

WATERWHITE DCPD RESINS

INVESTMENT OPPORTUNITY SCORECARD

CHEMICALS

AUGUST 2021

CHEMICALS

WATERWHITE DCPD RESINS

Public / متاح

High Potential

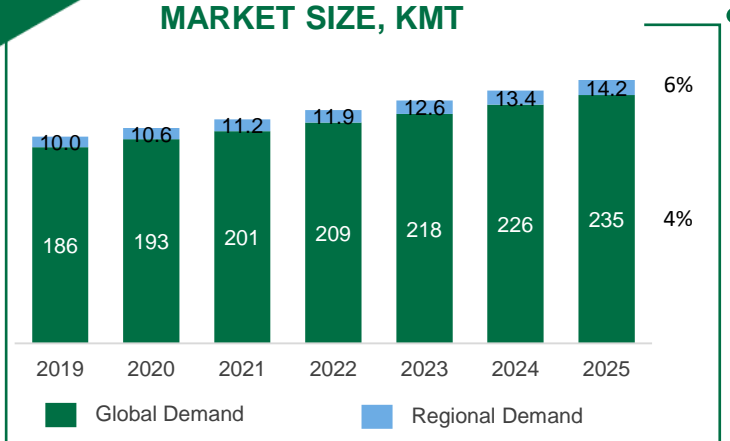
Moderate Potential

Low Potential

OPPORTUNITY DESCRIPTION: Opportunity to setup WATERWHITE DCPD 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

- Limited demand of waterwhite DCPD resins in the Kingdom and Middle East today. Waterwhite DCPD resins are used in adhesives for hygiene goods, so some demand in Turkey at least.
- The global market driver will be consumption for hydrocarbon resins, primarily in Singapore, Taiwan, and China. These hydrocarbon resins are widely consumed in hot-melt adhesives used for diapers and other nonwovens, packaging, and woodworking.

MARKET OVERVIEW

GLOBAL TRENDS

- Global dicyclopentadiene consumption totaled 749,000 metric tons in 2018. The majority of DCPD end-use applications are for well-established markets
- The important factors influencing the global DCPD market are the following: (1) the shift of global production centers to China and Other Asia; (2) the effect of the changing feedstocks for ethylene production, especially in the United States; (3) changing trade flows (especially shipments from China and Taiwan to North America and Europe); and (4) the dramatic Asian growth for hydrocarbon resins.
- Currently, there is no DCPD producer in the Middle East and Africa; DCPD is imported. INEOS is considering opening a new DCPD plant in the Middle East that could potentially change the supply and demand rate.
- WATERWHITE DCPD RESINS has limited impact on downstream industry potential

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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