

Public / متاح



وزارة الاستثمار  
Ministry of Investment

## Agri-food investment opportunities

Olive oil production

# Investment Opportunity: Olive oil production (1/2)



## Opportunity Overview

<b>Description</b>	<ul style="list-style-type: none"> <li>Establishing a fully integrated facility to produce high quality extra-virgin olive oil</li> </ul>
<b>Rationale</b>	<ul style="list-style-type: none"> <li>Increasing demand for olive oil &amp; awareness of its health benefits</li> <li>Increasing applications of olive oil</li> </ul>
<b>Types</b>	<ul style="list-style-type: none"> <li>Two main types of processed olive products, with opportunity focusing on primary processing</li> <li> <b>Primary:</b> taken from 100% natural olive juice using mechanical processes (incl. virgin and extra virgin olive oil)</li> <li> <b>Secondary:</b> refined olive oil using chemical processes or is a mixture of refined and mechanically processed olive oil</li> </ul>



## Market attractiveness

<b>Global market</b>	<b>+4%</b> CAGR '22-'27 of olive oil market		<ul style="list-style-type: none"> <li>Increased applications of olive oil</li> <li>Increased acceptance of olive oil for cooking</li> </ul>
<b>Governments and players' involvement</b>	Active governments in the space		New deals and initiatives in the space
<b>Investment trends</b>	<b>+240</b> Total deals in olive oil ('16-'22)	<b>+2.0B</b> USD investment olive oil ('16-'22)	



## Fit with KSA

<b>Market size and growth</b>	Olive oil market CAGR ('22-'27) <b>+8%</b> Olive oil market size in 2027 <b>+825M SAR</b> Olive oil consumption CAGR ('17-'20) <b>+9%</b> Annual consumption per capita ('22-'26) <b>+7%</b>
<b>Alignment with country and strategy's objectives and ESG perspective</b>	<p><b>64%</b> Current SSR</p> <p></p> <ul style="list-style-type: none"> <li>Potentially unlocking opportunities across the entire value chain</li> <li>Development of food processing clusters, &amp; industrial zones</li> <li>Provision of loans by the SIDF to support the food industry</li> <li>Favorable conditions for agricultural activities</li> <li>Initiatives to support agricultural activities in KSA</li> </ul>
<b>KSA strengths</b>	<ul style="list-style-type: none"> <li>Localized raw material supply</li> <li>Strong know-how and brand</li> <li>Effective marketing &amp; advertisement</li> </ul>
<b>Key success factors for the opportunity<sup>2</sup></b>	<ul style="list-style-type: none"> <li>Currently available raw material from locally farmed olives</li> <li>Current local olive oil products in KSA are considered to be one of the best in the market</li> <li>Olive oil industry is highly reliant on marketing &amp; advertisement efforts, which has been proven to be effective with consumers in KSA</li> </ul>

# Investment Opportunity: Olive oil production (2/2)

## Stakeholders' interaction and incentives

**Key stakeholders**



## Financial and socio-economic impact

**Financial projections**

**Socio-economic impact**

- Benchmarked 30+ peers
- Interviewed 3 experts



## Investment

**Type of investment**

- Investment through expansion of processing capacity of local player to introduce olive farming or olive oil bottling
- JV with international leading player to expand operations in olive oil production

**Players**



1. BoT impact estimated for year 1 when bottling facility is working at full capacity. BoT impact estimated as Revenues in year of full capacity \* (1-imports ratio for manufacturing of food products). BoT impact only considered on final product for simplicity, using industry import rate average