

Industrial Investment Opportunities







Aluminum Flat Products

Aluminum flat products are aluminium ingots that have been processed through rolling processes. They are used in industries including packaging, transportation and construction

Investment case

- Setup manufacturing plant to manufacture aluminium flat products
- Investment size = AED 1 Bn
- Plant capacity = 30 KT per year
- Expected IRR = 8%



Global trends & demand drivers

- Global shift towards using recycled materials in manufacturing will further increase demand for aluminum flat products
- EAD single-use plastic ban increasing use of aluminum flat product in packaging to replace plastic
- Usage surge in construction projects due to aluminum's advantageous properties, which include corrosion resistance, lightness of weight and low maintenance needs
- UAE Net Zero 2050 strategy causing shift toward producing light weight vehicles in the automotive and aerospace industries in order to reduce fuel consumption



Aluminum Flat Products



Bauxite Mining Refining Smelting Casting Hot rolling Cold rolling Fabrication Extraction of Bauxite ore Refining is a process by The use of heat and chemical Refers to pouring Process by which Further deforming the Processed aluminum is

Mid localization in UAE

- Extraction of Bauxite ore through open cast mining from the earth's crust
- Refining is a process by which alumina (aluminum oxide) is extracted from the Bauxite ore
- The use of heat and chemical reducing agent (cryolite) to obtain aluminum metal. The liquid aluminum is then poured into molds, producing ingots
- Refers to pouring molten aluminum ingots into a mold cavity to form into rectangular slabs

Value chain analysis

- Process by which aluminum slabs are heated to a high temperature and deformed to the required thickness
- Further deforming the aluminum through continuous high speed deformation to a final thickness of 6-100 Microns
- Processed aluminum is then finished to shape through processes such as cutting, blanking, slitting, depending on the desired flat product (plate, sheet, disc, foil)

Value proposition

High localization in UAE

- Local supply of aluminum ingots available through Emirates Global Aluminum (EGA) allows for sourcing at a competitive price
- UAE ranked 16th 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
- 100% foreign business ownership and low VAT (5%)

Enablers

 Planned imposition of anti-dumping duties against the GCC imports of flat aluminum products

Limited localization in UAE

- Up to 80% 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