



UNITED ARAB EMIRATES  
MINISTRY OF INDUSTRY  
& ADVANCED TECHNOLOGY

# Industrial Investment Opportunities



# Dairy Products

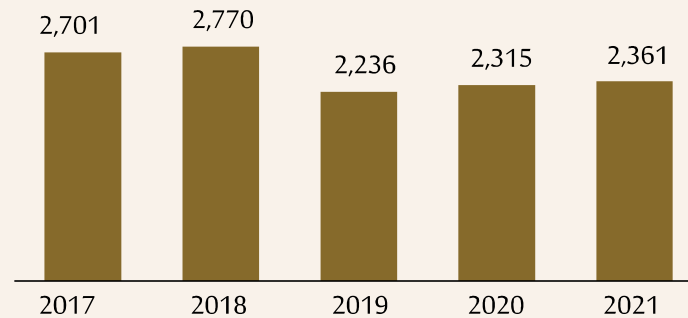
## Dairy Products

### Investment case

- Develop a large-scale facility in cattle rearing and milk harvesting
- Investment size = AED 239 Mn
- Plant capacity = 100 Mn Liters per year
- Expected IRR = 7%
- Expected NPV = AED 66 Mn

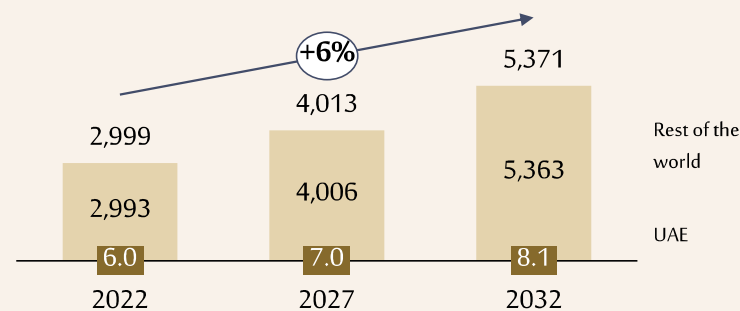
### Imports to UAE

2017 – 2021 (Mn AED)



### Global and UAE market size

2022 – 2032 (Bn AED)

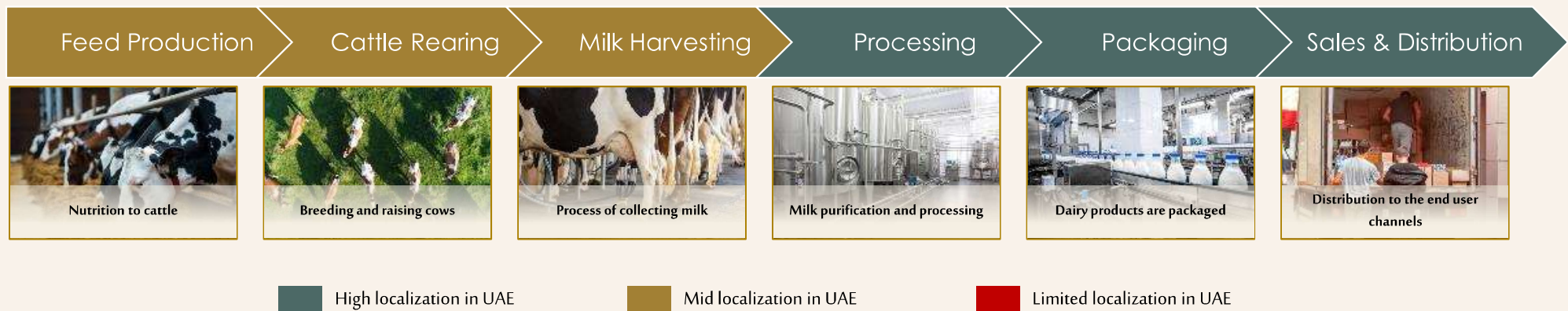


### Global trends & demand drivers

- Local demand of “fresh” Dairy products expected to grow over the next decade driven by changing consumer attitude towards health & wellness
- Locally manufactured fresh products are competitive due to the low shelf life of Dairy products and high logistics costs for imports
- Potential export growth driven by new FTAs as well as the supply curtailment from Russia and Ukraine
- Rise of plant based dairy alternatives (e.g., oat milk)
- Covid-19 has accelerated the use of technology tools to increase efficiency (i.e, milking and feeding robots)

## Dairy Products

### Value chain analysis



### Value proposition

- Multicultural population with different tastes demanding all kinds of dairy products
- Lower than market utility & water cost for dairy farms
- UAE ranked 16<sup>th</sup> globally in Ease of Doing Business (WB)
- UAE ranked #10 globally for world class infrastructure in (LPI)
- Strong logistics infrastructure – UAE has busiest port in MENA
- High quality of life attractive for skilled talent
- 100% foreign business ownership and low VAT (5%)

### Enablers

- Up to 80% project financing by Emirates Development Bank
- 2-year grace periods and low interest-rate loans for CAPEX, working capital, and supply chain financing
- Export credit/insurance via Etihad Credit Insurance and Abu Dhabi Exports
- Access to Free Trade Agreements with high-growth markets such as GCC, Arab countries, India, Israel, Indonesia, and others
- Customs exemptions for raw materials