



وزارة الطاقة والصناعة والثروة المعدنية  
المملكة العربية السعودية

# RENEWABLE ENERGY SUPPLY CHAIN LOCALIZATION AND DISTRIBUTED GENERATION FRAMEWORK REPDO SUPPLIERS SURVEY



RIYADH  
November 5<sup>th</sup>, 2017



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مكتب تطوير مشاريع الطاقة المتجددة  
Renewable Energy  
Project Development Office





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# We have distributed the survey to 630 suppliers and received 107 responses

## Questionnaire on REPDO registered suppliers

**Questionnaire - REPDO suppliers**

**A. Company profile**

A.1 What is your company's main activity? [Single choice question]  
 1 S1  
 2 S2  
 3 S3  
 4 S4  
 5 S5  
 6 O1

A.2 How long has your company been operating in the market? [Single choice question]  
 1 1-3 years  
 2 4-6 years  
 3 7-10 years  
 4 11-15 years  
 5 16-20 years  
 6 21 years and above

A.3 How do you assess your company's financial performance? [Single choice question]  
 1 Very High  
 2 High  
 3 Low  
 4 Very Low

A.4 How do you assess your company's market position? [Single choice question]  
 1 Very High  
 2 High  
 3 Low  
 4 Very Low

A.5 What are the main challenges your company faces? [Multiple choice question]  
 1 P1  
 2 P2  
 3 P3  
 4 P4  
 5 P5  
 6 P6  
 7 P7  
 8 P8  
 9 P9  
 10 P10  
 11 C1  
 12 C2  
 13 C3  
 14 C4  
 15 C5  
 16 C6  
 17 C7  
 18 C8  
 19 C9  
 20 C10  
 21 C11  
 22 C12  
 23 C13  
 24 C14  
 25 C15  
 26 C16  
 27 C17  
 28 C18  
 29 C19  
 30 C20

**B. Value chain positioning**

B.1 In which value chain segment is your company positioned? [Single choice question]  
 1 S1  
 2 S2  
 3 S3  
 4 W1  
 5 W2  
 6 O1

B.2 In which value chain segment is your company positioned? [Single choice question]  
 1 M1  
 2 M2  
 3 S1  
 4 S2  
 5 S3  
 6 O1

B.3 Please indicate the main challenges your company faces in the value chain. [Multiple choice question]  
 1 P1  
 2 P2  
 3 P3  
 4 P4  
 5 P5  
 6 P6  
 7 P7  
 8 P8  
 9 P9  
 10 P10  
 11 C1  
 12 C2  
 13 C3  
 14 C4  
 15 C5  
 16 C6  
 17 C7  
 18 C8  
 19 C9  
 20 C10  
 21 C11  
 22 C12  
 23 C13  
 24 C14  
 25 C15  
 26 C16  
 27 C17  
 28 C18  
 29 C19  
 30 C20

**C. Investor Perspective**

C.1 From an investor perspective, how would you assess the preparation of REPDO program? [Single choice question]  
 Very high - It is very well prepared  
 High - Well prepared with minor changes required  
 Low - There are a few major changes required  
 Very low - There are several major changes required  
 1 Very High  
 2 High  
 3 Low  
 4 Very Low

C.1.1 If you have answered low or very low in the previous question, please specify why?  
 1 [Open text box]

C.2 What can be improved in REPDO program from investor perspective? [Multiple choice question]  
 1 Promotion of the investment opportunities  
 2 Communication of the timeline and steps on how to participate  
 3 Registration of the entities  
 4 Assisting investors to obtain government approvals and loans  
 5 Advising investors on the appropriate entry strategy and potential partners  
 6 Other please clarify [Open text box]

C.3 How do you perceive opportunities that REPDO program creates for your company? [Single choice question]  
 Very high - The program is a major development opportunity for my company  
 High - The program is an important development opportunity for my company, amongst others  
 Low - The program does not create significant opportunities for my company  
 Very low - The program creates a threat for my company (increased competition, lower demand, etc.)  
 1 Very High  
 2 High  
 3 Low  
 4 Very Low

C.3.1 If you have answered low or very low in the previous question, please specify why?  
 1 [Open text box]

C.4 What does your company expect from the program? [Multiple choice question]  
 1 Diversification of current operations  
 2 Increase of profit  
 3 Increase of revenue  
 4 Contribution to the Kingdom's vision 2030  
 5 Creation of jobs  
 6 Other please clarify [Open text box]

C.5 What can stop your company from investing or participating in the REPDO program? [Multiple choice question]  
 1 Unclear regulatory framework  
 2 Strict Government certifications/ qualification requirements  
 3 Uncertainty regarding future demand  
 4 High investment requirements  
 5 Unsatisfactory returns from investment  
 6 Lack of industry know-how and experience  
 7 Lack of Research and Development capabilities / licenses  
 8 Other please clarify [Open text box]

630 suppliers  
107 responses  
received

## Comments

- We have prepared a **online questionnaire** distributed to both global companies and **suppliers** registered in the REPDO portal (local and global) and received **107 responses**
- The companies registered as OEMs, Producers and Developers in the REPDO procurement portal that are located in the KSA
- The survey consisted of **16 questions** and it analyzes **3 major areas**:
  - Company profile
  - Company value chain positioning
  - Investor perspective on NREP program

Source: REPDO team

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# Suppliers are positive about REPDO and the NREP opportunities; As an area for improvement they expect more assistance

## Suppliers online survey

N = 107

### Survey assessment

### Key outcomes from suppliers survey

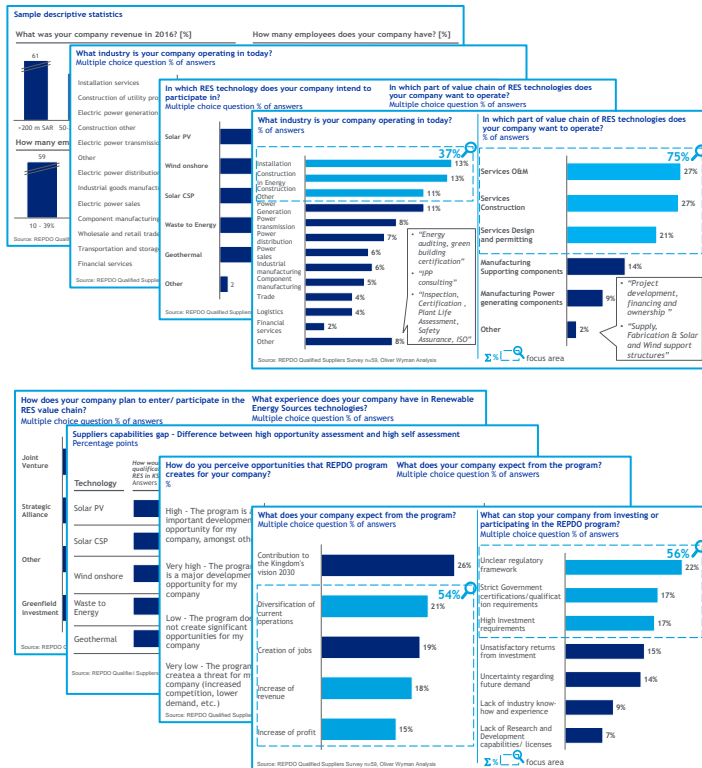
**92%** believe REPDO program is well prepared

**95%** believe opportunities awarded by NREP program are high

**58%** intend to focus on Solar opportunities

**50%** expect more assistance on the appropriate entry strategy, government approvals and loans

**56%** see as potential barriers unclear regulations, strict criteria & high investment level



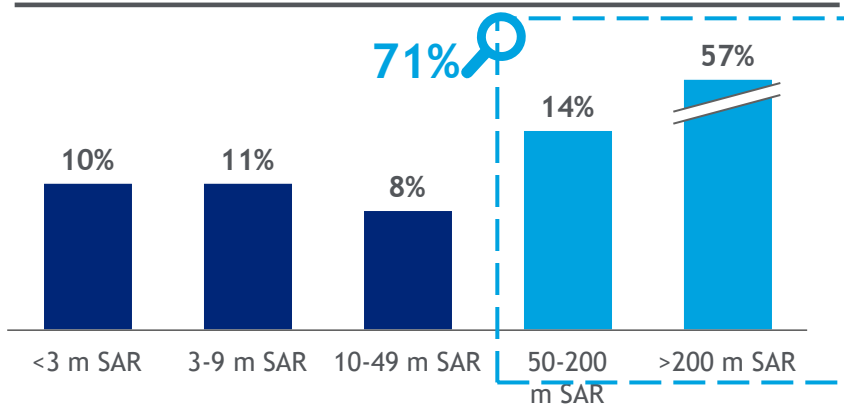
Source: REPDO Qualified Suppliers Survey n=107

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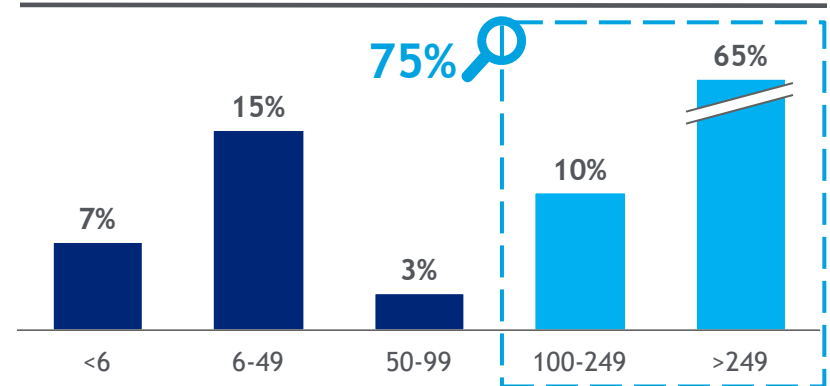
# The survey gathered views of 107 suppliers - majority of them are companies with large revenue and long presence on the market

## Overview of respondents

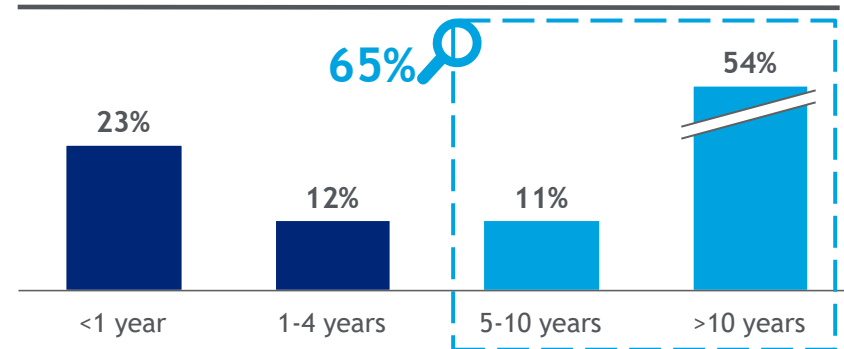
What was your company revenue in 2016?



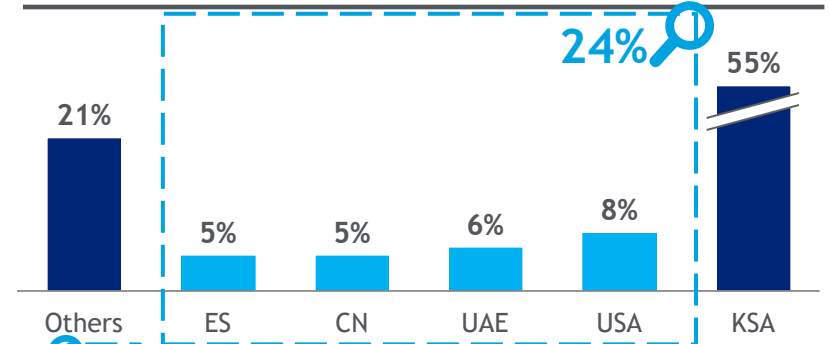
How many employees does your company have?



How long is your company present on the market?



Where is your company from?



Source: REPDO Qualified Suppliers Survey n=107

Σ % focus area

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# List of 107 companies that participated in the survey

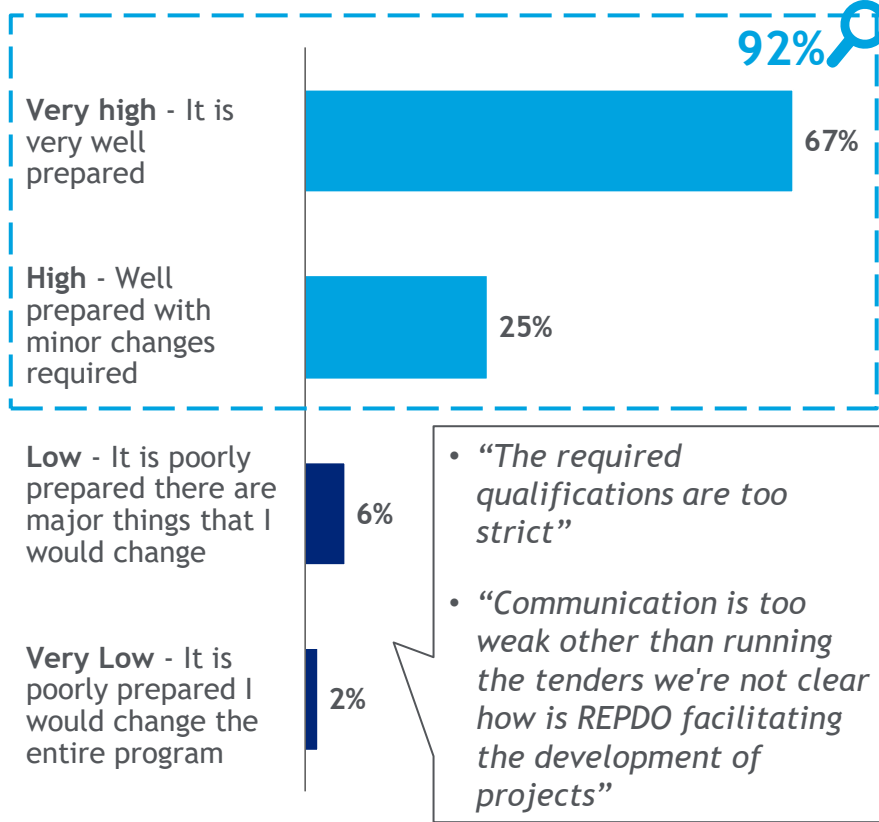
ACWA Power	Nesma Holding	Nordex Acciona Windpower
Advanced Electronics Company	KEPCO	Hyundai Engineering & Construction Co., Ltd. (HDEC)
ALGihaz Contracting Company	ALAMAN MODERN ENERGY CO., LTD.	ENA Consulting
Abdul Latif Jameel Energy & Environmental Services	CONSOLIDATED CONTRACTORS COMPANY	TSK ELECTRONICA Y ELECTRICIDAD
Toyota Tsusho Corporation	MMEC (Moataz Makki Engineering Consultancy)	Cobra Instalaciones Y Servicios
GE	Saudi Arabian Trading and Construction Company (SATCO)	PRODIEL PROYECTOS DE INSTALACIONES ELÉCTRICAS SL
Amec Foster Wheeler Arabia Limited	Saudi Edrak Contracting Company	AKUO ENERGY MIDDLE EAST
Alfanar	Renewable Energy Selections establishment	Yinhe Windpower
SK Engineering & Construction Co. Ltd. - Saudi Branch	Aljazirah Engineers and Consultant (AJEC)	Siva Power, Inc.
مجموعة النصبان (شمس العرب)	Yusuf Bin Ahmed Kanoo	GESTAMP WIND
Wartsila Corporation	Electric House Establishment	EFACEC
SNC-LAVALIN	HAALA Energy	Siemens Project Ventures GmbH
MAPA Construction And Trade Co. Inc.	The Saudi EMAR Limited Company for Energy	Gading Kencana Sdn Bhd
Alkhorayef Water & Power Technologies	National Inspection & Technical Testing Co.	MEGAJOULE
الشركة الشاملة لحلول الطاقة والمياه والبيئة المحدودة	Dar Massader Trading Co.	Navasota Energy Solutions
Shanahan Engineering Limited	Arabian International Company for Steel Structure	SENER INGENIERIA Y SISTEMAS
Hauzen Arabia / AK Solar	IBN Omairah Contracting Company	Fuji Electric Co., Ltd
ARABIAN BEMCO CONTRACTING CO.	McDermott Arabia Company Ltd	China Energy Engineering Corporation Limited
KASAB INTERNATIONAL ENERGY SERVICES	شركة الزاهد للتراكورات والمعدات الثقيلة المحدودة	EXCELLEDIA MANAGEMENT CONSULTANCY
Al-Babtain Power And Telecommunications Company	Al-Yamama Company for Trading and Contracting	PowerChina Nuclear Engineering Company
GS Engineering & Construction Corporation	Hidada	Hanwha Q-Cells
Goldwind International Holdings (HK) Ltd	Sherbiny Holdings	Arab African Energy
Mustang Al-Hejailan	Saudi Sowitec	HT-SAAE
Advanced Triad Turbine Services Co. Ltd.	SkyPower Global	Sumitomo Corporation
CERN Development and Business Investment	Engie	Complete energy solutions
AL-BABTAIN CONTRACTING COMPANY	Vestas Middle East	Consorzio ALTAIR
ELECNOR SA BRACH CO	JGC Corporation	Martifer Renewables SGPS SA
SEPCOIII Electric Power Construction Corporation	innogy Middle East & North Africa	MONSUD SPA
AlBusaili EdS for Engineering Technologies	LEVANT CONSULTING GROUP	Adara Power Inc.
National Contracting Company Limited	Ingwe Development DWC LLC	GSD Innovations, LLC
Atheeb Maintenance & Services Co.	Orascom Construction	Huawei
شركة بازي للتجارة	North American Green Power L.L.C	Fichtner GmbH & Co. KG
ABB	Gamechange Solar	W2E Wind to Energy GmbH
بيت الخير	Georenco	Mancor
Khairat Al Ardh Contracting Company	Frienergy Ltd	Watlow Electric Manufacturing Company
International Building Systems Factory Co. LTD. (IBSF)	POWER CONSTRUCTION CORPORATION OF CHINA, LTD.	

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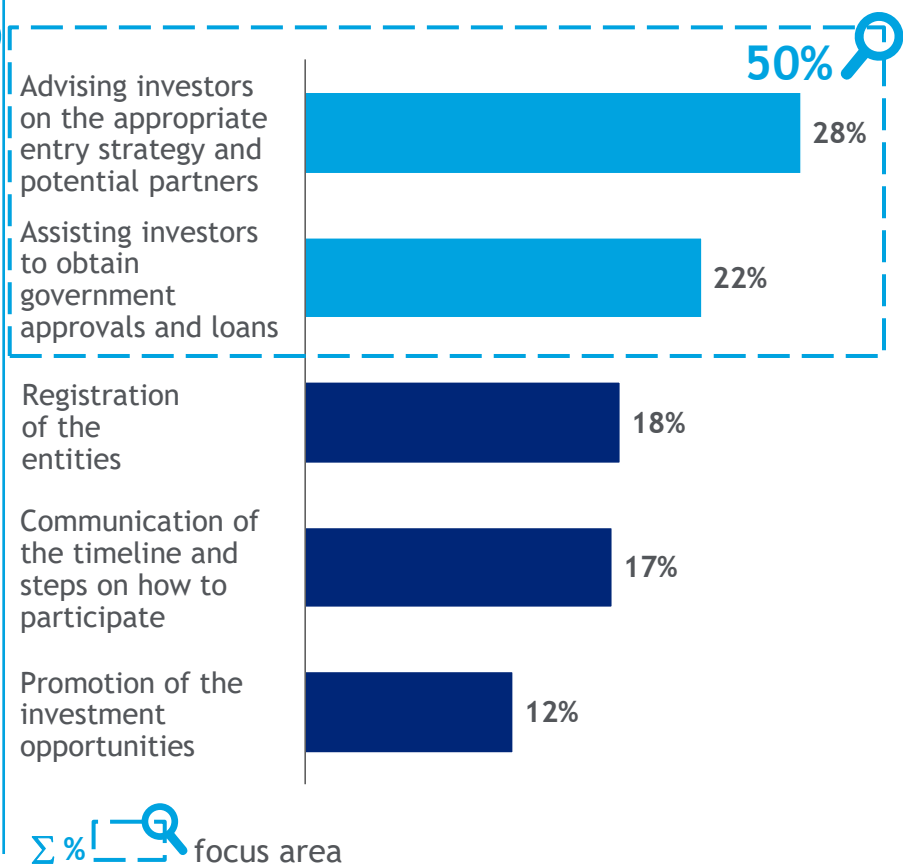


# 92% of the suppliers assess REPDO program positively, 50% expect more assistance on the entry strategy, government approvals and loans

From an investor perspective, how would you assess the preparation of REPDO program?  
% of answers



What can be improved in REPDO program from investor perspective?  
% of answers

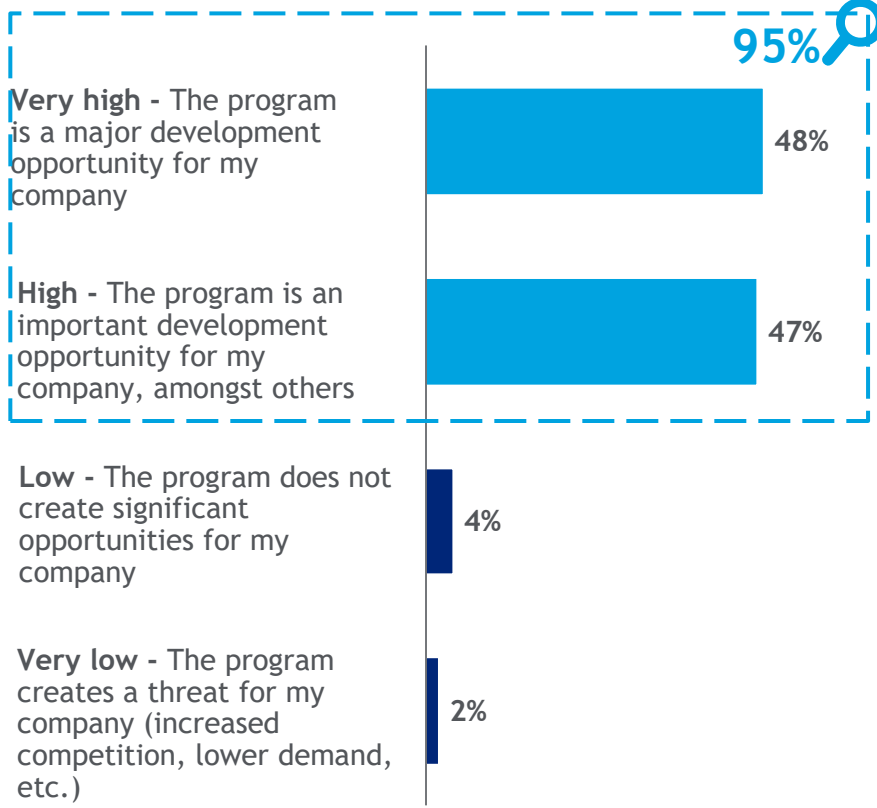


Source: REPDO Qualified Suppliers Survey n=107

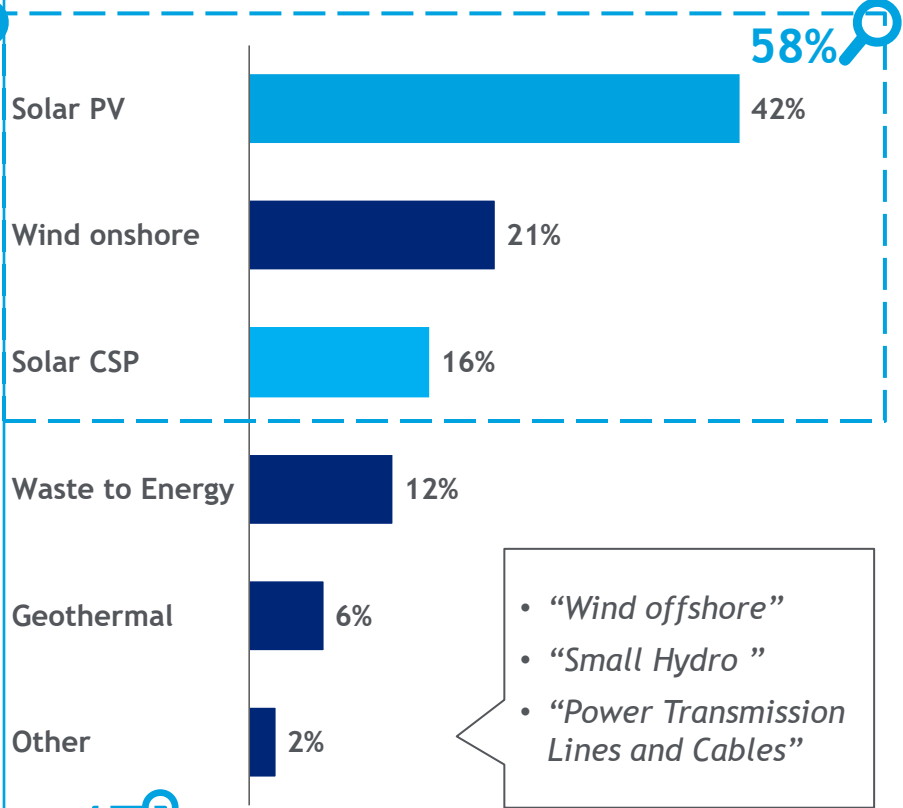
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# 95% of respondents recognize NREP as an important opportunity, 58% of them want to participate by operating in solar technologies

**How do you perceive opportunities that NREP program creates for your company?**  
% of answers



**In which RES technology does your company intend to participate in?**  
% of answers



- “Wind offshore”
- “Small Hydro ”
- “Power Transmission Lines and Cables”

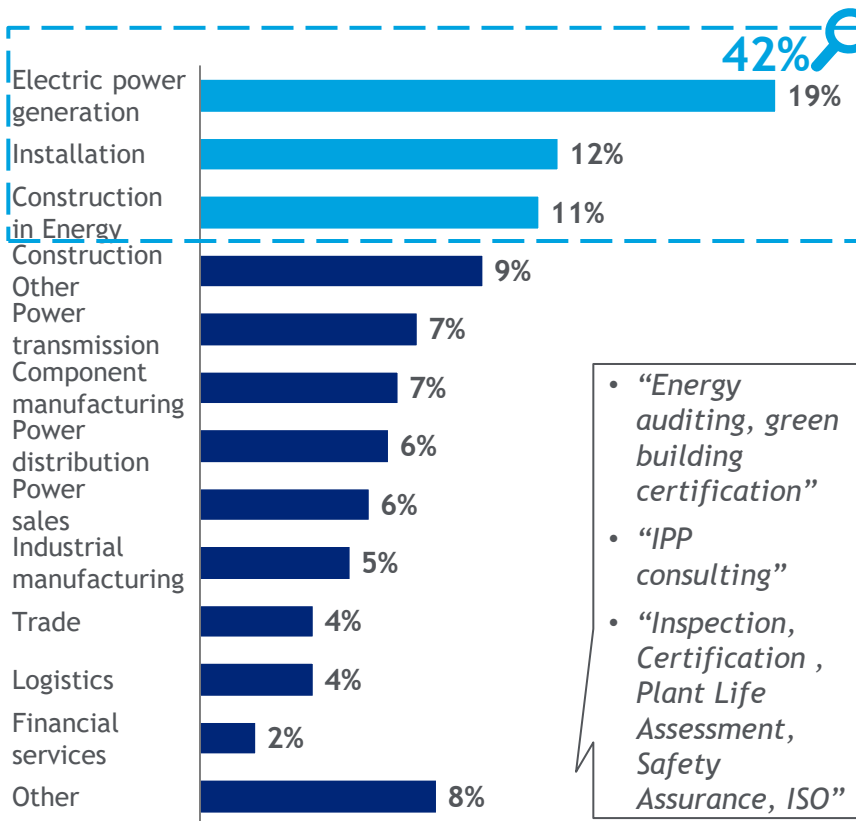
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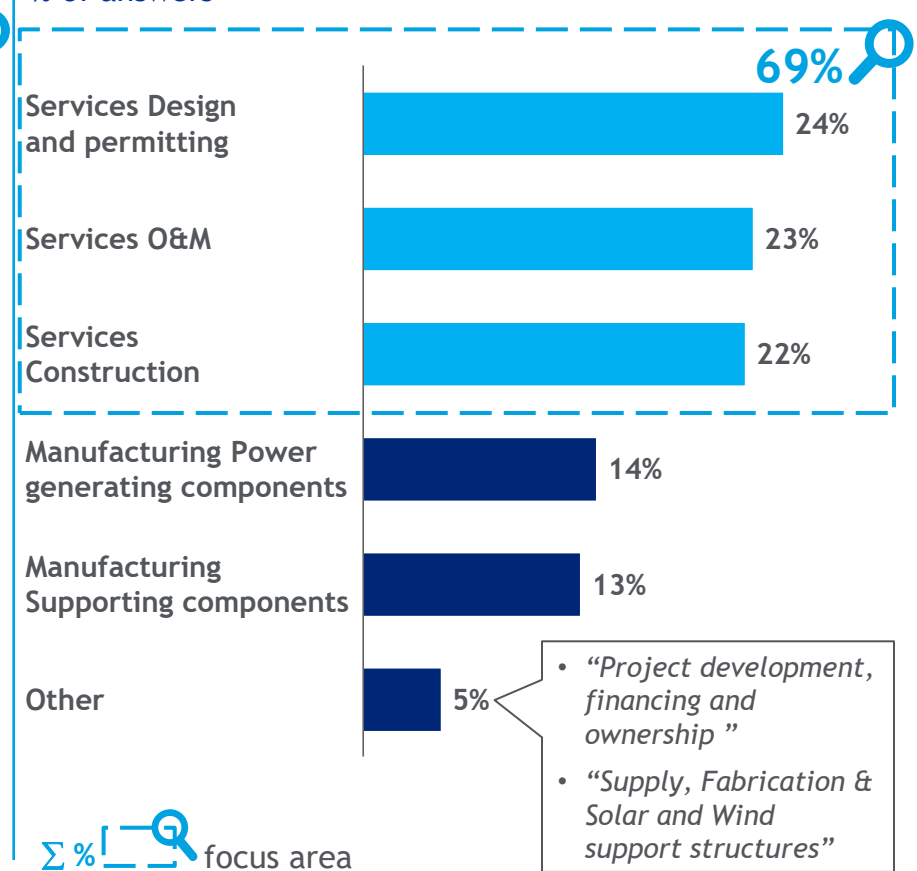


# 42% of the respondents operate in power generation, installation and construction industry and 69% want to focus on services in NREP program

**What industry is your company operating in today?**  
% of answers



**In which part of value chain of RES technologies does your company want to operate?**  
% of answers



Source: REPDO Qualified Suppliers Survey n=107

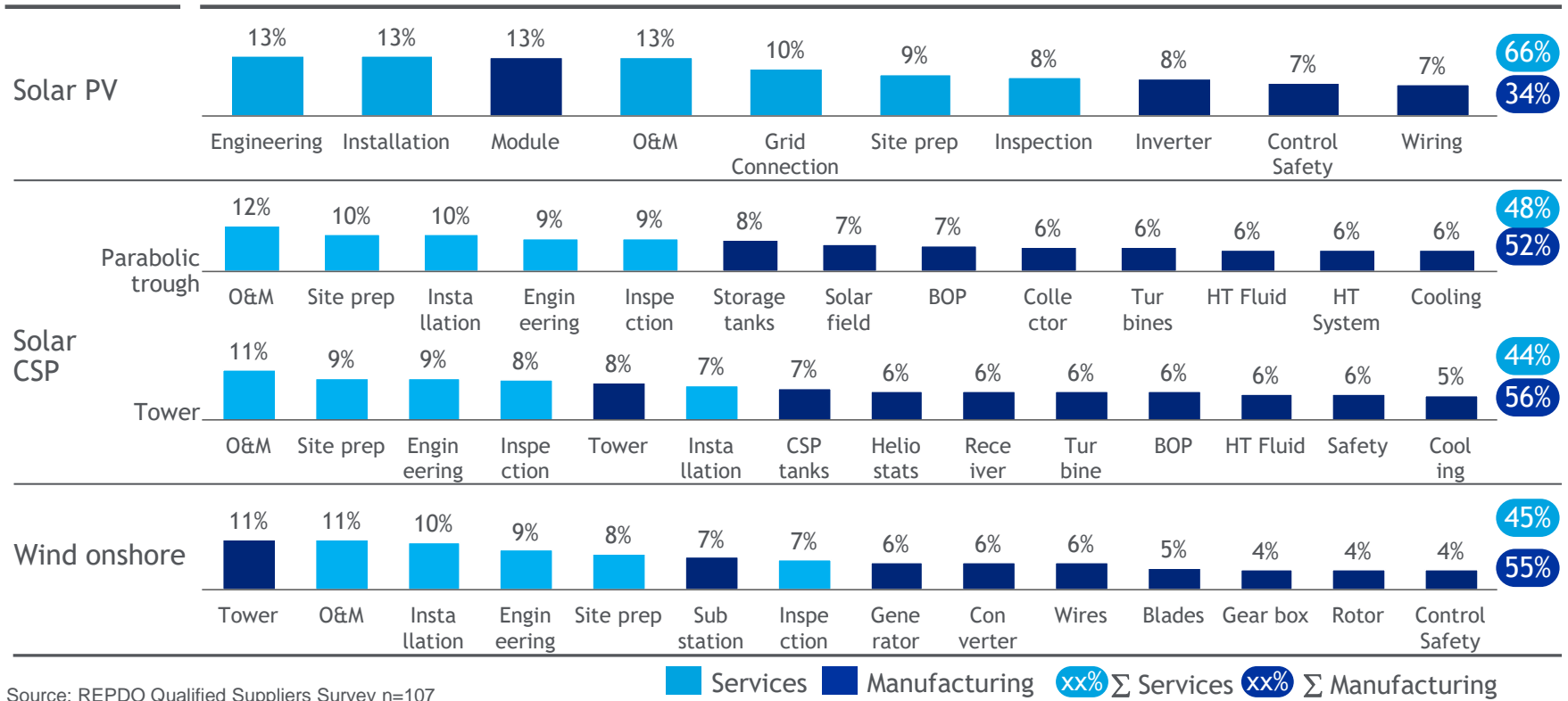
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# However unlike in general value chain question in the detailed one suppliers were more willing to indicate on manufacturing as their focus

## Detailed value chain participation

In which part of detailed value chains does your company intend to participate in?  
Multiple choice question % of answers within technology

### Technology

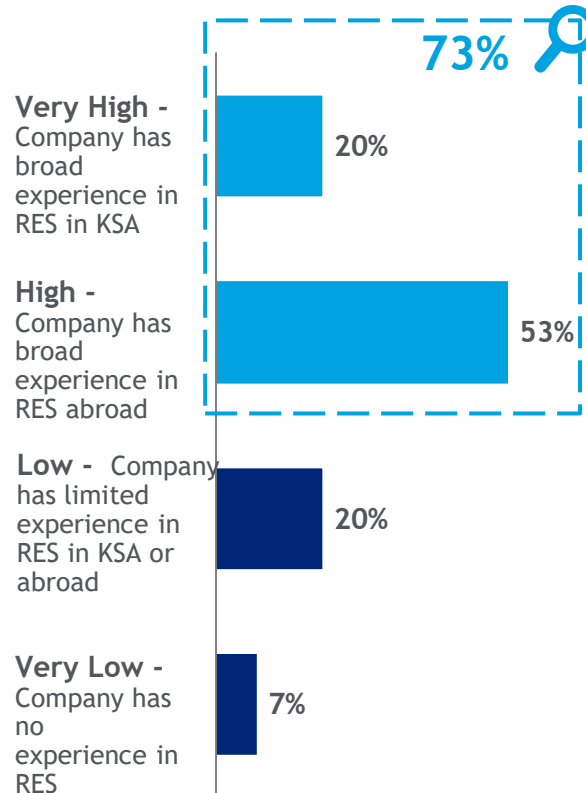


Source: REPDO Qualified Suppliers Survey n=107

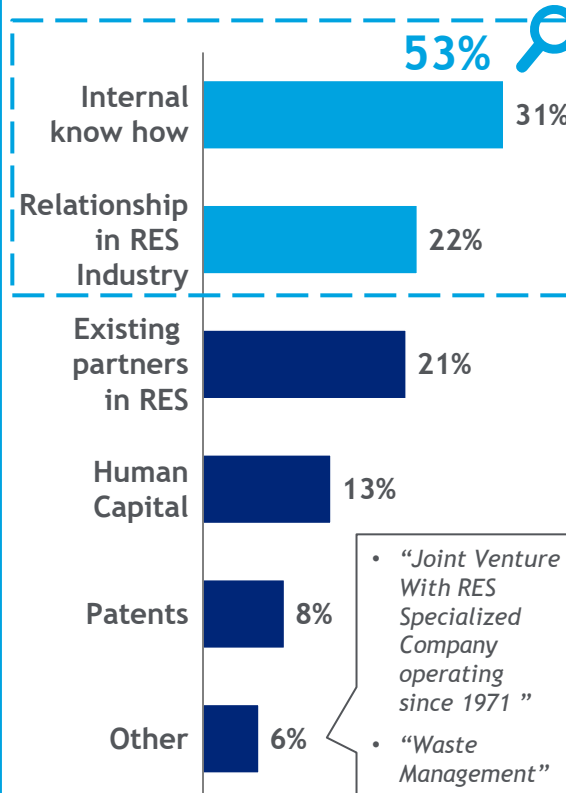
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# 73% of suppliers assess their RES capabilities high due to relationships or partners in the industry therefore 77% plans to enter via JV or alliance

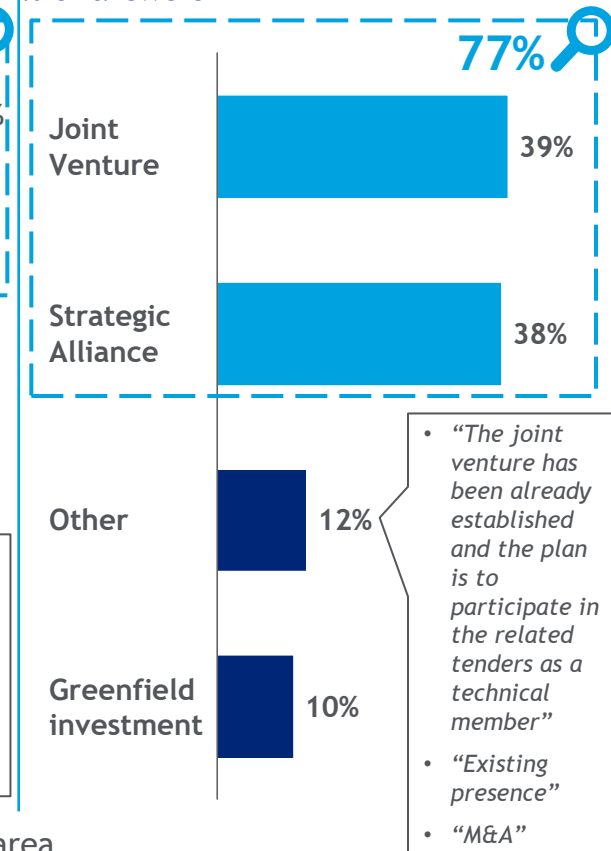
How would you rate your company's qualifications to contribute to the RES?  
% of answers



What experience does your company have in RES technologies?  
% of answers



How does your company plan to enter the RES value chain?  
% of answers



• "Joint Venture With RES Specialized Company operating since 1971"

• "Waste Management"

• "The joint venture has been already established and the plan is to participate in the related tenders as a technical member"

• "Existing presence"

• "M&A"

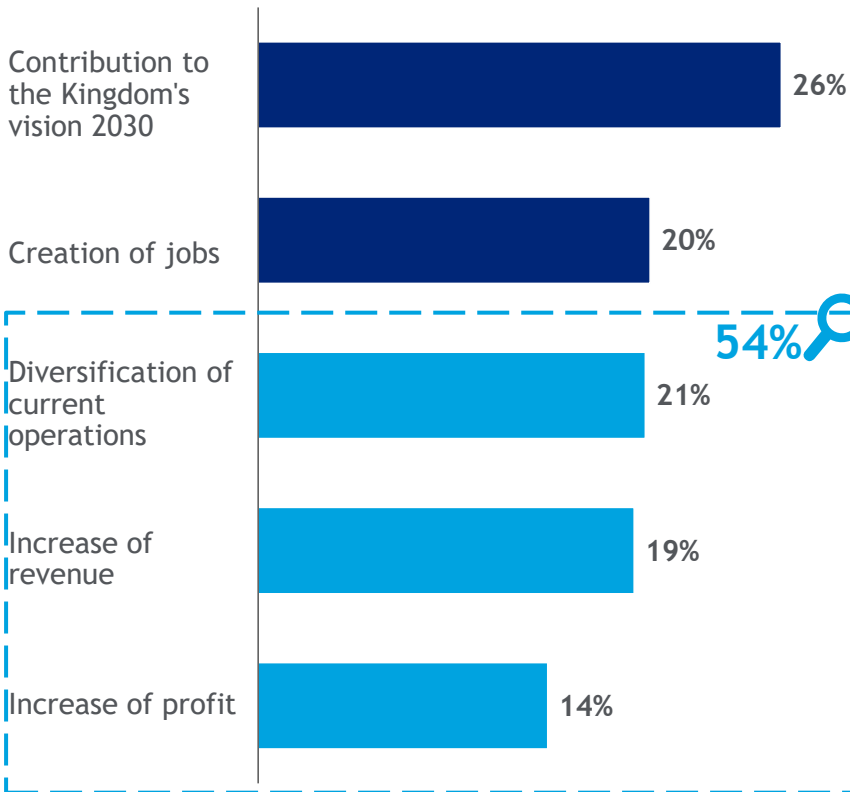
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Σ % focus area

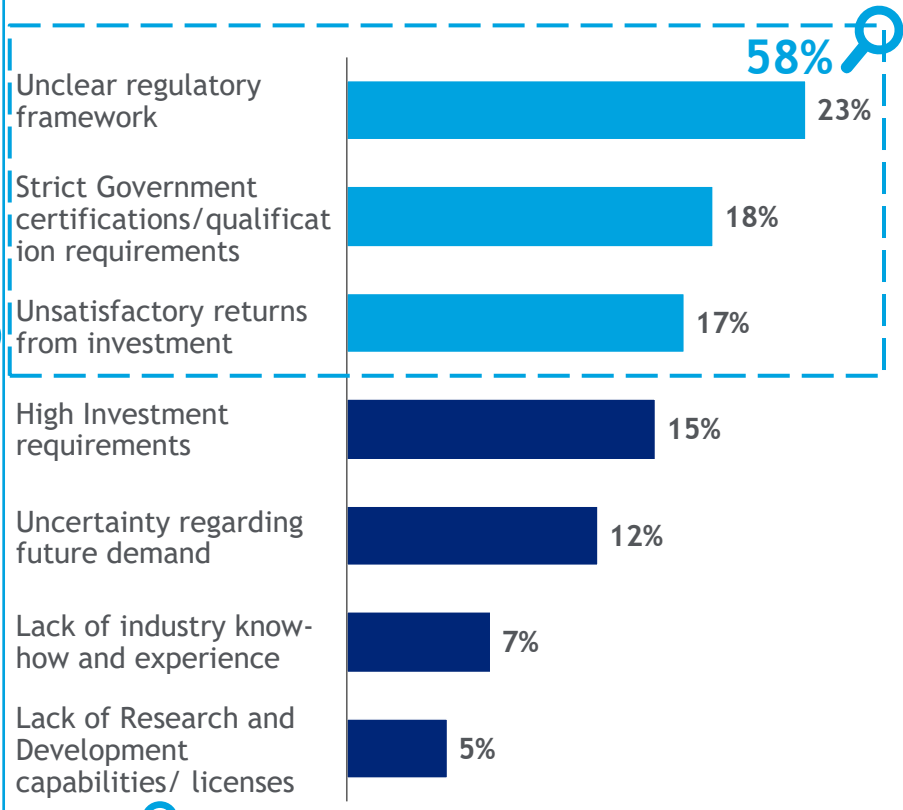
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# 54% expect diversification of operations, increase of revenue & profits; 58% see as barriers regulations, strict criteria & unsatisfactory returns

**What does your company expect from the program?**  
Multiple choice question % of answers



**What can stop your company from investing or participating in the REPDO program?**  
Multiple choice question % of answers



Source: REPDO Qualified Suppliers Survey n=107

Σ % | — | 🔍 focus area

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