85% of industrial waste in KSA is targeted to be excluded from the landfill by 2035 where current excluding from the landfill is less than 50% which.
- National Industrial Development and Logistics Program aims to transform the Kingdom into a leading industrial powerhouse and a global logistics hub.
- Multiple large scale industrial cities under construction in Saudi Arabia along with the existing largest industrial cities in the Middle that holds the world's largest single industrial development project in Jubail and Yanbu.

### KEY DEMAND DRIVERS

- The Saudi Green and Middle East Green initiatives which are designed to reduce carbon emissions in the region %60 by 2030 and previously along with that to divert 85% of the industrial waste from the landfills by 2035.
- Currently around 9,500<sup>2</sup> plants and factories across the KSA manufacturing variety of products in different sectors
- Rising investments in manufacturing factories are driving the growth of the industrial waste generation in KSA supported by low-cost loans for establishing an industrial plant provided by SIDF.
- The petrochemical sector is one of the largest sectors in KSA and a major contributor of industrial waste, and it is expected to continue to grow.

## MARKET OVERVIEW

### MARKET READINESS AND COMPETITOR ANALYSIS

- Very few players in the local market, which is largely under supplied

#### CURRENT KEY LOCAL PLAYERS



### GLOBAL TRENDS

- The global market for the industrial waste management is expected to reach to 2,514 Billion USD by 2025.<sup>4</sup>
- The importance of environmental sustainability has been realized all over the globe and attempts are made to maximize the use of new and advanced technologies in treating industrial waste and creating valuable materials out of it such as Waste to Energy.

# Waste Management INDUSTRIAL WASTE MANAGEMENT

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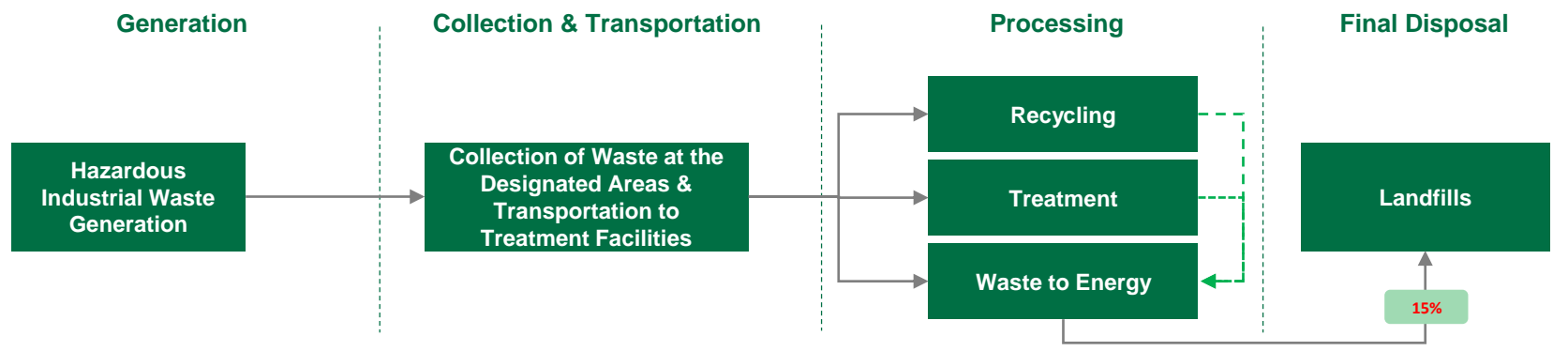
## SUPPLY

### SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- In line with Vision 2030, stakeholders are focusing on improving the environmental sustainability and the value chain of the industrial waste management in Saudi Arabia with new and advanced technologies
- Commitments to implement the highest standards and continues improvement in handling the industrial waste from the government entities with strict monitoring procedures of the waste generation and the safe disposal by the light and heavy industrial facilities.
- Presence of multiple industrial zones in KSA will provide the opportunity to scale up industrial waste management businesses quickly.
- Global and leading industrial waste management companies can enter the Saudi market to bridge the existing gap in the industrial waste management field

### VALUE CHAIN ANALYSIS



### KEY STAKEHOLDERS



## ENABLING FACTORS

### ENABLERS

- Land for lease starting from \$ 0.26 per sqm/year
- HRDF covers 30-50% of Saudi employees monthly salaries (additional 10% for females) for 2 years, provided that it does not exceed USD 4,000
- 100% foreign direct ownership allowed
- Fully competitive investment environment is enforced in KSA at the highest regulatory and legal levels

### 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
Contract enforcement (0–100)	55
Ease of getting credit (0 – 100)	50

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

# 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>Demand 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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