



GPCA – Building on Successes

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First GPCA Supply Chain Forum, Bahrain

Who are we?

How are we structured?

Why the Supply Chain Forum?

GPCA's Fourth Annual Forum

With the region's emergence as a major global petrochemical hub, the decision made by the leadership of the Gulf Petrochemical industry to launch GPCA was both timely and vital.

- GPCA was originally conceived in 2004 by its 8 founding members, the major petrochemical producers in the Gulf:
 - Sabic, Tasnee (Saudi Arabia),
 - Equate, PIC (Kuwait),
 - QAPCO, QVC (Qatar),
 - GPIC (Bahrain),
 - Borouge (Abu Dhabi)

- On March 1st 2006, GPCA was officially launched in Dubai by its members in an official ceremony.

Since then, GPCA had built a remarkably good Image and reputation

GPCA 's mission had been recently revised taking into consideration the needs and aspiration of the industry as a major global chemicals & petrochemicals hub

- **GPCA's mission:** To advance the Chemical and Petrochemical industry in the Gulf through fostering open exchange among members and with stakeholders, developing relevant knowledge base, and supporting the industry in meeting its sustainable development objectives.
- **GPCA's Objectives:**
 - Fostering **communication** and **knowledge sharing** among members and between members and industry's stakeholders
 - Serving as the **voice of** the industry and advocating the **common industry positions**
 - Promoting **functional excellence** endorsing sustainable development practices through initiatives such as Responsible Care
 - Establishing GPCA as the main **source for** highly relevant **industry data and perspectives**
 - Developing excellent **relationships with regional communities and with fellow global industry associations**

Who are we?

At present, GPCA's main services are primarily conference organization and coordination of the working committees' events

- GPCA's Annual Forum in December is a high profile event in the global petrochemicals conferences
- GPCA functions through 5 working committees
 - HR committee
 - HSE committee
 - Supply chain committee
 - Plastics committee
 - Advocacy Committee
- We publish periodically:
 - GPCA Insight Newsletter (on a quarterly basis)
 - Gulf Petrochemicals & Chemicals Directory (on annual basis)

So far, GPCA is focusing on networking activities

GPCA's future role entails expanding the current networking activities focusing our activities & services in three key areas:

Networking

- Annual GPCA Forum
- Annual Mini-Forums for each working committees

Advocacy

- Advocacy of the common interest of the Gulf petrochemical/ chemical industry
- Industry Reputation Programs & Responsible Care

"Think-Tank"

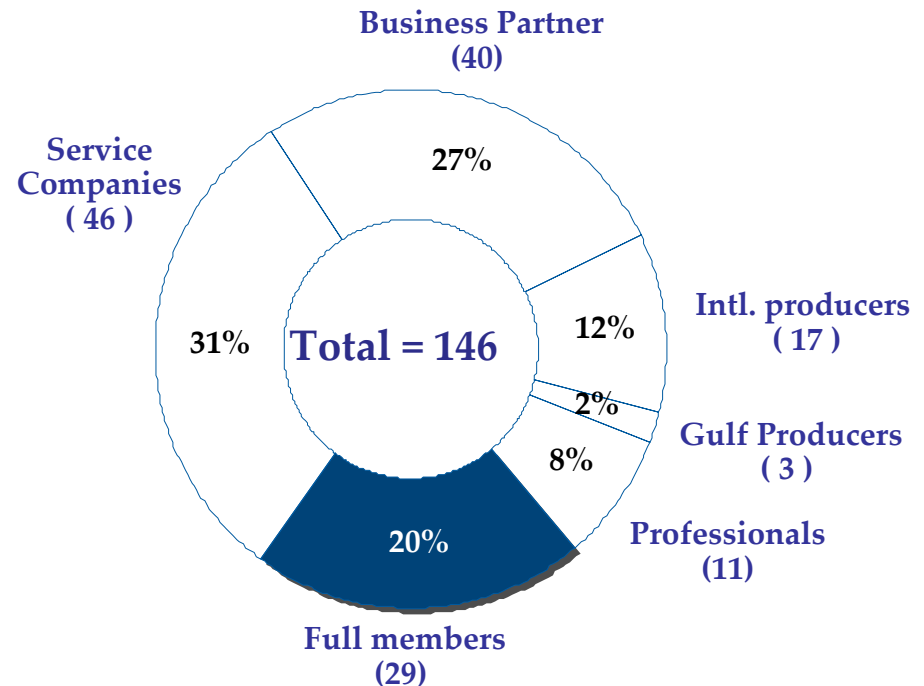
- Regularly identifying future trends / themes
- Provides relevant data, insights and perspectives on the chemical industry in the Gulf

GPCA is aspired to create compelling content that deliver powerful impact in the shortest possible time

GPCA membership currently stand at over 146 with a divers base

- ➔ **Full Members** ; Large regional producers with production capacities in the region in access of 100 KTPA
- ➔ **Associate Members** ; Wide spectrum of companies including:
 - **Service Companies** (EPC Contractors, logistic services providers,..etc.
 - **Business Partners** (e.g. consultancy firms, chemicals traders,
 - **International Producers** (global chemical companies, e.g. ExxonMobil, Total, Nova, BASF,
 - **Gulf Producers** (smaller Gulf producers e.g.
 - **Professionals**

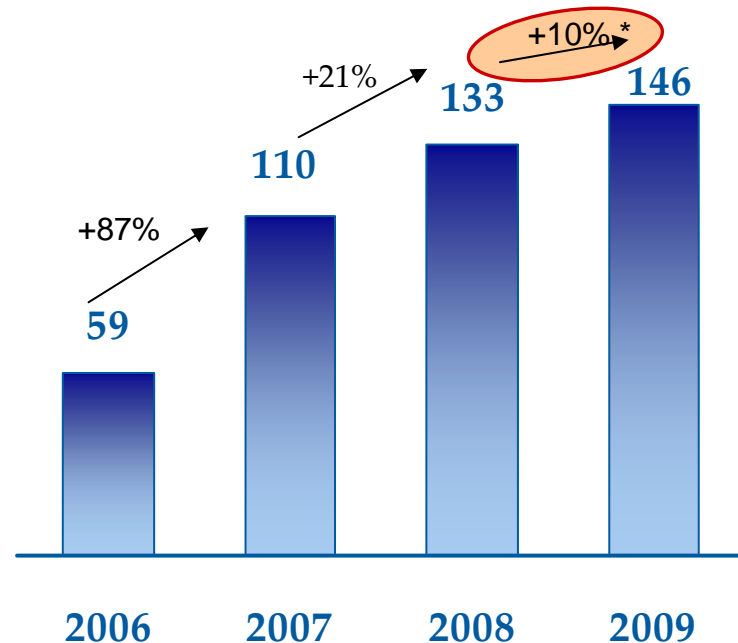
GPCA members by category (September 2009)



We made a remarkable stride in expanding our membership over the past 3 years ..

- Tripling the Members since March 2006
- Attrition rate so far: less than 2% p.a.
- Membership growth target: 10-15% p.a.
- Net growth by September 31, 2009 of 10% p.a.

GPCA members and growth (2006-to-date)



* By end September 2009

Who are we?

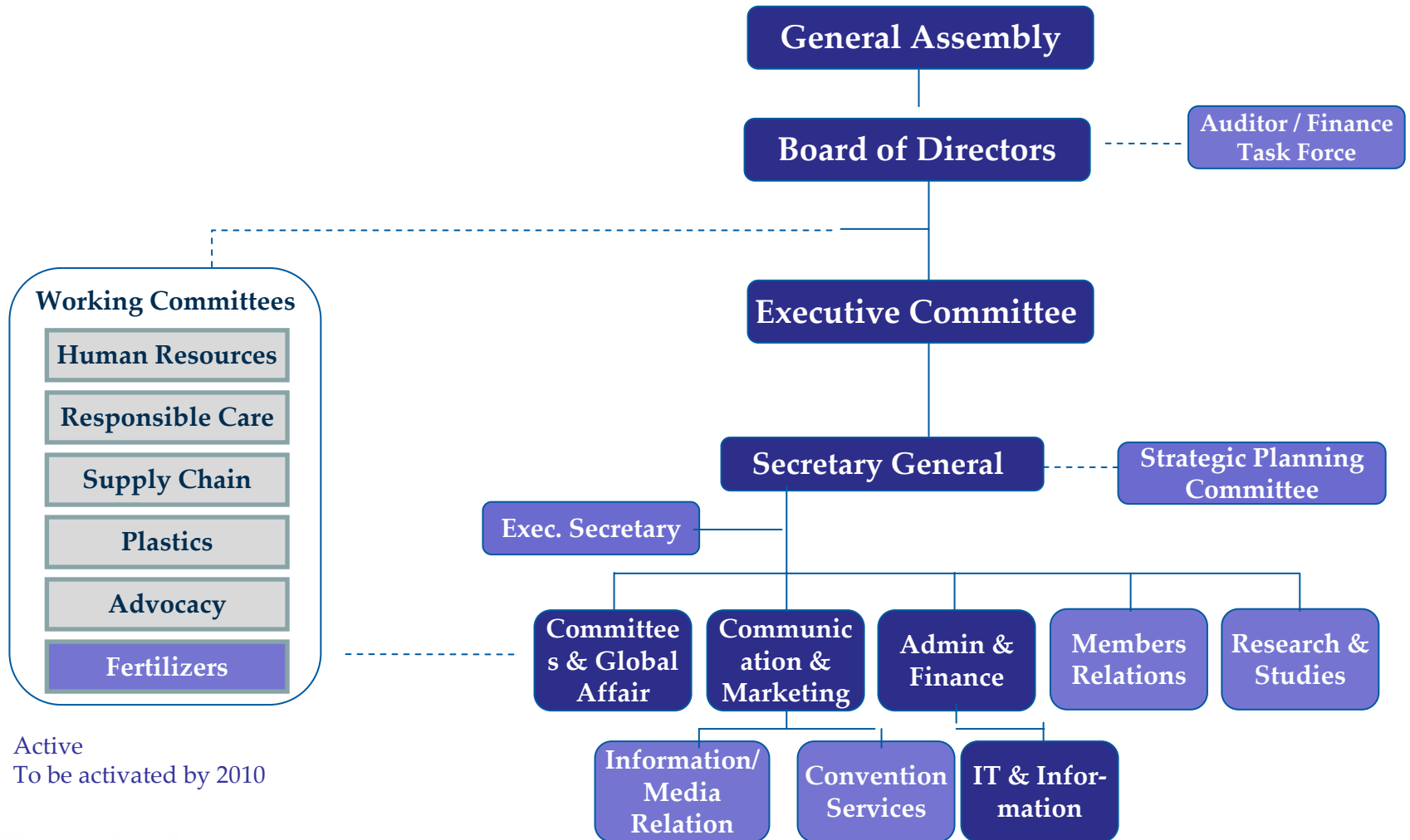
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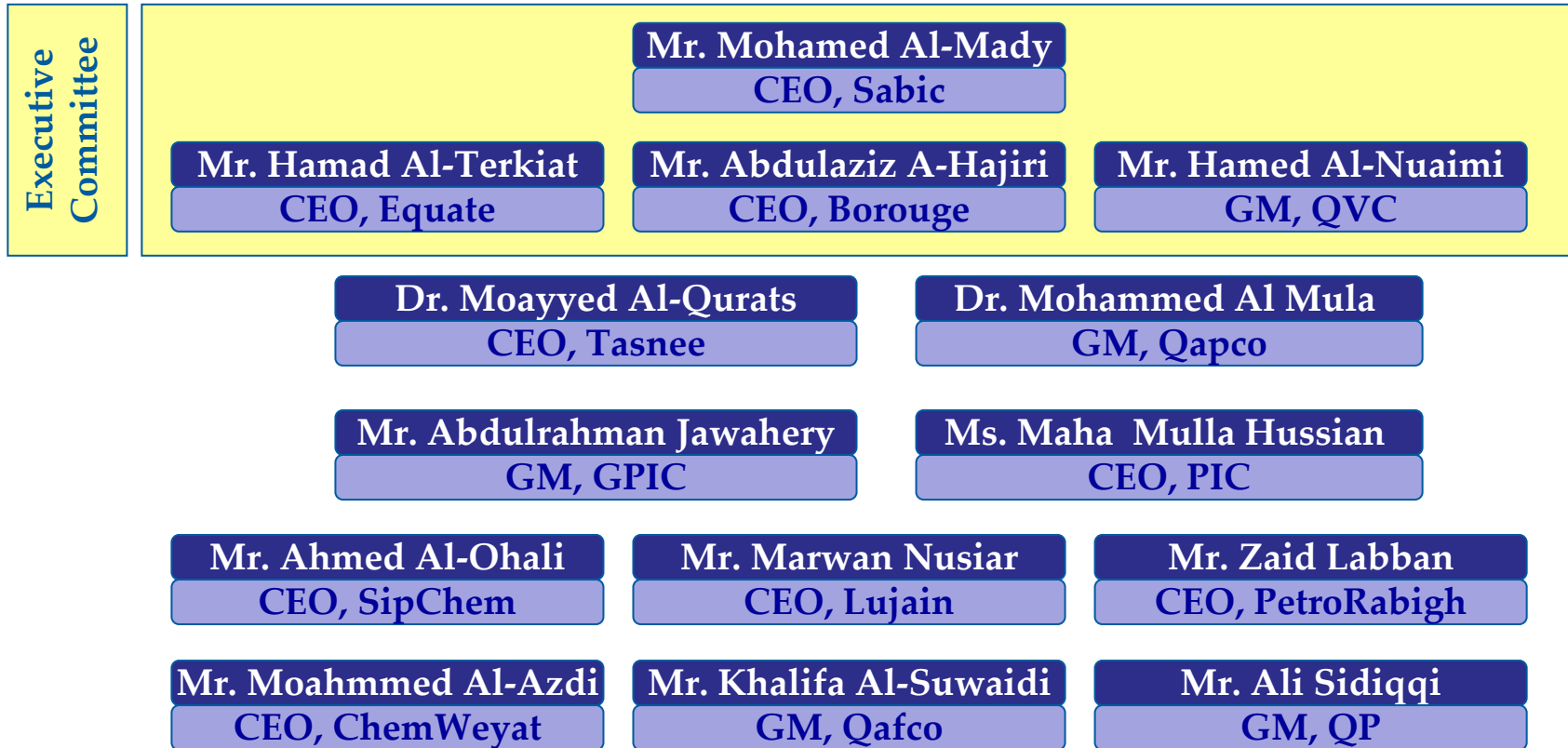
How are we structured?

We are re-organizing GPCA to have more focus on tasks with higher accountability and transparency



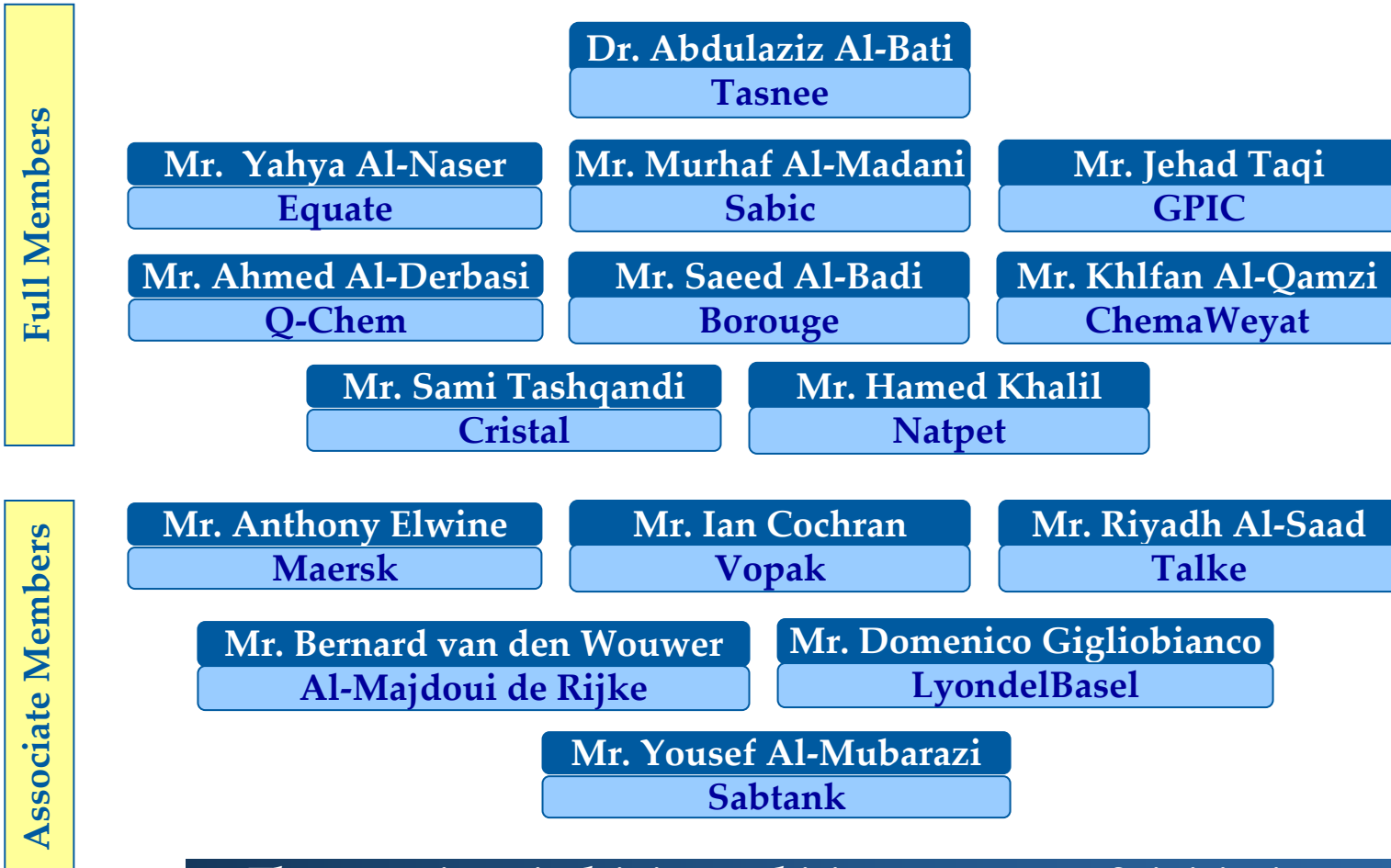
How are we structured?

GPCA's Board of Directors is composed of 14 Senior Executives representing the "Full Members Companies"



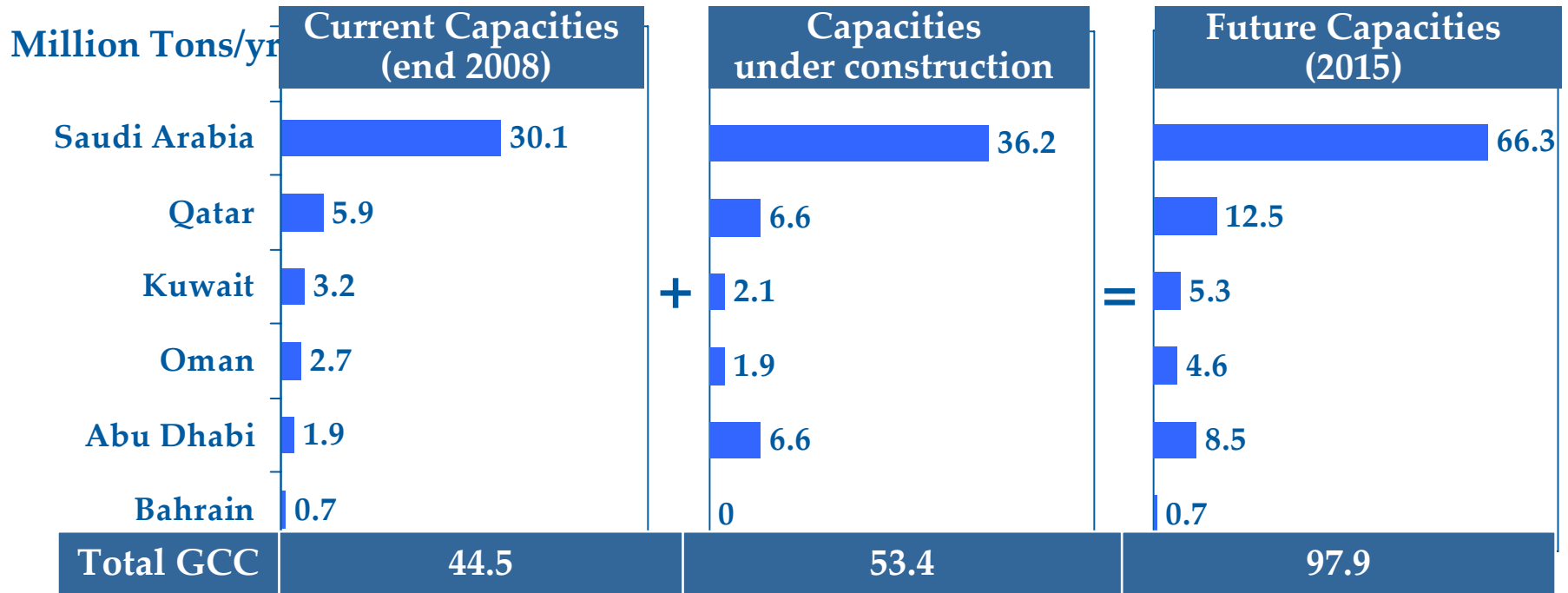
The Board & the Executive Committee provide active, visible and effective leadership for GPCA

GPCA's Supply Chain Committee is composed of 15 Senior Executives representing a mix of GPCA's "Full & Associate Members Companies"



The committee is driving ambitious programs & initiatives; e.g. GPCA's First Supply Chain Forum

Rapid petrochemicals & chemicals capacity build-up in the Gulf with 85% destined for export markets render the Logistics capabilities essential for the sustainable growth of the industry

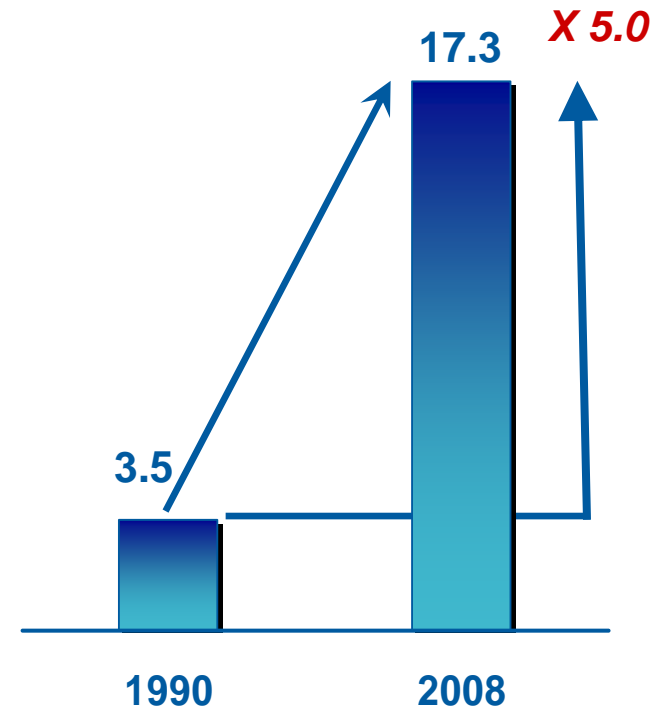


Source: McKinsey, TeconOrbichem, 2009

Rapid capacity build-up in the Gulf with > 80% of output destined for export markets makes it imperative to develop the essential logistics capabilities in the region ..

- The SCF is a platform to debate issues and challenges relevant to the industry
- Explore collaboration opportunities in value generating logistics activities
- Define joint logistics activities by GPCA members that could realize several merits:
 - Lower logistics cost
 - Obtain a strategic flexibility
 - Increase purchasing power
 - Realize economies of scale
- Identify likely opportunities in supply chain planning and shipping that have not yet been captured, e.g.
 - Joint purchasing initiative
 - Joint Distribution Company
 - Asset-light joint logistics organization
 - Joint shipping company

Net Chemicals Exports from the GCC
1990 and 2008 –
(20 major chemicals in Million Tons)*



Source: McKinsey, 2009

* The 20 chemicals include: Olefins, aromatics, polyolefins, methanol, styrene, EB, MEG, EDC, PS, PX, PTA, PVC

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GPCA's Annual Forum is the flagship in the Petrochemical Conferences, on a regional & global levels

- *The forthcoming Forum's theme : Breaking through the crisis to pursue sustainable growth*
- *Date: December 8-10, 2009*
- *Venue: InterContinental Dubai Festival City, Dubai*
- *Excellent Line of Speakers, including:*
 - H.E. Ali Al-Naimi, Minister of Petroleum and Mineral Resources, Saudi Arabia
 - H.E. Rasheed Al Meraj, Governor of the Central Bank of Bahrain
 - Mohamed H. Al-Mady, Chairman, GPCA; Vice Chairman and CEO, SABIC
 - Stephen Pryor, President, ExxonMobil Chemical
 - Brad Bourland, Chief Economist, Jadwa Investments
 - Greg Garland, President and CEO, Chevron Phillips Chemical
 - Klaus Engel, Chairman, Evonik Industries AG
 - Paul A. Laudicina, Chairman and Managing Director, A.T. Kearney
 - Mark Garrett, CEO, Borealis
 - Prof. Vijay Govindarajan, Director, Tuck School of Business at Dartmouth, USA

- **Topics/Themes to be discussed include:**
 - Outlook on Feedstocks
 - How to Sustain Success in a Downturn with a Consistent Business Strategy ?
 - Cost-Cutting as Value Creation in the Midst of an Economic Crisis
 - The Economic Crisis and Its Impact on the Mideast Chemical Industry
 - Financing Opportunities and Risks for Petrochemical and Energy Projects
 - Importance of Building a Viable Mideast Position to Pursue Sustainable Growth
 - How to Prepare to Emerge from the Downturn
 - Building a Global Presence from the Mideast



Last year Forum was attended by over 900 delegates, 50% are from the GCC region and the balance are from overseas.

Register at www.chemweek.com/gpca

Thank you !



Thank You !

www.gpca.org.ae