

سابقہ

ہندوستان

# Saudi Basic Industries Corporation (SABIC)

Company  
Profile

2.27

SABIC

## INTRODUCTION

SABIC was established in 1976 to add value to Saudi Arabia's natural hydrocarbon resources. Today, SABIC is among the leading petrochemical companies in terms of sales and product diversity. Headquartered in Riyadh, SABIC is the Middle East's largest non-oil industrial company. (Global Ranking)

SABIC's businesses are grouped into six strategic business units, supported by corporate departments and a Shared Services organization. The SBU's are Basic Chemicals; Intermediates; Polyolefins; PVC and Polyester; Fertilizers and Metals. SABIC's manufacturing network in Saudi Arabia consists of 18 affiliates. Most of these are based in the Al-Jubail Industrial City on the Arabian Gulf. Two are located in Yanbu Industrial City on the Red Sea and one in eastern province city of Dammam. SABIC is also partners in three regional ventures based in Bahrain.

### Our Vision

Our vision is to be a leading global manufacturer and marketer of hydrocarbon and metal products.

### Our Mission

Our mission is to provide distinctive, high-quality industrial products and services to our customers, meeting the expectations of our shareholders through optimum utilization of our available human and natural resources, together with the use of state-of-the-art technology - maintaining safe and environmentally sound practices.

### Basic Chemicals

Basic Chemicals, the building blocks for petrochemicals, are the foundation of our industries. They are produced from hydrocarbons that are by-products of crude oil. Our Basic Chemicals include methanol, ethylene, propylene, benzene, xylene, MTBE (Methyl Tertiary Butyl Ether), styrene, CIE (Crude Industrial Ethanol), butadiene and butene-1.

### PVC and Polyester

Today, the per capita consumption of plastics in Saudi Arabia is one of the highest among developing countries and is approaching levels of use previously seen only in the industrialized world. The consumption of plastics by the domestic processing industry now represents a significant proportion of SABIC's total polymer production.

SABIC's PVC and Polyester Strategic Business Unit comprises Polyester, Melamine, PVC (Polyvinylchloride) and Polystyrene.

Polyester fibre is the world's most widely used synthetic fiber. It's strong, with high abrasion resistance, low moisture absorption, resistant to rot and to chemicals, very easy to care for and can be set into any shape using heat. It is ideal for clothing items. Polyester resins is the world leading thermoplastic in carbonated soft drink and mineral water bottles. The clarity of the plastic, similar to glass is a key feature of the resin. Melamine is an organic chemical product manufactured from urea and is used as an essential component in the manufacture of adhesives, laminates, surface coatings and moulding compounds. PVC is a thermoplastic that is non-flammable, lightweight, strong and extremely durable. It's very important to the construction industry and has many uses in the health and hygiene industries. Polystyrene is a major commodity plastic and is relatively inexpensive, simple to process and has many different properties, depending on how it is produced. Polystyrenes are used in a wide range of applications, from toys and disposable cutlery to insulation and industrial packaging.

### Polyolefins

The SABIC Polyolefins Strategic Business Unit is the producer of polyethylene (PE) and polypropylene (PP). The PE product range includes essential polymers such as linear low-density polyethylene (LLDPE), low-density polyethylene (LDPE) and high-density polyethylene (HDPE). The PP product range includes random and homopolymer resins.

### Fertilizers

SABIC's Fertilizer Group is dedicated to helping the worldwide agriculture industry produce higher yields of quality crops to feed an ever-growing global population. Our integrated range of products, ammonia and urea, as well as compound, phosphate and liquid fertilizers, have helped us to maintain our position as a leading producer-supplier. SABIC is now the world's largest exporter of urea and our three world-class affiliates produce a total of 5.5 million metric tons per year (mt/y) of fertilizers.

## Milestone

- |         |   |      |  |
|---------|---|------|--|
| 1976    | SABIC established by Royal Decree   | 1990 | SABIC manufacturing and marketing operate normally in spite of Gulf Crisis. Second generation expansion projects launched. NCC (National Chemical Carriers) shipping company formed. SANAPIK (Saudi Arabian Fertilizer Marketing Company) established. Total production is 13 million MT. Employment is 8,752.   |
| 1977-78 | World class SABIC industries developed in Saudi Arabia's new industrial cities at Al-Jubail on the Gulf and Yanbu on the Red Sea.   | 1991 | SABIC maintains full capacity production in all industries through Gulf crisis. SAFCO to build second fertilizer complex at Al-Jubail. SABIC Industrial Complex for Research and Technology opens in Riyadh. Total production is 13 million MT. Employment is 9,730.   |
| 1979    | SABIC's first industries formed: AR-RAZI, SAMAD, HADEED, SULB and SAFCO become SABIC manufacturing affiliates. Gulf region partnerships created with ALBA, GARMCO and GPIC in Bahrain.  | 1992 | AR-RAZI doubles capacity to become world's largest producer of chemical grade methanol. IBN RUSHD (Arabian Industrial Fiber Co), SABIC's 16th affiliate to be built at Yanbu. SAMAD to produce 2-EH (DI-ethyl hexanol). SABIC Marketing opens Singapore office. TQM - Total Quality Management drive launched. 5 SABIC companies gain ISO 9002 certification. Total production is 15.7 million MT. Employment is 11,137.   |
| 1980    | KEMYA, SADAF and YANPET formed.   | 1993 | A new marketing company is established in New Delhi, India to serve the sub-continent. SAMAD and SAFCO agree to merge fertilizer service functions with IBN AL-BAYTAR. 350 factories in Saudi Arabia supplied with SABIC products. 700,000 MT. of MTBE production capacity added at IBN ZAHR. 1,100,000 MT. additional urea and ammonia production capacity from the new SAFCO complex. Total production is 17,112,600 MT. Employment is 11,422.   |
| 1981    | IBN SINA, PETROKEMYA, SHARQ formed.   | 1994 | SAFCO and IBN AL-BAYTAR merge operations. SADAF to add MTBE to product portfolio. SABIC Services takes on corporate wide responsibilities. Marketing office established in France. HADEED produces more than 2.6 million MT. of finished steel products. Manufacturing output at SABIC's three fertilizer companies stands at over 4.6 million MT. Total production is 20.76 million MT.   |
| 1982    | SABIC's industries under construction at Al-Jubail and Yanbu Industrial Cities.   | 1995 | Dr Hashim Yamani named as new SABIC Chairman. Formation of SABTANK (SABIC Services Terminal Co) at Al-Jubail to manage and operate liquid product terminal services at Al-Jubail port. IBN RUSHD comes on stream in Yanbu. Production starts at SAMAD's world scale 2-EH plant in Al-Jubail. Marketing offices officially opened in Germany and Italy. Total production is 21,996 million MT. Employment is 12,000.  |
| 1983    | New SABIC headquarters opens in Riyadh. AR-RAZI, SAMAD and HADEED begin production. SABIC Marketing and SABIC Marketing Services established. GAS formed. Total employment stands at 5,489.   | 1996 | IBN RUSHD phase 1 officially inaugurated and foundation stones laid for next two phases. SABIC launches first international TV advertising campaign. SAMAD begins production of DOP (Di-octyl phthalate) Letter of intent signed to expand ammonia and urea capacity at SAFCO. Three expansion projects underway at SHARQ. Agreement to create new company to manufacture plastic products - IBN HAYYAN Plastic Products Company in Al-Jubail. Expansion of HADEED complex underway and addition of 850,000 MT. of |
| 1984    | SABIC prepares 5-year plan for second generation of growth. Custodian of the Two Holy Mosques, King Fahd Ibn Abdulaziz, inaugurates AR-RAZI, SAMAD and HADEED. IBN SINA, SADAF, KEMYA, YANPET and GAS begin production. IBN HAYYAN and IBN ZAHR formed. LADENE becomes the tradename for SABIC plastic resins. First SABIC shares issued for public subscription. Total employment stands at 6,953. |      |  |
| 1985    | IBN AL-BAYTAR formed. PETROKEMYA and SHARQ begin production. SABIC affiliates fully operational. First international corporate/product advertising program launched. Total production reaches 6.3 million MT. Total employment stands at 8,001.   |      |  |
| 1986    | SABIC records first decade of growth. IBN HAYYAN begins production. LADENE plastics featured at K'86 Dusseldorf trade fair. Total production is 9 million MT. and employment stands at 8,139.   |      |  |
| 1987    | IBN AL-BAYTAR begins production. SABIC announces 10 for 1 stock split. SABIC pays first dividend of SR25 to shareholders. Marketing offices established in London, New York and Tokyo. SABIC R&T complex development announced. Total production is 9.8 million MT. Total employment is 8,105.  |      |  |
| 1988    | SABIC lauded as "Middle East's most dynamic heavy industries company". IBN ZAHR begins production. Technical Service Laboratory opens. Total production is 10.9 million MT.   |      |  |
| 1989    | All 15 first generation affiliates fully operational. Total production is 11.5 million MT. Employment is 8,938.   |      |  |

flat steel production. SABIC is now largest joint stock company in Middle East. Total production is 23 million MT. Employment is 13,139.

1997 SABIC's first overseas R&T facility opens in Houston, Texas. Management structure organized into Strategic Business Units (SBU's). New SABIC Corporate identification "wordmark" is introduced. All SABIC manufacturing affiliates and the marketing organization are now ISO 9002 quality certified. Total production is nearly 24 million MT. Employment is 14,238.

1998 Construction of a second SABIC Technology Center (STC) begins in India. Management re-organization into Strategic Business Units (SBU's) continues. Total production is 25 million MT. Employment is 15,951.

2000 SABIC continues expansion plans with approval for its 17th affiliate in Saudi Arabia, UNITED (Jubail United Petrochemical Company) to be based in the Al-Jubail Industrial City. The new plant is scheduled to come on stream in late 2004/2005 and will produce ethylene, ethylene glycol (EG) and linear alpha olefins (LAO's). SABIC also announce expansion at PETROKEMYA, (Arabian Petrochemical Company) with plans for additional 800,000 mt/y of new polyethylene (PE) capacity at two new plants.

New plastic products from TAYF (Ibn Hayyan Plastic Products Company) as SABIC launches a range of interior and exterior industrial and consumer durable plastic products under the brand name FARAH (Arabic for happiness).

SABIC invests in ChemConnect, an electronic commerce company operating one of the leading chemicals and plastics trading exchanges.

More than 1.6 million mt/y of new olefins capacity brought on stream at YANPET (Saudi Yanbu Petrochemical Company) and KEMYA (Al-Jubail Petrochemical Company).

HADEED (Saudi Iron and Steel Company) begins commercial production of flat steel products.

SABIC develops a new process for Acetic Acid production from ethane through ethane oxidation.

PETRODEMYA (Arabian Petrochemical Company) completes its Olefins III expansion adding almost 1 million mt/y to capacity.

SABIC Internet site <http://www.sabic.com/> launched. New branding and packaging for products also unveiled.

Implementation of FANAR Business Transformation Project launched to establish a single ERP/SAP IT system across SABIC's global network.

2001 SABIC receives GCC environmental award

SABIC develops new technology for production of Linear Alpha Olefins (LAO's) with German company Linde AG.

UNITED awards contracts for its ethylene plant to consortium of Halliburton KBR, Chiyoda Corporation and Mitsubishi Corporation.

Total production capacity reaches over 35 million mt/y.

2002 SABIC acquires the petrochemicals business of Dutch group DSM. SABIC Europetrochemicals becomes part of SABIC group on 1 July, employing 2,300 people with manufacturing plants in Geleen in the Netherlands and Gelsekirchen in Germany. As a result, SABIC becomes the 11th largest petrochemicals company, 3rd in polyethylene and 6th in polypropylene.

SABIC evolves its strategic business unit management model.

SABIC's 25th anniversary takes place culminating in the opening of the new headquarters building in Riyadh by HRH Crown Prince Abdullah bin Abdulaziz Al-Saud.

2003 Integration of SABIC Europe sales offices. FANAR Phase 2 completed at Headquarters and SABIC Asia Pacific ; Prince Saud bin Thunayan Al-Saud appointed as new Chairman ; R&T center in India becomes operational ; Plans for SAFCO IV fertilizer plant announced; Major exhibitions presence at Iranplas and Chinaplas; Major exhibition support in Moscow for visit of HRH Crown Prince Abdullah's state visit to Russia ; Production reaches 42 million metric tons ; SABIC now employees over 16,000 people worldwide.

### Board of Directors

SABIC's Board of Directors consists of seven members, five of them representing the Saudi Government:

- Prince Saud bin Abdullah bin Thunayan Al-Saud (SABIC Chairman)
- Eng. Mohamed H. Al-Mady (Vice Chairman and Chief Executive Officer)
- Ahmad Al-Hakami (Deputy Minister of Planning)
- Saleh E. Al-Husseini (Deputy Minister for Industrial Affairs)
- Abdulmohsen A. AL-Fares (Ministry of Finance Representative)
- Mohammed S. Abanumay (Private sector)
- Abdullah M. Al-Issa (Private sector)

### Company Address:

#### Saudi Basic Industries Corporation

P.O.Box 5101

Riyadh 11422

Saudi Arabia

Tel. : +966 (0) 1 225 8000

Fax : +966 (0) 1 225 9000

Tlx : 401177 SABIC SJ

Website : [www.sabic.com](http://www.sabic.com)