Petrochemicals

Korea is deregulating (or re-regulating) their petrochemical industry. Many of the major corporations are taking steps to guarantee the supply of chemical raw materials by purchasing "upstream" chemical processing companies. This vertical integration into primary production will impact on the Canadian petrochemical industry. Initially, we will find that the demand for Canadian product will fall off as more capacity comes on-stream in Korea. Subsequently, we may find ourselves competing with Korean product in third country markets. Canadian industry needs to prepare for this by identifying market/product niches and by supplying the Koreans with the specialty products they need for their industry.

OUTLOOK

The Korean economy is expanding at a rapid rate. Many opportunities exist in Korea for Canadian companies that wish to meet the challenge. As Korea joins the industrialized world and takes its place at the MTN table, they will feel the pressures to liberalize their domestic market. To take advantage of these opportunities, Canadian companies must be prepared to respond quickly to these fast-breaking opportunities.