

LPG Cylinder and Tanks accessories

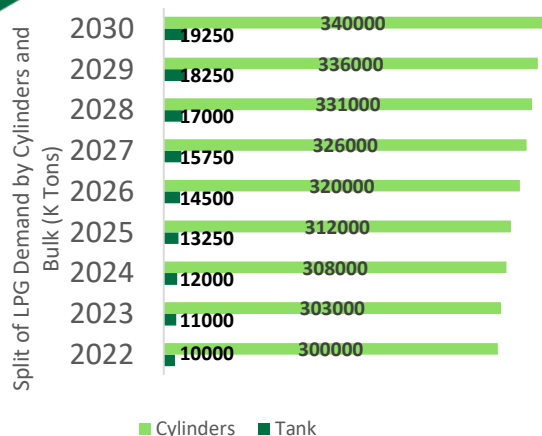
INVESTMENT OPPORTUNITY

Energy Sector



OPPORTUNITY DESCRIPTION: Opportunity to setup a production facility for LPG Cylinder and tank accessories to cater local and Regional demand.

DEMAND



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected Investment size of USD 17.1 M
- Plant capacity: 500k
- Expected IRR: 4%
- Payback period: 10 Years
- Job Creation: 50 opportunity
- GDP Impact: USD (11,267,041) annually
- Location (Region): Kingdom-wide

VALUE PROPOSITION

- Improves service quality and promotes development and innovation
- Localization and security of supply
- Serving Middle East LPG market
- Total consumption of LPG accessories in KSA is around 500k
- Access to raw materials
- Lack of accessories' manufacturers in the Middle East
- readiness of best-in-class infrastructure

KEY DEMAND DRIVERS

- High demand in projected bulk & cylinder sales due to the population increase
- market regulations enhancement

RAW MATERIALS

Access to raw materials and readiness of best-in-class infrastructure

- Steel
- Aluminum
- Cooper
- Plastic
- Rubber
- Fiberglass
- Powder coting

MARKET OVERVIEW

GLOBAL TRENDS

- Middle East countries are mainly relying on LPG Cylinders/tanks in residential and commercial use



Oil & Gas

LPG Cylinder and Tanks accessories

SUPPLY

SCALABILITY AND LOCALIZATION

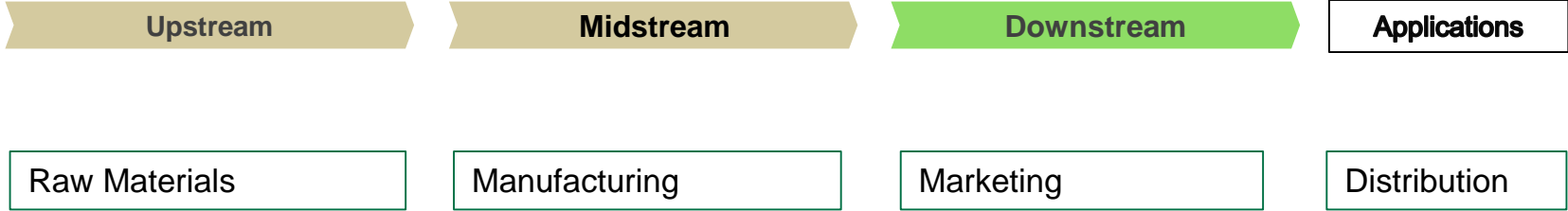


Ministry of energy plans to adopt cylinders & tank accessories market through increasing capacity and localization requirements to achieve creating a Global LPG Industrialization Hub within the kingdom that aims to be globally competitive export oriented.

IMPORT DEPENDENCY

- Italy: All LPG cylinders valves imported
- India: Pressure regulators 30-50% of the market demand

VALUE CHAIN



KEY STAKEHOLDERS

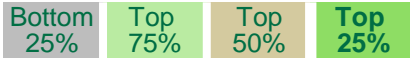
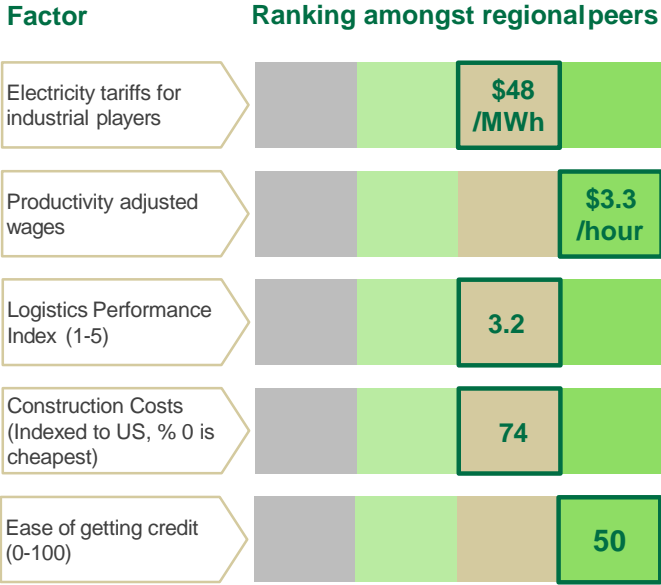
- MINISTRY OF ENERGY
- MINISTRY OF INVESTMENT
- SIDF
- MODON
- Ministry of Industry and Mineral Resources

ENABLING FACTORS

ENABLERS & INCENTIVES

- Enablers:**
- Custom land options from Modon.
 - Clear Government Procedure
 - Steady demand during economic fluctuations.
 - Clear regulatory frameworks
- Incentives:**
- Up to 75% of project financing by Saudi Industrial Development Fund (SIDF).
 - 2-year grace period for the repayment of loans.
 - Expat worker levy waived-off for industrial manufacturers until October 2024.
 - Temporary tax holiday

COST OF DOING BUSINESS IN KSA



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	Global trends	Latest business developments within the sector/product category
7	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
8	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
9	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
10	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
11	Enablers	Factors that enable investment in the underlying opportunity
12	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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