

## Dow and Saudi Aramco Announce Joint Venture to Drive Downstream Growth through World-Scale Chemicals Project

Dow Chemical Company and the Saudi Arabian Oil Company (Saudi Aramco) have announced that both companies have approved the formation of a joint venture to build and operate a world-scale, fully integrated chemicals complex in Jubail Industrial City, Kingdom of Saudi Arabia.

The new joint venture, named “Sadara Chemical Company”, comes after an extensive project feasibility study and front-end engineering and design effort which began in 2007. The complex will comprise of 26 manufacturing units which will include Polyurethanes (isocyanates, polyether polyols), Propylene Oxide, Propylene Glycol, Elastomers, Linear Low Density Polyethylene, Low Density Polyethylene, Glycol Ethers and Amines.

The operation will use Dow technology and Saudi Aramco’s project management expertise. The complex will become one of the world’s largest integrated chemical facilities, and the largest ever built in one single phase. The complex will possess flexible cracking capabilities and will produce over 3 million tonnes of high value-added chemical products and performance plastics, capitalising on the region’s rapidly growing markets in energy, transportation, infrastructure and consumer products.

Construction is set to begin immediately and the first production units will come on line in the second half of 2015, with all units expected to be up and running in 2016. Once operational, Sadara is expected to deliver annual revenues of approximately \$10 billion within a few years of operation and generate thousands of direct and indirect employment opportunities through the complex and related investments in downstream value parks.

“Today’s announcement is outstanding proof of Dow’s ongoing commitment to our growth strategy,” said **Andrew N. Liveris, Dow’s Chairman and CEO.** This investment will create a manufacturing hub that will provide a differentiated product

slate and an advantaged cost position” he added. “We are bringing the best of Dow’s technology-differentiated and globally leading products to Sadara. Customers in emerging geographies such as China, the Middle East, Eastern Europe and Africa will benefit from a strong supplier with feedstock integration, in market commercial and supply capabilities, advanced technologies and resources to grow with their demand. Taken together, Sadara will deliver significant new equity earnings to Dow.”

Total investment for the project, including third party investments, will be approximately \$20 billion. Sadara will become an equal joint venture between [Saudi Aramco](#) and [Dow](#) after an initial public offering. In addition to equity from the partners, Export Credit Agencies and financial institutions will provide project financing to Sadara.

**Khalid Al-Falih, President and CEO of Saudi Aramco**, said, “This project represents a key milestone in Saudi Aramco’s ambitious downstream growth strategy. We are pleased to have Dow as our partner, as they bring a fantastic record of success in the chemicals business and a top tier brand to the project. Dow also brings a superior mix of downstream product technologies, and world-class operational and marketing capabilities to the Sadara joint venture. These will complement the strengths of Saudi Aramco as the world’s largest integrated and most reliable supplier of energy and petroleum-based derivative products.” Al-Falih explained, “Many of Sadara’s products will be produced for the very first time in Saudi Arabia. This enterprise will play a key role in the Kingdom’s industrial and economic diversification while contributing to the creation of thousands of high quality jobs. It will enable significant development in the country’s conversion industry, thereby supporting Saudi Arabia’s ambition to be a magnet for downstream manufacturing investments that add significant value to the Kingdom’s hydrocarbon resources.”

Sadara will have responsibility for product marketing within a local zone of eight countries. Dow will market and sell on behalf of Sadara to all countries outside of the Middle East zone.

### Adresse:

<http://www.gupta-verlag.com/general/news/industry/10209/dow-and-saudi-aramco-announce-joint-venture-to-drive-downstream-gro>