

INTEGRATED STEEL PLATE MILL

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS



INTEGRATED STEEL PLATE MILL

Opportunity Description: Develop a steel plate production plant with a capacity of 1.2 MMTPA

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

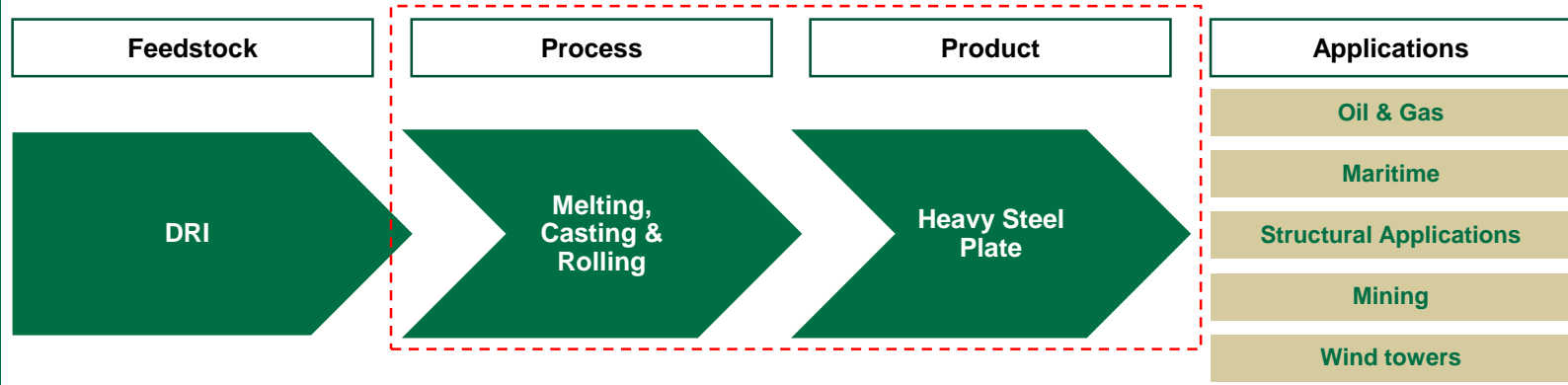
- Expected investment size: USD 2.3 Bn
- Plant capacity: 1.2 MMTPA
- Heavy steel plate is defined as any steel plate material that is 3-inches thick or greater. Heavy plate is comprised of a variety of grades. These grades are used in various applications, including Maritime, mining, energy and automotive.

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
- Saudi Arabia's natural gas reserves ranks fourth worldwide, the Government initiated to induce a development of gas resources to meet the demand of the growing industries such as steel, aluminum, and water desalination
- Plate demand is mostly driven by oil and gas industry. However in the future, King Salman Maritime City Project will be a key driver of demand
- Integrated Steel Plate Mill supports Vision 2030 in availing the required input material for shipbuilding, energy, construction and oil & gas sectors. Current local demand exceed 800 KTA and projected to exceed 1.0MTA by 2030.

VALUE CHAIN ANALYSIS

Opportunity Focus



GLOBAL TREND

- Global steel plate consumption in 2018 was 134 million ton. The compound average growth rate (CAGR) consumption has been 3.1% since 2000.
- Over the long term, increasing applications in the production of heavy machinery and growing demand from the construction industry in developing countries are driving the market growth.

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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