



وزارة الاستثمار  
Ministry of Investment

# Water Investment Opportunities

Investor promotion pack –  
**Mfg. of mobile desalination plants**

Riyadh, March 2022

# Local manufacturing of mobile desalination plants – Overview & value proposition

## Opportunity overview

Set up a **c. 30-unit p.a. manufacturing facility** for mobile desalination plants to serve remote or distressed regions with potable water



## KSA value proposition

1

### Leader in desalination

- Global leader in desalination, contributing around 22% of the daily brine production globally

2

### Government commitment to upgrade the sector

- Ambitious targets to increase desalination capacity by 5.5 million m<sup>3</sup> per day, with investments of around SAR 40 bn expected by 2030

3

### Large and growing water sector

- Largest water market in the GCC with growth driven by population expansion

4

### KSA's geographical positioning

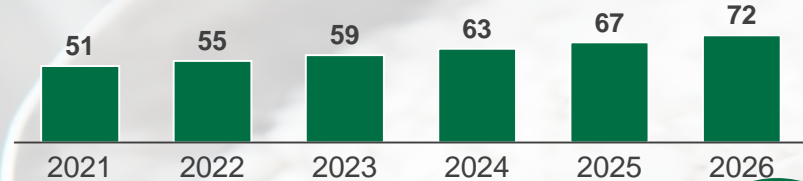
- Optimal regional positioning in addition to favorable trade agreements with other Arab countries

# Local manufacturing of mobile desalination plants – Market outlook

## Water Value Chain

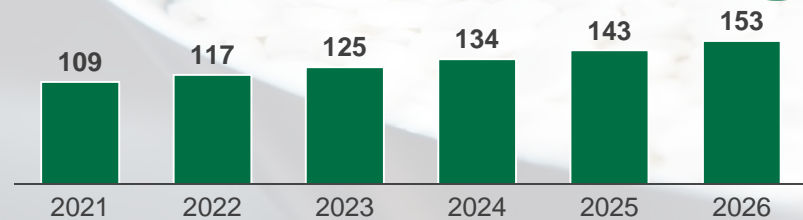


### GCC<sup>1)2)</sup> desalination capacity, 2021-2026 [m m<sup>3</sup>/ day]



KSA market  
c.45%  
of GCC market

### Global<sup>1)2)</sup> desalination capacity, 2021-2026 [m m<sup>3</sup>/day]



MENA market  
c.55%  
of global market

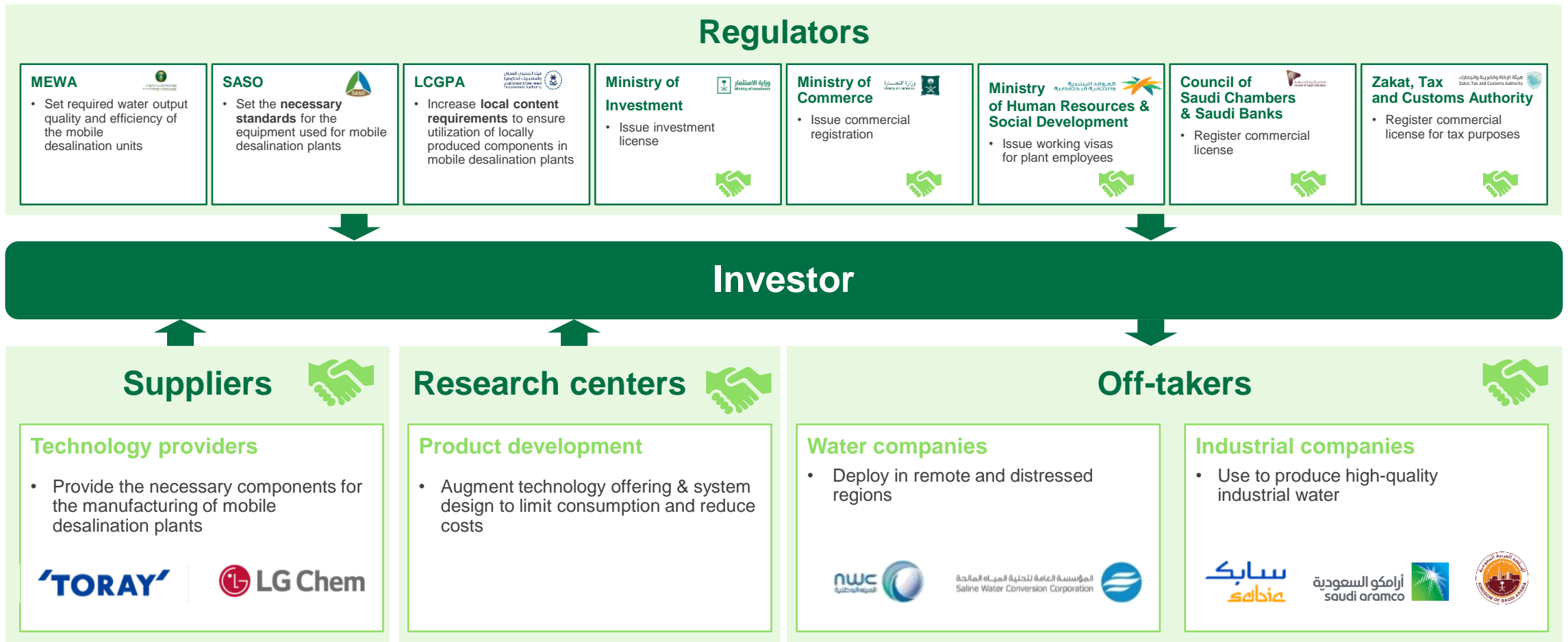
## Local market drivers

- 1 Growing efforts to **lessen reliance on non-renewable groundwater**
- 2 Target to **provide 90% of water supply** in the Kingdom through desalinated water
- 3 Growth in water demand driven by **population growth** across the Kingdom
- 4 Increase in **desalination capacity** by 5.5 million m<sup>3</sup> per day
- 5 Similar growth observed in **regional markets** and potential for exports

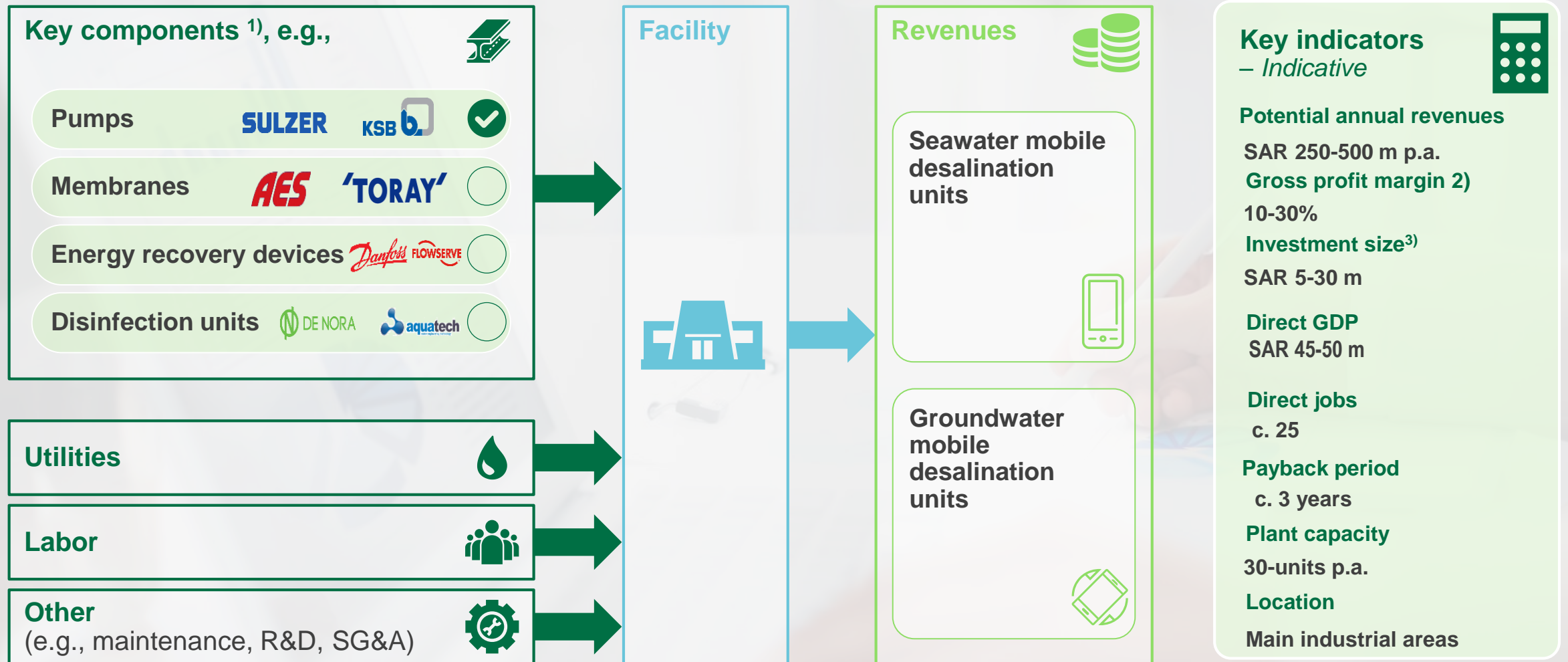
## Global market trends

- 1 Trend towards non-conventional water resources to **limit reliance on non-renewable resources**
- 2 Effort to ensure a **reliable and sufficient supply of water** at reduced costs
- 3 **Technological development and optimization** to reduce energy consumption of desalination facilities

# Local manufacturing of mobile desalination plants – Stakeholder ecosystem



# Local manufacturing of mobile desalination plants – Business model & financials





# Local manufacturing of mobile desalination plants – Enablers & incentives

## Existing enablers & incentives

	Category	Enabler/Incentive	Responsible Stakeholder
Financial	Facility <sup>1)</sup>	<ul style="list-style-type: none"> <li>Competitive land costs relative to other countries</li> <li>Provision of <b>soft loans</b> through SIDF – up to 75% of project financing</li> </ul>	
	Equipment	<ul style="list-style-type: none"> <li><b>Customs duty exemption</b> for machines used for certain manufacturing processes</li> </ul>	
	Utilities <sup>2)</sup>	<ul style="list-style-type: none"> <li><b>Low power and water costs</b> set for industrial cities</li> </ul>	
	Labor	<ul style="list-style-type: none"> <li><b>Nationalization incentives</b> set; HRDF covers a share of the salary</li> <li><b>Facilitative procedures<sup>3)</sup></b> for foreigners with specialized skills</li> </ul>	
Non-financial	Imports	<ul style="list-style-type: none"> <li><b>Refund to importers/ exporters</b> that import and then export more finished products</li> </ul>	
	Exports	<ul style="list-style-type: none"> <li><b>Trade agreements</b> with multiple countries and organizations (e.g., GAFTA, European Free-Trade Agreement)</li> </ul>	

## Additional MISA support

- 
**Facilitate the registration process** of companies in KSA
- 
**Establish connection** with local suppliers / importers of equipment
- 
**Introduce investor to relevant public stakeholders**

**Additional enablers and incentives can be discussed with MISA on case-by-case basis**

# Local manufacturing of mobile desalination plants – Cost of Doing Business



- 1 Electricity tariffs for industrial players
  - USD 48/MWh
- 2 Productivity adjusted wages
  - USD 3.3/hour
- 3 Logistics Performance Index (1-5)
  - 3.2
- 4 Construction Costs (Indexed to US, % 0 is cheapest)
  - 74
- 5 Ease of getting credit (0-100)
  - 50

# Local manufacturing of mobile desalination plants – Next steps

## Phase 1: Initiation

- Submit expression of interest concerning the opportunity to MISA.
- Discuss with MISA the opportunity and organize site visit
- Communicate with involved entities (off-takers, feedstock providers, partners, etc.)
- Conduct pre-feasibility study and due-diligence before final investment decision
- Secure enablers and incentives
- Secure MISA investment license



## Phase 2: Set up license requirements

- Secure commercial registration from Ministry of Commerce
- Secure working visas and labor working files from Ministry of
- Human Resources & Social Development & Ministry of Internal Affairs
  - Register at the Council of Saudi Chambers
  - Register at Saudi Banks
  - Register at Zakat, Tax and Customs Authority



## Phase 3: Set foundation

- Conduct due-diligence to build capabilities (e.g., locate appropriate land plot, initiate the recruitment of manpower)
- Build manufacturing plant and purchase equipment



## Phase 4: Launch production

- Initiate production of mobile desalination plants and monitor its market performance
- Adjust to market demand and ramp-up production output to achieve targeted utilization



Expected in 2024-26




## Recommended project type


Private investment

JV w/ local company

PPP

## Start your journey with MISA

 [Water@misa.gov.sa](mailto:Water@misa.gov.sa)

 800 244 9990



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