

# PELLETIZATION PLANT

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS



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## PELLETIZATION PLANT

**Opportunity Description: Build a Pelletization plant to produce iron pellets with a capacity of 7 MMTPA**

### INVESTMENT OVERVIEW

#### INVESTMENT HIGHLIGHTS

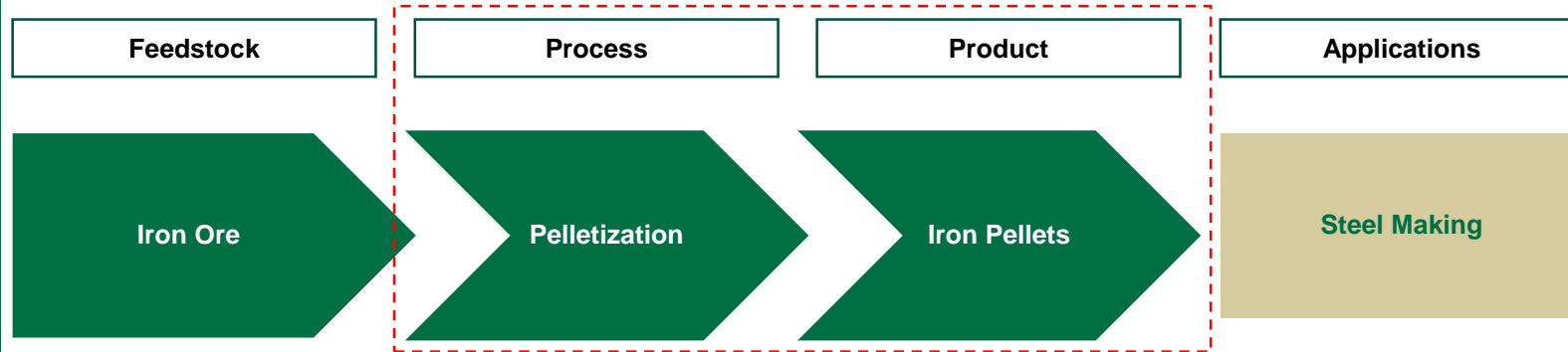
- Expected investment size of USD 950 Mn
- Plant capacity: 7 MMTPA
- The formation of raw iron ore pellets, also known as pelletizing, has the objective of producing pellets in an appropriate band of sizes and with mechanical properties high usefulness during the stresses of transference, transport, and use

#### BUSINESS DRIVERS

- KSA has developed a steel strategy aiming to achieve 2030 targets by doubling its current steel production capacity
- The strategy targets to increase steel industry GDP contribution from USD 3 Bn to USD 7 Bn, reduce its imports by USD 1 Bn, and produce a value added products
- Saudi Arabia's natural gas reserves ranks fourth worldwide, the Government initiated to induce a development of gas resources to meet the demand of the growing industries such as steel, aluminum, and water desalination
- Access to competitive energy prices
- KSA is the largest importer of Iron Pellets in the region due to being the largest steel producer in the region
- KSA Pellet demand stands around 8.5 MMTPA, with the new expansions in the steel facilities, the local market is expecting to reach around 14 MMTPA in 2035
- Overall Steel industry is expected to grow at a CAGR 2.4% in KSA until 2035 due to the increase in the infrastructure projects

#### VALUE CHAIN ANALYSIS

##### Opportunity Focus



#### GLOBAL TREND

- The global Iron Pellets market is forecasted to grow at a CAGR of 3.7% by 2027
- The iron pellets is expected to have a stable growth in the demand
- Over the long term, increasing applications in the production of heavy machinery and growing demand from the construction industry in developing countries are driving the market growth.

# DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	<b>Market size</b>	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	<b>Business drivers</b>	A select number of factors that will influence future demand for the related product/service
3	<b>Investment highlights</b>	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	<b>Value proposition</b>	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	<b>Market readiness</b>	An overview of KSA market structure, market maturity and level of participation by local and global players
6	<b>Competitor analysis</b>	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	<b>Global trends</b>	Latest business developments within the sector/product category
8	<b>Scalability and localization</b>	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	<b>Import dependency</b>	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
10	<b>Value chain analysis</b>	The process or activities that would potentially need to be carried out to deliver the underlying product or service
11	<b>Key stakeholders</b>	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
12	<b>Enablers</b>	Factors that enable investment in the underlying opportunity
13	<b>Cost of doing business in KSA</b>	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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