

Intelligence Reports: Overview & Sample Output



SAUDI EXPORTS

Saudi Export Development Authority



Contents and aim

Our reports provide detailed market intelligence to help you **select the right market for your products**

- Country overview
- Industry overview and demand forecasting
- Sales and marketing overview
- Competitor analysis
- Import procedures and supply chain analysis
- Potential buyers
- Recommendations

Become aware of existing market structure, issues and opportunities.

Take informed sales decisions within a strategic context.



Country overview

Appreciate the broader macro economic, business and political context

- Geography and politics
- Financial overview
- Trade agreements
- Ease of doing business
- Imports and exports by sector and country
- GDP growth
- Inflation
- Currency

Morocco overview – geography & politics

Arabic speaking country in North Africa, with several urban centres

Geography	Population
Land area: 446,300 km ²	Total population: 35,739,580

Morocco overview – geography & politics

Promoting international investment, but challenging regulatory environment

Financial Overview	Trade Agreements
Sovereign credit rating: BBB- / Stable	Multilateral trade: Aqadir Agreement, Global Systems of Trade

Morocco overview – economy

International trade with KSA has reduced in recent years

Morocco overview – economy

Government taking regulatory steps towards increased economic growth

Year	2013	2014	2015	2016	2017	2018F	2019F	2020F
YoY Growth	4.5%	2.7%	4.5%	1.2%	4.2%	3.1%	4.0%	4.2%
Real GDP per capita (SAR)	9,968	10,087	10,399	10,385	10,683	10,860	11,144	11,452
GDP per capita, PPP (SAR)	26,235	26,546	27,364	27,322	28,060			

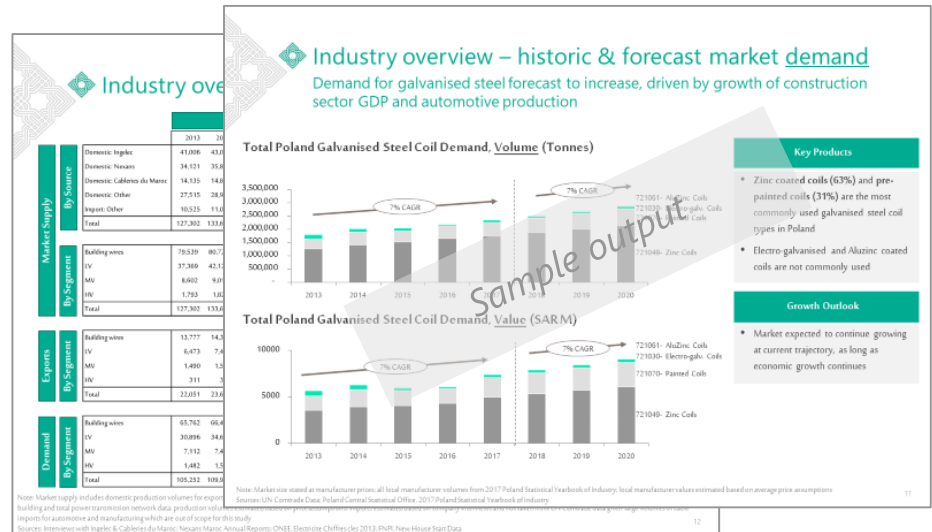
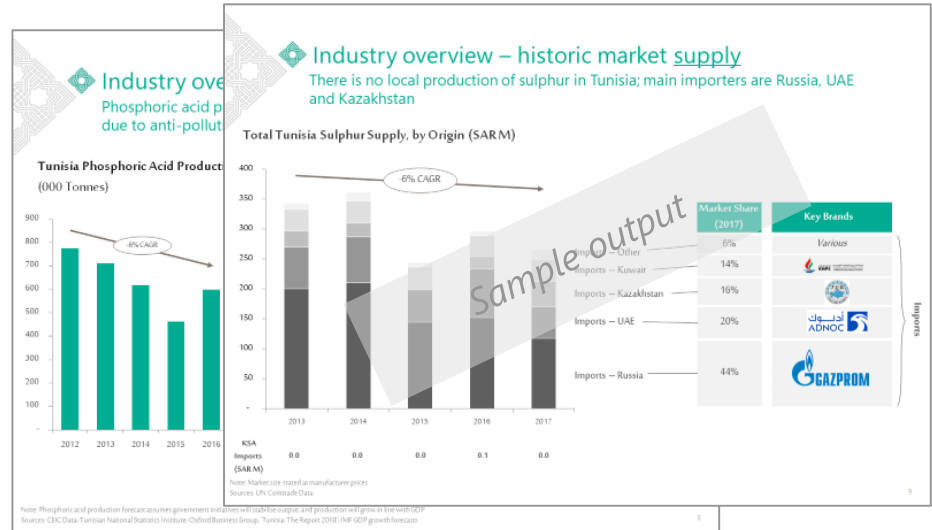
- Expected moderate increases in GDP
- Mining and textiles are the two major industries in Morocco (the country possesses 75% of the world's phosphate reserves)
- Emerging range of manufacturing capabilities promote growth
- Government spending accounts for around half of the service economy
- Dirham is pegged to a basket of currencies, recently adjusted to match closer to the USD and less to the Euro; country is planning to establish a gradual process of a free floating currency
- New political regime has recently set specific inflation targets and better monetary policy to reassure investors that dirham is not overvalued but poses risk of depreciation



Industry overview and demand forecasting

Evaluate market supply, demand, and growth, by segment where applicable

- Overview of market drivers
- Market supply by producer (domestic and imports) with profiles of domestic producers
- Market demand by product segment (if applicable) with historic and forecast volume and value
- Emerging trends





Sales and marketing overview

Understand how the market works and compare product price points

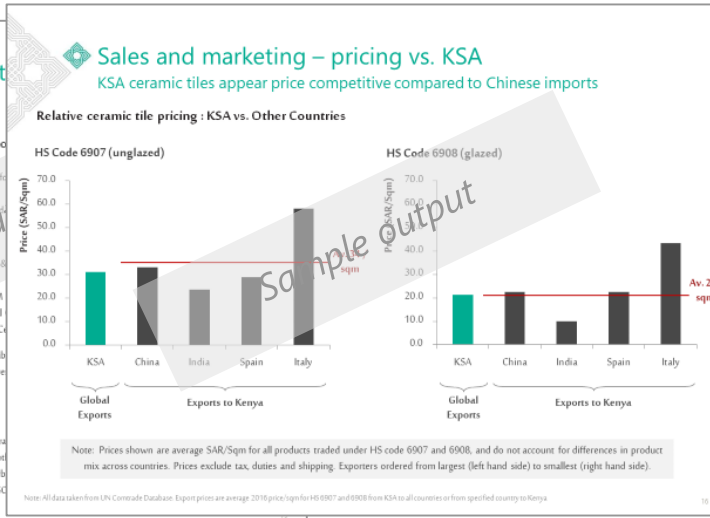
- Market structure and purchasing process
- Product segmentation and pricing
- Relative pricing of imports
- Key trade fairs/ exhibitions

Sales and marketing – market structure

70-80% of tiles are sold via distributors

Company Type	Relative Size	Characteristics	Key Companies
Ceramic & Porcelain Tile Manufacturers	Large	<ul style="list-style-type: none"> 2 domestic manufacturers Imports from China, India, Tanzania & more 	<ul style="list-style-type: none"> Twyford Saj Goodwall
Ceramic & Porcelain Tile Distributors	Medium	<ul style="list-style-type: none"> 5 large distributors Imports from China, India, Tanzania & more Small distributors of Twyford-only products 	<ul style="list-style-type: none"> Tile & Stone ASL CTM Meal Saj Co
Ceramic & Porcelain Tile Retailers	Small	<ul style="list-style-type: none"> Long tail of small informal retailers 	<ul style="list-style-type: none"> Kijab store
End-users	Small	<ul style="list-style-type: none"> Consumers Construction companies, architects, designers, developers, contractors Government 	<ul style="list-style-type: none"> Seyal Brost Parb PSC

Sources: Company interviews, desktop research

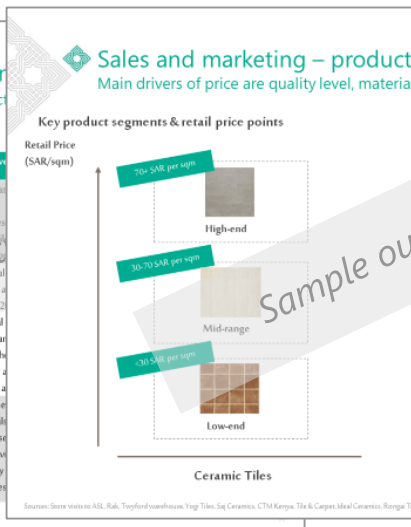


Sales and marketing – exhibition

There are three key shows related to the construction industry

Name	Location	Contact Details	Dates	Exhibition Overview
BulkExpo Africa	Nairobi, Kenya	Expogroup, Dubai +971 43050755 feedback@expogr.com	July 2019	<ul style="list-style-type: none"> Building material exhibition 5,500 professional visitors Visitor profile: professionals
East Africa Build	Dar Es Salaam, Tanzania	InstaTrade Group marketing@instatrade.co p.com +255 689 753 733	September 2019	<ul style="list-style-type: none"> International equipment & materials More than 2 professional exhibitors Exhibitors are a section of the accessories & scaffolding
The Big 5 Construct East Africa	Nairobi, Kenya	info@thebig5constructeast.africa.com +971 4 438 0355	November 2019	<ul style="list-style-type: none"> The largest professional exhibition Exhibition set & tools, services Attended by sector professionals

Sources: Desktop research, company interviews



Sales and marketing – retail prices

Main drivers of price are quality level, material and origin

Product Description	Brand	Country of Origin	Retail price per sqm (SAR)
1 Ceramic – wall tile, 20x30	Twyford	Kenya	13
2 Ceramic – floor tile, 30x30	Twyford	Kenya	18
3 Ceramic – floor tile, 30x30	Goodwall	China	19
4 Ceramic – floor tile, 40x40	Twyford	Kenya	19
5 Ceramic – floor tile, 42x42	Lecico	Egypt	22
6 Ceramic – floor tile, 20x30	Unbranded	India	22
7 Ceramic – floor tile, 60x60	Twyford	Kenya	28
8 Ceramic – floor and wall, 33x33	Saj	Kenya	29
9 Ceramic – floor and wall, 40x40	Saj	Kenya	29
10 Ceramic – wall tile, 30x60	Macasso (Twyford)	Kenya	29
11 Ceramic – floor tile, 30x30	Gemma	Egypt	49
12 Ceramic – floor tile, 35x35	Kilimanjaro	South Africa	58
13 Porcelain – floor tile, 60x60	Unbranded	China	47
14 Porcelain – floor tile, 30x60	Unbranded	China	75
15 Porcelain – floor tile, 60x60	Pamesa	Spain	141

Sources: Store visits to ASL, Raj, Twyford/warehouse, Yogi Tiles, Sq Ceramics, CTM Kenya, Tile & Carpet, Meal Ceramics, Ranga Tile and Sanitary Ware Ltd



Competitor analysis

Learn who the key manufacturers are, and what customer needs are

- Overview of manufacturing landscape with estimated market shares and insights by producer or country
- Customer needs/ key success factors
- Domestic competitor typical strengths

Competitors
Main competitors are local manufacturers and European players; Chinese coils, popular in recent years, now facing restrictions from import quotas

	Name	Website	Market Share	Comments	Customer needs / key success factors
Local Producers	ArcelorMittal	arcelormittal.com	c.30%	<ul style="list-style-type: none"> Operations across Europe, including Bosnia, Belgium, France, Spain, Romania & Czech Republic 3 production plants for galvanised products in Spain Good reputation for quality, strong in automotive 	<ul style="list-style-type: none"> Price Quality EU standardisation norms
	Thyssen Krupp Galmed	thyssenkrupp-steel.com	c.10%	<ul style="list-style-type: none"> Paused operations due to under-utilisation, but re-started production in late 2016 	Domestic competitor typical strengths <ul style="list-style-type: none"> Production capacity Europe-wide reach and distribution network Established relationships with customers High quality No tariff, customs checks or quotas
	Network Steel	networksteel.net	<10%	<ul style="list-style-type: none"> Large transformer & distributor; produce small quantities painted coils predominantly transformed & exported 	
	Gonvarri	gonvarristeel.com	<5%	<ul style="list-style-type: none"> Large transformer & distributor; produce small quantities 	
	Gallardo	grupoages.es	n/a	<ul style="list-style-type: none"> Paused operations due to low demand after 2008 crisis 	
Foreign Producers	Europe				
	Marcegaglia	marcegaglia.com	c.30%	<ul style="list-style-type: none"> Italian and German manufacturers are largest importers Benefit from being part of EU single market (zero tariffs, freedom of movement) Good reputation for quality 	
	Arvedi	arvedi.it			
	ArcelorMittal	arcelormittal.com			
	Salzgitter	salzgitter-ag.com			
	China				
	Unbranded	n/a	c.10%	<ul style="list-style-type: none"> Price-led, unbranded products; grown market share 2013-17 Import quota enacted in 2019, targeting non-EU coils 	
	Non-EU				
	Various	n/a	c.10%	<ul style="list-style-type: none"> India & Egypt are two largest non-EU importers, behind China 	

Sources: Company interviews, desktop research



Import procedures and supply chain analysis

Determine key market access factors and restrictions in getting product to market

- Trade barriers in the country, including non-tariff barriers
- Applied tariffs for the product in the country
- Documents required, e.g. licenses and/or certifications
- Packaging and labelling requirements
- Lead time
- Customs processes
- Logistics and distribution considerations

Import procedures and supply chain analysis
No tariffs are applicable to the import of fire-rated steel doors; however, stringent certification requirements apply

Import procedures	Supply chain analysis
Tariffs <ul style="list-style-type: none">• 0% common customs tariff is applicable to fire rated steel doors• France imposes 20% VAT on all products	Packaging & labeling <ul style="list-style-type: none">• Goods must be labeled in French• No additional packaging requirements
Non-Tariff Barriers <ul style="list-style-type: none">• All fire rated steel doors must follow the EU's harmonised standards under Regulation EN 16034:2000 (determined by tests performed by an independent 3rd party such as CNPP, Marque NF or AFNOR) and obtain CE markings• Products must also comply with <u>Système de Sécurité Europe</u> (SSI) of French legislation	Logistics <ul style="list-style-type: none">• Fire-rated steel doors are typically packaged into a large shipping container• Products transported by sea• Port of Brest is the closest port accepting general container traffic• Estimated lead time from Jeddah to Brest port is 17-46 days by sea• Estimated cost of shipping from Jeddah to Brest is SAR 7,770-11,170
Customs <ol style="list-style-type: none">1. <u>Pre-import Arrangements</u>: Present necessary documents such as commercial invoice, packing list, Single Administrative Document (SAD), Certificate of Origin, Certificate of Conformity, Customs Value Declaration, and Freight Insurance2. <u>Bill of Entry via EDI</u>: Declare goods in the EDI using the Entry Summary Declaration (ENS) 24 hours from loading, customs will undertake risk analysis. Economic Operator Registration and Identification (EORI) will be assigned to goods.3. <u>Ship arrives</u>: Notification of arrival with customs4. <u>Customs clearance</u>: Present the goods to the customs office of entry. Customs assessment of goods & payment of duties	Distribution <ul style="list-style-type: none">• Importer/declaring agent arranges for logistics and transportation from the customs area to a warehouse• Several Free Zones are located close to ports and throughout country and provide storage facilities that are governed by customs to store goods free of duties

Sources: Saudi Exports European Union Import Guide

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Potential buyers

Target the main buyers in the market buying imported products

- Company overview
- Organisation and financials
- Products/ services offered, including key brands and price segments
- Sales overview, with main customer types
- Purchasing/ sourcing overview including key buying factors/ considerations
- Buyer contact details
- Insights for KSA suppliers

Buyer: Tile Africa
Large sanitary ware and tile distributor/retailer

Address: Porcelain Road, Olifantsfontein, Johannesburg, South Africa

Overview: Large distributor of sanitary ware and tiles

Organisation / financials: Founded in 1993

Buyer: Saffer Bathroom & Plumbing (DAWN)
Master distributor of plumbing and sanitary ware

Address: Barkow Road & Caveleros Drive Jupiter Ext 3, Germiston, South Africa

Overview: Publicly-listed master distributor of plumbing

Organisation / financials: Owned by DAWN Ltd.

Buyer: MacNeil
Wholesaler and distributor of building supplies

Address: 119 Landmarks Avenue, Samrand Business Park, Centurion, South Africa

Overview: Manufacturer, wholesaler and distributor of

Organisation / financials: Privately owned by Steinbuild (Pepkor)

Buyer: Tiletoria
Large sanitary ware and tile distributor

Address: 43 Paarden Eiland Rd, Paarden Eiland, Cape Town, South Africa

Website: tiletoria.co.za

Email: info@tiletoria.co.za

Phone: +27 212020160

Product / Services offered: Sanitary Ware

Key brands:

- Betra (South Africa)
- Vaal (South Africa)
- Grohe (Germany)

Price segments:

- All price segments

Other Products:

- Ceramic and porcelain tiles
- Natural stone, laminated wooden floors, taps, vinyl floors

Overview:

- Large distributor and retailer
- Has 60% of distribution market, 30% of total retail market
- Five branches in South Africa

Sales / customers:

- Large contractors and builders such as Century Developments, MNC (80%)
- Consumers, mainly Retailers (20%)

Buying / sourcing:

- Buys primarily from local suppliers at discounted rates, based on bulk purchases
- Purchases directly from manufacturers

Buyer profiles:

- Gordon Spalletta, Procurement Officer, +27114624640, gspalletta@tiletoria.co.za

Organisation / financials:

- Founded in 1995
- Privately owned by Steinbuild (Pepkor Holdings Limited)
- Steinbuild listed on the Johannesburg Stock Exchange

Insights for KSA Suppliers:

- KSA suppliers should approach Tiletoria to sell high-end and low-end sanitary ware, that is not produced by local producers
- Price is a key purchasing criteria for Tiletoria, and KSA suppliers should expect them to negotiate heavily

Sample output

Source: Company interviews, desk research



Recommendations

Review a high level market summary with SWOT and recommended actions

- SWOT analysis
 - Strengths
 - Weaknesses
 - Opportunities
 - Threats
- Summary and recommended actions
 - Prioritised actions for market entry

SWOT analysis

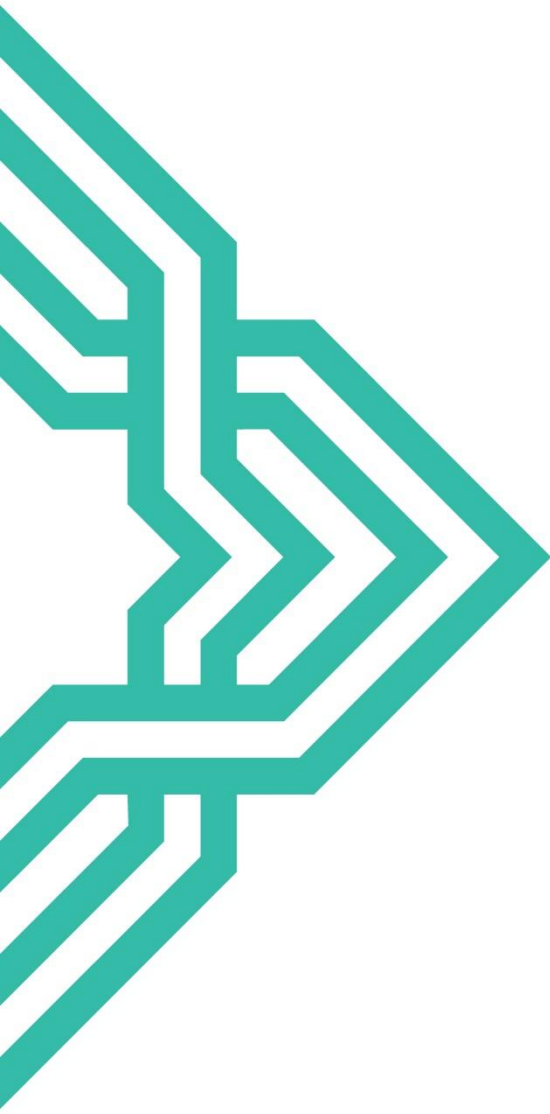
KSA importers should benefit from awareness of product, competitive prices and free trade agreement with Morocco

S Strengths	<ul style="list-style-type: none"> • KSA well located for shipping to Morocco • KSA prices competitive with other importers • KSA importers benefit from zero tariffs 	W Weaknesses	<ul style="list-style-type: none"> • KSA suppliers were known in the market but market share declined from approximately 10% to zero in recent years
O Opportunities	<ul style="list-style-type: none"> • Total market size SAR~200m; positive growth in line w • Rolls most pop • c.80% SBS-mod • demand for ABB • c.70% new wat • for upgrade and • ~45% imported • 40-50% of sales direct to end-us • Distributors mo • brands; contrac • FTZs may help 	T Threats	<ul style="list-style-type: none"> • ~55% local production from 3 suppliers;

Summary & recommended actions

KSA producers should meet with distributors and larger contractors, but following recent exit from market will need to reassure customers of their commitment

Country Overview <ul style="list-style-type: none"> • SAR 400B GDP; stable, moderate growth c.3% • Member of PAFTA • High bureaucracy / low transparency 	Industry Overview <ul style="list-style-type: none"> • SAR~200m market; ~2% p.a. growth • ~95% rolls, of which 80% SBS / 20% ABB modified • 70% new projects 	Sales & Marketing <ul style="list-style-type: none"> • 40-50% of sales via distributors; tend to buy imported brands • 30-40% direct to contractors who buy local 	Recommended Actions <ul style="list-style-type: none"> • Contact and meet with distributors and larger contractors to promote products and build interest • Will need to reassure customers of their commitment following recent exit from the market
Competitors <ul style="list-style-type: none"> • ~55% local production which is typically cheaper price / lower quality • ~45% imports, mainly from Spain, France, Italy 	Import Procedures <ul style="list-style-type: none"> • Free trade agreement, but importing can be slow and/or difficult; EU imports also tariff free • Must meet Rules of Origin 	Potential Buyers <ul style="list-style-type: none"> • Distributors normally buy from several suppliers • Key criteria include technical properties of products, price, delivery 	



Thanks شكراً

