

INSPECTION SERVICES

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021



TOURISM & QUALITY OF LIFE INSPECTION SERVICES

Restricted / مقيد

High Potential

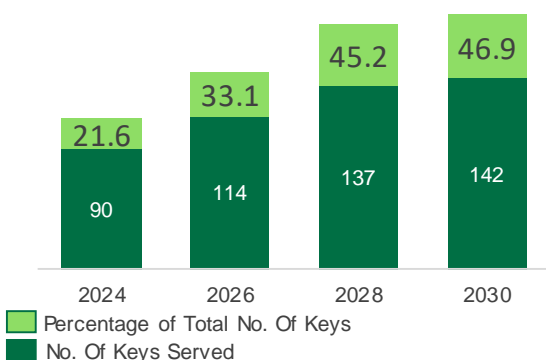
Moderate Potential

Low Potential

OPPORTUNITY'S DESCRIPTION: A company, endorsed by the Government, that focuses on Makkah and Madinah hotels and supports them in meeting the inspection criteria set by the new regulations through a well studied set of tools and approaches that will bridge the Gap between the hotels and the new criteria set to be met.

DEMAND

MARKET SIZE – NUMBER OF KEYS SERVED - (In 000s)



INVESTMENT HIGHLIGHTS

- Investment Ticket SAR 17,280,775
- ROI: %23.3
- IRR: %23.7
- NPV: SAR 19,477,485
- Payback Period: 6.69 Years

INVESTMENT OVERVIEW

VALUE PROPOSITION

- Hotels:
 - Quality Assurance For Customers (Showing the Certification)
 - Clarity of criteria and standards
 - Support, coaching, and development approach
 - Offer international standard holistic training program for all the staff to ensure they have the skills and competencies to optimize quality management
- Investor:
 - Reasonable Cash Flows: Investors will be able to generate cash flows within few years after investment. Low Competition: Inspection Services company will have lesser competition from existing players if any. Earn reasonable profits throughout the Umrah period.
- Government owner:
 - Increase accommodation quality and thus Enriching the Pilgrim's Experience, Increase Employment Rate (At full capacity need circa 170 employees), and Enhance Government Effectiveness

KEY DEMAND DRIVERS

- Vision 2030's Target is to reach 30M International Umrah Pilgrims by the year 2030
- Enriching the experience is one of the goals of the Vision 2030. Initiatives have already started and are expected to increase demand and willingness to come.
- Government Endorsement and acknowledgement will give more credibility to the company which would otherwise need a lot of marketing efforts to get to the same starting point and will help in driving demand in a faster pace.
- Primary market research shows that a satisfying hotel experience is one of the triggering factors affecting pilgrims' decision to perform Umrah and willingness to come again.

MARKET OVERVIEW

MARKET READINESS

- Around 21.5 M Domestic and International Hajj and Umrah pilgrims visited Makkah in 1440/2019 (2.5 M Hajj +19 M Umrah).
- Vision 2030's Target of reaching 30 M International Umrah Pilgrims International by 2030
- Enriching the experience is one of the goals of the Vision 2030. Initiatives have already started and are expected to increase demand and willingness to come.

GLOBAL TRENDS

- Increasingly, travelers are seeking confirmation that sustainability practices are in place (Booking.com Sustainability Report 2019). Also, increasingly, travel companies are looking for a product that is not only certified sustainable, but certified sustainable by a Certification Body that is GSTC Accredited (Trivago recommendation).

GLOBAL BENCHMARK



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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