

REACTIVE SILICA (MICRONISED SAND)

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS



REACTIVE SILICA (MICRONISED SAND)

Opportunity Description: Opportunity to setup a 50 ktpa Reactive Silica manufacturing plant to cater local and regional demand

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- Expected investment size: USD 20 Mn
- Plant capacity: 50 KTPA
- Reactive Silica or Micronised Silica is washed and dried sand, micronised to different micron sizes.

FUTURE OPPORTUNITIES

- Further opportunities to leverage Silica sand of $\geq 98\%$, develop various products such as Sodium Silicate, Fused Silica, Ferro Silicon, Fumed Silica, Silicon Metal & Silicon Carbide.

VALUE PROPOSITION

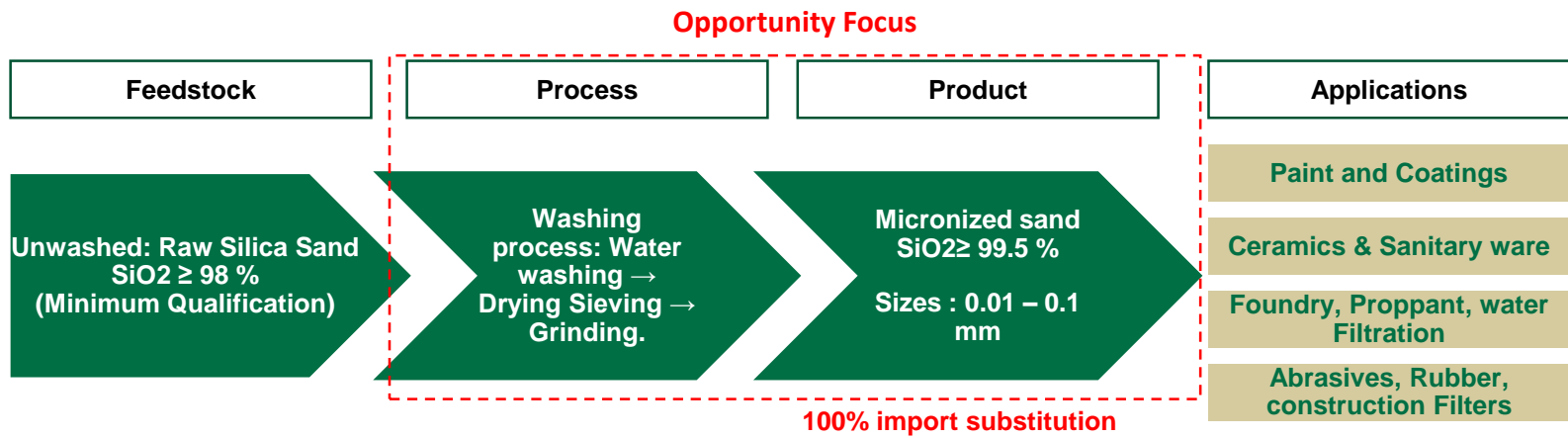
- The KSA intends to set up a Reactive Silica plant to leverage abundant natural resources of silica sand and to act as a key supplier of primary raw material to local industries.
- High purity silica sand reserves ($>98\%$) is available in the Kingdom. This also creates value addition opportunities through multiple downstream projects
- Local industries such as paint, glass, ceramics will benefit from the localized raw material at significantly lower lead times and competitive cost.

MARKET OVERVIEW

GLOBAL TREND

- Global reactive silica market is expected to reach 80 mmtpa by 2027 registering a CAGR of 4-5%.
- Key end segments driving demand are paints, coatings and ceramics.
- Reactive Silica is used as a major performance material to enhance bond strength, increase durability, provide reinforcement and act as a thickening agent.

VALUE CHAIN ANALYSIS



KEY DEMAND DRIVERS

- The KSA is one of the largest markets in MENA for Reactive Micronised Silica with an estimated size of 150-180 ktpa expected to grow at 2-3% YoY.
- Good export potential in rest of GCC, with significant demand supply gap in countries like the UAE.
- Government's commitment in investing in large projects to sustain demand, ambitious Mega projects such as development of a USD 500 Bn mega-city (NEOM) is on the examples
- Large local investments and footprint for manufacturing of paints, glass and ceramics, will create sustained, and growing demand for Silica

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	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

DISCLAIMER

- This report must be used only to access information, and the information must not be construed, under any circumstances, explicitly or implicitly, as an offer to sell or a solicitation to buy or sell or trade in any opportunity herein mentioned.
- Ministry of Investment (MISA) has no undertaking to update these materials after the date, with the understanding that such information may become outdated or inaccurate.
- Mentioned information in this report is obtained from reliable sources but its accuracy and reliability are in no way guaranteed. No guarantee of any kind is tacit or explicit when projections of future conditions are attempted. MISA has used public/or confidential data and assumptions and has not independently verified the data and assumptions used in the analyses. Changes in underlying data or operating assumptions will clearly impact the analyses and conclusions.
- The financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard methodologies, are not definitive projections, and are not guaranteed by MISA
- The content of this report must not be construed as an implied promise or guarantee for profit or limited loss express or implied by or from MISA or any of its officers, directors, employees and affiliates. All mentioned investments in this report are subject to risk, which should be considered prior to making any investment decisions
- MISA shall have no liability whatsoever to any third party, and hereby any third party waives any rights and claims it may have at any time against MISA with regard to this report, any services or other materials, including the accuracy or completeness thereof.

CONNECT WITH US FOR MORE DETAILS:

Metals@misa.gov.sa

investsaudi.sa



@investsaudi

