

Hydroponic Greenhouse

INVESTMENT OPPORTUNITY SCORECARD

FOOD PROCESSING

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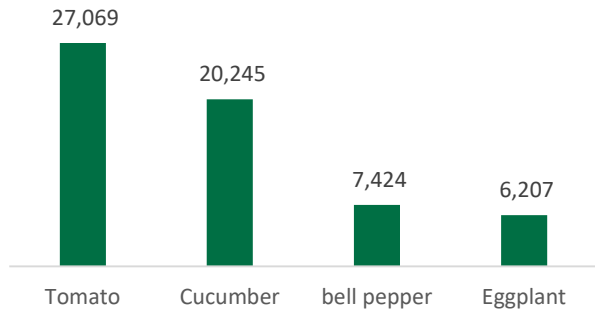


Hydroponic Greenhouse

OPPORTUNITY'S DESCRIPTION: Establishing a hydroponic farm for fruit and vegetables.

DEMAND

Number of greenhouses per produce in KSA 2018



INVESTMENT HIGHLIGHTS

- **Scope** – establishing greenhouses with hydroponic technology focusing on:
 - Planting fruit and vegetables
 - Planting leafy produce

INVESTMENT OVERVIEW

VALUE PROPOSITION

- The total planted area of greenhouses has reached 33 million square meters in 2018 with 73.5 thousand greenhouses
- KSA has established five R&D centers for developing greenhouses technologies
- High dependency upon imports of fruit and vegetables amounted for (\$8.3 billion in 2019) raises prospect of significant import-substitution opportunities within KSA food industry
- With water scarcity and harsh weather in Saudi Arabia, the kingdom is moving toward high Agri-technologies.

KEY DEMAND DRIVERS

- One of the major demand drivers is the Kingdom's strategic move towards innovative farming techniques in order to cope with the water scarcity of arable land and reuse of wastewater
- High consumption of fruits and vegetable is driven by preference for healthy lifestyles and foods rich in vitamins, minerals, fiber, and antioxidants, which have been shown to protect against chronic diseases and cancer
- Meeting the demand of seasonal fruit and vegetables throughout the year
- Additionally, increasing number of restaurants, juice centres and hotels further scale the consumption of fruits and vegetables

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- Fresh fruits and vegetable is highly fragmented market with many local, small-scale players.
- ~60% of the market is served through modern trade channels

COMPETITOR ANALYSIS



GLOBAL TRENDS

- The commercial greenhouse market is projected to register a CAGR of 8.1% during the forecast period (2021-2026)
- With global population increase reaching to 8.5 billion by 2030, the farmland per capita is expected to reach 1,800 m2 from 2,200 m2 in 2015.
- Greenhouses provide high-quality food products around the with efficient use of water, fertilizers, chemicals, and labor.

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	Demand 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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