



Synthetic Resins

Synthetic resins are polymers whose properties have been modified by heat or pressure. Synthetic polymers are generally categorized into resins, fibers, and rubbers. Plastics—one of the most ubiquitous materials of modern life—are made with synthetic resins. Film, paint, and adhesives are also considered plastics.



Synthetic Resins

Sales Revenue
In KRW Billions

1,288.9

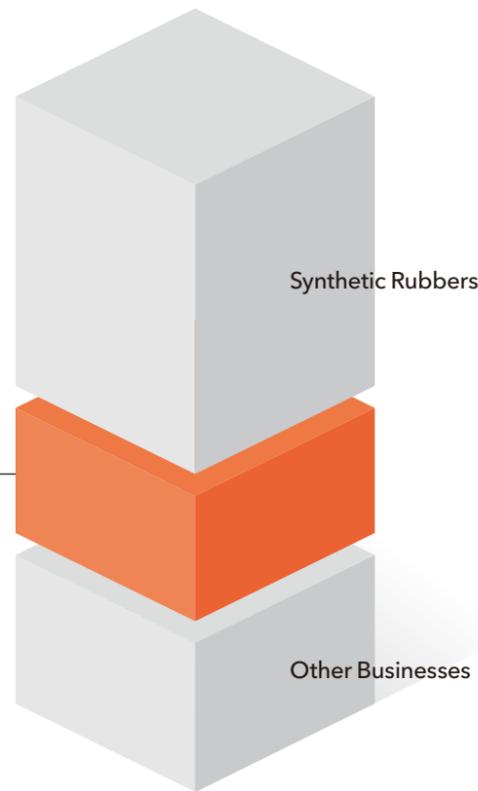
Main Products
ABS, PS, EPS, EP, ENERPOR, SAN, PPG

Key Applications
Home Appliances, Beverage Containers, Sporting Goods, Office Supplies, Building Materials, Synthetic Wood

Major Customers
Samsung Electronics, LG Electronics, Archelik, Vestel, Sharp, Canon, Kingfa, Haier, Kelon, Sabic, Styron, Hyundai Motor, GM Korea, Korea Yakult, Namyang Dairy Products, Maeil Dairies, Lotte Samkang, Kolon Industries, Chungho Nais, Winia Mando

Synthetic Resins

21.9% of total sales



2012 Review

Accounting for 21.9% of overall sales in 2012, our synthetic resins business saw sales rise 3.4% to KRW 1,288.9 billion as it marked its fourth straight operating profit since 2009. The primary factors behind this solid performance were strong sales of high-value-added products as well as an aggressive push to make inroads into emerging markets that expanded our sales base.

While business sales grew, profitability lagged behind. The worsening of the global economy and slowing growth in China led to slumping demand for acrylonitrile butadiene styrene (ABS). Despite soaring prices for SM feedstock, market demand shrank, making it difficult to raise prices to cover the higher cost of production.

2013 Outlook

The global synthetic resin oversupply situation is expected to continue in 2013. In the ABS and PS markets, major capacity expansion projects are on the drawing board. In the EPS market, demand is expected to continue to grow due to growing use in insulation products, however the rate of growth will slow. Prices of SM feedstocks benzene and ethylene are expected to stay strong with rising operating rates in downstream industries keeps demand growing. Supply is expected to remain particularly tight in the Asia region.

We will continue to push forward with our cost reduction initiatives based on process innovation to improve our manufacturing cost competitiveness. We will expand development and sales of higher margin products and continue to diversify our export markets to put in place a solid foundation for sales and profitability. We also plan to strengthen our strategic partnership with Kumho Mitsui Chemicals to expand our PPG sales base.