

EVOH

INVESTMENT OPPORTUNITY SCORECARD

CHEMICALS

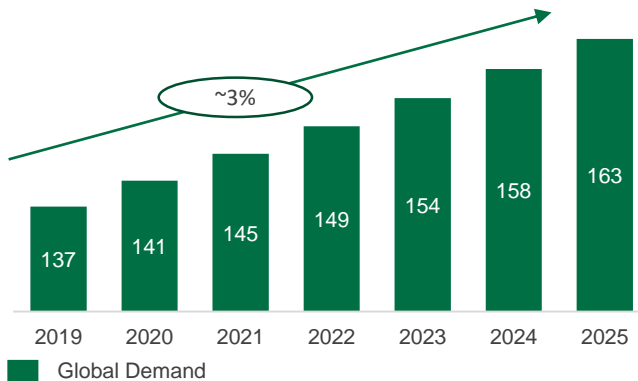
AUGUST 2021



OPPORTUNITY DESCRIPTION: Opportunity to setup EVOH 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

- The demand exists in the packaging and plastics industries with the manufacture of multi-layer films. EVOH has strong barrier properties. It is not produced in Saudi Arabia currently but feedstocks are available.

MARKET OVERVIEW

GLOBAL TRENDS

- EVOH is used to help preserve food flavors and aroma, and extend the shelf life of food products. EVOH are also used in blow-molded or thermoformed food containers and bottles to maintain food quality, and enable packaging features such as graphics and printability.
- EVOH use in plastic fuel tanks allows for reduced weight, lower evaporative emissions, and more flexibility in contours. This can lead to environmental advantages such as improved fuel efficiency and adherence to emission standards.
- North America accounts for 45–50% of global EVOH production, followed by Europe with about 33% of the global total. Kuraray and Mitsubishi Chemical, along with their global affiliates, account for nearly all of the global capacity and production of EVOH
- global EVOH consumption is expected to grow at an average rate of 3% annually during 2019–24.

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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