



UNITED ARAB EMIRATES
MINISTRY OF INDUSTRY
& ADVANCED TECHNOLOGY

Industrial Investment Opportunities

Acetic Acid Production



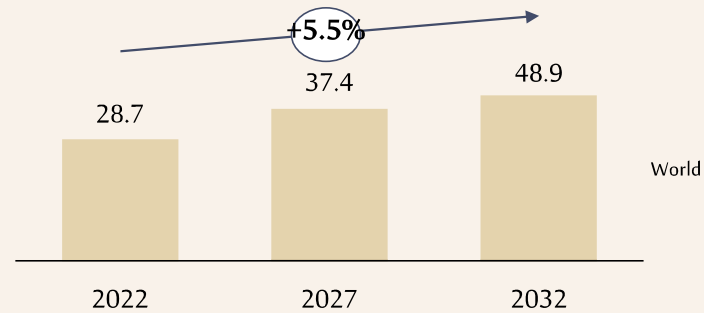
Acetic Acid Production

Acetic acid production plant involves the utilization of carbon monoxide and methanol as raw material via Cativa Process using iridium-complex catalysts to produce acetic acid with high purity and cost advantages

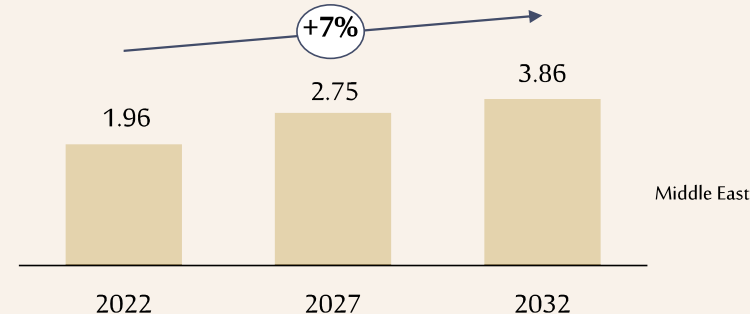
Investment case

- Setup large scale an Acetic Acid Production facility in the UAE
- Investment size = AED 1.5 Bn
- Plant capacity = 375,000T per year
- Expected IRR = 12%
- Expected NPV = AED 885 Mn

Global Market Size 2022 – 2032 (Bn AED)



Regional Market Size 2022 – 2032 (Bn AED)

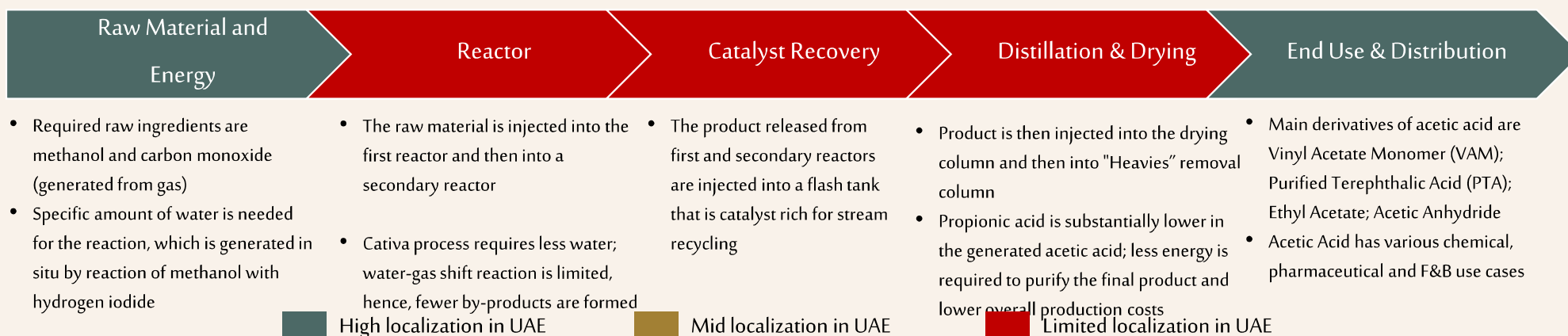


Global trends & demand drivers

- Growing range of acetic acid derivative applications such as packaging, pharmaceuticals, and textiles
- Increased and consistent development of the polyester industry in Asia is expected to drive the already-fast growing production of Purified Terephthalic acid (PTA), one of the acetic acid's downstream products
- China's economic development and urbanization and its growing middle-class have increased demand for a wide range of polymers and chemicals including acetic acid derivatives; which account for 53% of expected demand
- Continuous improvements in acetic acid production technologies have increased the popularity of methanol carbonylation, which accounts for 85% of global acetic acid capacity
- Growing range of uses of acetic acid in the pharmaceutical sector in the region is expected to drive demand for its derivatives such as acetic anhydride which is used in manufacturing vitamins, antibiotics, hormones, and other products

Acetic Acid Production

Value Chain Analysis



Value proposition

- Wide availability of needed raw material (Methanol) locally within the UAE
- Growing global demand for Acetic Acid is driven by its wide range of uses, and demonstrated decarbonization potential
- Unlocks new local manufacturing and value-add export opportunities downstream of ADNOC

Enabling Entities

- **TAZIZ:** The facility can be established near or in TAZIZ to exploit efficiencies in logistics and tap into existing production of methanol. In return reducing operational costs
- **EDB:** Competitive debt pricing will help lower WACC and in return improve Internal Rate of Return and pay back period
- **ADNOC:** ADNOC's recent partnership with Proman will be key in the supply of raw materials. A similar model can be implemented for Acetic Acid production