

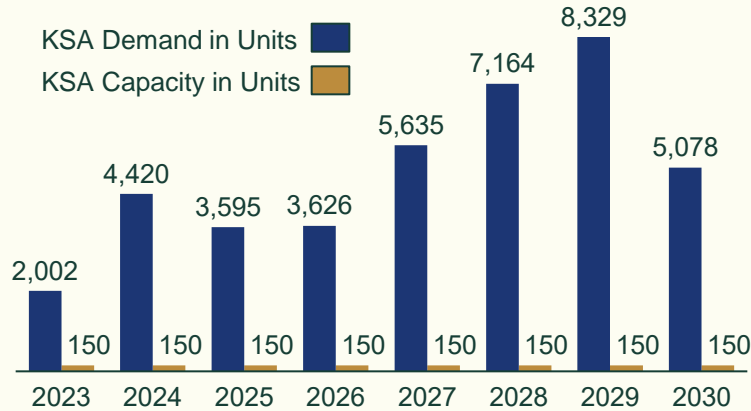
Storage Tanks and Pressure Vessels

Opportunity Description: To set up a Storage Tank and Pressure Vessel manufacturing facility to serve the local & regional demand

Storage Tank and Pressure Vessel – Opportunity Card (1/2)

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KSA Demand in Units₁



Investment Highlights₂

- Expected Investment: **~\$880 Mn**
- Expected Plant Capacity: **~275 Units**
- Expected Project IRR: **~7%**
- Expected Equity IRR: **~6.8%**
- Payback Period: **~19 years**
- Expected GDP Impact till 2030: **~\$478 Mn**

Major Assumption

Average price for tanks and vessel	~\$800,000 / Unit
Debt	70%
Interest rate	7%

Raw Materials

- Carbon Steel
- Aluminum
- Stainless Steel
- Nickel Alloys
- Composite Materials

Energy Sector Demand Drivers

- Saudi Aramco expanding its crude oil production capacity to 13 million barrels per day (mmbpd) by 2027
- KSA aiming to increase the Petrochemical production from 38 to 70 M tons annually
- The Jafurah onshore gas field is considered one of the largest unconventional gas fields worldwide and is driving the demand for Storage Tank and Pressure Vessels in KSA
- KSA targets increasing their Natural Gas production by 40 %

Other Sectors Demand Drivers

- Energy Sector is the main demand driver for Storage Tank and Pressure Vessels in KSA

Value Proposition

- KSA is the world largest exporter of Crude Oil and 2nd largest producer
- KSA is well positioned to play a leading role and become a major clean Hydrogen exporter which will drive the demand on natural gas
- KSA has the 6th largest natural gas reserve of 329 Tn Cubic ft
- The recent discovery of 8 gas fields, 3 of which are unconventional

Storage Tank and Pressure Vessel – Opportunity Card (2/2)

Import Dependency

- In **2021**, Saudi Arabia imported **\$55.5M** in Reservoirs/tanks/vats/etc, iron/steel capacity >300l, becoming the **22nd** largest importer of Reservoirs/tanks/vats/etc, iron/steel capacity >300l in the world₁
- Saudi Arabia imports Reservoirs/tanks/vats/etc, iron/steel capacity >300l primarily from: **China (\$13.5M), United Arab Emirates (\$11M), United States (\$4.13M), United Kingdom (\$3.55M), and Germany (\$2.77M)**₁

Localization Potential

Baseline	Target	Contribution*
7.5%	75%	5.5%

Scalability

- The business can expand its geographic reach by targeting new markets in the middle east region
- The business can expand its product line to offer a wider range of Storage Tank and Pressure Vessels of varying capacities.

Enablers and Incentives

No enablers are taken into consideration in the financial estimation for this opportunity, but the opportunity is subject to off the shelf's incentives like:

- SIDF financing up to 75% of CAPEX**
- HRDF covers monthly salaries of up to 3,000 SAR / employee for Saudi employees**
- Tax credits for R&D for manufacturers**
- Custom duty exemption for import of capital goods/machinery required for setup of facility**

Major Local and International Manufacturers

- Local Manufacturers: Zamil Steel, Gulf Specialized works, L&T
- International Manufacturers: Chart Industries, Mitsubishi Heavy Industries,

Key Stakeholders



Value Chain

