

Maritime Passenger Transport – East Coast

INVESTMENT OPPORTUNITY

Transport and Logistics



Maritime Sector

Maritime Passenger Transport – East

Public / متاح

High Potential

Moderate Potential

Low Potential

OPPORTUNITY DESCRIPTION: Leading the maritime transportation on the eastern coast of the kingdom serving seven routes.

DEMAND



INVESTMENT HIGHLIGHTS

- Expected Investment size of USD \$1.3 bn
- Routes: Seven routes on the east coast
- Expected IRR: 14%
- Job Creation: 13,212 jobs
- GDP Impact: \$0.82 bn
- Location (Region): East Coast

VALUE PROPOSITION

Vision 2030 aims to become a leading regional logistics hub by develop globally renowned tourism destinations and build competitive industries.

- The marine tourism suffers from demand imported equivalent to \$640 million (~ 70%)
- The government is committed to invest \$700 Mn to the construction of ferry terminals and marinas.
- The kingdom aims to become top 30 in cruise passengers and top 20 in ferry passengers globally
- The kingdom features a 850 Km coastline across the Gulf Sea.

KEY DEMAND DRIVERS

- KSA is witnessing a larger number of visitors than ever, by 2030, KSA aims to become a global top 5 destination (120M visits by 2030).
- KSA targets to enhance the coastline connectivity, improve public transport offering which will be reflected on the market demand

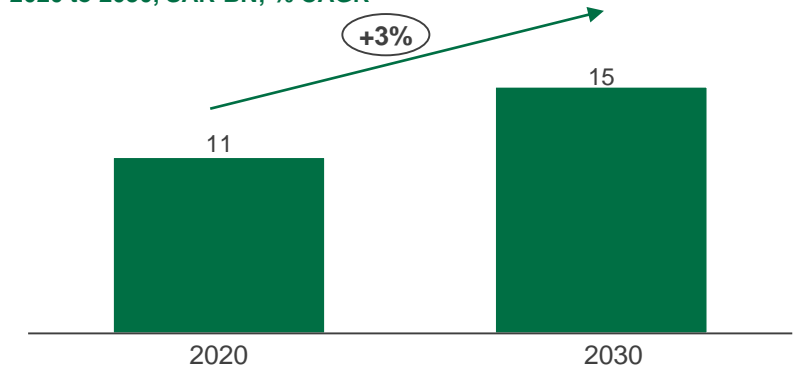
Market readiness and competitor analysis

- The kingdom is fully committed to unlock this sector and increase its competitiveness.
- This sector is considered to be a greenfield for companies to join and lead the market.

MARKET OVERVIEW

GLOBAL TRENDS

Estimated global ferry market size 2020 to 2030, SAR BN; % CAGR





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SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium **High**

- Upgrade and create digital platforms to facilitate access to marine tourism activities (e.g., online vessel registration platform, online marine tourism activity information platform)
- High wealth levels with GDP per capita amounting to ~23,000 USD per person

AMBITIOUS MARINE TOURISM TARGETS FOR 2030

- The Maritime Sector Strategy notably aims to increase ferry transport 16X to 22M passengers by 2030.
- In parallel, the ambition is to develop sustainable ferry operations with "green" operators at scale

VALUE CHAIN



KEY STAKEHOLDERS



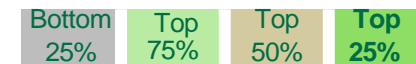
ENABLING FACTORS

ENABLERS & INCENTIVES

- Regulatory approval of ferry operations
- Access to docks in central areas of cities
- Timely development of tourism destinations
- Incentives to be discussed

COST OF DOING BUSINESS IN KSA

Factor	Ranking amongst regionalpeers
Electricity tariffs for industrial players	\$48 /MWh
Productivity adjusted wages	\$3.3 /hour
Logistics Performance Index (1-5)	3.2
Construction Costs (Indexed to US, % 0 is cheapest)	74
Ease of getting credit (0-100)	50



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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