

**Figure 1: POLYMER CONVERTED IN THE GCC BY END USE APPLICATION 2008**

Packaging accounts for rather more than 50% of the total of the output of plastics processors. Volumes are growing strongly due to the formalisation of retailing (e.g. growth in supermarkets), growing populations, large numbers of expatriates resident in the region and growing income per capita. Primary conversion of plastics for packaging provides key materials for secondary conversion which in turn drives up the number of companies active in the plastics industry. The region has some strong domestic food producers, for instance in the dairy and edible oil segments. There is also a growing presence from the international brand-owners which may participate by importing, or making locally. The general direction is that local production is rising quickly.

The main product categories are blow moulded bottles, packaging film and thermoformed trays.

The largest packaging producers include Napco, which is also one of the longest established producers in the region, Taghleef, which bought Radici's BOPP business in 2008, Intergulf, a large PET producer, but also one of the regions' better known brand owners, and Gulf Packaging Systems.

# OBEIKAN INVESTMENT GROUP

**Head Office:** P. O. Box 6672  
Riyadh 11452  
Saudi Arabia

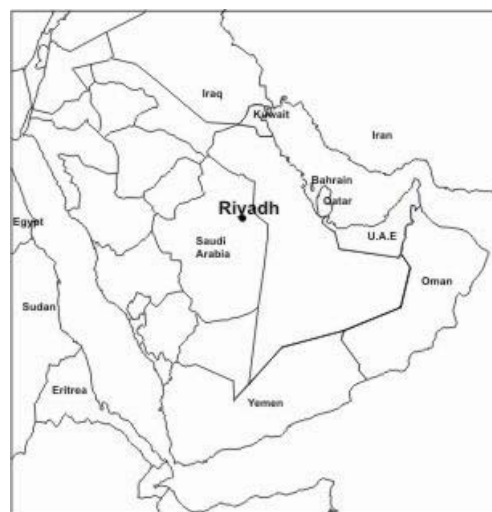
**Tel:** +966 1 265 1144

**Fax:** +966 1 2650272

**E Mail:** info@obeikan.com.sa

**Web Site:** www.obeikan.com.sa

**Ownership:** Privately owned



## **Background**

Obeikan Investment Group was established in 1982 as a printing company. Its main activities are flexible and rigid packaging, liquid packaging, plastics and paper conversion, printing, publishing and fabric coating.

The company is privately owned by the Obeikan family, but the company has been looking towards its future ownership with plans originally revealed in 2005 to float shares on the Tadawul (Saudi Arabian stock exchange) via an Initial Public Offering (IPO).

Operating companies within the group include Obeikan Printing & Packaging, Elopak Obeikan, SIG Combibloc Obeikan, Integrated Packaging Systems, Obeikan Paper Industries, Obeikan Technical Fabrics, Obeikan Tensile Structures, Obeikan Publishers and Booksellers, Obeikan Graphic Center and Obeikan MDF España.

The company operates eleven production units in the Second Industrial City outside of Riyadh plus a flexible printing and converting business in Lebanon and MDF packaging products based in Valencia, Spain.

The group employs more than 2,500 people. The largest element of the business relates to the production, printing and supply of rigid paper packaging. However the business is also one of the largest converters of plastics packaging with a substantial element of the films converted being sourced from in-house production. In addition to in-house film supply the group buys in around 2,500 tonnes of BOPP for conversion.

The company operates a number of conversion technologies including blown film extrusion cast film extrusion, extrusion coating, extrusion blow moulding, injection stretch blow moulding, lamination, printing, metallisation and in the technical fabrics business textile coating. Other packaging activities include paper and carton production, and the supply of carton filling systems.

The group commenced production of liquid packaging in 1994. However in 1997 Obeikan merged these activities with Elopak to form Elopak Obeikan Co. Ltd. and built a plant in Riyadh. Recently the plant has started producing PET bottles as well as thermoforming PET for dairy applications.

The group has a technical textiles JV with Saint Gobain which produces high performance

## Current operating companies

Company name	Location	Processes operated	Estimated throughput (tonnes)
Taghleef Industries	AE-Dubai	BOPP film Cast PP film	48,000
Taghleef Industries	OM-Sohar	BOPP film	16,000
<b>Grand total</b>			<b>64,000</b>

<sup>1</sup> In 2008 this plant was closed and equipment moved to Oman

## Markets served

Units: tonnes	PE	PP	PVC	PET	PS	Others	TOTAL
Packaging	0	64,000	0	0	0	0	64,000
<b>TOTAL</b>	<b>0</b>	<b>64,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>64,000</b>

## Product line

Ti's product range includes transparent coextruded, pearlescent, opaque and metalized BOPP films and transparent and metallised cast PP films. Films are primarily used for food packaging, overwrapping (normal and shrink), labelling and tapes.

Other companies within the Al Ghurair group are involved in the conversion of films for use in packaging.