

Unsaturated Polyester Resin (UPR)

INVESTMENT OPPORTUNITY SCORECARD

CHEMICALS

AUGUST 2021

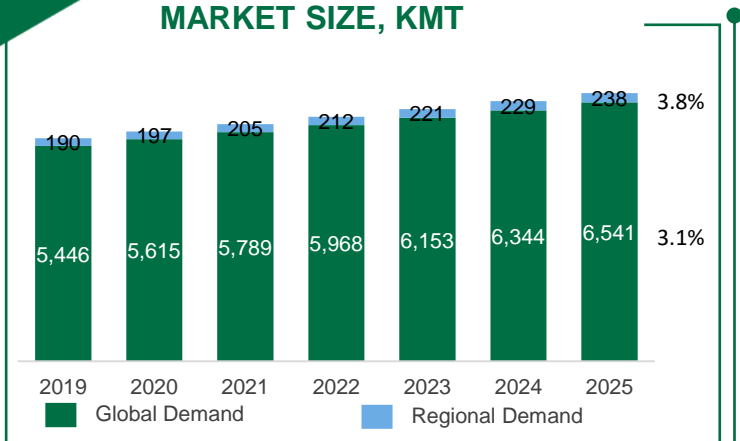


Unsaturated Polyester Resin (UPR)

OPPORTUNITY DESCRIPTION: Opportunity to setup Unsaturated Polyester Resin (UPR) 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 major driver of consumption/demand for UPR is the construction industry, in which UPR is used mainly for bathroom components and fixtures, corrosion-resistant tanks, pipes and ducts, cultured marble, and panels for floor and walls.
- UPRs are majorly used in construction, automotive and electrical/ electronics industry. Big construction projects in Al Jubail can be targeted and also upcoming automotive cluster in Plaschem can be targeted for downstream opportunities

MARKET OVERVIEW

GLOBAL TRENDS

- Global consumption of unsaturated polyester resin (UPR) will continue to grow at a healthy average annual growth rate during 2018–24; UPR for fiber-reinforced plastics (FRP) accounted for nearly two-thirds of total consumption.
- Turkey is the leading consumer in Middle East followed by UAE, Saudi Arabia and Israel. Demand in Middle East is around 190,000 metric tons.
- China is now the largest UPR producer and consumer (44% of global production and consumption) in the world; capacity has been increasing but more slowly. Consumption in China is forecast to grow at an average annual rate of 4% per year.
- The price of UPR dropped in 2019 due to the decreasing upstream material price.

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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