

Phenolic resins

INVESTMENT OPPORTUNITY SCORECARD

CHEMICALS

AUGUST 2021



CHEMICALS

Phenolic resins

Public / متاح

High Potential

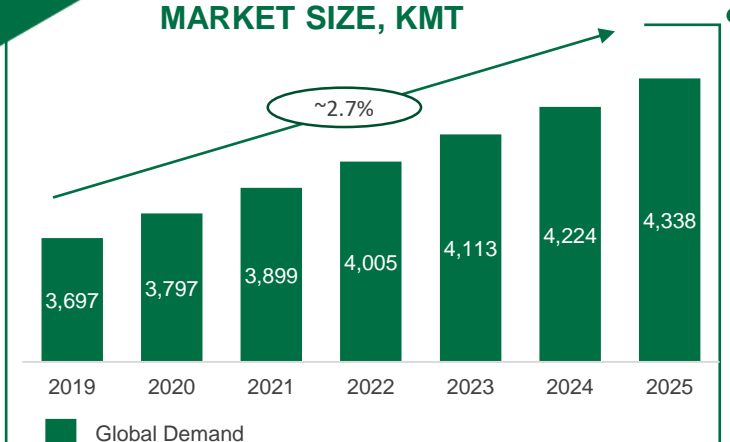
Moderate Potential

Low Potential

OPPORTUNITY DESCRIPTION: Opportunity to setup Phenolic 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

- In Saudi Arabia, the availability of major raw materials that are available in Al Jubail and the government is also seeking foreign investment to boost these industries. Hence, producing phenolic resins.
- Also, demand for Phenolic resins is driven by its wide range of application in rapidly growing industries such as Construction, Mining, Adhesive and sealants, Electronic chemical and Infrastructure chemicals.

MARKET OVERVIEW

GLOBAL TRENDS

- Phenolic resins is used in a variety of applications, including composite wood panels, molding compounds, refractories, friction products, abrasives and insulation. The wood panels market is the largest market, accounting for about one-third of total consumption.
- In 2017, global demand was about 3.6 million metric tons on a 100% resin basis, with growth expected to be 2.5–3% annually through 2022. The largest consuming regions are the United States and China. Saudi Arabia has a demand of 14.4 thousand metric tons and the total Middle East demand is around 94.3 million metric tons.
- The largest global producer of PF resins is Hexion, with operations in most areas of the world. Other large producers include Georgia-Pacific, Prefere Resins, SI Group, Sumitomo Bakelight (SBHPP), and Arclin.

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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