



More muscle in Eastern Europe

A new sales office – SABIC Eastern Europe – opens in Moscow, Russia on January 1, 2009. The organization is already taking shape and will shortly be ready to cover SABIC Europe’s interests in that region.

“The office will play an important role in global operations and, as such, is a milestone in SABIC Europe’s development.”

Eastern Europe is a globally-important emerging market with an annual GDP growth rate of 6% or more – Western Europe’s annual growth is just 1-2% by comparison. And the region is, of course, vast. “The opportunities for SABIC Eastern Europe are already numerous,” says Hubert Guth, SABIC Europe’s Director Sales Offices. “This move will strengthen our global position and better equip us to meet the needs of Eastern Europe’s promising markets.”

“By establishing our own, dedicated sales organization, we will improve the services to internal and external customers and, at the same time, secure efficient and uninterrupted processes,” notes Geert Drummen, Sales Office Captain for SABIC Eastern Europe. “We will demonstrate our thorough commitment to the market and will have better access to customers in the region, as well as to local and regional market information.”

Growing demand for our products

The strong demand for our products in Eastern Europe comes from a variety of factors. “There is a structural shortage of raw materials in the PE and PP Pipe markets in that area, as well as in LLDPE,” explains Guth. “In addition, producers, such as car manufacturers, are shifting production away from Western Europe towards Eastern Europe. This is partly due to the favorable economic climate, but largely due to increased demand there for products. With an increase in GDP in Russia, more people are buying cars and other goods – and they have increasing standards.”



Sales Office Captain for SABIC Eastern Europe
Geert Drummen.



Geert Drummen, Olga Anisimova and Hubert Guth (from left to right) at SABIC Europe's headquarters in Sittard.

“Car production in Russia will increase by a staggering 45% over the coming four years, growing from 2.1 million to 3.1 million cars,” explains Bert Claessens, Business Manager Automotive. “The world’s main car producers are all active in Russia – Toyota, Volkswagen, General Motors, Renault and Fiat are increasing their operations the fastest. SABIC is poised to take a share in this growth through SABIC Eastern Europe.”

The increased demands are already factored into SABIC’s global production schedule. “In 2009 and 2010 our Polyolefines production capacity in Europe and KSA will grow tremendously, in part to meet the additional opportunities that will be generated through SABIC Eastern Europe,” says Jean Engels, SABIC’s Business Manager Pipe. An example is the Russian market for HDPE pressure pipes, which indicates that double digit growth figures are required to satisfy the need for new gas and water supply infrastructure.

The right team in the right place

SABIC Eastern Europe’s activities will extend across Russia, Ukraine, Belarus, and the Baltics. Initially, the office will be staffed with four employees – Sales Office Captain, Geert Drummen; an Area Sales Manager, Olga Anisimova; a Business Development Manager Automotive (currently being appointed) and a Commercial Assistant. Where needed, external parties will also be strategically employed to create a seamless regional service.

Preparations for setting up our own office started a year ago. Drummen explains the procedures: “Considerable efforts are involved in establishing a sales organization in this part of the world. Not only is the legislation very different, but so are the business practices and cultural structures. There has been excellent input from our Recruitment department, Legal and Fiscal Affairs and our SABIC Innovative Plastics colleagues in Moscow, headed by Juri Bercovitz. Internally, we have benefited a lot from our Russian colleague in Control Sales Offices Team, Alexander Volodarski.”



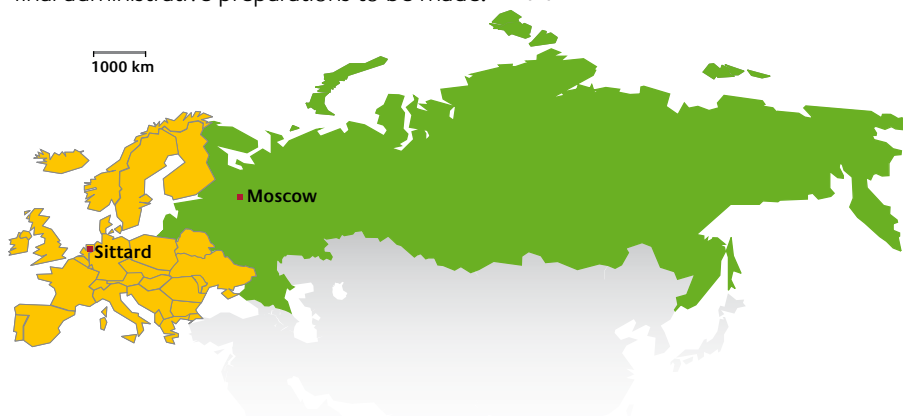
Construction sites are omnipresent signs in Moscow’s landscape reflecting Russia’s emerging economics/markets.

SABIC Eastern Europe will share offices with SABIC Innovative Plastics in Moscow. Already well aligned, the development of the new SABIC Eastern Europe office will help to increase synergy between the two organizations.

Looking forward to meeting the challenge

There is still plenty of work to be done between now and the official opening date. As new staff are recruited and existing personnel get to grips with their new roles, there are orders to be processed, new business contacts to be established and the final administrative preparations to be made.

The vastness of Russia in comparison to Europe.



“The next few months and the years ahead will be very challenging as we establish the new sales organization,” says Anisimova. “But I am very much looking forward to having the opportunity to contribute towards building such a valuable addition to the SABIC network.”

Drummen concludes that SABIC Eastern Europe has a bright future: “The office will play an important role in global operations and, as such, is a milestone in SABIC Europe’s development. With considerable support from our colleagues we have established an excellent team and have ensured a good start in creating a strong presence in Eastern Europe.”