



UNITED ARAB EMIRATES  
MINISTRY OF INDUSTRY  
& ADVANCED TECHNOLOGY

# Industrial Investment Opportunities

A close-up photograph of a stack of blue polyurethane pipes. The pipes are arranged in a grid-like pattern, showing their circular cross-sections. The lighting is bright, highlighting the smooth texture and vibrant blue color of the material. A semi-transparent dark blue horizontal band is overlaid across the center of the image, containing the word "Polyurethane" in white, sans-serif font.

**Polyurethane**

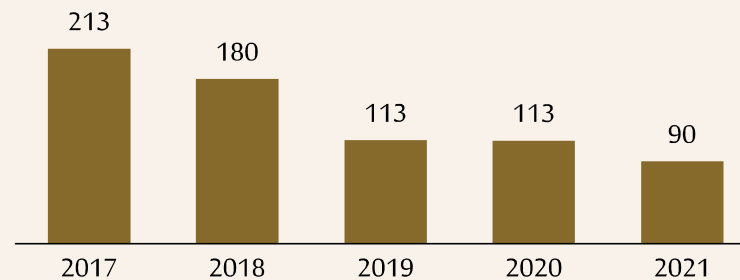
## Polyurethane

Polyurethanes are synthetic resins in which the polymer units are linked by urethane groups and are used as constituents of paints, varnishes, adhesives, and foams

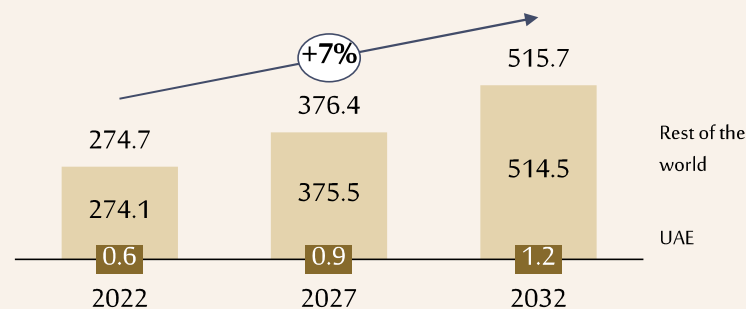
### Investment case

- Setup a small-scale polyurethane systems manufacturing plant
- Investment size = AED 5.5 Mn
- Plant capacity = 100 KT per year
- Expected IRR = 16%
- Expected NPV = AED 4 Mn

### Imports to UAE 2017 – 2021 (Mn AED)



### Global and UAE market size 2022 – 2032 (Bn AED)

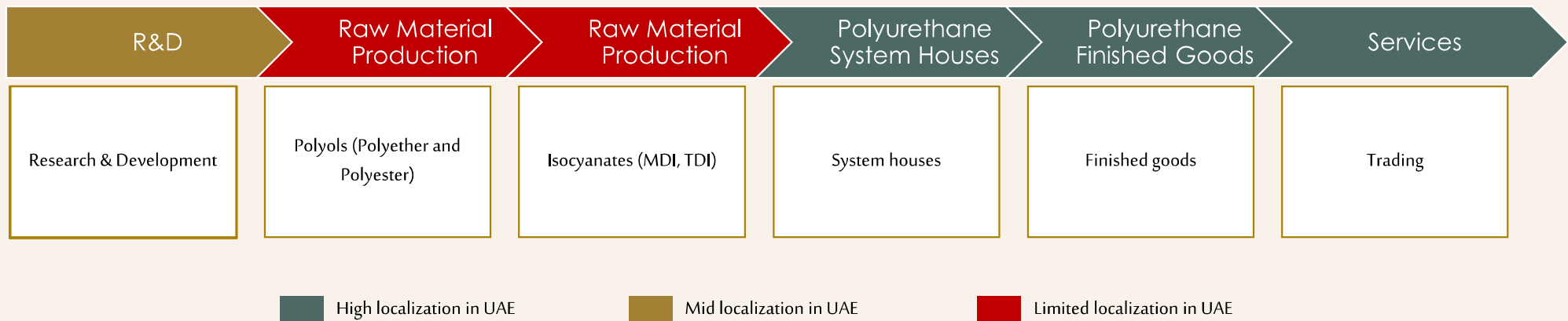


### Global trends & demand drivers

- Sustainability in building developments becoming key to environment sustainability will drive growth of polyurethane
- The rising demand from the automotive and packaging sectors will also lead to more use of polyurethane
- Increase in infrastructure projects and residential expansions
- Growing emphasis on energy efficient applications (e.g., buildings, vehicles, appliances) is raising demand for Polyurethane uses due to its strength-to-weight ratio
- Polyurethane is suitable for several industries due to its ability to get molded in different forms and have various characteristics

# Polyurethane

## Value chain analysis



## Value proposition

- PU is a natural avenue for ADNOC's planned expansion into Polyols and supports Ta'aziz expansion
- Strong export potential to growing Asia and Africa markets
- UAE ranked 16<sup>th</sup> globally in Ease of Doing Business (WB)
- UAE ranked #10 globally for world class infrastructure in (LPI)
- Strong logistics infrastructure – UAE has busiest port in MENA
- High quality of life attractive for skilled talent
- 100% foreign business ownership and low VAT (5%)

## Enablers

- Up to 80% project financing by Emirates Development Bank
- 2-year grace periods and low interest-rate loans for CAPEX, working capital, and supply chain financing
- Export credit and insurance via Etihad Credit Insurance and AD Exports
- Access to Free Trade Agreements with high-growth markets such as GCC, Arab countries, India, Israel, Indonesia, and others
- Customs exemptions for raw materials