



UNITED ARAB EMIRATES  
MINISTRY OF INDUSTRY  
& ADVANCED TECHNOLOGY

# Industrial Investment Opportunities



# Transformers

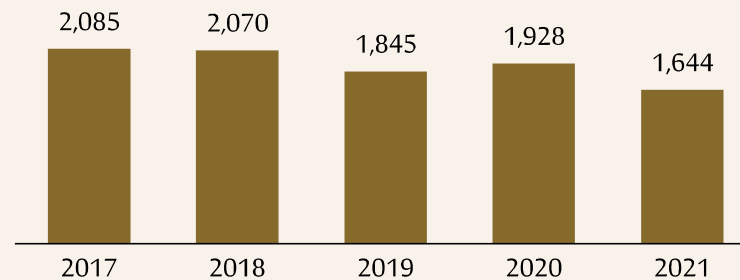
## Transformers

Transformers are an apparatus for reducing or increasing the voltage of an alternating current

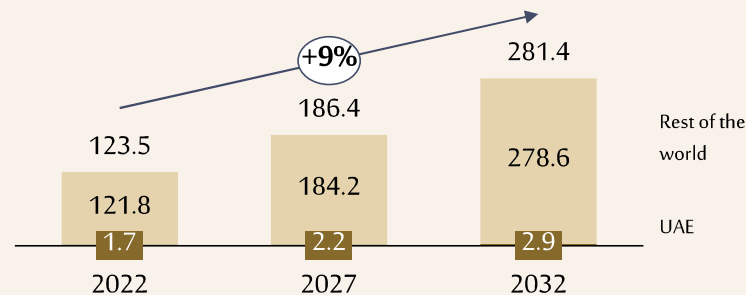
### Investment case

- Setup medium scale facility to manufacture LV / MV transformers
- Investment size = AED 43 Mn
- Plant capacity = 11,850 units per year
- Expected IRR = 15%
- NPV = AED 24 Mn

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



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



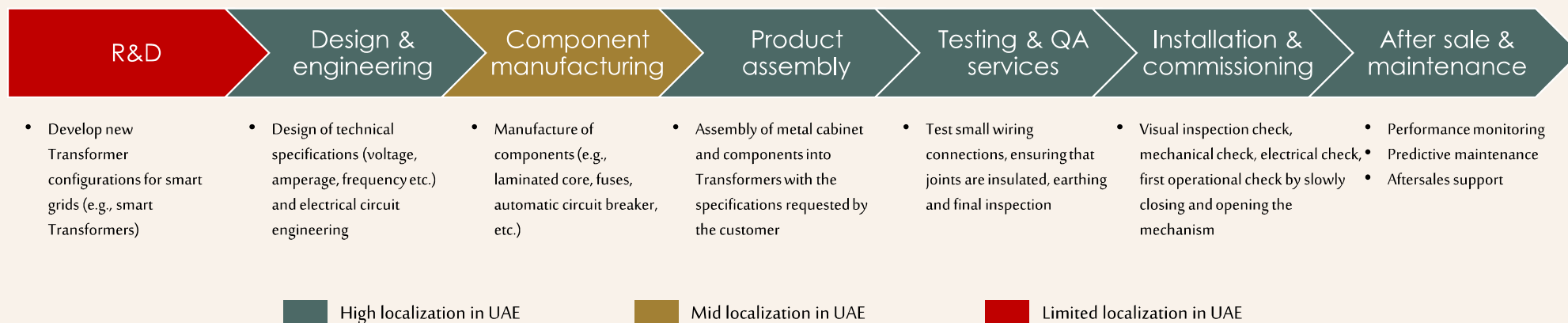
### Global trends & demand drivers

- Stringent government regulations related to carbon emissions are expected to remain strict which increases need of transformers
- Increased deployment of smart grids globally will increase demand for transformers
- Adoption of smart grids that can respond to changes in user demand for electricity while reducing greenhouse emissions will fuel demand for transformers globally
- The launch of new UAE renewable energy projects will require transformers to go from generation, distribution, to transmission



# Transformers

## Value chain analysis



## Value proposition

- Concentrated demand and potential offtake from ICV participating entities (e.g., TAQA, ADNOC, EGA, ALDAR, etc.)
- Backward integration into control panels and enclosures is possible given available raw material
- 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 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