

MAKKAH CABLE CARS

INVESTMENT OPPORTUNITY SCORECARD

TOURISM & QUALITY OF LIFE

September 2021



TOURISM & QUALITY OF LIFE MAKKAH CABLE CARS

Restricted / مقيد

High Potential

Moderate Potential

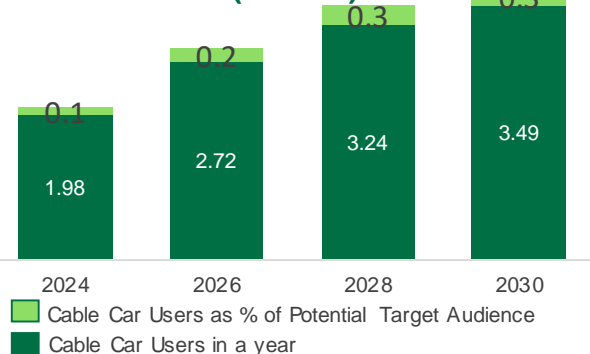
Low Potential

OPPORTUNITY'S DESCRIPTION: Building Cable Cars Complex in Makkah with 4 Stations along 2 Main Cable Cars Routes offering multiple services such as Islamic Sites Visit, Food and Beverage Services, Recreational and Outdoors Activities such as Camel Riding, Small Hikes, Camping, sightseeing among other activities that will give visitors more options to choose from and uplift their overall visit experience.

DEMAND

MARKET SIZE – DEMAND FOR USING CABLE CAR IN A YEAR

– (In 000s)



INVESTMENT HIGHLIGHTS

- Investment Ticket
 - Phase 1: SAR 203,592,671
 - Phase 2: SAR 327,464,515
 - Phase 3: SAR 284,185,118
- ROI: % 9.8
- IRR: % 22.6
- NPV: SAR 854,224,195
- Payback Period: 8.42 Years

INVESTMENT OVERVIEW

VALUE PROPOSITION

- A “Unique Culturally Engaging Experience” integrating culture, Islamic history, heritage, entertainment, and F&B:
 - Linking to Unique Landmarks (Jabal Al Nour and Jabal Thawr)
 - Spectacular views of the Haram and Makkah
 - Convenient and accessible from the central area
 - Entertainment activities, exhibitions, and events
 - Experience great food
 - Activities engaging several cultural sectors

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.
- Pilgrims are willing to bundle Umrah with other activities showing the willingness to engage/use such Cable Car services.
- Saudi domestic tourism has exceeded expectations during the pandemic, despite the UNWTO describing 2020 as “the worst year on record in the history of tourism.” 10 summer destinations in the Kingdom generated \$2.3bn from June 25 to Aug. 31

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 is to reach 30M International Umrah Pilgrims by the year 2030.
- The government have already started restructuring visa processes and issuing online visas. This will boost pilgrimage and touristic visits to KSA in the coming years

GLOBAL TRENDS

- An increased focus on experience in KSA and globally is likely to drive a shift in the F&B market dynamic away from fast food towards “fast casual” formats as consumers attach greater weight to quality experience rather than convenience.

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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