

# E-WASTE

## INVESTMENT OPPORTUNITY SCORECARD

### ICT

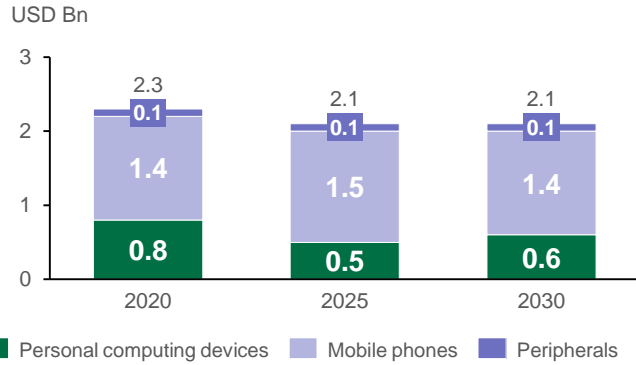
SEPTEMBER 2020

**OPPORTUNITY DESCRIPTION:** Attract a global electronic device refurbishment and resale company to establish regional hub in KSA.

## DEMAND

### MARKET SIZE, USD BN

Electronic devices disposed and eligible for refurbishment [USD bn]



## INVESTMENT OVERVIEW

### INVESTMENT HIGHLIGHTS

- Global electronic device refurbishment and resale companies can enter KSA through a regional hub to localize their platforms
- Starting with an initial investment of ~ USD 23 Mn, the investment can generate cumulative FCF (from Saudi only) of ~USD 30 Mn in 10 years .

### VALUE PROPOSITION

- First mover advantage into the market still untapped in the market segment
- Stable market with solid projected revenues given growth of electronics adoption in KSA
- Largest regional market with potential to export.
- Leverage the recent establishment of Saudi Investment Recycling Company (SIRC) with mandate to strategize and promote Circular Economy & Sustainable society.

### KEY DEMAND DRIVERS

- Demand for electronic devices such as Personal Computing Devices, Mobile Phones and Peripherals.
- Lifespan of devices and Devices turnover (based on number of years)
- KSA has the largest used device market compared to the GCC with more than 60% of total market
- The Saudi daily Waste per capita in Saudi is at 1.72kg (GaStats, 2018) out of which **2-3% is estimated from e-wastes.**

## MARKET OVERVIEW

### MARKET READINESS AND COMPETITOR ANALYSIS

- Large market that is currently untapped with most of the value lost to illegal activities (i.e. scavenging) and exporting of valuable goods to foreign countries.
- Limited/ no existing activities across the E-waste segment in KSA.

### GLOBAL TRENDS (T-Mobile in US)

- Trade it in (swap a phone for credit toward a new one)
- Recycle at a store
- Buy pre-owned
- Global e-waste market is 50Mn Ton and worth \$62.5ns.

### COMPETITOR ANALYSIS

| COMPANY   | DESCRIPTION                  | MARKET SHARE |
|---|------------------------------|--------------|
|  noon | Selling only "used" devices. | n.a.         |

## SUPPLY

### SCALABILITY AND LOCALIZATION

Grade: Low Medium High

- Localization of website interface and partner with and upskill local logistics companies.
- Host in-house refurbishment team with an operation for local fulfilment center
- Potential to export to neighboring markets (GCC, MENA)
- Only 7.4% of the Saudi economy is circular (GASat, 2018)
- Only Noon is present in the region selling "used" devices.

### IMPORT DEPENDENCY

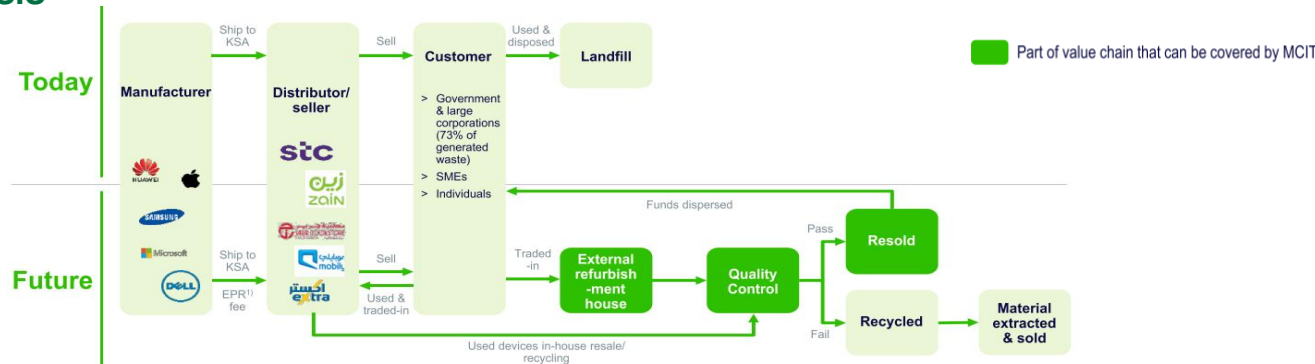
- Due to early stage of development in KSA and minimal presence by local player, currently the demand is mostly catered by international service providers leading to high import dependency

## ENABLING FACTORS

### ENABLERS

- E-Commerce Law (September 2019, MOCI).
- Customs Reforms (Clearance within 24h).
- Low skilled labor (Logistics & Refurbishment).
- Network of 3PLs (for in house logistics).
- Advanced technology ecosystem.

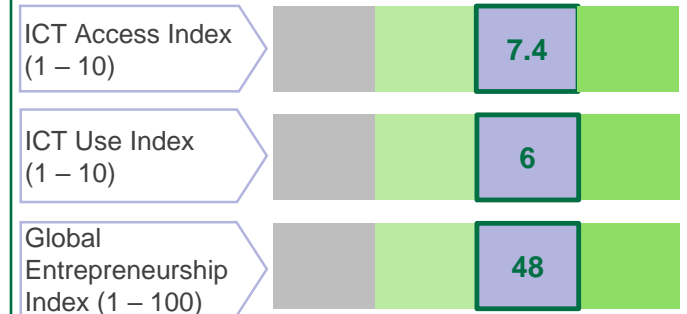
### ECOSYSTEM ANALYSIS



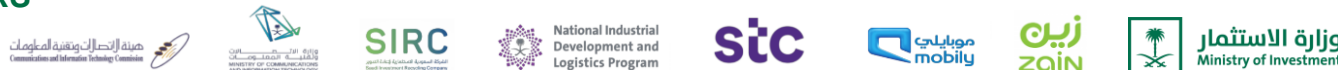
1) EPR (Extended Producer Responsibility) is a policy in which producers are given responsibility for the treatment and disposal of post-consumer products (i.e. contribute a fee)

### COST OF DOING BUSINESS IN KSA

Factor Ranking amongst regional peers



### KEY STAKEHOLDERS



# DEFINITIONS

| #  | SCORECARD SECTION                    | DEFINITIONS   |
|----|--------------------------------------|---|
| 1  | <b>Market size</b>                   | 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  | <b>Demand drivers</b>                | A select number of factors that will influence future demand for the related product/service  |
| 3  | <b>Investment highlights</b>         | An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size   |
| 4  | <b>Value proposition</b>             | Summary of key differentiators that position KSA as a strategic choice over other regional/global peers   |
| 5  | <b>Market readiness</b>              | An overview of KSA market structure, market maturity and level of participation by local and global players   |
| 6  | <b>Competitor analysis</b>           | List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share   |
| 7  | <b>Global trends</b>                 | Latest business developments within the sector/product category   |
| 8  | <b>Scalability and localization</b>  | 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  | <b>Import dependency</b>             | An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports   |
| 10 | <b>Value chain analysis</b>          | The process or activities that would potentially need to be carried out to deliver the underlying product or service  |
| 11 | <b>Key stakeholders</b>              | Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service  |
| 12 | <b>Enablers</b>                      | Factors that enable investment in the underlying opportunity  |
| 13 | <b>Cost of doing business in KSA</b> | Key factors that position KSA as a competitive destination for investment in the region   |

**CONNECT WITH US FOR MORE DETAILS:**  
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