

Food Processing Frozen Potatoes



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Public / متاح

High Potential

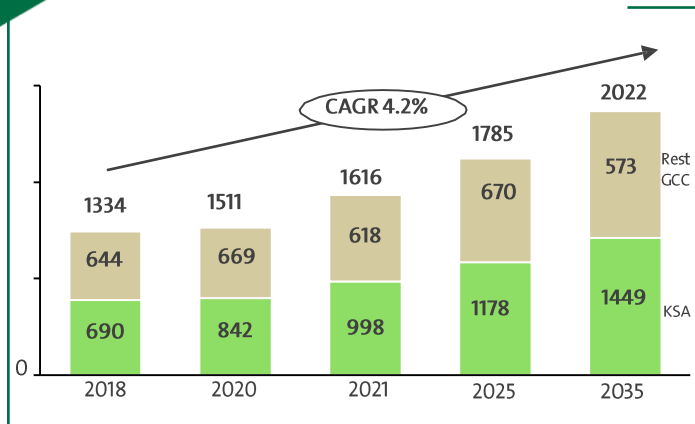
Moderate Potential

Low Potential

OPPORTUNITY DESCRIPTION: Opportunity to develop a Frozen Potato manufacturing plant to supply local & regional demand

DEMAND

Imports Size , "Millions" SAR



KEY DEMAND DRIVERS

- Owing to busy lifestyles and increase in number of working women, the demand for convenience foods that requires less cooking time is on the rise
- One of the major demand drivers for processed food is the strategic shift of the industry from traditional factors such as preservation and stabilization, to enhancing health aspects, flavor and taste, nutrition, sustainable production and food security
- Additionally, increasing number of restaurants and hotels further scale the consumption of processed food items

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected Investment size of 1.2B SAR
- Total capacity: 240K MT
- Expected IRR: 16%
- Location (Region): Based on investor

VALUE PROPOSITION

- High dependency upon imports raises prospect of significant import substitution opportunities within KSA food industry
- High local and regional demand
- Sustainable Agricultural Rural Development Program launched in 2019 , aims at boosting production, processing and availability of locally produced food items
- Manufacturing in KSA can be expended into neighboring regions enabled by geographic proximity, trade agreements with other Arab countries and favorable trade regulations

MARKET OVERVIEW

RAW MATERIALS

- Potatoes, sourced globally from (Europe, USA,) or locally

GLOBAL TRENDS

- Frozen potatoes Market is valued at USD 64.56 Billion in 2021 and is expected to reach USD 83.88 Billion by 2028 with a CAGR of 4.46% over the forecast period.
- Some of the key players globally include McCain Foods Limited., The Kraft Heinz Company., J.R. Simplot Company., Agristo NV



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[Opportunity Development]

SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- Easy access to labor, approval of foreign suppliers, and an expedited process for licenses and permits will allow for quicker localization of the industry
- Saudi Arabia has an established F&B industry that benefits from state of the art technologies and highly advanced packaging, cold chain facilities and distribution networks to enable efficient distribution of products across the country

IMPORT DEPENDENCY

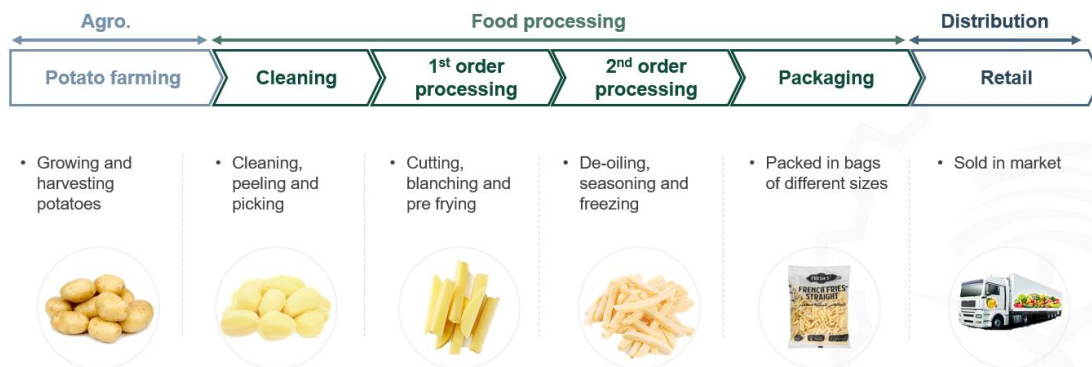
Country	% of Saudi Imports
Netherlands	39%
Belgium	35%
USA	9 %
Others	17 %

ENABLING FACTORS

ENABLERS & INCENTIVES

- Protection against imports of low priced finished goods from neighboring countries
- 100 % foreign direct ownership allowed

VALUE CHAIN



KEY STAKEHOLDERS

الهيئة العامة للغذاء والدواء
Saudi Food & Drug Authority

المصدرات السعودية
هيئة تنمية المصادرات السعودية

المركز الصناعي
Industrial Center

وزارة الصناعة
والثروة المعدنية
Ministry of Industry and Mineral Resources



وزارة البيئة والمياه والزراعة
Ministry of Environment Water & Agriculture

مدن
MODON

SIDF

الهيئة العامة للغذاء والدواء
Ministry of Health

وزارة الاستثمار
Ministry of Investment

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
Construction Costs (Indexed to US, % 0 is cheapest)	74
Ease of getting credit (0-100)	50

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

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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