MULTICLIENT STUDY

Industrial Starches

Supply/Demand/Forecasts

Iran, Saudi Arabia, United Arab Emirates

2015-2020

Published November 2016

Sectors



Textiles
Paper/Board
Oil drilling
Construction
Foundry
Others









Markets



Iran
Saudi Arabia
United Arab Emirates

GIRACT
Geneva, Switzerland

Transnational Business Research & Consultancy

Introduction



Starch is a major building block of modern industry and its production and use continue to expand unabated in areas with strong economic growth. A truly global business, the starch industry faces serious challenges trying to balance the large and mature markets of EU and USA with the young and rapidly expanding industries in rapidly developing countries. The key to the industry is the balance between the technical benefits of starches originating from different raw material and the availability and economic advantages of those raw materials in different areas.

The issue of price plays a more important role in the developing countries, and in the paper/board and textile sectors which have mostly moved over to the developing countries, petrochemical sourced synthetics thus have a strong competitive position vis-à-vis both native and modified starches.

The Middle-East is one of the rapidly growing areas of the world. Since several global starch players are currently focussing on this area, the supply and eventually the demand scenario is set to go through significant changes in the near future, particularly for industrial starches. Apart from oil-drilling and construction, which are well established end-use sectors, even hitherto nascent areas such as paper and board, gypsum, plastic board etc. are performing very well.

Many global as well as smaller players from the US, Europe, China, India and a few other countries are already operating in the Middle-East, which has also become a very competitive market. For example, some potato starch made from the 'waste' from the European frozen potato sector were being used in the oil drilling sector, but this has now been replaced by much cheaper maize starch from China and India.

Giract holds a leading position as a global business research and strategic consulting organisation with regard to starch industry. Giract's competence includes market insight reports covering the supply and demand of a wide range of starches and sweeteners across sectors and countries around the world, the latest being a global analysis for Starch Supply published in August 2015. An ecosystem of starch conferences, newsletters, and quarterly price monitoring reports rounds up Giract's expertise in the starch arena.

For more information, contact

V. Krishnakumar or Kaushik Shankar

GIRACT

24, Pré Colomb, 1290 Versoix/Geneva, Switzerland

Tel: + 41 22 779 0500; **Fax:** + 41 22 779 0505

Email: info@giract.com; **Web:** www.giract.com

Objectives of this study

Industrial Starches – Middle East
Supply, Demand, Forecasts



- Provide an in-depth understanding of players and products
- Examine the current relevant legislation and import duties
- Track the current production trends of industrial starch - both native and modified, if any, by type
- Establish price trends of industrial starches by type of starch
- Obtain a firm understanding of the relevant market sizes for the end use sectors, industry structure, industry developments and formulations currently used
- Forecast usage trends for industrial starches by type of starch

This unique study examines supply/demand/forecasts of Industrial Starches in Iran, Saudi Arabia and United Arab Emirates.

SCOPE

Sectors



- Industrial starches:
  - Native
  - Modified
- Key end-use sectors:
  - Textiles
  - Paper/Board
  - Oil drilling
  - Construction
  - Foundry
  - Others

Markets



- Iran
- Saudi Arabia
- United Arab Emirates

STUDY HIGHLIGHT

Programme

Following an initial review of Giract's extensive in-house data, interviews with selected key players (producers, end-users, industry experts and authorities) have been carried out in order to derive real understanding of the latest changes in market forces

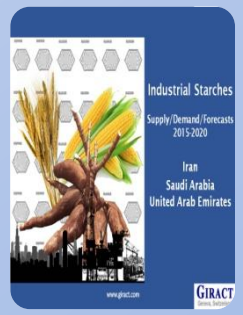
Current: 2015
Forecast: 2020

Timescale



WHAT DO YOU GET?

1. **Electronic Copy** of report in searchable PDF format
2. **One Printed Copy**



3. Report published in **November 2016**

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Legislation and import duty on Industrial starches

Legislation and import Duty

- The import duty levied throughout GCC countries is at ### of the invoice value with no sales tax. For instance, imported drilling starch is used by H A Chemicals in its end product for which tax levied is ### of the invoice value of starch

Country importing starch	MFN duty rate	Sales tax
UAE	###	###
Saudi Arabia	###	###
Iran	###	###

Trade/Availability in UAE

- Leading and established distributors of food products, starch etc. have been trying to establish milling units in the Gulf. However, pollution-related issues are hindering progress
- In view of the ever growing needs of industry, growth envisaged in the segments under study is very positive. Europe or the few other players in the neighboring regions will not be able to match the supply pressures of Indian Corn Wet Millers due to round the year availability of raw material in India
- Industrial starch exports to Morocco are generally routed from India through the Gulf only

kt

Starch type	Production	Imports	Exports	Availability
Native Corn	###	###	###	###
Native Wheat	###	###	###	###
Cationic Starch	###	###	###	###
Oxidized Starch	###	###	###	###
Cross-linked Starch	###	###	###	###
Other Modified Starches	###	###	###	###

Source: Giract, based on analysis

Demand Scenario in UAE

- Other non-food contributed to the largest starch demand share with oil drilling and construction leading the sector growth

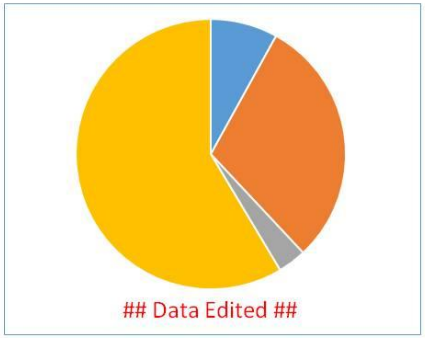
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Starch type	Paper & Board	Corrugated	Textile	Other Non-food
Native Corn	###	###	###	###
Native Wheat	###	###	###	###
Cationic Starch	###	###	###	###
Oxidized Starch	###	###	###	###
Cross-linked Starch	###	###	###	###
Other Modified Starches	###	###	###	###

Source: Giract, based on analysis

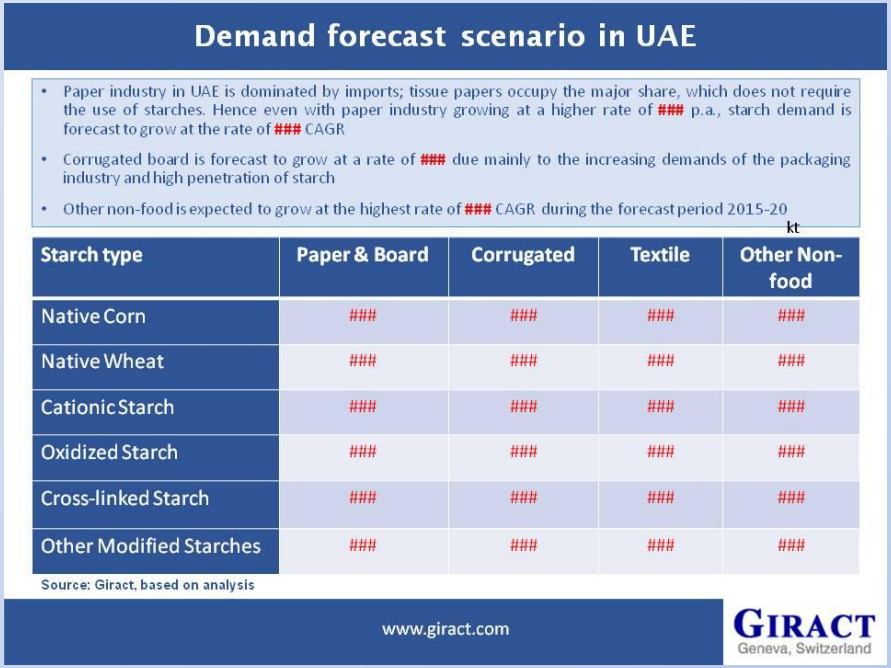
Demand Scenario in UAE

Demand Share, by Volume



- Other non-food sector (oil drilling, construction) uses the majority of native and modified starches
- Corrugated board occupies the next position in terms of starch demand with native starch predominating
- Textiles makes use of native starch mainly and oxidised starch. Volume of starch used is comparatively low due to UAE dependency on textile imports and re-exports

Source: Giract, based on analysis



Demand forecast scenario in UAE

- Paper industry in UAE is dominated by imports; tissue papers occupy the major share, which does not require the use of starches. Hence even with paper industry growing at a higher rate of ### p.a., starch demand is forecast to grow at the rate of ### CAGR
- Corrugated board is forecast to grow at a rate of ### due mainly to the increasing demands of the packaging industry and high penetration of starch
- Other non-food is expected to grow at the highest rate of ### CAGR during the forecast period 2015-20

kt

Starch type	Paper & Board	Corrugated	Textile	Other Non-food
Native Corn	###	###	###	###
Native Wheat	###	###	###	###
Cationic Starch	###	###	###	###
Oxidized Starch	###	###	###	###
Cross-linked Starch	###	###	###	###
Other Modified Starches	###	###	###	###

Source: Giract, based on analysis

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Similar information provided for all regions

Prices of Starch in Gulf countries (UAE, KSA and Iran)

Starch type	Price (USD/kg)
Native Corn Starch	###
Pre-gelatinised Starch	###
Acetylated Starch	###
Drilling Starch	###

Source: Giract, based on analysis

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Summary of Industrial Starch market in Gulf countries (UAE, KSA and Iran)

Industrial Starch market of UAE, KSA and Iran	Key observations
Total Volume (kt)	Production volume = ### Demand volume = ###
Total Value (USD mio)	Production volume = ### Demand volume = ###
Forecast CAGR	###
Price range (USD/kg)	###
Key Producer	###
Key users	###

Source: Giract, based on analysis

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