

Train Wheels Manufacturing Railways



OPPORTUNITY DESCRIPTION: [Wheel manufacturing plant to produce wheels for locomotives and wagons for local and regional demand supply wheel to Saudi Rail (SAR) to substitute imports]

DEMAND

MARKET SIZE, USD

- Projection of 25-30k wheels per year.

INVESTMENT HIGHLIGHTS

- Expected Investment size of USD: 20M USD
- Plant capacity: TBD ktpa
- Expected IRR: 7%
- Payback period: (8) years
- Job Creation: (200)
- GDP Impact: TBD
- Location (Region): Riyadh or Dammam

INVESTMENT OVERVIEW

VALUE PROPOSITION

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

KEY DEMAND DRIVERS

- Future railway projects in KSA.

RAW MATERIALS

- Micro-alloy Steel

MARKET OVERVIEW

GLOBAL TRENDS

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



SUPPLY

SCALABILITY AND LOCALIZATION

Grade: Low Medium **High**

- Other forged steel & heavy industry products.
- TBD by the investor during his feasibility study.

IMPORT DEPENDENCY

- Europe market.

ENABLING FACTORS

ENABLERS & INCENTIVES

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

VALUE CHAIN



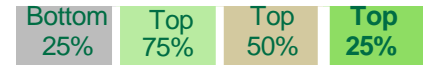
TBD after feasibility study as this opportunity is still new in the market.

KEY STAKEHOLDERS



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



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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