



MEED Gulf Petrochemicals 2005

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Bahrain

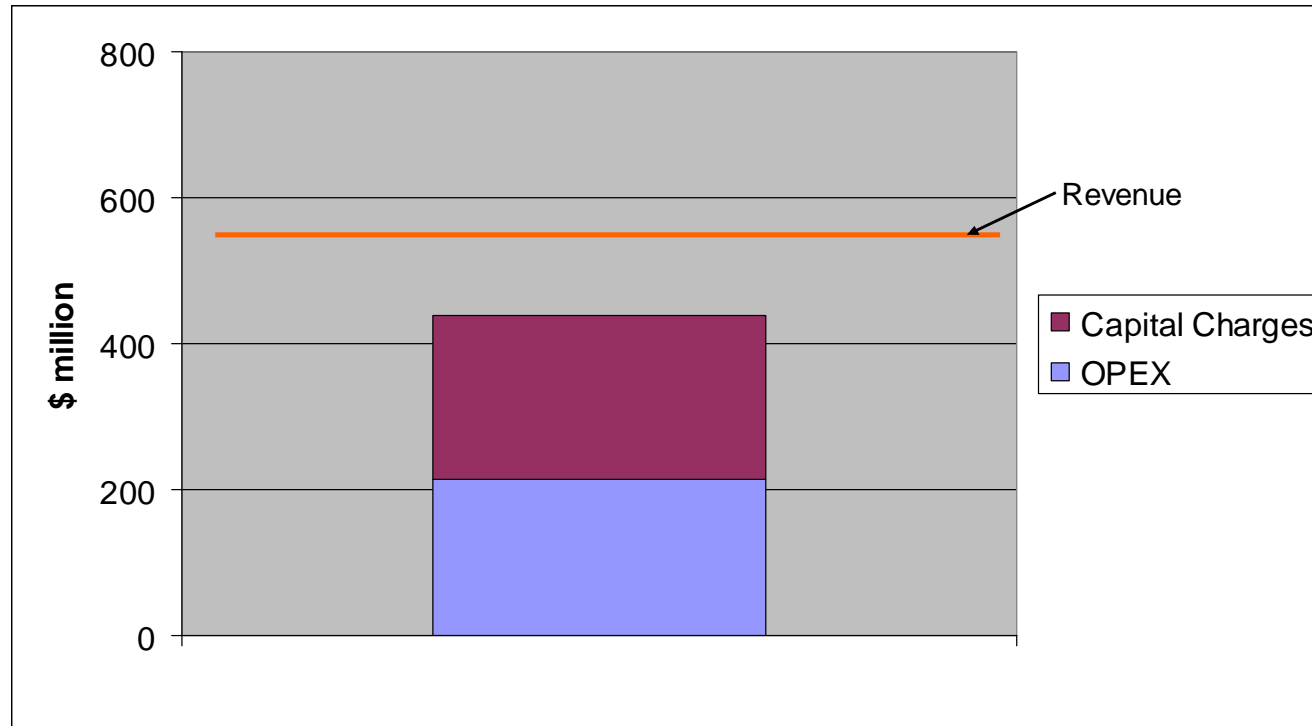
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TAYLOR-DEJONGH

Topics of Discussion

- Efficiency of Financing in petrochemicals sector as critical as Feedstock cost
- Need to expand GCC capital markets
- Challenge to Public and Private players

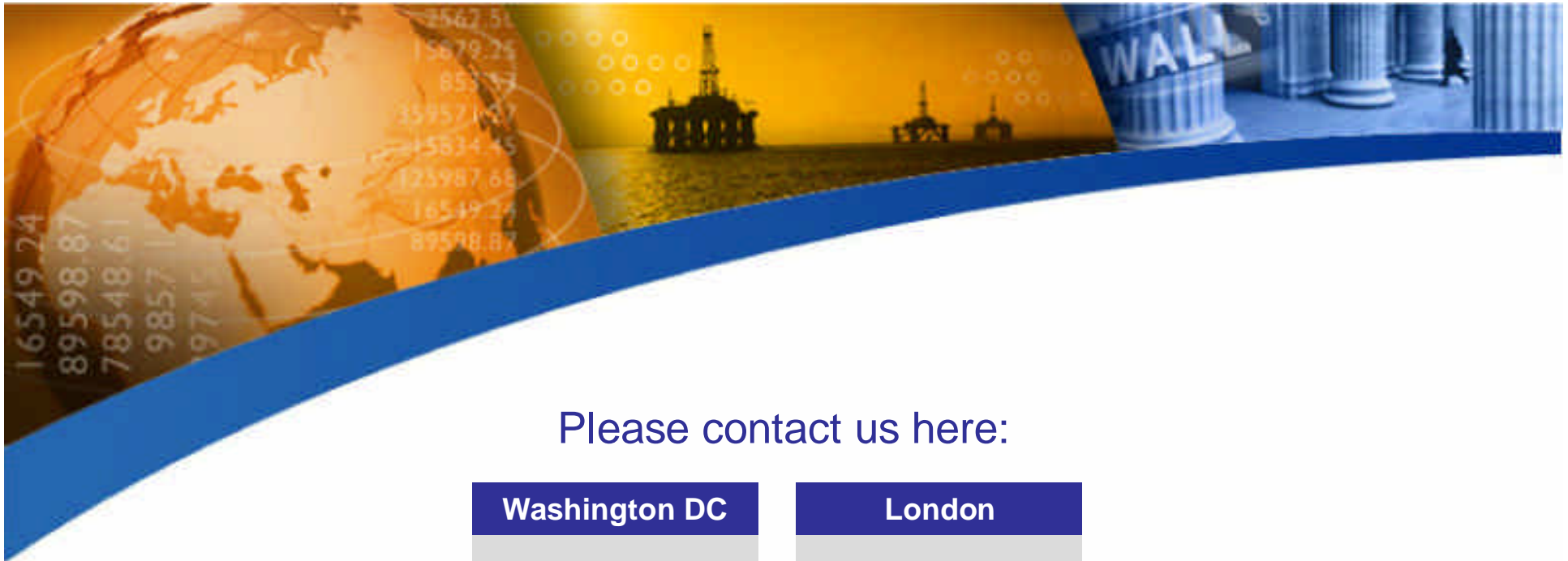
Capital Efficiency in Petrochemicals



- Capital charges can consume up to 75% of OCF.
- 1-yr of added tenor frees up 5% of OCF.
- Significant NPV/ROIC impacts.

Challenges to Sponsors & Financiers

- Private-sector investors need commercial bank capacity.
 - *Bond markets should finance incumbents.*
 - *Reduced liquidity could inhibit downstream growth.*
- Public and private players must cooperate to develop “non traditional” deals.
 - *Completion risk. For multi-billion\$ start-ups.*
 - *State Investment Funds, ECAs.*



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