

The Saudi Water Sector: Upcoming Projects and Investment Opportunities”.



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Saudi water sector is governed by the Ministry of Environment, Water & Agriculture



VISION 2030 – IN LINE WITH VISION 2030,
ONE OF THE KEY STRATEGIC OBJECTIVES OF
THE MINISTRY IS PRIVATE SECTOR
PARTICIPATION.

ADVANTAGES OF PRIVATE SECTOR
PARTICIPATION :

- IMPROVED EFFICIENCY
- INCREASED COMPETITIVENESS
- ENHANCED QUALITY
- ENCOURAGE INVESTMENT OF DOMESTIC AND
FOREIGN CAPITAL
- DECREASE STRAIN ON BUDGET

NTP 2020



- The Ministry set up recently a Privatization & Investment Directorate to help achieve the strategic objective of Privatization. The Directorate is focal point and investors may contact : investors@mewa.gov.sa
- Under NTP 2020, total investment in the Saudi water sector until 2020 is estimated to be over US\$ 53 Billion. This is expected to be in Desalination plants, sewage treatment plants, sewage networks, meter installations, leakage reduction, strategic storage reservoirs, water distribution, water transmission and groundwater resources.

Current status:



- Saudi Arabia has highest number of Desalination plants in the World – 30 Plants!
- Water transmission system has over 7,000 km length of pipelines, 21 transmission systems, 56 Pumping stations, and 12 Mixing stations. Also has 285 Storage tanks with capacity of 13 Million cubic metres a day.
- Saudi Arabia produces 18% of the World's total desalinated water.
- 62% of Desalinated Water produced by SWCC.
- 38% of Desalinated Water produced by Private sector.
- Reason – Saudi Arabia sits in an arid land with very limited rainfall.
- Population growth – hence, more water needed.
- Annual growth rate of water need is 5.5%
- In 2015, 61% of water produced from desalination, 39% from surface and ground water.
- In 2015, over 4.6 Million Cubic metres per day of water was produced.

Current System



- Regulator is Electricity & Co Generation Regulatory Authority (ECRA).
- IWP/IWPP Projects send Water to the Offtaker, the Water & Electricity Company (WEC).
- WEC send the Water to SWCC plants.
- SWCC plants send water to the National Water Company (NWC).
- NWC send water to consumers.
- Consumers currently pay 30% of the cost of treated water. Under NTP 2020, they will pay 100% of the cost by 2020.

Future plans:



- SWCC is preparing to undergo its privatization program and transfer all its current assets (including the 30 Desalination plants) and activities to the private sector.
- Has an impressive Pipeline of Projects to build new Desalination Plants by 2020. All these will be developed and managed by the Private sector.
- A number of Water transmission projects
- A number of Strategic Reservoir projects

Upcoming Desalination Projects under IWP/IWPP:



- Duba 4 – capacity 9,000 cubic metres a day
- Al Wajh 4 – capacity 9,000 cubic metres a day
- Umluj – capacity 18,000 cubic metres a day
- Yanbu 4 – capacity 450,000 cubic metres a day
- Rabigh 3– capacity 600,000 cubic metres a day
- Shuqaiq 3 – capacity 380,000 cubic metres a day
- Jubail – capacity 1,170,000 cubic metres a day
- Haql 3 – capacity 9,000 cubic metres a day

Upcoming Water transmission projects:



- - Yanbu to Madinah : 900,000 cm/day
- - Jeddah 4 to Briman : 400,000 cm/day
- -Taif/Turbah/Ranyah/Alkhurma: 80,000cm/day
- -Shuqaiq 3: 760,000 cm/day
- Jubail 3: 600,000 cm/day
- Jubail 3 to Riyadh: 1,000,000 cm/day
- Rabigh/Jeddah/Makkah/Taif: 900,000cm/day

TENDERING STEPS:



- *Starts with* : RFP Preparation
- Credit Support Issuance
- Expressions of Interest Issuance
- Roadshows
- RFQ Issuance
- Bidder Prequalification
- RFP Issuance
- Preferred Bidder Selection
- Project Agreement Signature

PREQUALIFICATION CRITERIA



- Solid financial standing
- Experience in the Water sector and Project Development
- Proven track record in project development and financing.
- Compliance with safety and environment regulations.

THE NATIONAL WATER COMPANY (NWC)



- Formed in 2008, and looks after the distribution, water networks, sewerage networks and sewage treatment plants.
- NWC currently covers Riyadh, Jeddah, Makkah and Taif.
- Under NTP 2020, NWC will increase its coverage to 70% of the population by 2020.

UPCOMING PROJECTS WITHIN NWC'S JURISDICTION (by 2020):



- Riyadh STP project – 300,000 cm/day
- Taif North STP project – 270,000 cm/day
- Airport 2 STP project – 500,000 cm/day
- Khomrah 5 STP project – 250,000 cm/day
- Aranah STP project – 250,000 cm/day
- Yabreen Water Field – 800,000 cm/day
- Hunai Water Field Project – 450,000 cm/day

UPCOMING LEAK DETECTION PROJECTS (by 2020):



- Leak detection (NRW) in Riyadh, Jeddah, Makkah & Taif.
- CONCESSIONS CONTRACTS :
- Operations, Maintenance and Management contracts for network services and BOO contracts for water/TSE production will come out in mid 2017 for Riyadh, Jeddah, Makkah and Taif.

THANK YOU