

HIGH CARBON STEEL WIRE RODS

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS



HIGH CARBON STEEL WIRE RODS

Opportunity Description: Opportunity to produce a high carbon wire rods with a production capacity of 100 KTPA

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

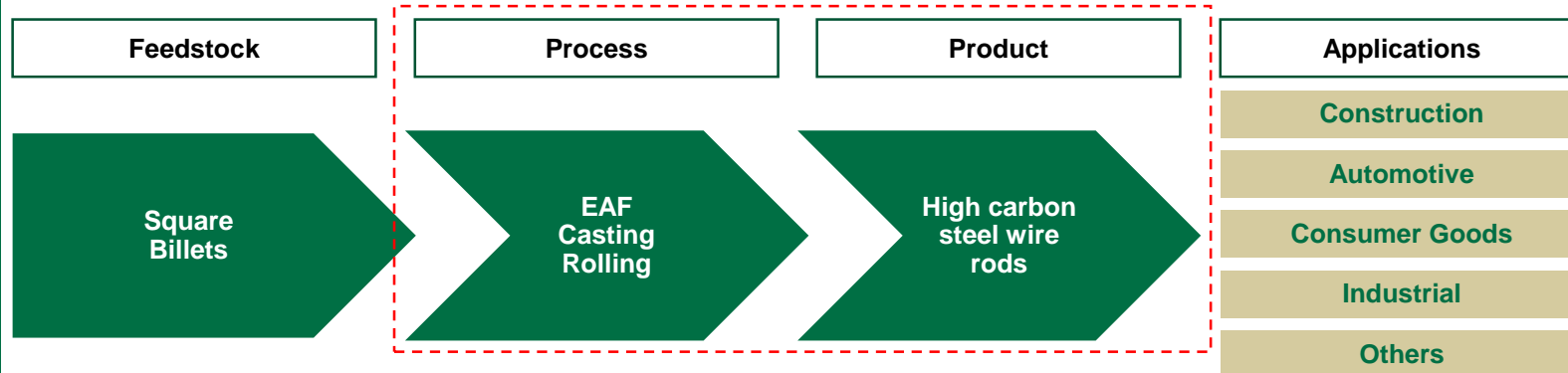
- Expected Investment Size: USD 10 Mn
- Plant capacity: 100 Ktpa
- High carbon steel wire rods, referred to as "wire rods," means semi-finished hot rolled carbon steel products with a circular cross-section in the form of coiled wire

BUSINESS DRIVERS

- KSA has developed a steel strategy aiming to achieve 2030 targets by doubling its current steel production capacity
- The strategy targets to increase steel industry GDP contribution from USD 3 Bn to USD 7 Bn, reduce its imports by USD 1 Bn, and produce a value added products
- KSA offers a competitive energy prices
- KSA 2019 demand of wire rod was around 1MMTA, and expected to increase to 1.7MMTA by 2035
- Imports from China are mainly grades that local producers do not have capability to produce
- The GCC has a reasonable strong market for machinery springs, fencing, fasteners, nails. Driven mainly by localization efforts in construction and manufacturing activities
- increasing adoption of steel wire rod in aviation, construction, and automobile industry which itself is a significant growth driver for steel wire rod market

VALUE CHAIN ANALYSIS

Opportunity Focus



GLOBAL TREND

- The global steel wire market size was USD 91.33 billion in 2018 and is projected to reach USD 112.14 billion by 2026, exhibiting a CAGR of 2.7% during the forecast period.
- The demand for steel wire is driven by the increased spending by governments of emerging countries for the development of infrastructure. steel wire in the form of mesh and ropes are used for reinforcement, to provide strength to the structure.
- Growing construction industry is fueling the demand for Steel Wire.

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	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

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