

Sadara CEO speaking at the Saudi Downstream Forum 2016...

## Sadara unlocks opportunities for national economic development and potential investors

*Al-Labban: "Sadara's business model is a game changer which capitalizes on Saudi Arabia's unique competitive advantages to enable downstream investments and job opportunities for the local skilled workforce."*

**09 March, 2016 – Jubail, Saudi Arabia:** Ziad Al-Labban, CEO of Sadara Chemical Company (Sadara), a joint venture developed by Saudi Aramco and The Dow Chemical Company, highlighted at the Saudi Downstream Forum 2016 which was held in Jubail from March 8 - 10, how Sadara's business model is a game changer which capitalizes on Saudi Arabia's unique competitive advantages to enable downstream investments and job opportunities for the local skilled workforce. Al-Labban identified four key competitive advantages enjoyed by Saudi Arabia during a presentation entitled "Downstream Manufacturing Opportunities in Saudi Arabia". These include the Kingdom's abundant natural resources, skilled human capital, proximity to growth markets, and access to finances.

"Sadara's range of differentiated, high value products, enabled by the cracking of naphtha as well as ethane, makes us a true game changer. By capitalizing on Saudi Arabia's unique competitive advantages, Sadara is positioned to become a key enabler for downstream investments and value added job opportunities for Saudis, which in turn will accelerate the Kingdom's economic diversification, and create a nurturing environment for 'Made in KSA' to truly take shape," he noted.

In addition to its vast natural resources, which include 20% of the world's proven oil reserves and the 6<sup>th</sup> largest proven natural gas reserves, Saudi Arabia also offers competitive corporate taxes, a range of funding sources, a growing Islamic bond (sukuk) market, the largest stock exchange in the MENA region, and a large number of locally-based companies and investors.

Al-Labban further explained that the country's close proximity to Asia, Africa, and Europe affords investors easy access to the growing markets within those continents.

In terms of skilled human capital, investors are able to tap into a substantial pool of qualified and skilled young Saudis, including over 1 million students currently enrolled in higher education programs, a number which is slated to grow in the coming years.

To take advantage of these attributes, Sadara has integrated state of the art technologies into its 26 manufacturing plants to address the regional supply gap in differentiated specialty chemicals,



which, as of 2015, constituted just 0.3% of the region's total capacity estimated at 360 million tons, while the remaining 99.7% was made up of commodity chemicals.

Currently at 98% complete, the 6-square-kilometer mega-complex started producing the first of its specialty products - Solution Polyethylene – in December 2015, the first plant of its kind in the Middle East. The rest of the units are now going through a phased start up and commissioning process and are expected to be fully operational in 2017.

In addition, Sadara is working in collaboration with the Royal Commission for Jubail and Yanbu to develop PlasChem Park, a chemical and conversion industrial park adjacent to the company's chemical complex. PlasChem Park will offer easy access to Sadara's products and infrastructure in Jubail, fueling investment, innovation, growth development and job opportunities with a sustainable impact on the Saudi economy.

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#### **About Sadara:**

*Sadara is a joint venture developed by the Saudi Arabian Oil Company (Saudi Aramco) and The Dow Chemical Company. With a total investment of about \$20 billion, Sadara is building a world scale chemical complex in Jubail Industrial City II in Saudi Arabia's Eastern Province. Comprised of 26 world scale manufacturing units, the Sadara complex is the world's largest to be built in a single phase and will be the first in the Middle East to use refinery liquids, such as naphtha, as feedstock. By using best-in-class technologies to crack refinery liquid feedstock, Sadara will enable many industries that either currently do not exist in Saudi Arabia or only exist through imports of raw materials. The adjacent PlasChem Park, a unique collaboration between Sadara and the Royal Commission for Jubail and Yanbu', will create more value downstream, generating unprecedented investment, innovation, economic growth and thousands of jobs.*

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