

SHALE IN THE GLOBAL PETROCHEMICAL INDUSTRY

Its Impact and Developing Offensive & Defensive Strategies

17-18 March 2014 / Singapore

The petrochemical industry is anxious about the advent of Shale.

CMT is proud to launch this premier intensive course that will not only provide you with an insight into the impact of Shale on the petrochemical supply chain, but also analyze and evaluate strategies businesses can adopt in the face of the changing market dynamics. Understand how you can realign your business and remain competitive.

Producers, customers, investors, supply chain providers and government agencies will gain new insights and understanding in this concentrated 2-day programme.



WHO SHOULD ATTEND

This course is designed to be participative and discussion-oriented. This allows delegates to draw from each other's rich experience while considering the many opportunities and threats posed by the transformational development of the global shale gas phenomenon.

- Commercial, marketing, business development and sales
- Business planning, strategists and analysts
- Purchasing, costs and pricing personnel
- Finance managers
- Feedstock supply
- Engineers
- Petrochemical traders
- Bankers and equity fund managers
- Government stakeholders in the petrochemical industry

ABOUT THE TRAINER



Leslie McCune

Founder and Managing Director
Chemical Management Resources Limited

Educational Qualifications:

BSc (Honours) in Chemical Engineering
MBA from Cranfield, UK and Washington, USA
Chartered Financial Analyst L1

Leslie is an independent petrochemical and petrochemical supply chain consultant with 25 years of corporate experience, having held commercial and business management roles in leading petrochemical companies, including BP Chemicals (now INEOS), ICI Polyurethanes (now Huntsman), LyondellBasell and Linde. He was a board member in Synthomer and Linde. In his corporate capacity, Leslie has made quantum achievements including creating new business lines, turning around unprofitable businesses, boosting margins in mature markets, accelerating top line growth, integrating businesses and reconfiguring distributor networks.

Having lived in the Middle East for 16 years, Leslie has established himself as a leading consultant and trainer for petrochemical companies in the region specifically, and globally. His previous role as an Equity Analyst with ING Barings gives him a strong financial awareness of the industry's volatile fortunes.

He consults major industry players on strategic competitiveness between the main petrochemical regions, shale opportunities, downstream product portfolio options, market feasibility, market entry, partner selection, supply chain benchmarking and competitive intelligence.

FEE	1 PAX	3 PAX OR MORE
Per Person	USD2700	USD2400
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COURSE SCHEDULE

Day 1 (17th March 2014)

1. Topic: Introduction to global petrochemicals

This initial session develops a common ground of understanding among delegates of the intensely competitive global petrochemical sector. The major petrochemical players are introduced and those with current and/or future shale gas exposure are highlighted. The downstream value chains, each of which represents potential monetisation opportunities for shale-based players, are introduced and explored.

- size, drivers, growth, trends, key dynamics, critical success factors
- major players, profitability, changing competitiveness of the main regions
- the key downstream value chains from shale-based petrochemical feedstock

2. Topic: The story of the North American shale oil and gas revolution – past, present, future

The shale gas revolution has transformed North America's petrochemical and energy competitiveness in a remarkably short period of time. This session charts the development of shale gas in the main production regions and describes the key enablers. Some, but not all, are unique to North America. We look at the many announcements of expansions, re-starts and new capacity investment that low cost shale gas feedstock has catalysed. Not all will become a reality.

- the development of shale-based natural gas liquids in N.America
- the key enablers
- new shale-based petrochemical investments
- why not all new announcements will become a reality?

3. Topic: Feedstock choices, split for each region and flexibility

Each major global production region – Asia, the Middle East, North America and Europe - has a range of potential feedstock options for its petrochemical industry. Shale-based Natural Gas Liquids are one of several options, each of which has varying levels of viability and each of which has varying degrees of availability in the major petrochemical producing regions.

- what is the range of feedstock choices available for petrochemical producers?
- how advantaged are shale-based Natural Gas Liquids as a feedstock?
- what is the feedstock split for each region?
- how much flexibility has each major petrochemical production region got to switch to shale-based gas feedstocks?

4. Topic: Shale gas potential in China, Saudi Arabia, Europe

Each region has differing opportunities and challenges to the successful exploitation of shale-based oil and gas. This session considers how reproducible the shale gas boom of North America is elsewhere in the world.

- what are the shale gas reserves?
- what are the main strategic considerations for each region?
- can the US shale gas success replicated elsewhere?

Day 2 (18th March 2014)

5. Topic: Cost curves and the impact of shale gas on the global ethylene cost curve

Cost curves are a powerful technique and vital tool for analysing the competitiveness of regions and of individual producers. They also indicate the sustainability of market prices at any point in time and are critical to defining the comparative advantage of shale gas-based feedstocks.

- How is a cost curve built up?
- How can cost curves be used in competitive analysis?
- What are the pricing mechanisms used for shale gas and petrochemicals?
- What is the comparative price of shale gas compared with other feedstocks?
- Case study 1: Ammonia – how has shale gas affected the competitiveness of the Middle East compared with the US?
- Case study 2: HDPE – how do gas-based costs compare with liquid naphtha-based costs in the main regions?
- Case study 3: LPG - what has been the impact on LPG of the growth in US shale gas production?

6. Topic: Implications of shale gas feedstock

The ripple effect of the impact of shale gas will spread throughout the global petrochemical industry. Each downstream value chain will be directly or indirectly affected to differing degrees. Those producers not directly affected today need to know to what extent their future competitiveness could be strengthened or threatened by participation in shale gas investments. Importantly, they also need an informed opinion of their competitors' ability to leverage the opportunities of shale gas.

- implications on other cracker products e.g. propylene and aromatics
- implications on the supply chain
- implications for energy-intensive industries
- risk management
- what can go wrong?

7. Topic: Developing new offensive and defensive strategies to cope with shale

Some companies may feel unaffected by shale gas developments today. But Foreign Direct Investment flows to Asia and the Middle East have already been re-directed to North America. Downstream plastic processing investments, for example, originally destined for the Middle East have instead been directed to the US.

Very few global chemical companies, especially those focused on basic and intermediate products, will remain untouched by the shale gas phenomenon - regional players may be particularly vulnerable. Each company will therefore have a unique view of how it can exploit the potential of shale gas to enhance its competitive position. Those without the means to access the strategic advantages of shale gas will be driven to formulate fundamentally defensive strategies as global competition intensifies – not all will survive.

- what are the new global realities caused by shale gas?
- what is the timing of the market impact from shale-based production?
- why a 'wait-and-see' strategy on shale developments will not be acceptable to private and state-backed shareholders in petrochemical companies?

For feedstock suppliers, refineries, petrochemical plants and logistics player,

- what are the offensive strategies to exploit the potential of shale gas and its derivatives?
- what are the defensive strategies to the challenges posed by shale gas and its derivatives?