

# NEEDLE VALVES

## INVESTMENT OPPORTUNITY SCORECARD

### INDUSTRIAL EQUIPMENT

AUGUST 2021

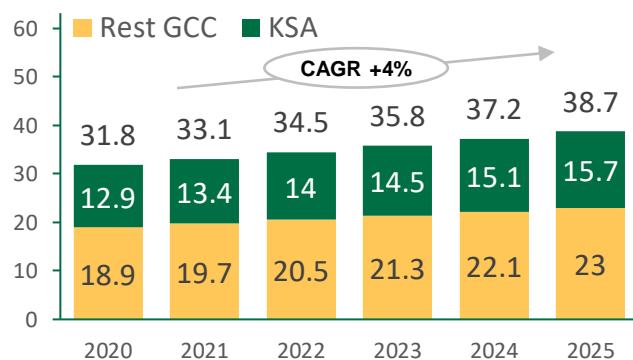


# INDUSTRIAL EQUIPMENT NEEDLE VALVES

**OPPORTUNITY'S DESCRIPTION:** Establish a manufacturing facility of needle Valves components.

## DEMAND

### MARKET SIZE, QUANTITY x 1000



### INVESTMENT HIGHLIGHTS

- Design by a centralized Team in KSA.
- Establish a local facility to manufacture different components used for Needle Valves, mainly casting and forging facility for bodies and internals.
- Assembly of Needle Valves at local facility and plan to localize supply chain in phases.
- Establish technical support service center to serve requirements for Testing, Repair and Maintenance of Needle Valves.

## INVESTMENT OVERVIEW

### VALUE PROPOSITION

- Opportunities for SME to manufacture components for needle valves and related services.
- Needle Valves represents an attractive localization opportunity given the current supply gap and expected demand growth.
- Currently, all of KSA demand of Needle Valves is imported.
- Needle Valves demand is driven by Oil and Gas Industry.
- Needle Valves demand for GCC will support demand growth.
- Attractive cost base including low logistics, land, utilities, and labor costs.

### KEY DEMAND DRIVERS

- Forecasted 4% annual growth in the regional OCTG Accessory market until 2025.
- Historical Aramco demand for Needle Valves started from 8250 Units in year 2015 and peaked 9090 Units in Year 2016. The 2015-2019 spend exceeded 49 MM.
- Aramco demand for Needle Valves is expected to grow at 4% from 8,600 Units in 2020 to 10,500 Units year 2025.
- The KSA demand for Needle Valves is expected to grow at 4% from 12,900 Units in 2020 to reach 15,700 Units in 2025.
- Total GCC demand is expected to reach 23 000 Units in year 2025.

## MARKET OVERVIEW

### COMPETITOR ANALYSIS

- NONE

### GLOBAL TRENDS

- O&G continues to be the largest user for control valves
- Integration of automation in valves and precision is driving the technology forward

# 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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