

POLYVINYL ALCOHOL (PVOH)

INVESTMENT OPPORTUNITY SCORECARD

CHEMICALS

AUGUST 2021

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POLYVINYL ALCOHOL (PVOH)

Public / متاح

High Potential

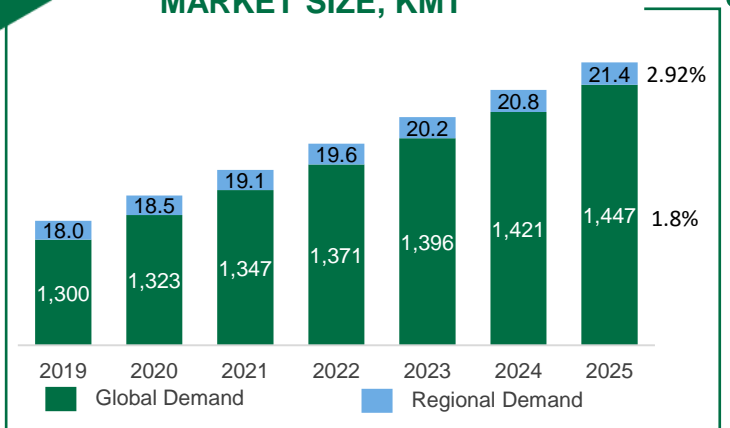
Moderate Potential

Low Potential

OPPORTUNITY DESCRIPTION: Opportunity to setup POLYVINYL ALCOHOL (PVOH) 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

- PVOH is used in diverse applications, including textiles for warp sizing, adhesives, polymerization aids, pigment binders for paper, and other such applications where PVOH is used "as is." Another major application involves converting PVOH to PVB, which is used as a coating to generate laminated safety glass for automotive and architectural applications.
- In KSA, The end use industries including automotive, adhesives and paints are expected to expand and witness growth in Al Jubail in the coming years

MARKET OVERVIEW

GLOBAL TRENDS

- World capacity for PVOH is expected to increase at an average annual rate of 2.2% during 2019–24, with some hypothetical capacity additions to satisfy increasing demand anticipated. The global capacity utilization rate is not expected to waver too much in the forecast years (2019–24).
- Global consumption of PVOH is expected to grow at a moderate rate of 2.4% from 2019 to 2024 and is forecast to reach 1.5 million metric tons by 2024. Global demand is dominated by China, which accounted for 39% of the total demand in 2019 and is forecast to reach 592,000 metric tons by 2024.
- Consumption of PVOH in Middle East is around 18,000 metric tons, Turkey and Iran hold 89% share of the market

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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