

# Chloromethane

## INVESTMENT OPPORTUNITY SCORECARD

### CHEMICALS

AUGUST 2021



# CHEMICALS

## Chloromethane

Public / متاح

High Potential

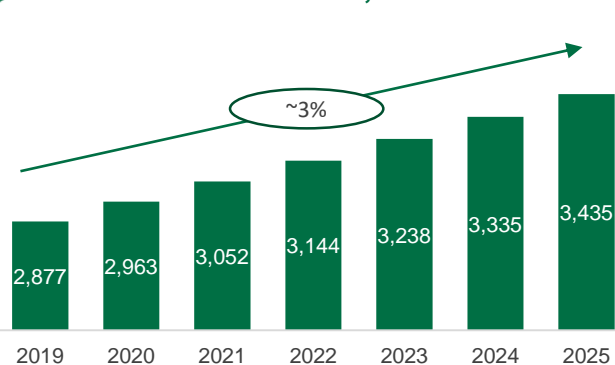
Moderate Potential

Low Potential

**OPPORTUNITY DESCRIPTION:** Opportunity to setup Chloromethane manufacturing plant in KSA to cater regional and global demand

### DEMAND

Global Demand, 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

- Demand for methyl chloride is mainly driven by its consumption in the manufacture of the silicones intermediate methyl chlorosilane. Silicones are widely used in the automotive and construction industry, in addition to a range of consumer and industrial products
- In KSA, Automotive cluster is planned in Al Jubail. Also, construction activities will take places across the different clusters - plastics and packaging, automotive, pharmaceuticals etc, which will involve construction activities and hence the use of chloromethanes.

### MARKET OVERVIEW

#### GLOBAL TRENDS

- Methylene chloride is the major chloromethane used in the region. Methyl chloride is used for manufacturing dimethyldichlorosilane which further goes for manufacturing silicones.
- Global consumption of methyl chloride in 2020 is estimated at 4.38 million metric tons and is forecast to show an average global annual growth rate of 4.0% during the forecast period
- Methylene chloride is used in numerous applications, both as a chemical feedstock and applications that utilize its excellent solvent properties; e.g., in the preparation of pharmaceuticals such as antibiotics and vitamins
- Also, methylene chloride is used as a key solvent in paint and adhesive formulations, owing to its strong dissolving strength, low flammability, and quick drying properties. Construction and automobile industries are the major end users of paints and adhesives

# 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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