

Optical fiber cables (*Wave 2*)
INVESTMENT OPPORTUNITY
Machinery and Equipment



Machinery and Equipment

Optical fiber cables

Public / متاح

High Potential

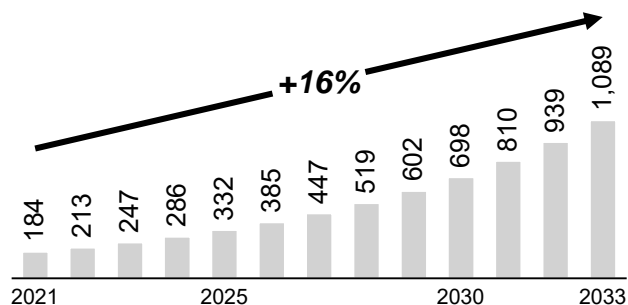
Moderate Potential

Low Potential

OPPORTUNITY DESCRIPTION: Attract leading global players to setup Optical fiber cables manufacturing base in KSA

DEMAND

MARKET SIZE, USD (Mn)



INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected Investment size of USD : \$55 Mn
- Plant capacity: ~10 Mn fibre km/year
- Expected IRR: 17%
- Payback period: 11 years
- Job Creation: 1,402
- GDP Impact: \$91 Mn
- Location (Region): Saudi Arabia

VALUE PROPOSITION

- MENA market (2022): \$ 0.88 Bn
- KSA market (2022): \$ 184 Mn
- Potential to export to growing regional markets

KEY DEMAND DRIVERS

- KSA data centers market is expected to grow at 7.85% CAGR
- Key projects: Gulf Data Hub data centers in Jeddah and Al-Khobar and STC data centers in Jeddah and Al-Madina
- KSA ICT infrastructure market is expected to grow at 9.01% CAGR
- Key projects: upgrading telecom infrastructure and extension of network coverage by telecom service providers

RAW MATERIALS - COMPONENTS

- Silica**
- Boron**
- Germanium**
- Plastic**
 - PVC
- Steel**
 - Galvanized steel

MARKET OVERVIEW

GLOBAL TRENDS

- The single mode segment accounted for 40% and multi mode segment accounted for 60%
- The global market is \$11 Bn in 2022, and it is expected to reach \$31 Bn by 2030, registering a CAGR of 14.6%



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Matured Product¹

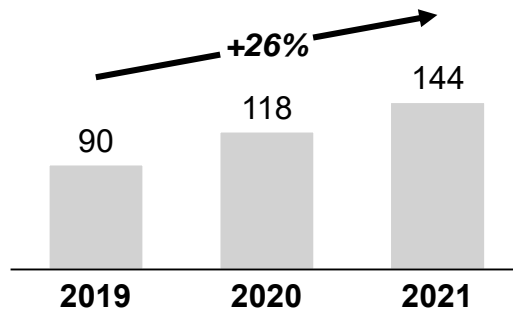
SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- Raw materials / components availability: currently fully imported, with potential to localize in future
- Scalability and localization are feasible with backward integration

IMPORT DEPENDENCY (USD Mn)

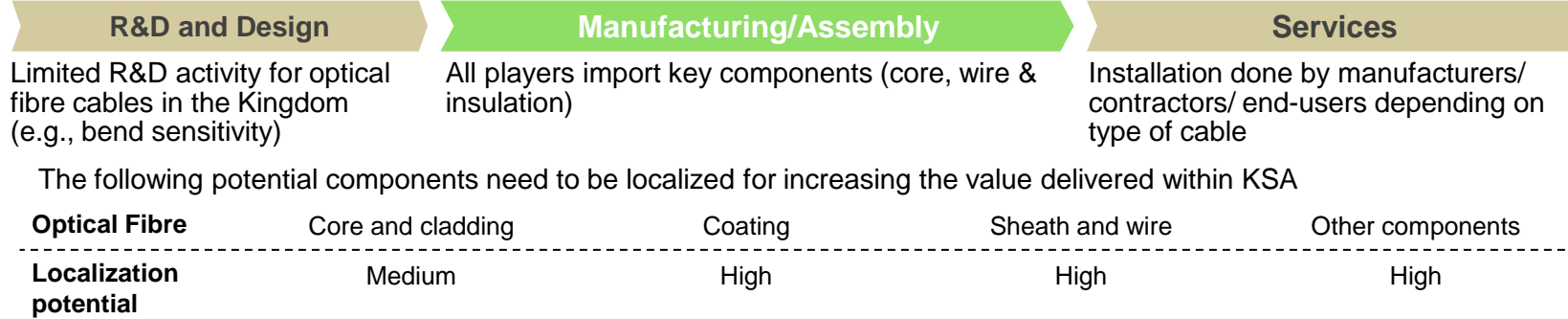


ENABLING FACTORS

ENABLERS & INCENTIVES

- Demand visibility by aggregating forecasted demand
- Duty exemptions on imported raw materials/components until available locally
- Prioritize national manufacturers in public procurement

VALUE CHAIN



COST OF DOING BUSINESS IN KSA

Factor	Ranking amongst regional peers
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)	2.7
Ease of getting credit (0-100)	50

KEY STAKEHOLDERS



Matured product is chosen from one of the four opportunity life cycle stages of this M&E product [4 lifecycle stages are: Introductory; Growth; Matured; Decline]

Bottom 25% | Top 75% | Top 50% | Top 25%

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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