

Tabuk IWP (Independent Water Project)

INVESTMENT OPPORTUNITY SCORECARD

Environment Services

OCTOBER 2021

Environment Services

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Public / متاح

High Potential

Moderate Potential

Low Potential

OPPORTUNITY'S DESCRIPTION: Develop, finance, procure, implement, operate and maintain a desalination plant with capacity of 400,000 cubic meter/day to serve cities, towns, and villages by the wining consortium.

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected Investment size of SAR 1.5Bn
- Investment model: Build, Own, Operate (BOO)
- Opportunity to be part of a greenfield project with a WPA of 25 years
- Location: Tabuk
- Capacity : 400,000 m3/day
- PCOD : Q3 2024

VALUE PROPOSITION

- Water is considered one of the most important strategic sectors in the Kingdom, as is highlighted by the inclusion of sustainable water resource management as a key objective of the Kingdom's Vision 2030
- Saudi Arabia has the world's largest desalination market, accounting for over 20% of global capacity, with around 8 million m3 of desalinated water produced each day.
- All projects tendered are 100% IWPs backed by 25-year Water Purchase Agreements (WPA) with the Saudi Water Partnership Company as an off-taker

MARKET OVERVIEW

GLOBAL TREND

- The global demand for water is expected to increase by 55% in 2050 in light of rapid urbanization and the increase in population
- Gradual global shift from non-renewable to non-conventional water sources (e.g., desalination, water reuse) in order to satisfy demand
- Desalination grown x20 folds in absolute value driven by the increased demand for water coupled with the lack of renewable resources and depletion of non-renewable reserves
- Increased use of treated effluent for landscape irrigation and horticulture globally

VALUE CHAIN ANALYSIS

Opportunity Focus



KEY DEMAND DRIVERS

- With a population of around 35 million and one of the highest water consumptions per capita in the world, the size of the Kingdom's water demand (around 15 million m3 per day for municipal and industrial use) and associated need for infrastructure is significant, with \$67 billion in estimated capital investments by 2025.
- Saudi Arabia's water sector has grown at an annual rate of 5-10%, driven by robust industrial production growth and sustained population expansion.
- The Kingdom boasts over 40 available desalination units with plans to construct 5.5 million m3 per day of additional desalination capacity by 2026

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