

READY-TO-EAT MEALS FACTORY FOR PILGRIMS

INVESTMENT OPPORTUNITY SCORECARD

FOOD PROCESSING

Aug 2021

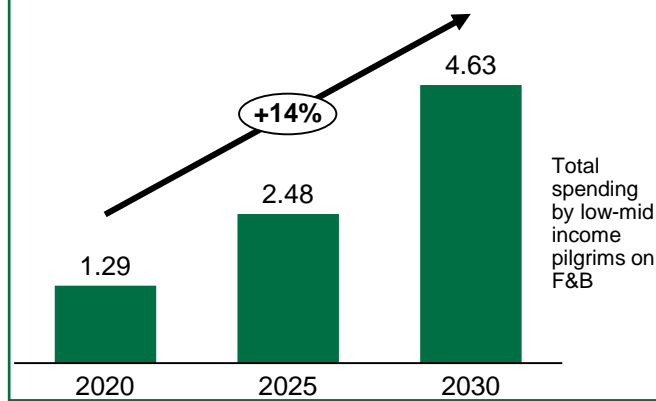


READY-TO-EAT MEALS FACTORY FOR PILGRIMS

OPPORTUNITY'S DESCRIPTION: Opportunity to build and operate a food factory

DEMAND

KSA MARKET SIZE, USD BN



INVESTMENT HIGHLIGHTS

- **Scope** – factory for ready-to-eat meals production for pilgrims focusing on:
 - Pre-cooked meals
 - Fully chilled cooked meals
- Establishing and operating a factory to produce ready-to-eat meals for pilgrims.

INVESTMENT OVERVIEW

VALUE PROPOSITION

- KSA government targets to host 30 Mn international Umrah pilgrims under Vision 2030 initiative which will create opportunity to serve additional 20 Mn visitors in the upcoming 10 years
- Enriching Hajj and Umrah experience for visitors is one of the main goals set under Vision 2030 and the government has initiated several measures to support the stakeholders and prospective investors
- The logistics and proximity to final consumers advantage coupled with the religious significance of Holy City of Makkah, adds a heightened religious perception and convenience, creating a unique value proposition for the end-consumers

KEY DEMAND DRIVERS

- With ~12 Mn domestic Umrah pilgrims and ~7 Mn international pilgrims in 2019, religious tourism remains the main driver of Saudi Arabia's tourism
- Expansion project of the two Holy Mosques, government investments in infrastructure and online visit visa issuance initiative will boost pilgrimage visits
- More than 50% of surveyed Hajj & Umrah visitors reported dissatisfaction with their dining options, pricings and quality experienced during their Hajj/ or Umrah visit
- Most Hajj pilgrims visit Makkah as part of an organized religious trip tour package including food and beverage. These service providers rely on multiple sources to secure large food provisions, mainly from collections of restaurants

MARKET OVERVIEW

MARKET READINESS AND COMPETITOR ANALYSIS

- Local players focus on traditional methods of supplying food provisions instead of packaged food options (open buffet, caterings, dry meals and snacks ..etc.) These players are characterized with inefficient production and high prices
- Limited opportunity for existing/stand-alone players to invest in due to lack of scale and focus on hospitality core services

COMPETITOR ANALYSIS



Hajj catering, airline catering, commercial laundry



Hotel management, catering and logistics support



Hajj catering

Non-exhaustive list.

GLOBAL TRENDS

- Increasing trend amongst tourists to balance religious visits with exploring cultural and heritage experiences to enrich tourism experience
- Health awareness and concerns for food safety are leading more consumers to be selective in their ready meals, organic ready meals are deriving a lot of their value through consumer trust and their perception of the products being healthy
- Additional health precautionary and safety measures adopted across the globe due to Covid – 19 induced pandemic are leading to increased operational costs

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

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:

Industrial@misa.gov.sa

investsaudi.sa



@investsaudi

