

# MODERN MANUFACTURING HUB

## INVESTMENT OPPORTUNITY SCORECARD

### ICT

JUNE 2021

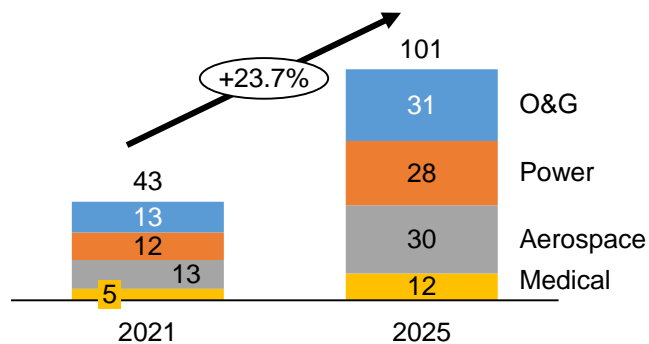


# Modern Manufacturing Hub

**OPPORTUNITY'S DESCRIPTION:** Opportunity to launch a unique platform in the Middle East to connect manufacturing services and engineering solutions with factories, companies, and customers to offer them the ability to manufacture anything using any material at any time using one platform

## DEMAND

### KSA MARKET SIZE FOR ADDITIVE MANUFACTURING, USD MN



## INVESTMENT OVERVIEW

### INVESTMENT HIGHLIGHTS

- Expected investments USD 4.5 Mn
- Opportunity to consider different operating models – FDI with 100% ownership or joint venture with local private sector player(s)

### VALUE PROPOSITION

- KSA is supporting a digitally-enabled industrial revolution for projects in mining, industry, logistics, and energy through a \$453Bn fund
- KSA has 40+ industrial cities which contain over 7,600 factories highlighting the importance for digital transformation across sectors
- Government-led initiatives and programs aimed to enhance human capital required for digital transformation through specialized university programs, the Saudi Digital Authority (SDA) initiatives, and the Saudi Federation for Cybersecurity, Programming and Drones (SAFCSP)
- Support from Saudi Industrial Development Fund (SIDF) which dedicated a \$28Bn fund and offers programs such as Tanafusiya, a program that provides consulting and financing services to enable digital transformation

### KEY DEMAND DRIVERS

- Prominent industrial companies make up 60% of local demand, with plans to increase reliance on local content. For example; Saudi Aramco planned to increase its localization from 40% in 2016 to 75% by 2030
- Local spending on additive manufacturing is estimated at approximately USD 27 Mn, and components related to pumps, valves, and compressors is expected to reach USD 65.3 Bn by 2030, as these parts have a great potentials to be manufactured locally
- KSA has 40+ industrial cities which contain over 7,600 factories highlighting the importance for digital transformation across sectors

## MARKET OVERVIEW

### MARKET READINESS AND COMPETITOR ANALYSIS

- The opportunity is a greenfield as there currently exists no similar practice in KSA, existing players practice traditional methods of direct contact to facilitate and connect
- The market is ready for new entrants who can develop tailored solutions to Saudi businesses

### GLOBAL TRENDS

- Global spending on additive manufacturing is expected to increase by 20 – 25% in the next 5 years
- The global market for additive manufacturing is estimated to be USD 12 Bn
- Industry 4.0 has significant implications for the global economy as it spans across industries representing 62% of GDP among G20 nations, including manufacturing and utilities sectors



# ICT MODERN MANUFACTURING HUB

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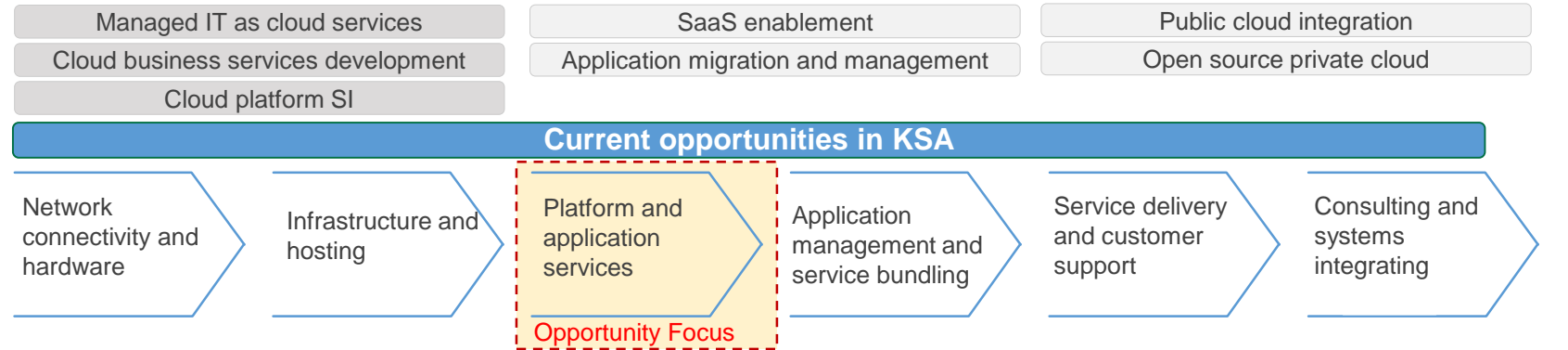
## SUPPLY

### SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- An increase in the proportion of domestic spending is expected in the coming years, specifically in power related additive manufacturing
- 30% of local manufacturing is estimated to be related to the manufacturing of components for pumps, valves, and compressors in the near future
- Localization is possible due to a ready IoT infrastructure which is characterized by high mobile speed, large 5G rollout in the Middle East and presence of LoRaWAN infrastructure
- There is opportunity to scale by tapping into the wider MENA region by tailoring solutions for other markets

### ECOSYSTEM ANALYSIS



### KEY STAKEHOLDERS



## ENABLING FACTORS

### ENABLERS

- MODON offers admin support and subsidized lands
- MoF & SIDF offer financing support
- Discounted power tariff for DCs (18H/kWh)
- SDA conducts regular training programs to build cloud capabilities with local content
- CITC launched National Center for Information Security to enhance cyber security and provide healthy environment for electronic transactions and attract FDI

### COST OF DOING BUSINESS IN KSA

