

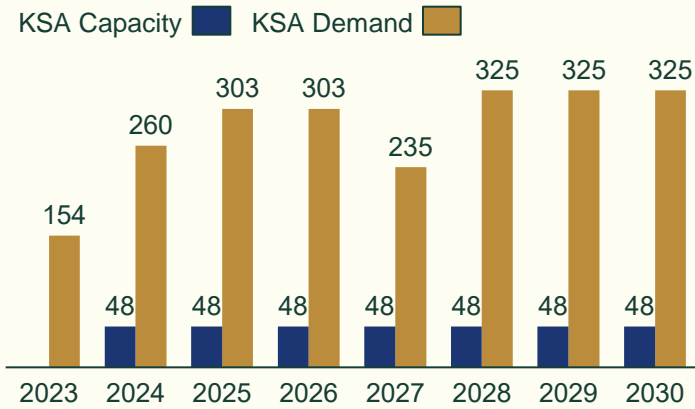
# Wind Tower

**Opportunity Description:** To set up a wind tower manufacturing facility to serve the future local and regional demand

# Wind Tower – Opportunity Card (1/2)

**Opportunity Description:** To set up a wind tower manufacturing facility to serve the future local and regional demand

## KSA Market in Kilo Tons<sub>1</sub>



## Investment Highlights

- Expected Investment: **\$80 Mn**
- Plant Capacity: **48,000 Ton / year (~135 Towers<sub>2</sub>)**
- Expected Project IRR: **~11%**
- Expected Equity IRR: **~12%**
- Payback Period: **~13 years**
- Expected GDP Impact till 2030: **\$118 Mn**

## Major Assumption

Wind Tower Price	<b>\$2,000 USD/Ton</b>
Debt	<b>70%</b>
Interest Rate	<b>7%</b>

## Raw Materials

- Iron Ore
- Coal
- Scrap Steel
- Aluminum
- Brass
- Zinc Coating

## Energy Sector Demand Drivers<sub>1</sub>

- Demand of wind towers is driven mainly by the upcoming renewable energy giga projects like:
  - Neom
  - Al Ghat wind farm
  - Yanbu wind farm

## Other Sectors Demand Drivers

- Wind towers demand is only driven by the energy sector

## Value Proposition

- The government in Saudi Arabia has implemented several policies and initiatives supporting the manufacturing sector, including tax incentives, grants, and financing programs
- The Kingdom has the capabilities and relevant industries that support the localization of wind towers

# Wind Tower – Opportunity Card (2/2)

## Import Dependency

- In **2021**, Saudi Arabia imported **\$29.5M** in **Towers and lattice masts, iron or steel**, becoming the 34th largest importer of Towers and lattice masts, iron or steel in the world<sub>1</sub>
- Saudi Arabia imports Towers and lattice masts, iron or steel primarily from: **India (\$16.6M)**, **Morocco (\$6.03M)**, **China (\$2.21M)**, **Egypt (\$2.2M)**, and **United States (\$869k)**<sub>1</sub>

## Localization Potential

Baseline	Target	Contribution*
<b>0%</b>	<b>75%</b>	<b>15%</b>

### Scalability Opportunities

- Diversifying products and services range by offering energy storage solutions and tower maintenance and repair service
- Expand the business and export to the GCC region

## 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: Al Yamamah, Al Babtain
- International Manufacturers: CS Wind, Valmont Industries, Siemens Gamesa

## Key Stakeholders



## Value Chain

