

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.



Sales Revenue

In KRW Billions

1,246.4

Synthetic Rubbers



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

19.3%

of total sales

Other Businesses

2011 Review

Our synthetic resins business grew sales 2.2% to KRW 1,246.4 billion during the year, accounting for 19.3% of overall sales as it marked its third straight year in the black. This performance benefitted from improved profitability due to increased sales of higher margin products as well as improved productivity through process improvements and facility revamping. It also benefitted from upgraded marketing capabilities that enabled us win business in the booming Chinese market and make inroads into emerging markets.

The second-half of 2011 saw a striking decrease in demand for acrylonitrile butadiene styrene (ABS) as China responded to growing concerns about inflation by instituting belt-tightening measures and the unfolding Eurozone financial crisis rapidly weakened consumer confidence in that region. This caused sales volumes to decline, resulting in slightly lower profitability for the year.



2012 Outlook

Downstream industries like home appliances and automobiles are expected to steadily recover in 2012, gradually lifting demand and selling prices of synthetic resins in the process. Costs for styrene monomer (SM) feedstock are likely to rise as oil and naphtha prices continue to climb and Chinese SBR and BR producers increase their operating rates. While the SM supply will continue to be tight across Asia, imports from the Middle East are expected to keep market prices stable.

As we continue to expand our local sales force in China, we will also be focusing on making inroads into new markets such the United States, Europe, Latin America, and Southwest Asia to reduce our reliance on the world's largest market. On the production side, we will continue to pursue innovations that will enhance our manufacturing cost competitiveness and shift from commodities to specialty products as we diversify our product portfolio with higher margin products that will enable us to consistently generate stable profitability regardless of the external business environment.

