



# Ready to seize opportunities

**A new sales office – SABIC Eastern Europe – will open in Moscow, Russia on January 1, 2009. With a strong team in place and a strategic plan that maximizes our opportunities, the organization is ready to meet head on the challenges and gains that this promising market offers.**

“The new SABIC Eastern Europe office is ready for business.”

Eastern Europe is a globally-important emerging market with numerous opportunities for SABIC. Its annual GDP growth rate is 6% – Western Europe’s is just 1-2% by comparison.

“SABIC Eastern Europe is ready for business,” says Hubert Guth, SABIC Europe’s Director Sales Offices. “The new office will strengthen our global position and allow us to meet the needs of Eastern Europe’s promising markets. Our presence in the region will strongly contribute to realizing our growth ambitions.”

SABIC Eastern Europe’s activities will extend across Russia, Ukraine, Belarus, and the Baltics. The region is, of course, vast, but with a dynamic team of four (see sidebar), and external parties strategically employed where needed, SABIC Eastern Europe will provide a seamless regional service.

“With our own, dedicated sales organization now in place, we will improve the services to internal and external customers and at the same time, ensure efficient and uninterrupted processes,” says Geert Drummen, Sales Office Captain for SABIC Eastern Europe. “The advantage of having a local office is better access to the market, enhanced market knowledge, better understanding of the local culture and language, and better alignment with the needs of the local customer. In addition, the office will demonstrate our thorough commitment to the market, whereas SABIC was previously only able to act more as a spot-seller for this region.”

## **Tapping into the growing demand**

The three main markets for SABIC Eastern Europe will be the construction market (HD Pipe and PP Pipe), the LLDPE film market and the automotive market. The office’s aim is to secure regular sales with main players. And there is already a strong demand for our products in Eastern Europe, which comes from a variety of factors.

“In the construction market, a structural shortage of raw materials exists in the PE and PP Pipe markets, as well as in LLDPE,” explains Guth. “In the automotive market,



➤ The team at our new sales office SABIC Eastern Europe (from left to right): Svetlana Vecherskaya, Geert Drummen, Marina Durasova and Olga Anisimova.

producers, such as car manufacturers, are shifting production away from Western Europe towards Eastern Europe due to lower costs, the relatively more favorable economic climate, and increased demand there for their products. With a significant increase in GDP in Russia, more people are buying cars and other goods – and they have increasing standards and expectations.”

It's expected that 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. SABIC is poised to take a share in this growth through SABIC Eastern Europe.

#### **Ambitious targets**

“Our ambitions for the new office are clearly set,” continues Drummen. “For 2010, our target is to sell 100kt of Polyolefines. In 2009 – our start-up year – we will aim to come as close as possible



to this figure. However, the result will be dependent on availability, price levels, the general economic climate and the optimization of our logistics position.”

Increased demands are already factored into SABIC's global production schedule. In 2009 and 2010 our Polyolefines production capacity in Europe and Saudi Arabia will grow tremendously – in part, to meet the additional opportunities generated through SABIC Eastern Europe. ➤

## Meet the team

SABIC Eastern Europe will share offices and services with SABIC Innovative Plastics in Moscow. Already well aligned, the development of the new SABIC Eastern Europe office will maximize the synergies between the two organizations.

#### **Geert Drummen – Sales Office Captain**

Geert (44) currently lives in Maastricht, but will move to Moscow to head operations. He joined SABIC/DSM in 1991 and became Business Controller HDPE in 2000 (Blow Moulding, Film, Injection Moulding, Pipe). From 2002, he was appointed Controller Sales Offices & Financial Services Center. Geert held the role of Project Manager for setting up SABIC's Sales Offices & Financial Services

Center as part of the carve-out from DSM, for the integration of the existing SABIC Sales offices in Europe, and the LIS project (International Accounts/Local Accounts).

#### **Olga Anisimova – Area Sales Manager Polyolefines**

Olga (35) lives in Moscow. She joined SABIC at the beginning of September this year having spent eight years working at TVK/Mol, as Sales Manager Polyolefines. Her role there involved selling PE/PP in the CIS market, including the Baltics. Her knowledge of both products and customers is excellent. At SABIC Eastern Europe she will focus especially on HDPE & PP Pipe sectors.

#### **Svetlana Vecherskaya – Area Sales Manager Automotive**

Svetlana (43) also lives in Moscow. She joined SABIC at the beginning of October 2008. Her previous roles included working in Sales and Marketing at Dupont, Rhodia and Rhone-Poulenc in automotive units (Coatings and Polymers). She worked the first 10 years of her career in several research institutes in plastics.

#### **Marina Durasova – Commercial Assistant**

Marina (27) lives in Domodedovo near Moscow. She joined SABIC at the beginning of October 2008. For the past six years she has worked for Carlson Wagonlit Travel. Having studied for one year in Oklahoma (US), Marina is fluent in English.



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**Looking forward to meeting the challenge**

The first preparations for setting up the office started over a year ago. “Setting up SABIC Eastern Europe has required considerable efforts – recruiting, selecting and equipping an office, choosing service providers, fiscal work, legal work, ICT changes, and a lot of training,” explains Drummen. “But since this is not the first time we have done this, the whole process went smoothly. Finding the right people to staff the office was less difficult than expected: the education level and mobility of experienced people in Moscow is high. And there has been excellent support from our Recruitment department, Legal and Fiscal Affairs and our Innovative Plastic colleagues in Moscow, headed by Juri Bercovitz. Internally, we have benefited a lot from our Russian colleague in the Control Sales Offices Team, Alexander Volodarski.”

“The next months and the years ahead will be very challenging as we have to establish the new sales organization and build up the position of a reliable and committed player in the CIS market,” says Olga Anisimova. “But I am very much looking forward to having the opportunity to contribute towards building such a valuable addition to the SABIC network.”

The Smolensky Passage is located in the very heart of Moscow – both business and historical.



The new sales office is located in the Smolenskaya Passage, Moscow.



“While the prospects for reaching our targets are good, there is a lot of competition from Asian players, such as the Korean producers,” adds Drummen. “It will be a challenge to compete with local supply due to import duties (10%) and relatively high transport costs, but we are convinced that we can sell substantial volumes.”

The first priority for the office is to transfer active customers and secure seamless business relations and order processing. The customer transfer will be finalized in December. “At the same time, we have to develop a good overview of the market and identify prospects and attractive market segments,” says Drummen. “Based on this, we will have to develop the right set-up of our logistics in close co-operation with the DCM department and we will promote our material at the targeted customers. We will challenge existing procedures if they hinder growth. As soon as possible, the processes for this region have to run as smooth as for our traditional Western European markets. Towards this, SABIC Europe has always proved its excellence in optimizing the value chain.”

Guth 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 perfect start in creating a strong presence in Europe’s ‘Far East’.”