

Aromatic Hydrocarbon resins

INVESTMENT OPPORTUNITY SCORECARD

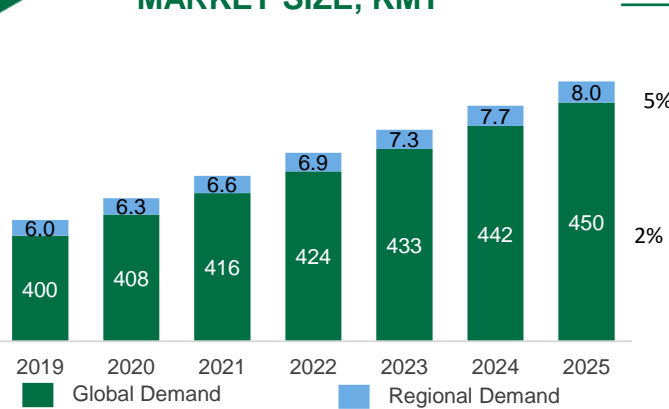
CHEMICALS

AUGUST 2021

OPPORTUNITY DESCRIPTION: Opportunity to setup Aromatic Hydrocarbon resins manufacturing plant in KSA to cater regional and global demand

DEMAND

MARKET SIZE, KMT



INVESTMENT OVERVIEW

VALUE PROPOSITION

- KSA is one of the largest chemical producers in the world and contributes ~10% to the global output
- KSA is strategically located at the crossroads of several markets that have high demand for chemical products
- KSA benefits from having an abundant access to raw materials and a high standard of infrastructure that is continuously being improved upon
- Opportunity for first mover advantage due to non-existent local production of Propionic Acid and lack of competition from major global manufacturers
- This opportunity has a strategic alignment with vision 2030 and National Industrial Strategy by supporting many sectors such as automotive and food and beverage

KEY DEMAND DRIVERS

- Presently the demand is negligible in the Kingdom; however, plastics and packaging cluster, automotive cluster in plaschem and big construction projects can be targeted for downstream synergies for aromatic HCRs.

MARKET OVERVIEW

GLOBAL TRENDS

- Global demand at around 400 kt with growth ahead of average GDP. Small demand for adhesives, tyres, compounding, etc., in the Middle East today, but could be developed if C9 resin were extracted from pygas heavy ends.
- Aromatic HCRs are mainly used in hot melt adhesives, paints and coatings, rubber and plastic modification, binder etc.
- Aromatic Hydrocarbon resins has limited impact on downstream industry potential

DEFINITIONS

#	SCORECARD SECTION	DEFINITIONS
1	Market size	Size of market in value/volume in KSA and/or Region (MENA/GCC) covering future projections based on available estimates from published /government sources
2	Demand drivers	A select number of factors that will influence future demand for the related product/service
3	Investment highlights	An overview of key financial metrics summarizing the investment opportunity along with the expected return based on the suggested investment size
4	Value proposition	Summary of key differentiators that position KSA as a strategic choice over other regional/global peers
5	Market readiness	An overview of KSA market structure, market maturity and level of participation by local and global players
6	Competitor analysis	List of the local & international players manufacturing the underlying product in Saudi Arabia and their market share
7	Global trends	Latest business developments within the sector/product category
8	Scalability and localization	Ease of scaling the business across the value chain or into new adjacent products or geographies that would maximize the opportunity's investment returns and the ability and potential to locally manufacture the product and its components
9	Import dependency	An overview of the countries from which Saudi Arabia is importing the product and their value/volume and share in total imports
10	Value chain analysis	The process or activities that would potentially need to be carried out to deliver the underlying product or service
11	Key stakeholders	Government institutions, organizations, and/or authorities that participate or influence the market for the underlying product/service
12	Enablers	Factors that enable investment in the underlying opportunity
13	Cost of doing business in KSA	Key factors that position KSA as a competitive destination for investment in the region

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