

# Sleepers Manufacturing plant for Railway Railways



**OPPORTUNITY DESCRIPTION:** [Setting up a plant for Sleepers manufacturing, and localizing the required expertise to support the rail industry in Saudi Arabia

**DEMAND**

**MARKET SIZE, USD**

Local region market size 1.5 B SAR

**INVESTMENT OVERVIEW**

**INVESTMENT HIGHLIGHTS**

- Expected Investment size of USD: 45M USD
- Plant capacity: TBD ktpa
- Expected IRR: 10%
- Payback period: (8) years
- Job Creation: (300)
- GDP Impact: TBD
- Location (Region): Riyadh – Dammam – Hail - Hofuf

**VALUE PROPOSITION**

- High demand in Saudi Arabia.
- No similar factories in MENA region, thus potential exporting to MENA & globally.

**MARKET OVERVIEW**

**KEY DEMAND DRIVERS**

- Future railway projects in KSA.

**RAW MATERIALS**

- As per Sleepers Specifications

**GLOBAL TRENDS**

- Increased demand on railway wheels.
- Supply Chain expenses increase due to (Pandemic, wars, Suez Canal blockage, etc.)

# Railways

## Sleepers Manufacturing plant for Railway



### SUPPLY

#### SCALABILITY AND LOCALIZATION

Grade: Low Medium **High**

- TBD by the investor during his feasibility study.

#### IMPORT DEPENDENCY

- Europe market.

#### VALUE CHAIN

Upstream

Midstream

Downstream

Applications

TBD after feasibility study as this opportunity is still new in the market.

#### KEY STAKEHOLDERS



وزارة النقل  
والخدمات اللوجستية  
Ministry of Transport  
and Logistic Services



الهيئة العامة للنقل  
TRANSPORT GENERAL AUTHORITY



وزارة الاستثمار  
Ministry of Investment

وزارة الصناعة  
والتجارة المعدنية  
Ministry of Industry and Mineral Resources



هيئة المحتوى المحلي  
والمشتريات الحكومية  
Local Content & Government  
Procurement Authority



### ENABLING FACTORS

#### ENABLERS & INCENTIVES

- Land & transportation (from SAR)
- Other Incentives from MISA, MIM, NIDLP & LCGPA.

### 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)

74

Ease of getting credit (0-100)

50

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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