



## **Sadara Supplies Chemicals to SADIG-ILCO Through a Long-Term Contracts in PlasChem Park**

**Jubail Industrial City, Saudi Arabia, April 07, 2021** -- Sadara Chemical Company (Sadara) and SADIG Industries and ILCO Chemicals (SADIG-ILCO), a Saudi-German joint venture focused on the manufacture of a wide range of specialty chemicals, have signed long-term agreements through which Sadara will supply feedstock chemicals to SADIG-ILCO's future chemical manufacturing facility in Jubail's PlasChem Park. This 20-year contract follows a successful primarily agreement that were signed previously between the companies.

The new agreements were signed by Sadara's CEO, Dr. Faisal Al-Faqeer, SADIG Industries' Managing Director, Eng. Ahmed Alubaid and ILCO Chemicals' Technical Executive Officer, Dr. Corvin Volkholz, during a formal ceremony at Sadara's Business Complex, in Jubail Industrial City, in the presence of Dr. Abdulrahman Alubaid, Co-Founder of SADIG Industries, and Eng. Turki Al Mady, Dussur's Chief Investments Officer (CIO).

Under the terms of the supply agreements, SADIG-ILCO's new PlasChem Park facility will offtake Ethylene Oxide (EO) and Propylene Oxide (PO) from Sadara through the new EO and PO pipelines that are being built by Sadara. Using these products as feedstock, SADIG-ILCO will manufacture a range of specialty chemicals which will further enable the production of market-ready products in several areas, including cleaners, mining floatation, metal working fluids, industrial lubricants, plastic additives and many other industrial applications.

Sadara CEO Dr. Faisal Al-Faqeer, commenting on the occasion, said: "With Sadara's differentiated products slate available in local, regional and global markets, along with associated local competitive incentives that are available as well, we are able to demonstrate to investors that the Kingdom of Saudi Arabia is definitely an attractive destination for exciting downstream manufacturing opportunities that can proudly carry the mark 'Made In Saudi'."

Al-Faqeer added: "The specialty chemicals that SADIG-ILCO will produce locally will replace imports and encourage development of new downstream specialty industries. I am pleased to see SADIG-ILCO added to the PlasChem Park tenants' lineup and to see more gains from Sadara's efforts to attract investments in local downstream industries, despite the many challenges currently being faced especially in the context of the COVID-19 pandemic. Sadara's investment in its EO and PO pipelines and its commitment toward PlasChem Park have proved to be rewarding."

SADIG Industries Managing Director Eng. Alubaid, noted: "We thank Sadara for aligning with the vision of developing downstream industries. SADIG-ILCO is part of SADIG Industries' growth strategy and will introduce new chemicals that will enable further downstream industries in the Kingdom. It will add value to the local economy and the country's export portfolio, along with creating quality job opportunities in line with Saudi Arabia's Vision 2030. The JV will have several different types of batch reactors and flexible reaction capabilities which enable the JV company to produce a wide range of products that are tailored to the customer requirements and performance needs. The EO-PO project is part of our 3rd generation project line-up with an investment of approximately USD 70 Million."

Dr. Volkholz, ILCO Chemicals' Technical Executive Officer, added, "We are bringing the technical know-how to manufacture specialty chemicals in the Kingdom and SADIG-ILCO will have an important role in diversifying the existing chemical market as well as we are providing tolling services for our customers. By combining our downstream manufacturing experience and technical expertise with Sadara's specialty chemicals value chain, we will be able to bring many new and exciting products to the Kingdom."

Eng. Turki Al Mady, Chief Investments Officer (CIO) of Dussur, said, "We are delighted to witness significant progress by our partners on hitting this crucial milestone necessary to enable further downstream investments in the Specialty Chemicals space. Moreover, supporting this agreement is in line with our mandate to contribute to Vision 2030 industrial objectives, specifically the National Industrial Development and Logistics Program (NIDL) and National Industrial Development Centre (NIDC) priorities. Dussur is excited to be part of this strategic project, which sits at the heart of the phosphorus value chain to be developed in the Kingdom."

PlasChem Park is a 12-km<sup>2</sup> industrial park in Jubail Industrial City II, dedicated to downstream chemical and conversion industries in Saudi Arabia. Developed by the Royal Commission for Jubail and Yanbu, the park is adjacent to Sadara's Chemical Complex and is uniquely positioned to enable and support downstream opportunities in many market segments, including the Chemicals Intermediates Cluster, Ethylene Oxide/Propylene Oxide (EO/PO) Cluster, Polyurethane Cluster and Polymers Cluster.

These clusters are designed to attract diversified investments into PlasChem Park for downstream applications, such as the production of oil and gas chemicals, water treatment chemicals, construction materials, auto components, animal feed, paints and coatings, as well as home and personal care products. Several local and international investors currently exist in PlasChem Park, such as Ravago Middle East, Halliburton, Baker Hughes, VEOLIA, Rufayah Chemical Company and Surfactants Detergents Company, many of whose facilities have either started operation or are currently under construction.

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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. Sadara is a multi-billion-dollar world-scale chemical complex in Jubail Industrial City II in Saudi Arabia's Eastern Province. Comprised of 26 world-scale manufacturing units, the Sadara chemical complex is the world's largest to be built in a single phase and is the only chemical company in the Middle East to use refinery liquids, such as naphtha and natural gasoline, 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.*

[www.sadara.com](http://www.sadara.com)

**About SADIG Industries**

SADIG Industries was incorporated in year 2011 with a vision to develop downstream industry in the Kingdom. Most of the commodity petrochemicals and inorganic chemicals are exported from the Kingdom and are re-imported back after value addition. SADIG Industries aims to develop these value-added downstream Industries in the Kingdom thereby bringing technology know how and generating employment with in the Kingdom. Currently, SADIG is working on multi-million-dollar project portfolio consisting of different generation of projects with primary focus on to utilize available mineral resources in the Kingdom and to develop advanced downstream industry ecosystem in the Kingdom.

[www.sadig.com.sa](http://www.sadig.com.sa)

**About ILCO Chemicals:**

Founded in 1991, ILCO Chemicals (ILCO-Chemikalien GmbH) is located in Erkelenz, Nordrhein-Westfalen, Germany. The company focus on industrial users' market segment and specialized in lubricant and cosmetic industry's customers. Apart from the distribution of fully formulated lubricant and additives, ILCO Chemicals' own

products are developed and marketed. Our product range covers esters and polymer esters, polyalkylenglycols, phosphoric acid esters, additives, anti-foams, glutamates and sarcosinates surfactants as well as fatty amines, fatty alcohols and fatty alcohol ethoxylates. Due to decades of experience we support our customers in product development and legal European and German regulations.

[www.ilco-chemie.de/en/](http://www.ilco-chemie.de/en/)

### **About Dussur**

The Saudi Arabian Industrial Investments Company ("Dussur") is a strategic industrial investment firm that aims to deliver maximum developmental impact on the Saudi Arabian economy in line with Saudi Vision 2030. Dussur executes regional and international industrial investments with world-class co-investors, creating value for its partners and shareholders. Learn more at [www.dussur.com](http://www.dussur.com).

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