



UNITED ARAB EMIRATES  
MINISTRY OF INDUSTRY  
& ADVANCED TECHNOLOGY

# Industrial Investment Opportunities

A welder is shown in silhouette, working on a large, curved steel pipe. The welder is wearing a hard hat and protective gear. Bright orange sparks are flying from the welding point, illuminating the scene. The background is dark, and the overall atmosphere is industrial and focused.

# Steel Tubes and Pipes

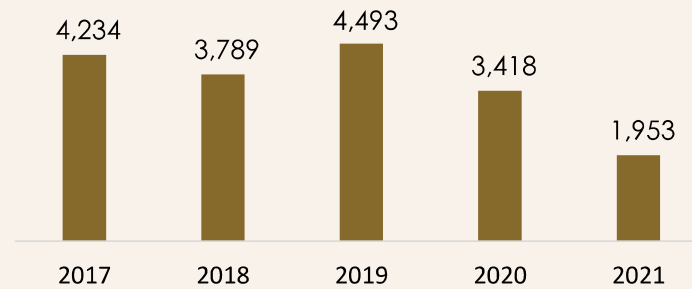
## Steel Tubes and Pipes

Steel tubes and pipes (seamless or welded) used to transport fluids and gases in a variety of industrial, military, transportation, architecture and construction applications

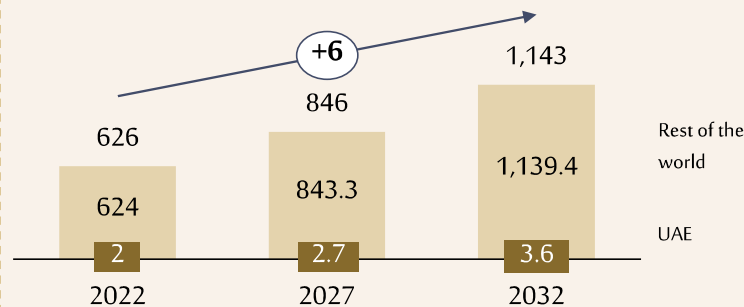
### Investment case

- Setup a new mid-sized production facility for the production of steel tubes and pipes
- Investment size = AED 240 Mn
- Plant capacity = 30 KT per year
- Expected IRR = 13%
- NPV = AED 115 Mn

### Imports to UAE 2017 – 2021 (Mn AED)



### Global and UAE market size 2022 – 2032 (Bn AED)

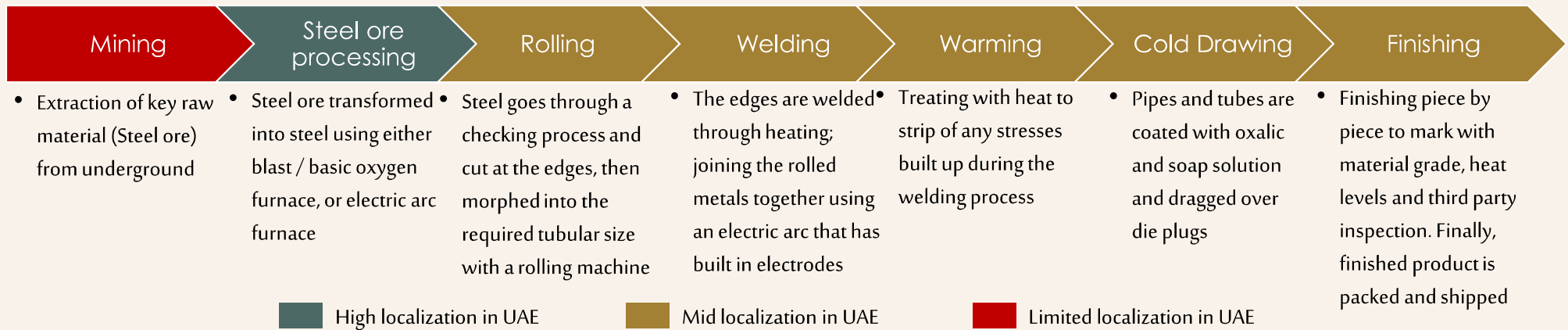


### Global trends & demand drivers

- Increasing oil and gas production driven by supply shocks and continuous growth of the transportation sector
- Global investments in R&D and technology focused on improving product quality is one of the major growth drivers for steel tubes market
- Wide variety of applications across the value chains of high growth sectors, ranging from underground water and power lines to sewers and drains
- UAE infrastructure development and construction projects act as key demand driver for steel tubes and pipes locally

## Steel Tubes and Pipes

### Value chain analysis



### Value proposition

- Availability of required raw material due to the presence of major steel manufacturers in the UAE
- 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 and insurance via Etihad Credit Insurance and AD 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