

THIN GAUGE STEEL SHEETS

INVESTMENT OPPORTUNITY SCORECARD

MINING & METALS



THIN GAUGE STEEL SHEETS

Opportunity Description: Build a facility to produce Thin Gauge steel sheets with a production capacity of 375 ktpa

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

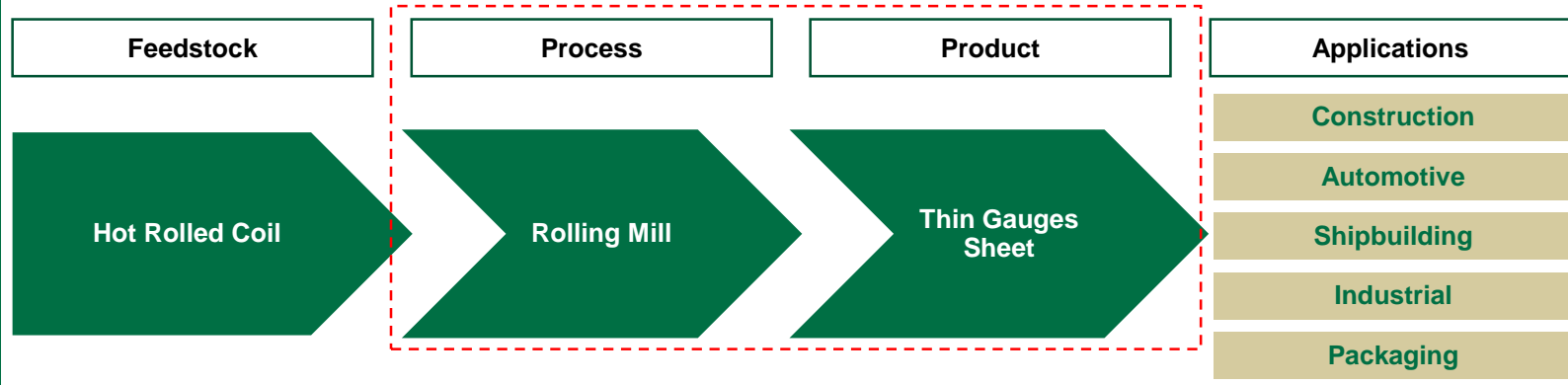
- Expected investment size of USD 660 Mn
- Plant capacity: 375 ktpa
- Raw material can be accessed locally
- A sheet metal gauge indicates the standard thickness of sheet metal for a specific material. As the gauge number increases, the material thickness decreases.

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
- KSA offers a competitive energy prices
- Thin gauge accounts around 19% around 648 ktpa of the HRC demand due to increasing projects in construction, automotive, shipbuilding, and packaging
- The automotive industry is likely to witness significant demand from steel sheets as the kingdom is planning to develop an automotive cluster with capacity up to 600,000 light vehicles

VALUE CHAIN ANALYSIS

Opportunity Focus



GLOBAL TREND

- The global flat steel market is expected to grow at a CAGR of 5.9% to reach USD 580 Bn by 2024
- The growth of infrastructure and end user based industries such as buildings, mechanical equipment, and automotive are the major factors of the growth of the flat steel products
- The demand for flat steel is expected to increase in the near future, with a continued focus on energy efficiency and increase in sales of electric vehicles and hybrid electric vehicles across the world

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

