

# CULINARY EDITORIAL & NARRATIVE BUILDING

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021



# TOURISM & QUALITY OF LIFE

## CULINARY EDITORIAL & NARRATIVE BUILDING

Public / متاح

High Potential

Moderate Potential

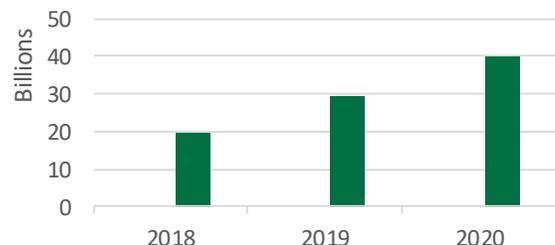
Low Potential

**OPPORTUNITY'S DESCRIPTION:** A culinary arts magazine that covers Saudi Food heritage components such as regional dishes, producer stories, must-try heritage restaurants – digital and physical copy circulation with revenue generated from ads

### DEMAND

### INVESTMENT OVERVIEW

Food & Beverage Point of Sales Forecast



Sales in Saudi Riyals

#### INVESTMENT HIGHLIGHTS

- Operator can choose from multiple investment models including pure play private investment, public private partnership and pure operation model with government ownership
- ~40-50% profit margin by year 5, with limited upfront investment requirement
- Total market size of “creative, arts and entertainment” activities is ~SAR 2.4B with a CAGR of ~4%

#### VALUE PROPOSITION

- Increased number of leisure activities, sports, concerts, and events in KSA also positively impacts the food & beverage sector. This growth already appears in increased mobile delivery applications, food trucks, and international and local restaurants in large cities
- Great cuisines typically influence food culture around the world and is viewed as a form of art by many. Moreover, Saudi Arabian cuisine, despite being rich in culture and history, has not been utilized to its full potential
- Saudis are avid travelers and spenders, due in large to deficiency in local offerings, spending USD 5.6 Bn annually on recreation, where 80% is spent abroad

#### KEY DEMAND DRIVERS

- KSA has a rapidly growing and young population which will boost demand. More than 50% population of KSA is less than 30 years old
- High demand for the Food & Beverages industry is expected to be driven by Saudi Arabia new infrastructure developments, enhancement of the culture & entertainment sectors and government initiatives such as the relaxation of visas, etc...
- Support with marketing on CAC's official platforms

### MARKET OVERVIEW

#### MARKET READINESS

- High market demand, e.g. more than 90% of Riyadh's population (7.8 million people) eats out at least once a week.
- The average monthly spend per person on eating out in a restaurant or ordering for delivery in Saudi Arabia is approximately SAR1,330 (USD355).

#### COMPETITOR ANALYSIS

- Fine Dining offering was limited a few years ago, however, the number of Fine dining in Saudi is growing due to the massive demand. Yet The Saudi Cuisine has great potential to be utilized

#### GLOBAL TRENDS

- Culinary tourism, where individuals exploration of food is the purpose of tourism. It is now considered a vital component of the tourism experience.
- 53% of leisure travelers choosing their next destination because of food and drink. That means more than attractions, more than sightseeing, more than scenery or architecture, and more than price, good food and drink are a driving force in which destinations travelers now choose.



# TOURISM & QUALITY OF LIFE CULINARY EDITORIAL & NARRATIVE BUILDING

Public / متاح

## SUPPLY

### SCALABILITY AND LOCALIZATION

- Support in content creation through coverage opportunities and expert network access
- Low cost of construction, labor wages and utility fees combined with availability of trained resources to support low capital and operating expense for the investor and maximize investment returns
- The government has already started restructuring visa processes and issuing online visas. This will boost pilgrimage and touristic visits to KSA in the coming years

Grade: Low Medium High

## ENABLING FACTORS

### ENABLERS

- License by the Ministry of Media which allows the practice of media activity.
- The Ministry of Municipality and Rural Affairs has created supporting regulatory ecosystem for easy issuance of necessary permits

### KSA CALUINARY STEAKHOLDERS



وزارة التجارة



Ministry of Human Resource  
and Social Development  
Kingdom of Saudi Arabia



وزارة الاستثمار  
Ministry of Investment



هيئة فنون الطهي  
Culinary Arts Commission



وزارة الثقافة  
Ministry of Culture



وزارة الإعلام  
Ministry of Media



صندوق التنمية الثقافي  
Cultural Development Fund

وزارة الشؤون  
البلدية والقروية  
Ministry of Municipal & Rural Affairs



# 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

# DISCLAIMER

- This report must be used only to access information, and the information must not be construed, under any circumstances, explicitly or implicitly, as an offer to sell or a solicitation to buy or sell or trade in any opportunity herein mentioned.
- Ministry of Investment (MISA) has no undertaking to update these materials after the date, with the understanding that such information may become outdated or inaccurate.
- Mentioned information in this report is obtained from reliable sources but its accuracy and reliability are in no way guaranteed. No guarantee of any kind is tacit or explicit when projections of future conditions are attempted. MISA has used public/or confidential data and assumptions and has not independently verified the data and assumptions used in the analyses. Changes in underlying data or operating assumptions will clearly impact the analyses and conclusions.
- The financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard methodologies, are not definitive projections, and are not guaranteed by MISA
- The content of this report must not be construed as an implied promise or guarantee for profit or limited loss express or implied by or from MISA or any of its officers, directors, employees and affiliates. All mentioned investments in this report are subject to risk, which should be considered prior to making any investment decisions
- MISA shall have no liability whatsoever to any third party, and hereby any third party waives any rights and claims it may have at any time against MISA with regard to this report, any services or other materials, including the accuracy or completeness thereof.

**CONNECT WITH US FOR MORE DETAILS:**  
**TQoL@misa.gov.sa**

investsaudi.sa



@investsaudi

