

INVESTMENT OPPORTUNITY

PROJECT NAME	OPPORTUNITY SECTOR
Hardware Assembly Manufacturing	<i>ICT</i>

Opportunity Background:

- The growth in sales of consumer electronics products in the region suggests an expansion of capacity over time that Saudi Arabia should try to capture
- Hardware assembly is generally a labor-intensive industry driven by cost: the Kingdom offers reduced cost through proximity to market and lower utilities costs; however, other countries can provide cheaper labor
- Activity further up the value chain – e.g. manufacturing of semiconductors or LCD panels, or even plastics – is likely to be the most compelling reason for assemblers to operate in the Kingdom. Activity downstream in the value chain, particularly logistics support and local marketing, will also be important considerations

Value Proposition:

- Sales of computer hardware, mobile phones, and consumer electronics are expected to continue their growth globally, in the MENA region, and in Saudi Arabia (LCD TV sales grew 37% in MENA year on year in 1Q08, mobile phone sales 26% similarly, and PC sales 31% in Central Europe, Middle East and Africa)
- Local manufacturing offers a compelling way to serve these markets more responsively as they become ever more sophisticated, and with lower transportation costs
- Saudi Arabia's strategic location means easy access to the large and growing markets in the Middle East Region, Europe, Asia and Africa
- The low cost of land, electricity and labor combined with low tax rates make the Economic Cities particularly compelling locations financially.
- JEC is the most attractive location inside the Kingdom thanks to its international port, proximity to the African market and relatively lower labor costs.
- Economic Cities will guarantee the availability of skilled labor for a hardware assembly plant, should that be required.

Project/Investment Characteristics:

Investment location: <i>JEC</i>	Project Timeline:	Potential Job Creation: <i>1200</i>
Investment Size: <i>80-200 millions USD</i>	Estimated Turnover: <i>Pay Back Period = 4 years (estimate)</i>	

INVESTMENT OPPORTUNITY

COST OF DOING BUSINESS

Target Investors criteria

Multinational investors who have big business in the Saudi market and in the middle east and Africa region ala: Acer, Lenovo, and HP

Project Leader:

Abdullah Taha

Status: