

Mr. Sanjay Moolji

Global Product Manager
Tricon Energy Ltd.
USA



- ❖ Mr. Sanjay has more than 25 years of Sales and Marketing experience in a spectrum of industries ranging from Polymers, Industrial Chemicals, Consumer Durables, Pharmaceuticals and Bulk Drugs.
- ❖ Prior to his current assignment, he was the General Manager for Exports of Reliance Industries Limited for Polymer Sector.
- ❖ An Economics Graduate from the Calcutta University in India, Sanjay has also done Post graduation in International trade. He is widely traveled and has participated in various international forums.



Global Polymer Business – Trends & Market Dynamics



IOCL Conclave - 2013



Contents



- World Polymer Business
- Polymers – Trade balance & Global Markets
- Challenges & Uncertainties
- About Tricon Energy

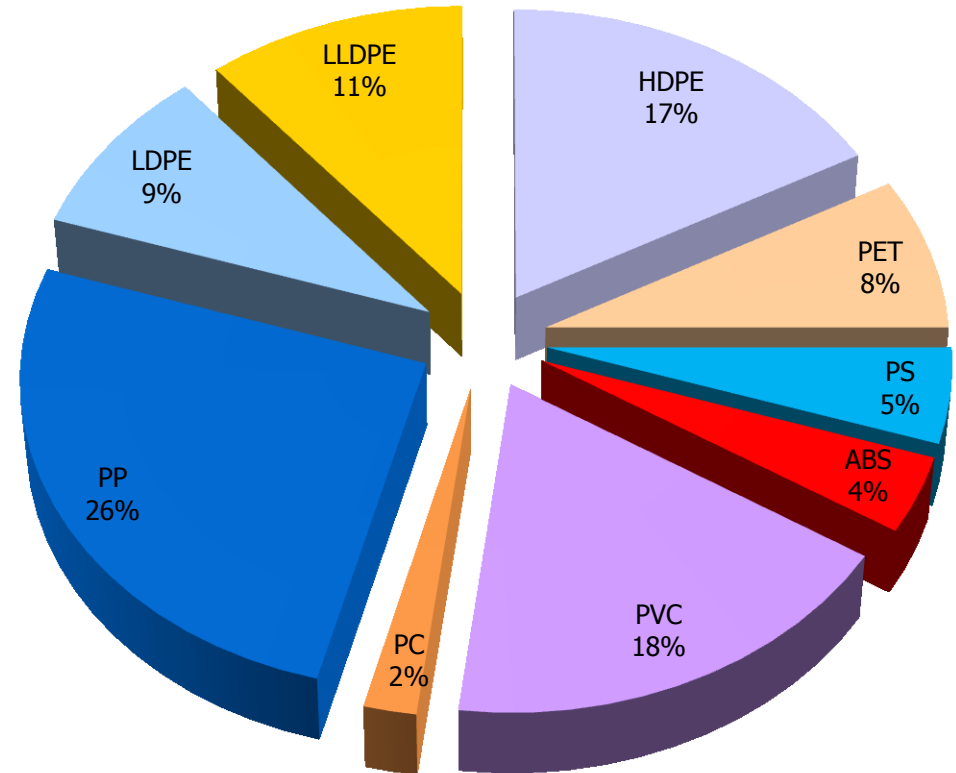


Polymer Business – Global Overview

Global Polymer Market



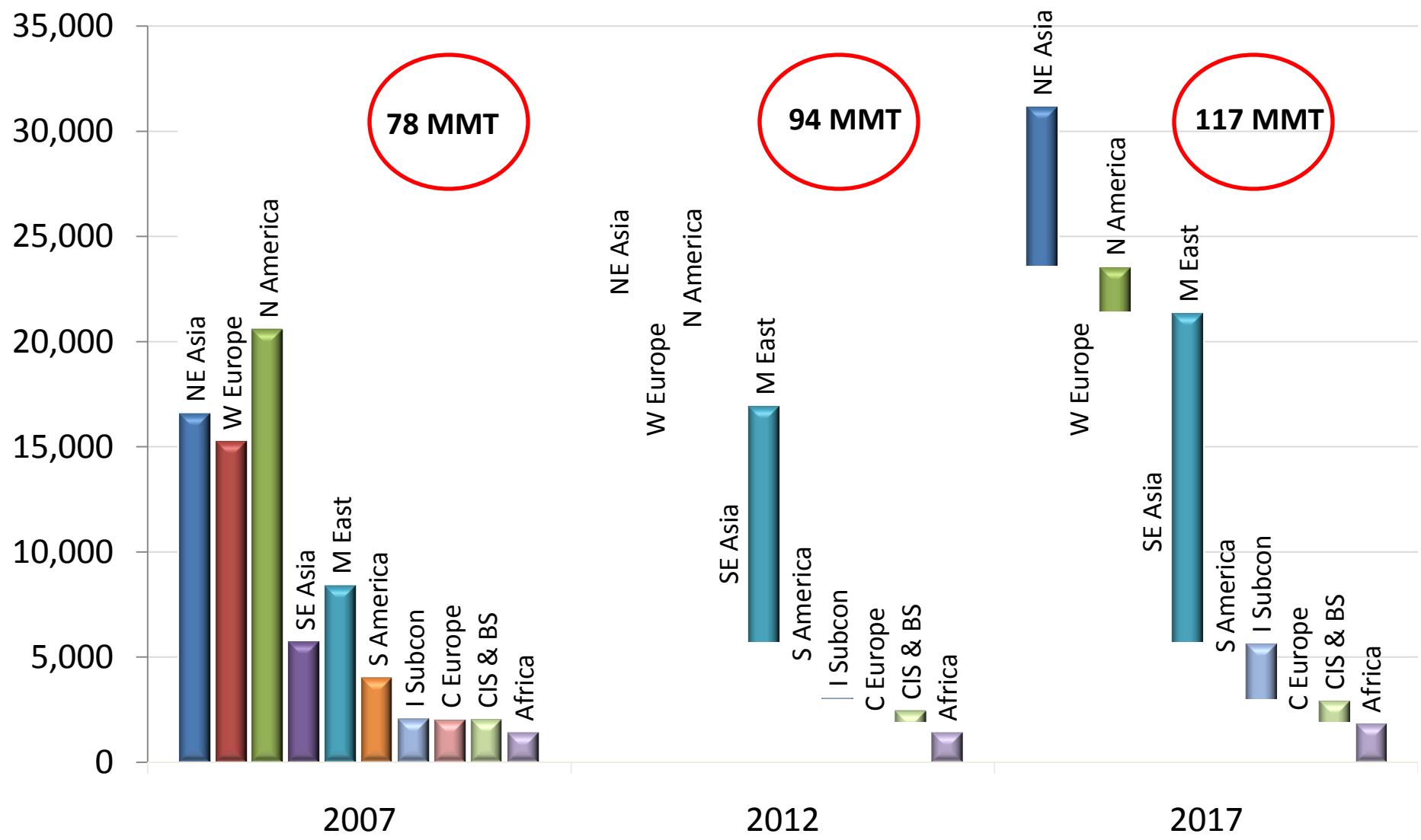
Polymer Market → 205 MMT



- Polyethylene Market: 75.9 MMT
- Polypropylene Market: 53.3 MMT
- PVC Market: 36.9 MMT



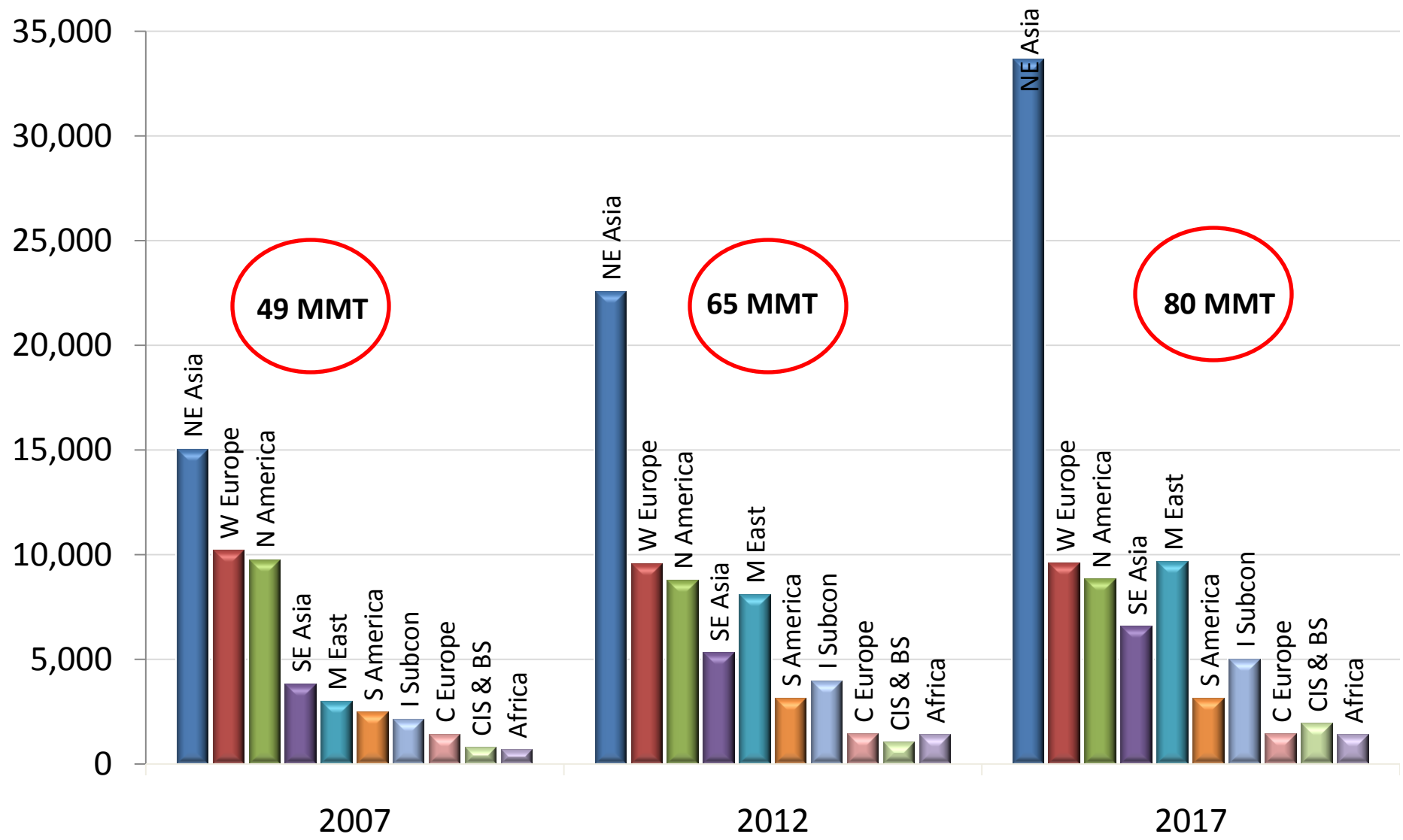
PE Capacity



NE Asia --> 25% of global PE capacities by 2017



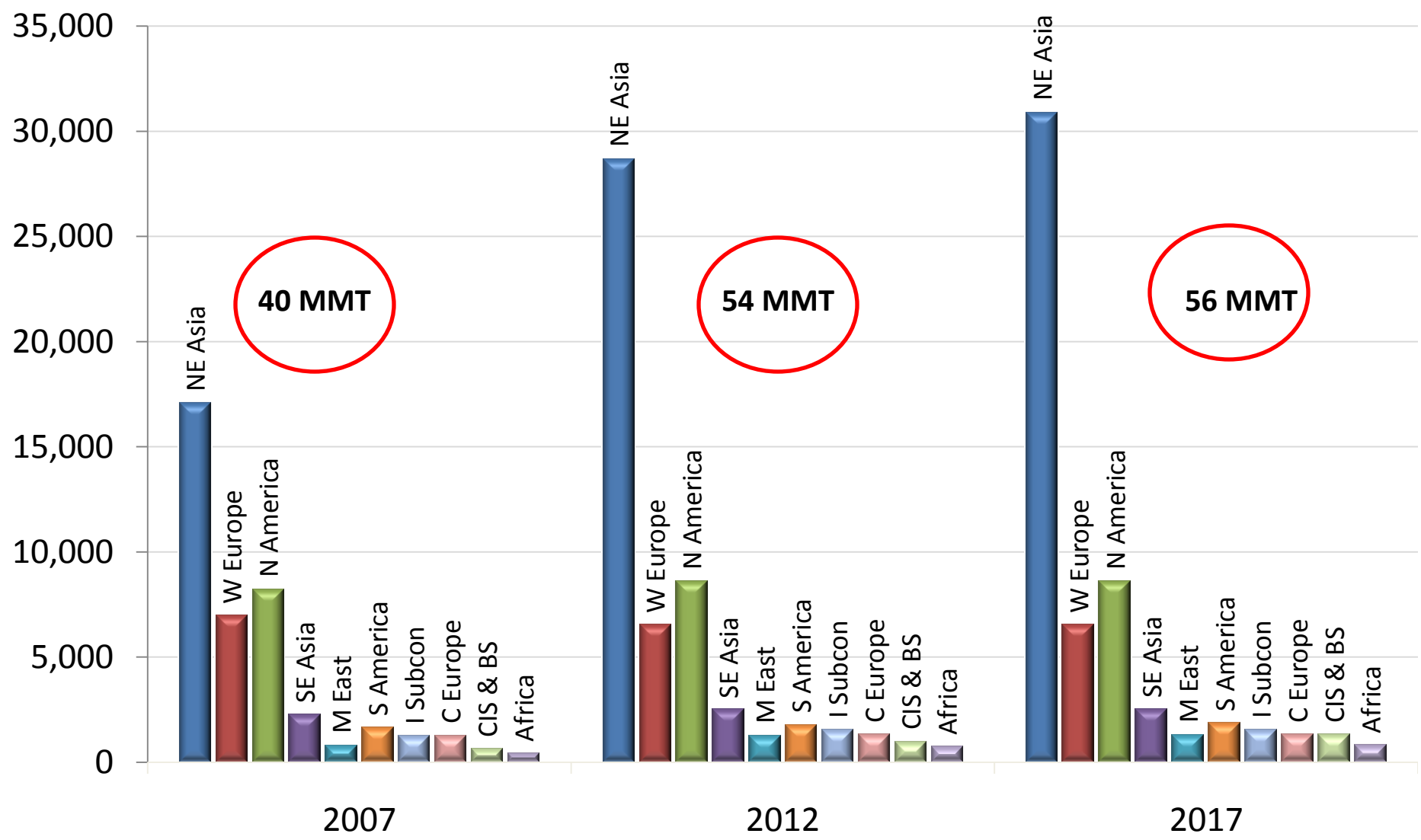
PP Capacity



NE Asia --> 41% of global PP capacities by 2017



PVC Capacity

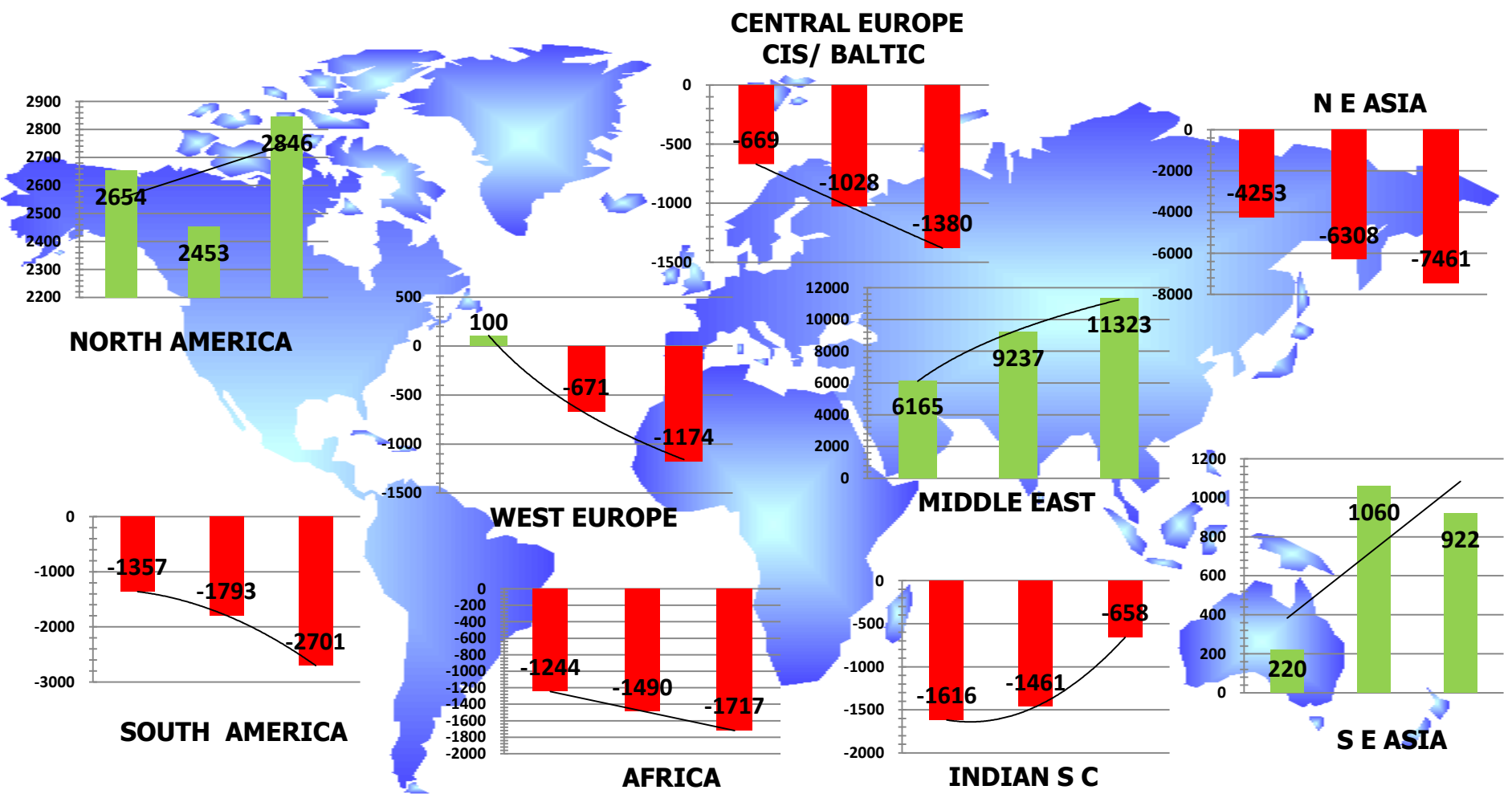


NE Asia --> 54% of global PVC capacities by 2017



Polymer Trade Balance

PE Trade Balance 2010-2016

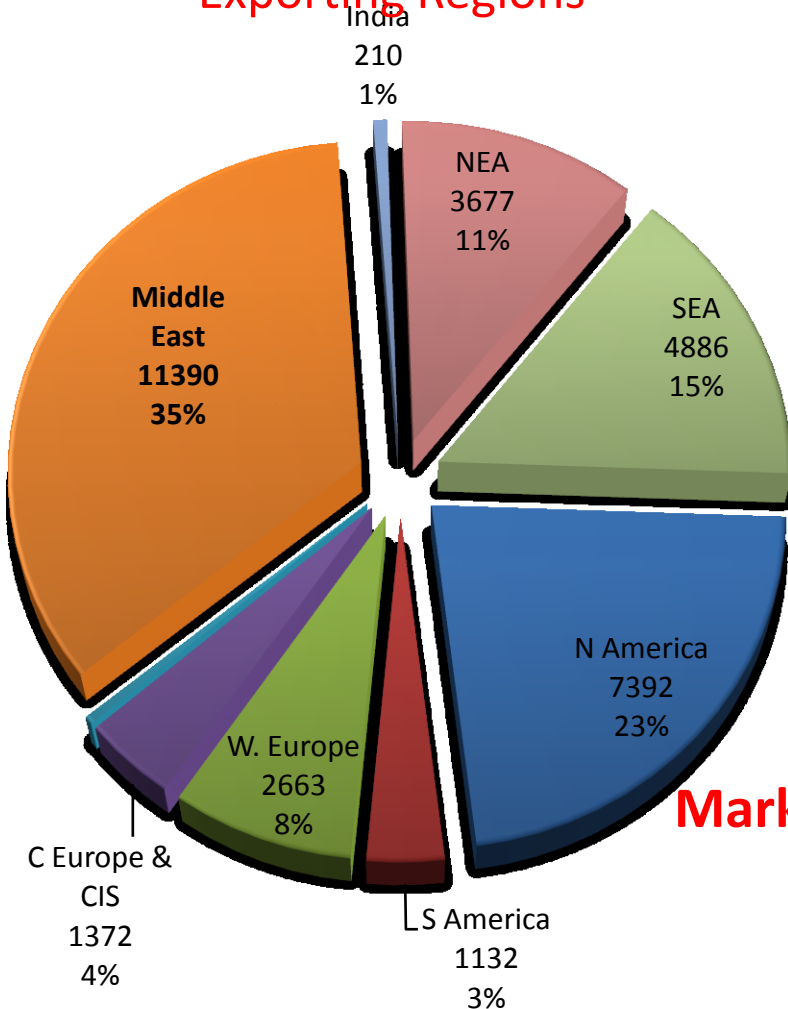


ME, N America, and SE Asia will continue to dominate the export markets

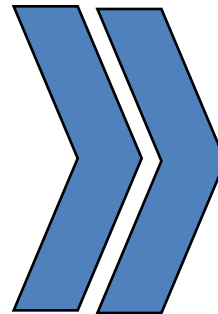
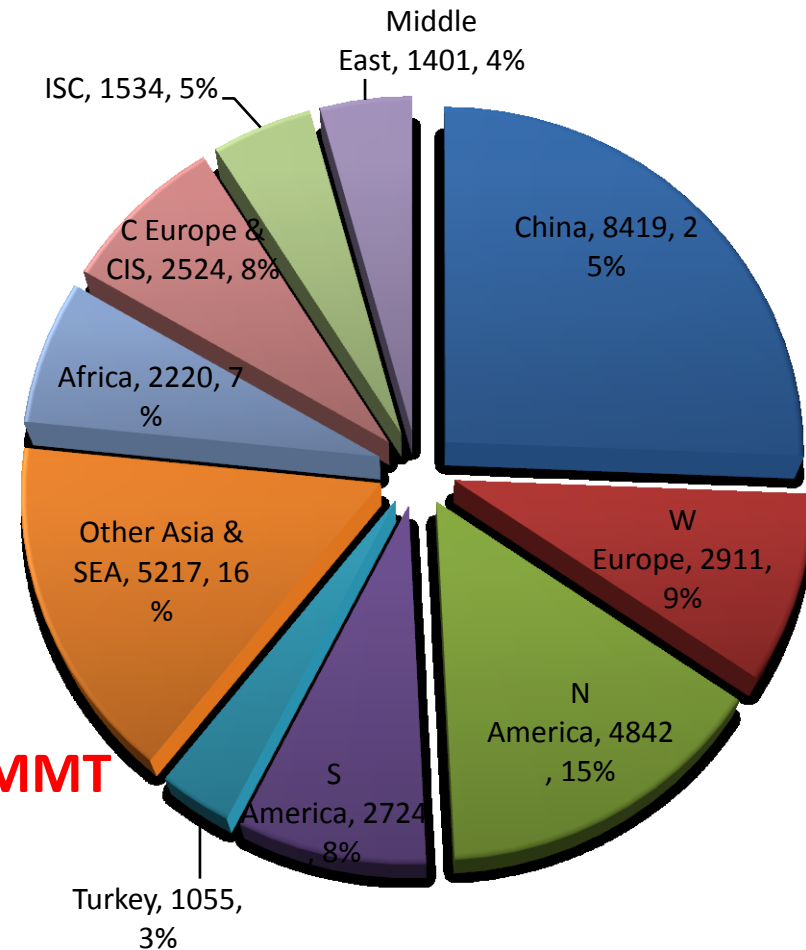


PE International Markets - 2012

Exporting Regions



Importing Regions

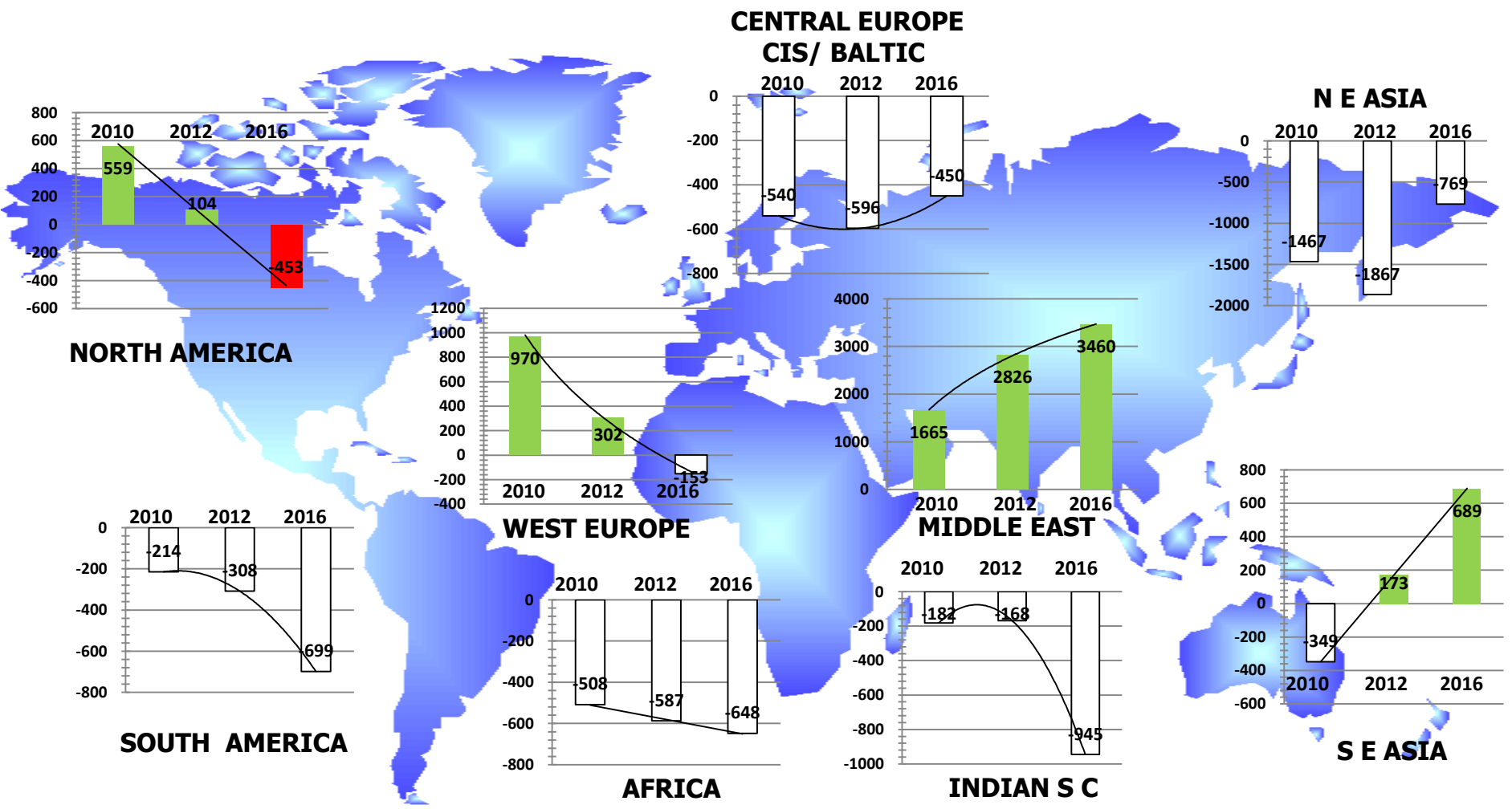


Market of 32.5 MMT

ME the largest exporter for PE → 35 %



PP Trade Balance 2010-2016

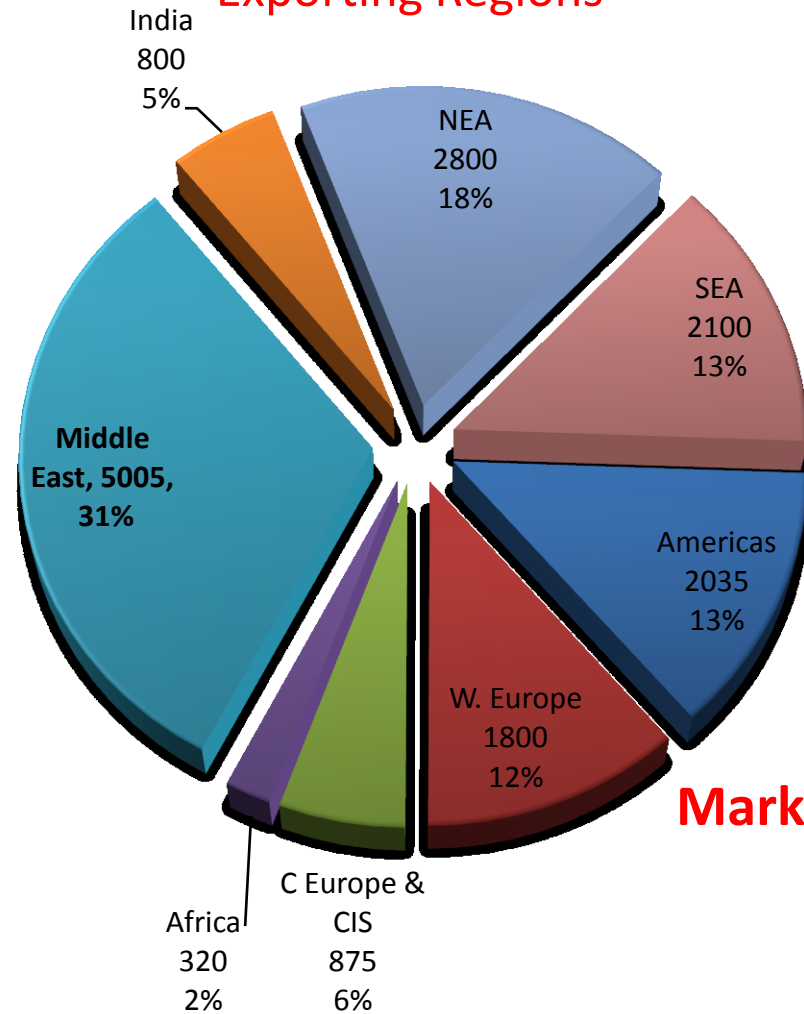


Changing Global Dynamics

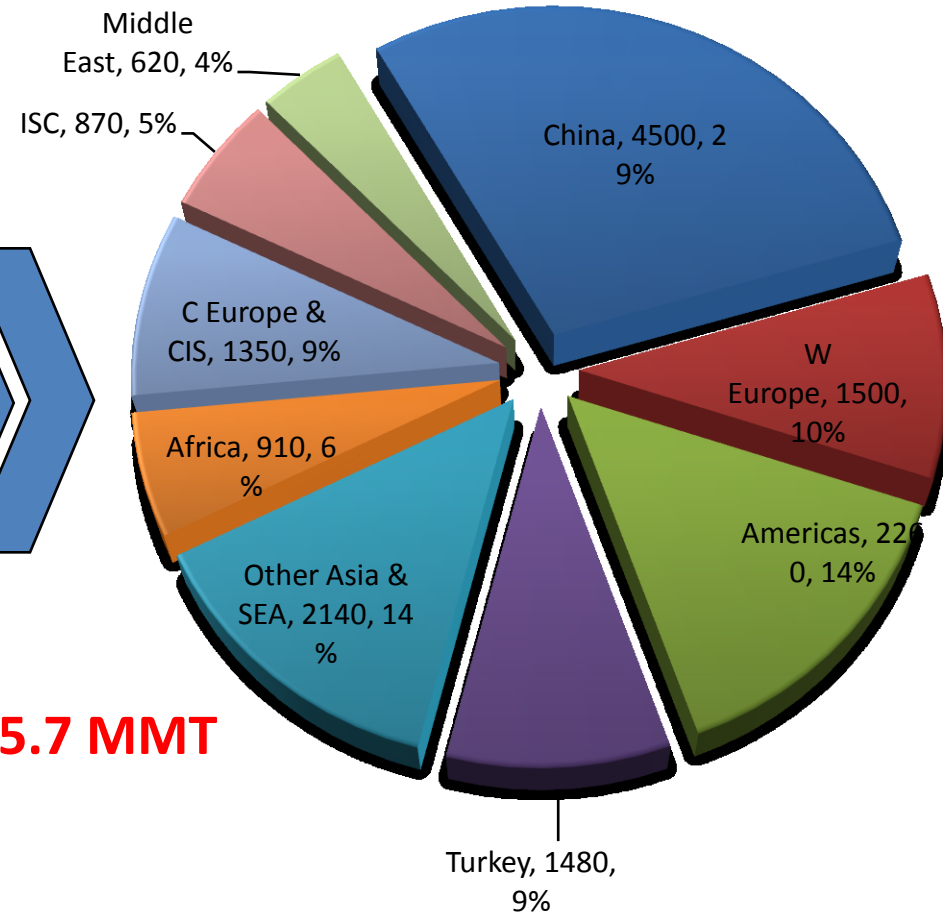


PP International Markets - 2012

Exporting Regions



Importing Regions

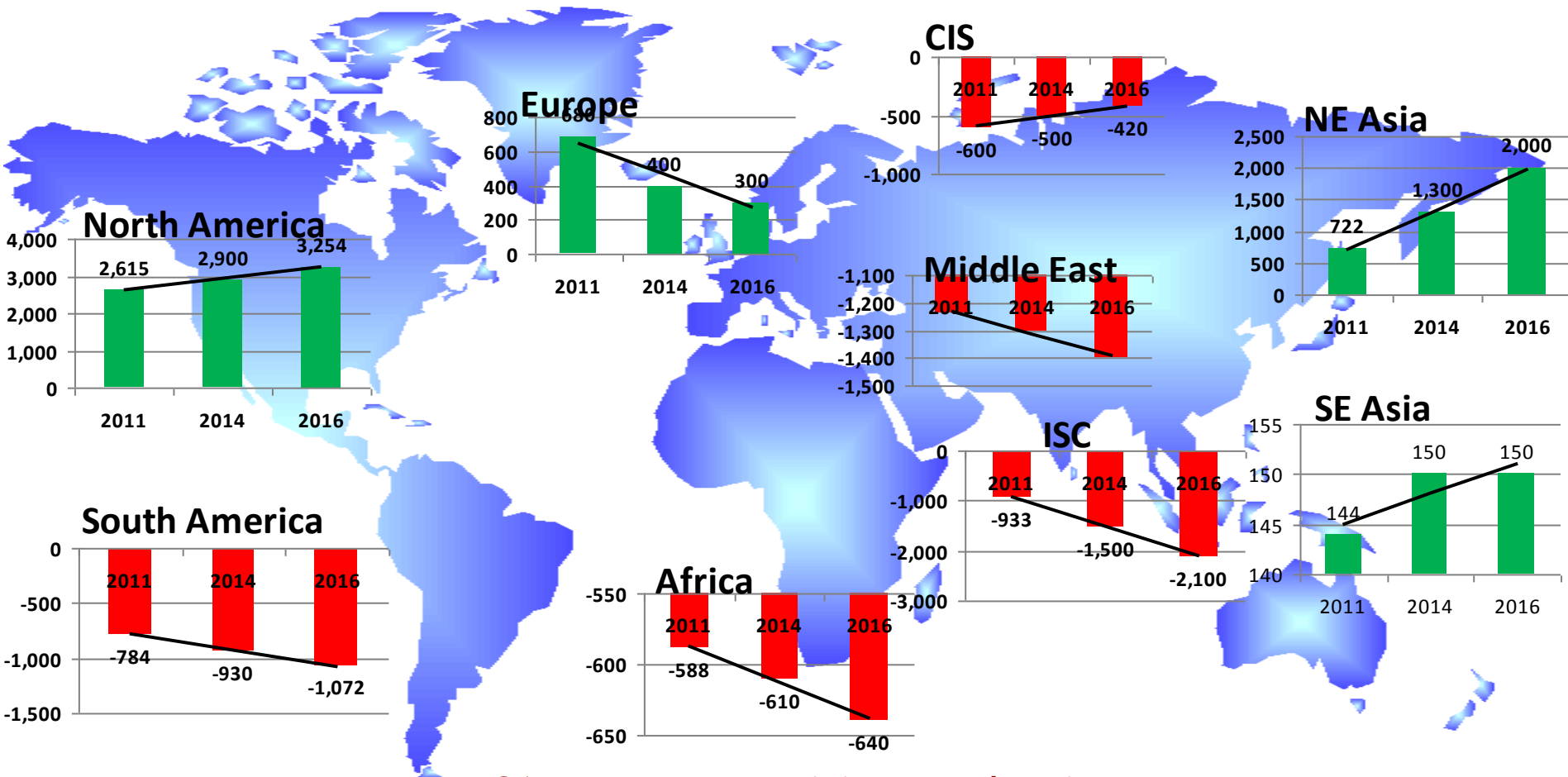


Market of 15.7 MMT

ME the largest exporter for PP → 31 %



PVC :Trade Balance 2011-2016



USA most competitive production

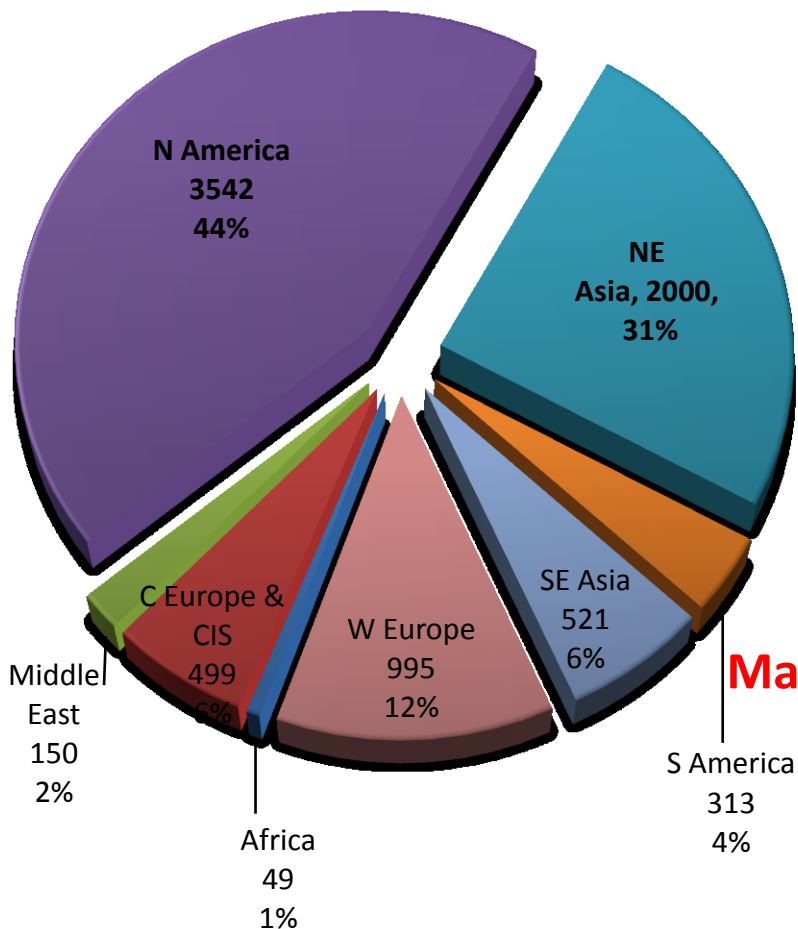
China fastest growing export region; but not regular

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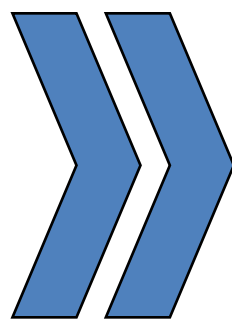
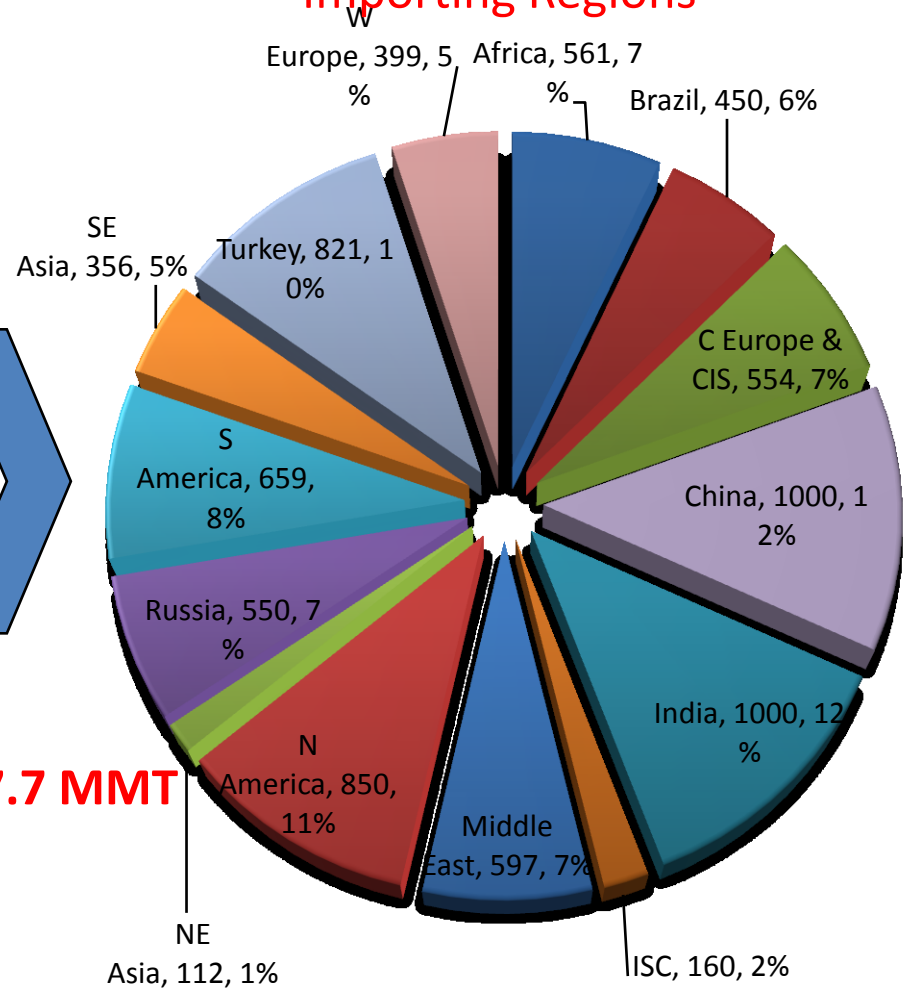


PVC International Markets - 2012

Exporting Regions



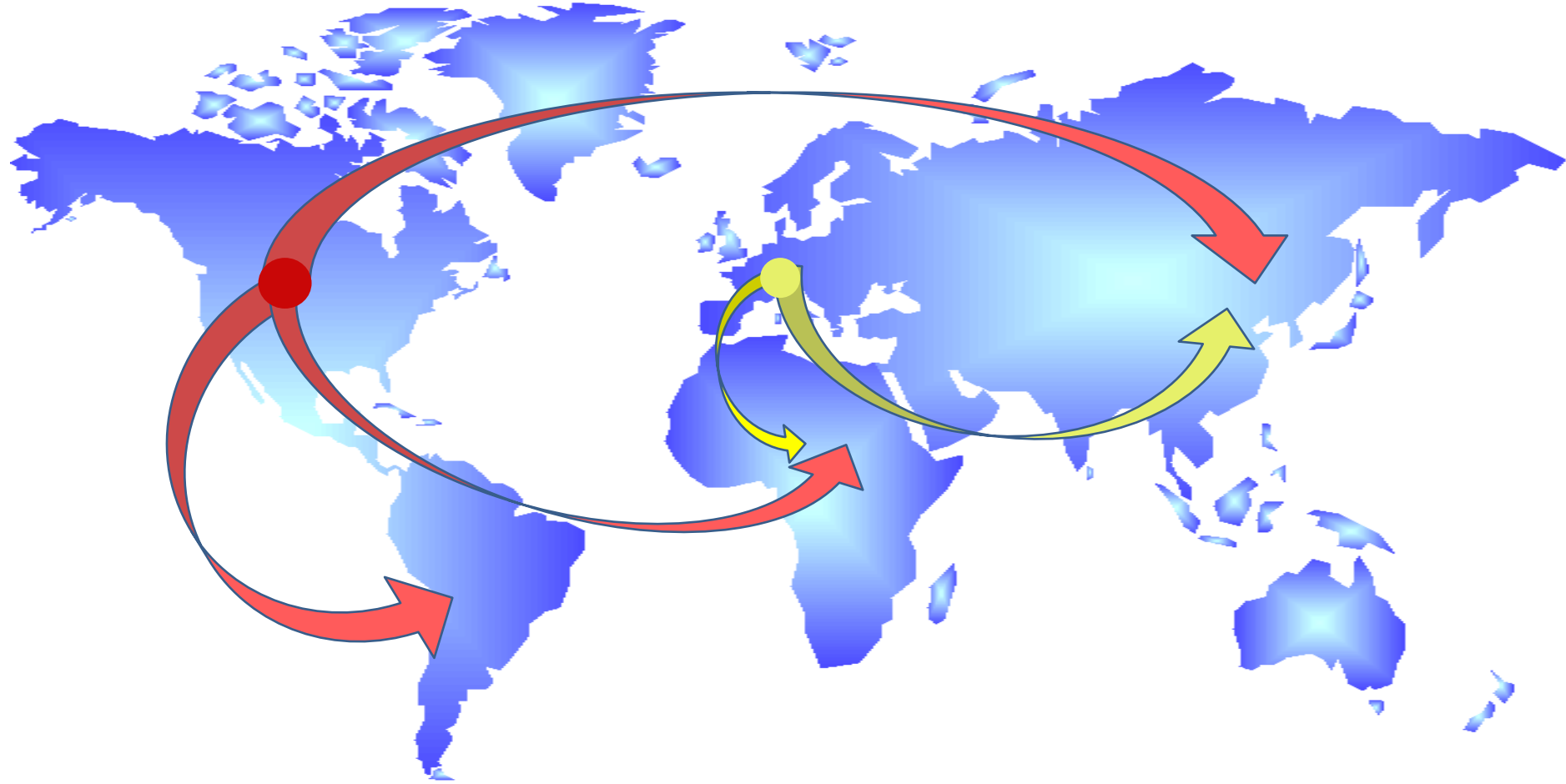
Importing Regions



Market of 7.7 MMT

N. America is the largest exporter for PVC → 44 %

Trade Flow – Past



Western World Feeding the Global Markets...



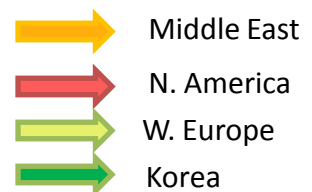
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Trade Flow – Current



Middle East the supplier to the world...Polyolefins
North America the ME of PVC

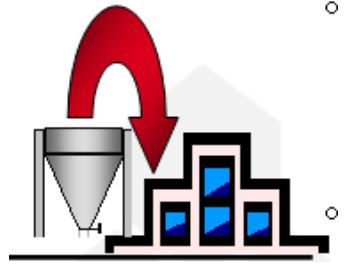
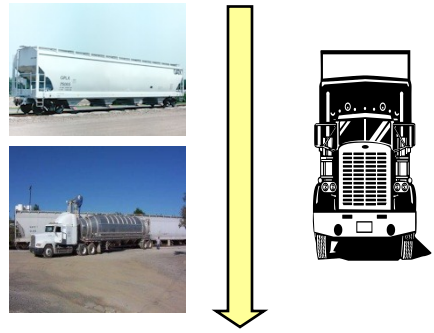
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Logistics & Supply Chain



Polymer
Manufacturer



Polymer
Processor



Polymer Markets: Evolution



- Production has shifted from High consumption Areas to Low Cost Feedstock Areas
- Consumption Growth has shifted from Developed Areas to Low Labor Cost Areas
- Trade flow patterns have changed
- Size of Plants have changed to Mega projects → huge production volumes
- Logistics & supply chain have become more complex

A New World Order.....



Challenges & Uncertainties

Global Economic Environment



BEAR
STEARNS



Washington
Mutual

LEHMAN BROTHERS

AIG

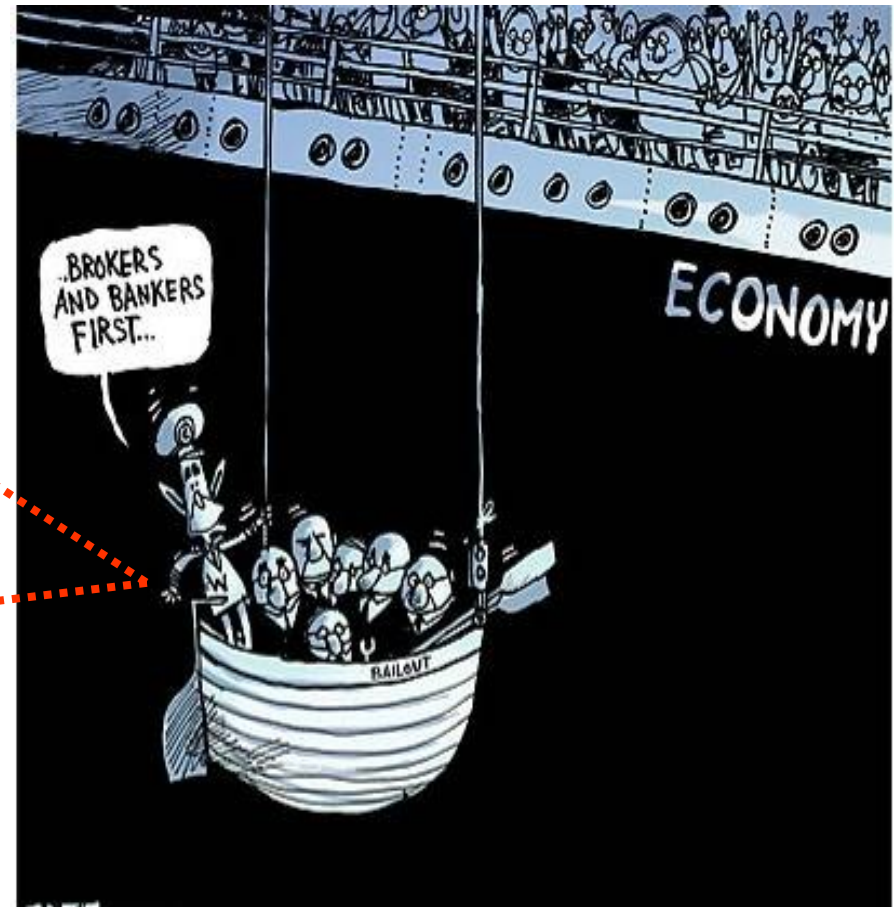
northern
rock

FannieMae

Freddie
Mac
We make home possible™

citi

Citi never sleeps™

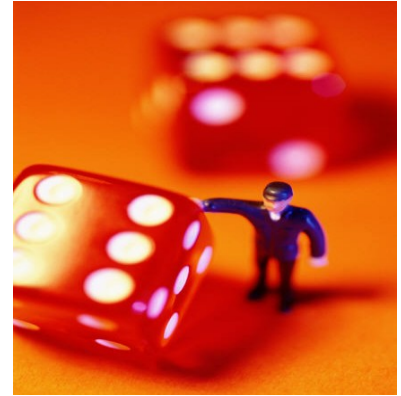


Recession in developed economies → collateral damage across globe

Managing Payment Risks

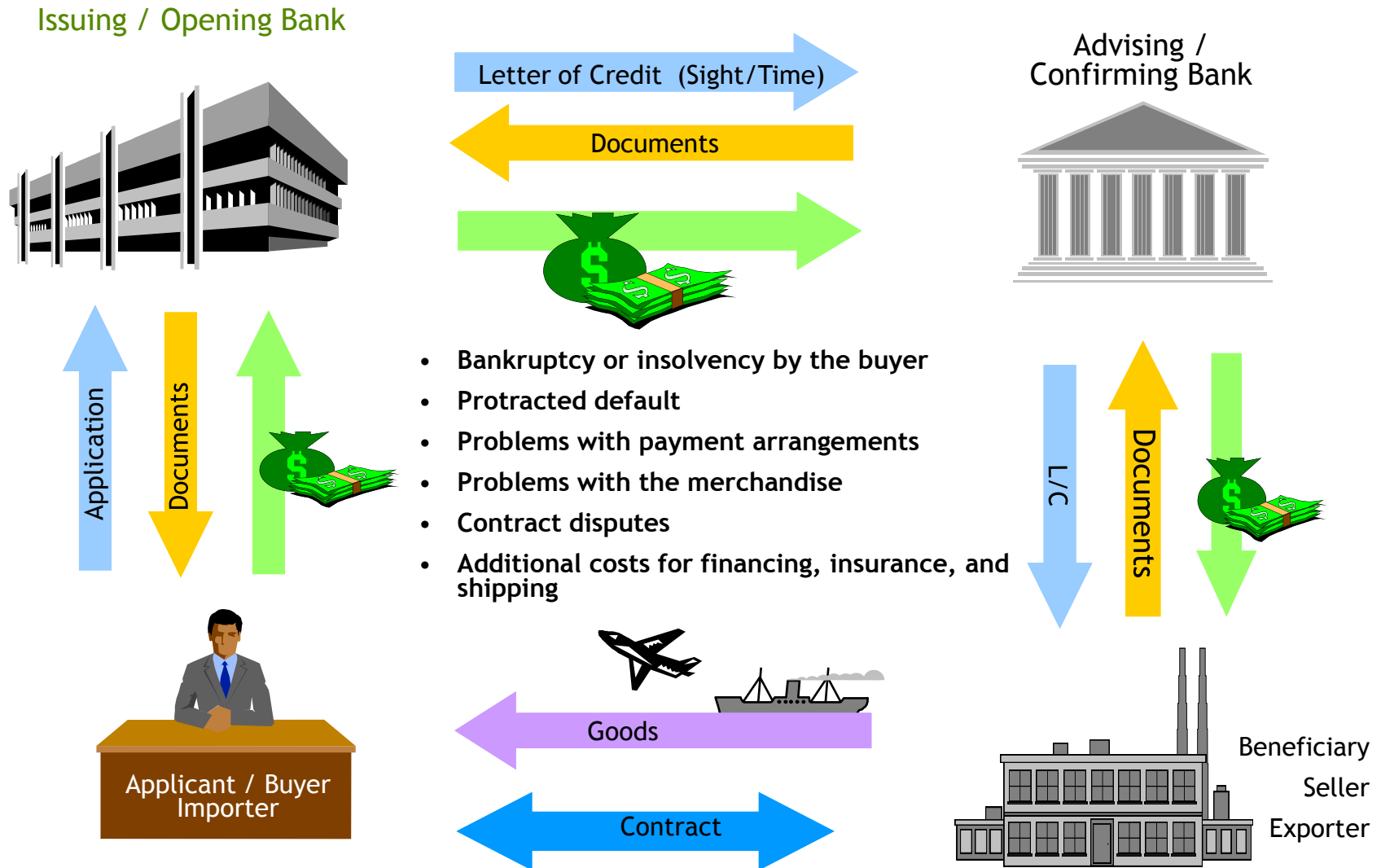


- Can your business afford the loss if it is not paid?
- Will extending credit and the possibility of waiting several months for payment still make the sale profitable?
- Can the sale be made only by extending credit? - How long have the buyers been operating, and what is their credit history?
- Are there reasonable alternatives for collecting if the buyer does not pay?
- If shipment is made but not accepted, can alternative buyers be found?





Movement of documents, goods & payments

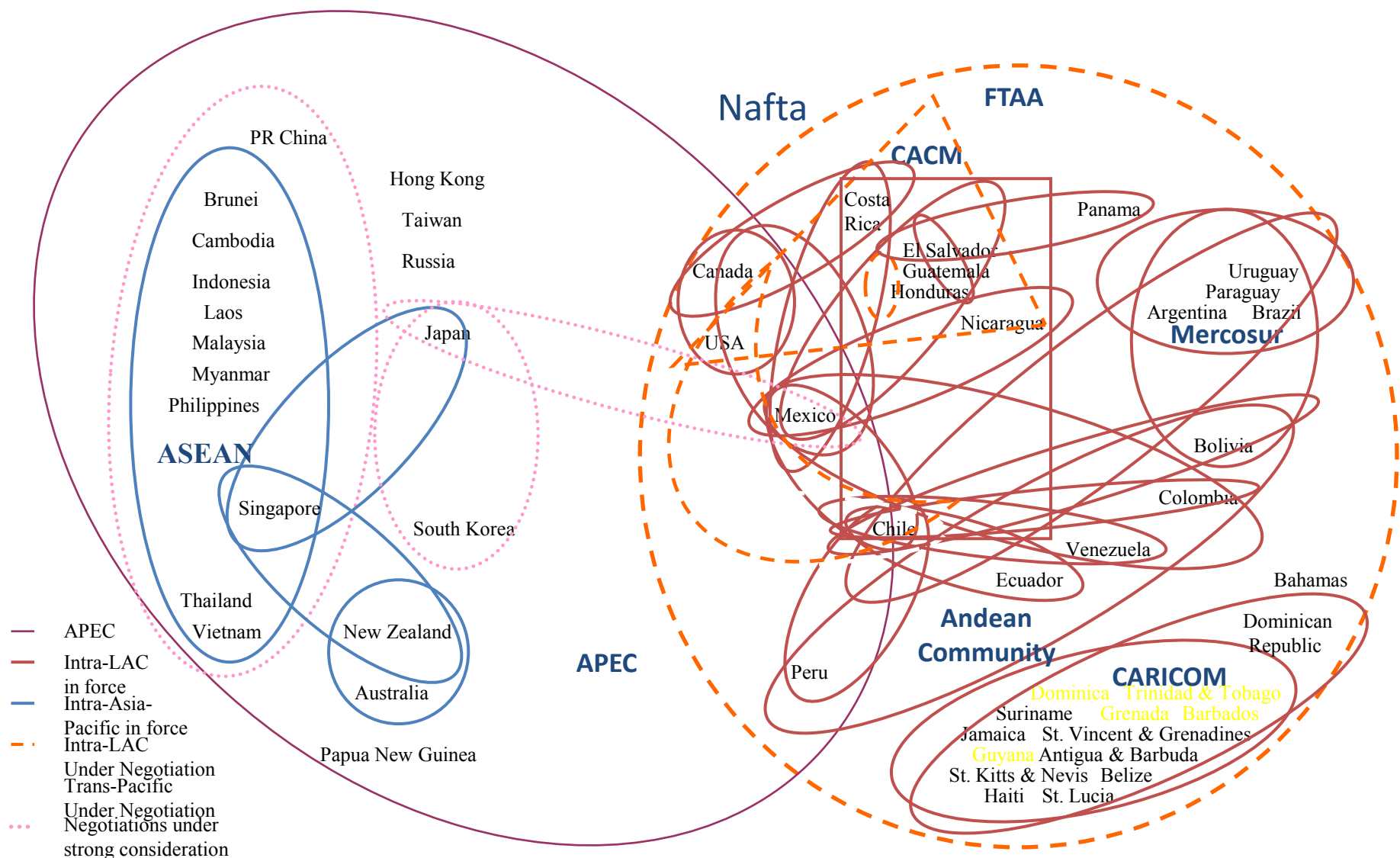


Many risks to be contained

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Trade Agreementsa barrier



Where Does the world Sell.....?

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Pricing.....a game of wits



Price Negotiations in the Olefins Business...

A Gentlemen's Game...



- Market has fewer buyers & sellers.
- Transactions are more “Transparent”
- Better “margin retention” capability long term

Price Negotiations in the Polyolefins Business...

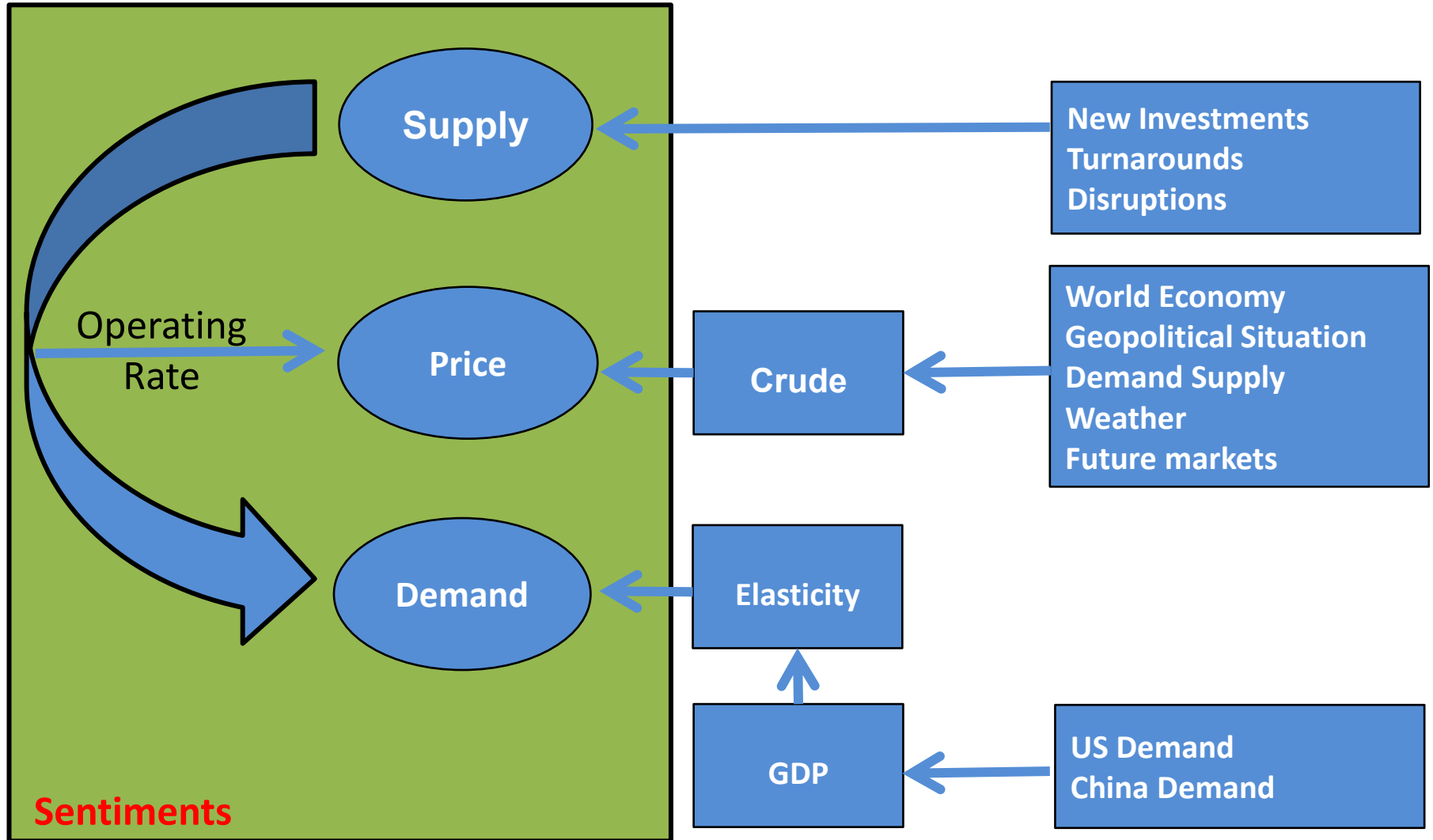


A Gang Fight...

- Hundreds of seller, thousands of transactions.
- Salesman need to “ask the right questions” – but they still may not get the right answers.
- Prices are not always transparent.
- Polymer margins can go negative in a soft market.

Polymer market is a challenging environment!!

Petrochemical Industry Dynamics



Crude Price and operating rates fundamental for Price

Challenges : Global



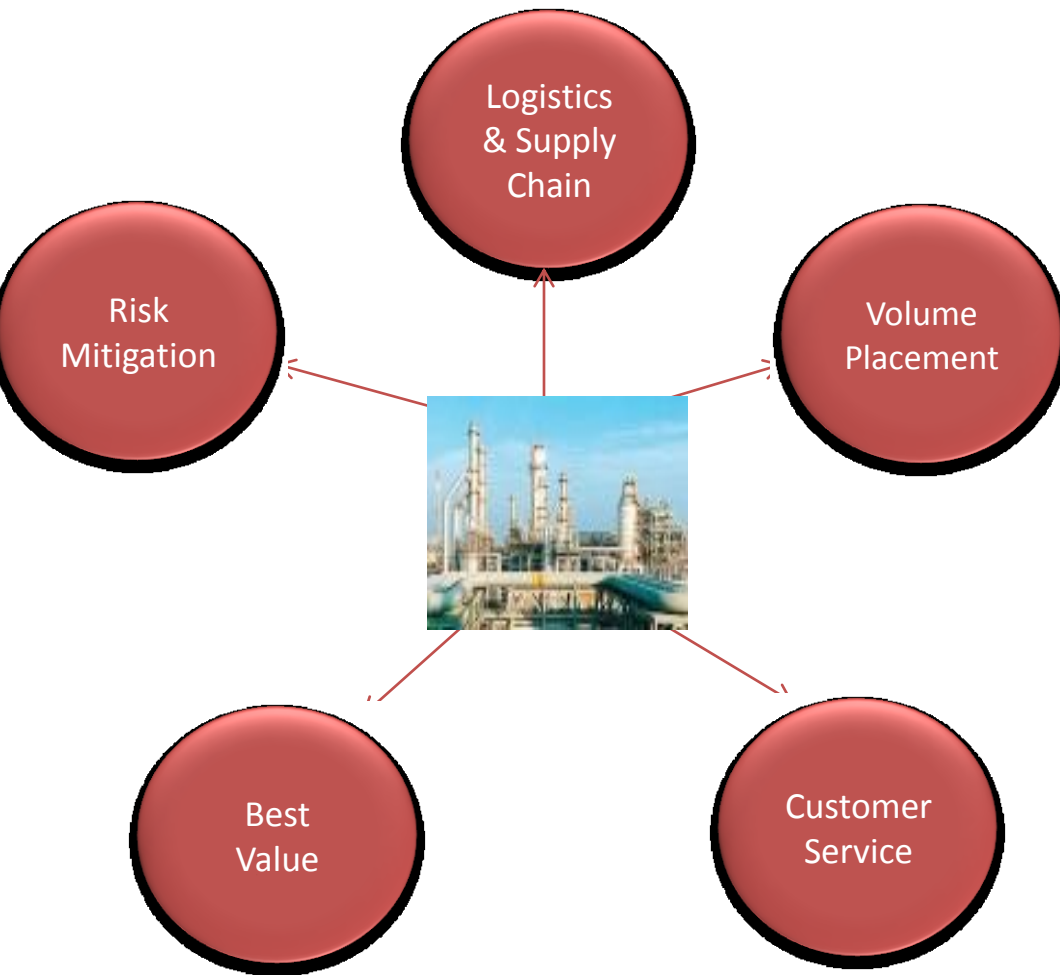
- Possible Global Economic Melt down
 - Europe's financial struggle continues
 - Debt levels appear structurally high
 - Unemployment remains elevated
 - Inflation is rising
 - Banking and restrictive credit
- Uncertainty leading to moderate growth
 - Stagnant growth in developed nations as government focus on reducing debt and deficit
 - Developing nations facing challenges as government tightens monetary and fiscal policy to curb inflation
 - Demand destruction for finish goods





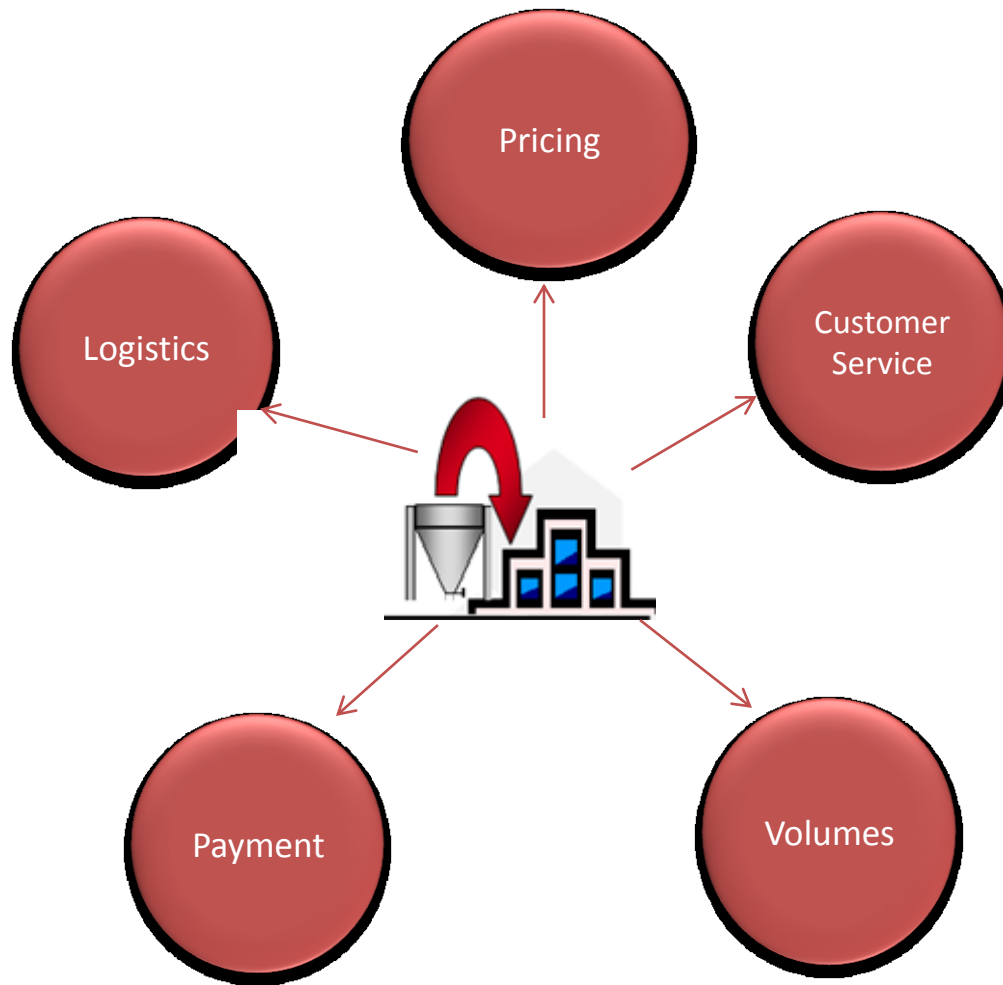
Market Needs – Producer & Customer

Producer Desires



- **Logistics**
 - Complex Logistics & Operations Solutions
 - Just in time deliveries
- **Volume Placement**
 - Need committed partners for consistent off-takes / lifting's
 - Production planning and optimization.
- **Customer Service & Market information**
 - Eyes & ears in the market for real-time information
 - Global presence – different geographies, languages, and culture
- **Value**
 - Get Best Value for the product
 - Diversified Product Marketing
- **Risk Mitigation**
 - Managing Financial Risks : Credit/Currency/Banks
 - Mitigating Political Risks
 - Handling Logistics & supply chain risks

Customer Demands



- **Pricing**
 - Competitive market pricing in line with volumes and local markets
- **Customer Service**
 - Real-time information – Order placement and tracking
 - Redress technical issues
- **Volumes**
 - Consistent volume avails
 - Consistent quality
 - Supply options – competitive prices from other sources
- **Payment**
 - Payment options to work within the financial constraints
 - Flexibility in terms
- **Logistics**
 - Reliability
 - Timely shipments & Deliveries
 - Innovative logistics solutions



Tricon Energy

History



- Founded in 1996
- Global Physical Trader in Bulk Chemicals and Plastics.
 - Focus on marketing and distribution of chemicals and plastics
- World Leaders in Caustic Soda, Styrene, Xylenes & Pygas trade
- Headquarters in Houston, Texas in USA
- Global presence with footsteps in every markets.
- High reputation for:
 - Customer service
 - Creativity
 - Reliability and Integrity
 - Quality of staff
 - Financial strength
 - Ability to make rapid decisions

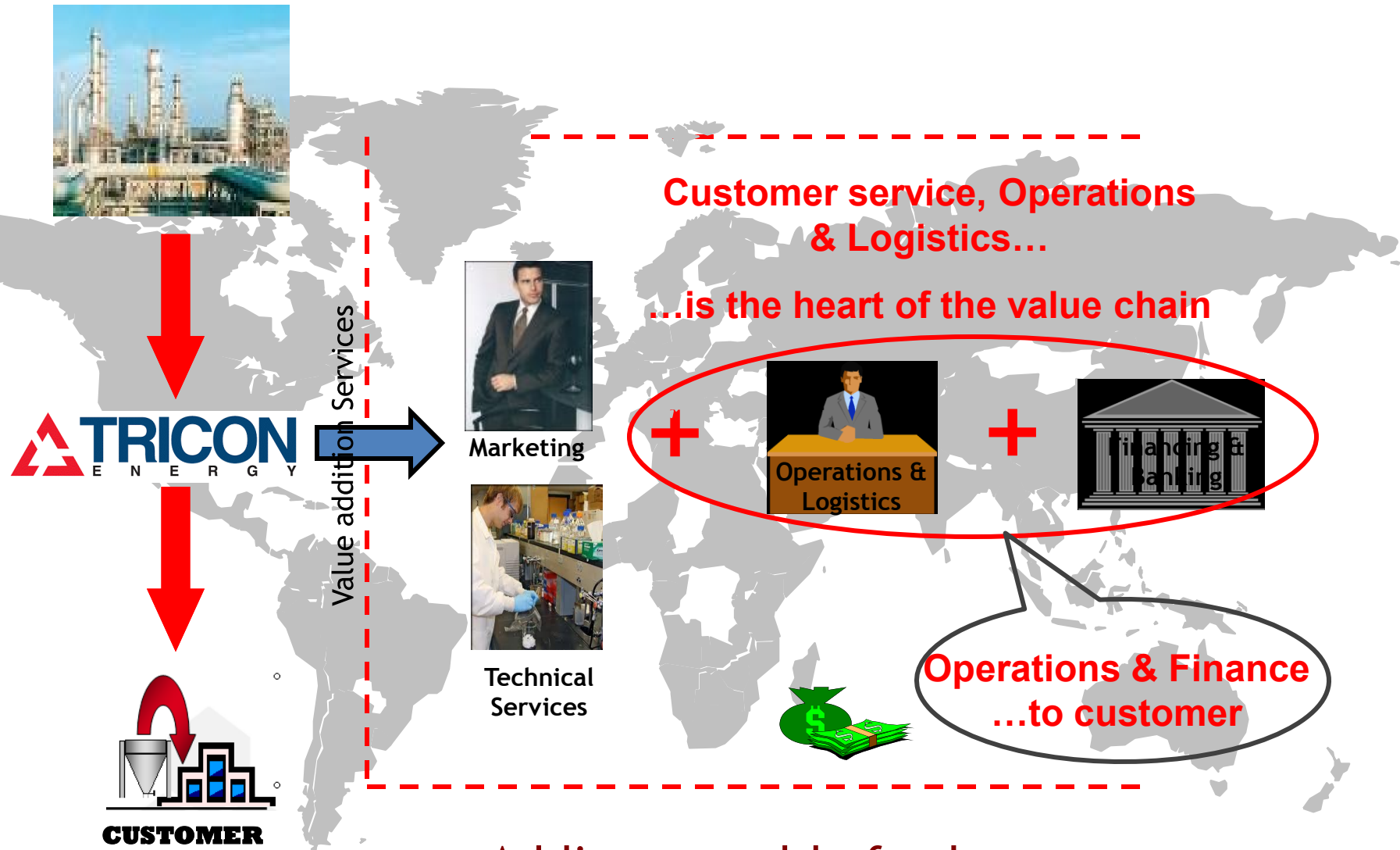
Organization - Global coverage



Footprints in all major consumption regions...

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Value addition.....





OUR PEOPLE

*“We have build global relationships with more than
600 customers and 50 producers
based on trust, transparency and performance.”*





OUR FUTURE

London, UK
Cologne, DE
Kiev, UA
Paris, FR
Ravenna, IT
Istanbul, TR
Seoul, KR
Shanghai, CN
New Delhi, IN
Guangzhou, CN
Hanoi, VN
Ho Chi Minh City, VN
Jakarta, ID

Houston, TX, USA
Mexico City, MX
Bogota, CO
Lima, PE
Santiago, CL

New York, USA

TRICON
ENERGY

ADDING A WORLD OF VALUE

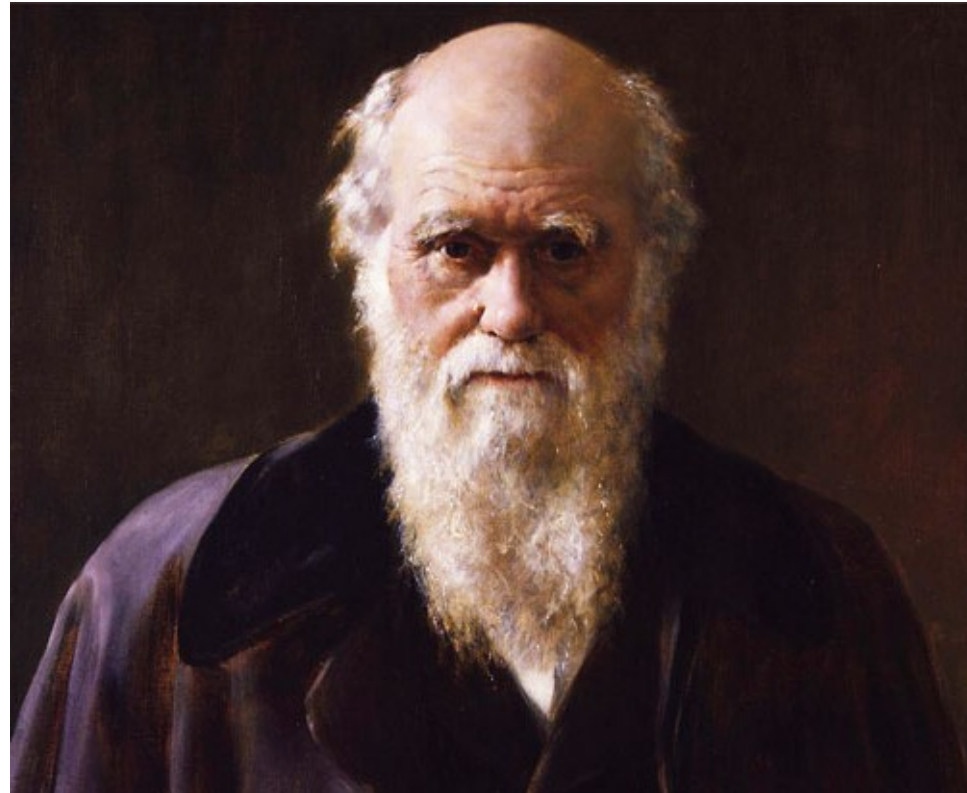
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Concluding Remarks.....



“ It is not the strongest of the species that survive, nor the most intelligent that survives. It is the one most adaptable to change....”

Charles Darwin





Thank you



Conquering Far Horizons

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