Aramco Asia at a Glance

Our Story

Saudi Aramco

The Saudi Arabian Oil Company (Saudi Aramco), the ultimate parent company of Aramco Asia and the national oil company of the Kingdom of Saudi Arabia, is a fully integrated, global petroleum and chemicals enterprise. It ranks first among oil companies worldwide in terms of crude oil production and exports, as well as natural gas liquids (NGL) exports, and is among the leading producers of natural gas. Saudi Aramco is also among the world's leading refiners and is moving further downstream into chemicals production.

Saudi Aramco has stewardship of more than 260 billion barrels of crude oil reserves and more than 288 trillion standard cubic feet of gas reserves. Through its 82-year history, Saudi Aramco has become a world leader in hydrocarbon exploration, production, refining, distribution, shipping and marketing.

Saudi Aramco employs more than 61,000 workers and is headquartered in Dhahran in the Eastern Province. Operations span Saudi Arabia, with production and product distribution facilities linking all market areas.

Major export shipping terminals are located at ports on the Arabian Gulf and Red Sea, and strategic refineries meet local demand for automotive and aviation products.

Internationally, Saudi Aramco affiliates hold significant interests in refining and marketing companies in the United States, the Republic of Korea, Japan and China. The company’s affiliates have key market support service offices in major cities in North America, Europe and Asia.

Having conducted operations for the past 82 years, the company’s importance among world oil producers has steadily risen. Today, it is positioned to build upon its preeminence as a reliable supplier of hydrocarbon resources. By producing petrochemical products, building export refineries, and advancing the development of
clean fuel technologies for the new generation of internal combustion engines; Saudi Aramco will continue the work of enhancing lives while safeguarding the planet we all share.

Aramco Asia

Aramco Asia is a group of Asian wholly owned subsidiaries of Saudi Aramco Asia Company, and they share a key mission in serving Saudi Aramco’s corporate strategic initiatives in the Asia-Pacific region.

Aramco Asia, headquartered in Beijing with branches in Shanghai and Xiamen, provides a wide array of services, including crude oil and chemicals marketing, joint venture coordination, procurement, inspection, research and development, project management, human resources development, and communications in the region. Aramco Asia integrates subsidiaries in China, Japan the Republic of Korea and Singapore under one flagship.

The establishment of Aramco Asia illustrates Saudi Aramco’s long-term commitment to maintain partnerships with some of the world’s largest and fastest growing economies. It also demonstrates Saudi Aramco’s focus on expanding activities beyond its petroleum operations, and its continued commitment to contribute to the development and growth of regional prosperity.

The Aramco Asia group is owned by the Saudi Aramco Asia Company (SAAC), which is incorporated in Dhahran, Saudi Arabia.

To accomplish its mission, Aramco Asia’s Board of Directors is composed of senior executives drawn from various business units at Saudi Aramco.

Marketing

Aramco Asia serves as a bridge between Saudi Aramco and the Asian market to support marketing and sales activities by its parent company as well as to facilitate the exploration of business opportunities across the region.

Our active and ever-deepening cooperation with Asian partners has become a driving force behind maintaining Saudi Aramco’s position as Asia’s most reliable crude oil supplier. This and other local cooperation efforts work toward Saudi Aramco’s goal of becoming the world’s leading integrated energy and chemical company by 2020.
Joint Venture Coordination

Currently, Aramco Asia manages the interests of four joint ventures in Asia, including two with private ownership in China: Fujian Refining and Petrochemical Company Ltd. (FREP) and Sinopec Senmei Petroleum Company Ltd. (SSPC); as well as two publicly traded companies: S-Oil in Korea and Showa Shell in Japan.

Aramco Asia is also responsible for identifying and tracking potential business opportunities and exploring the viability of future joint ventures.

FREP/SSPC – China

Saudi Aramco Asia Company, a Saudi Aramco subsidiary, together with Sinopec, ExxonMobil, and the Fujian Provincial government in 2007 forged China’s first integrated refining, petrochemicals manufacturing and marketing project, which is located in the southeastern Fujian Province. Aramco Asia manages Saudi Aramco’s interests in this project.

Initially called the Fujian Integrated Project (FIP), it consists of two businesses: FREP, the manufacturing arm, and SSPC, the fuels marketing company.

In 2007, FREP (in which a Saudi Aramco subsidiary and an ExxonMobil subsidiary each hold a 25 percent share and the Chinese partner owns the remaining 50 percent) expanded an existing refinery in Quanzhou, Fujian Province, from 80,000 barrels per day to 240,000 barrels per day. FREP further expanded its refining capacity to 280,000 barrels per day during a steam cracker debottlenecking project (SCDP) in 2013.

SSPC (in which a Saudi Aramco subsidiary and an ExxonMobil subsidiary each maintain a 22.5 percent stake and Sinopec holds a 55 percent interest) markets gasoline, diesel, produced by FREP through SSPC’s vast network of some 942 service stations and 17 distribution terminals throughout Fujian Province.
Showa Shell – Japan

In 2004, Aramco Overseas Company B.V., a Saudi Aramco subsidiary, acquired a nearly 15 percent interest in Showa Shell Sekiyu K.K.

Showa Shell is one of the largest refiners in Japan, owning three oil refineries (Yokkaichi, Keihin and Yamaguchi) with a combined capacity of approximately 445,000 barrels per day. The company markets refined products through a Shell-branded retail network of approximately 3,400 service stations. Petroleum products, such as marine bunkers, lubricants, bitumen and LPG, are also marketed.

Showa Shell, headquartered in Tokyo and a publicly traded company, offers an extensive lineup of energy options, including solar energy and clean energy generated from LNG and biomass. Its Solar Frontier subsidiary is the world’s largest provider of CIS thin-film solar modules with an annual production capacity of 1 gigawatt of CIS modules.

Showa Shell has a joint venture with Tokyo Gas, with two natural gas-fired power plants in operation and a third one under construction. Showa Shell Sekiyu ranks No. 476 in the 2014 World Fortune 500 list.

S-OIL – Korea

S-Oil is a Korean oil refining and marketing company in which Aramco Overseas Company B.V. holds 35 percent of the common stock.

S-Oil owns and operates a refinery complex in Onsan, on the southeast coast of the Korean peninsula. This facility has a refining capacity of 669,000 barrels per day and is integrated to produce lube base oil and aromatic-type petrochemicals.

S-Oil markets petroleum products and petrochemicals in Korea through a nationwide distribution and marketing network that includes seven product distribution terminals and nearly 2,000 branded retail service stations.

S-Oil is also a major exporter in the Asia-Pacific regional market.
S-Oil has been recognized as a “Platts’ Top 250 Global Energy Company” for 9 consecutive years. It was also selected as the Grand-Prix Company for Sustainability Management among 1,790 companies listed on the Korean Exchange. S-Oil is ranked 427 in the 2014 World Fortune 500 List.

Chemicals

Growth in chemicals is a key element of Saudi Aramco’s strategic intent, with a primary objective being to diversify Saudi Aramco’s business portfolio and to become a fully integrated, truly global energy and chemicals enterprise. Given the region’s continued economic and social development and vast future potential, Asia will be a key focus for Saudi Aramco’s chemical activities.

To help meet the corporate objective of becoming a global leader in chemicals, Aramco Asia will market a variety of petrochemicals in Asia, primarily in polyolefin and aromatics, and is developing the business as one of the major growth engines for Aramco Asia.

**Polyolefin Marketing**

China is the primary focus for Aramco Asia’s polyolefin marketing business, starting from the footprint Aramco Asia already has in China via FREP. This business is coordinated primarily out of Xiamen branch.

Aramco Asia will also provide technical services, including working with FREP to improve efficiency, quality and product diversity for higher margins.

Currently, Aramco Asia markets its share of products in sales regions including South China, East China, North China as well as the Fujian province through distributors and direct customers, and is working to increase its production capacity and expand its distribution network to a wider region.

**Aromatics**

Aramco Asia markets aromatics in Asia in line with Saudi Aramco’s target of becoming one of the world’s top producers of aromatics. This business is handled primarily through the Shanghai branch.

In addition, Aramco Asia will also identify and pursue new Asian ventures for long-term growth in the chemical sector.
Strategic Procurement & Logistics

The Asian region is increasingly becoming one of Saudi Aramco’s major procurement destinations with reliable supply chain for materials and services.

At Aramco Asia, we strive to be an innovative supply chain organization providing best-in-class value-added materials and services to our internal and external customers. Over 1800 suppliers and contractors in Asia are selected to do business with Aramco Asia in support of Saudi Aramco’s operation where we have more than 900 suppliers and contractors in Japan, over 400 in China, over 300 in Korea, and over 150 in Singapore.

Suppliers cover commodities including drilling chemicals and equipment, electrical, heat transfer equipment, pipes, pumps and valves. Contractors cover services including consultancy, logistics, research, maintenance, licenses, HR recruitments, etc.

The major roles of the procurement arm of Aramco Asia include:

Purchasing materials and services to support Saudi Aramco operations

- Making the necessary logistics arrangements of air and marine cargoes to Saudi Aramco premises in Saudi Arabia
- Strategic Sourcing by identifying and registering potential manufacturers and service providers with cost and delivery advantages in accordance with Saudi Aramco standards
- Promoting business opportunities and business localization in Saudi Arabia for Asian companies.
- Developing and providing market intelligence reports on commodities, suppliers, and country’s business/supply chain strength.
- Providing Global Travel Services (GTS) that includes ticketing, hotel reservations, car reservations and other associated travel services for the employees of Saudi Aramco and its subsidiaries Companies in Asia
In Asia, we have two materials procurement offices: Shanghai, China, and Tokyo, Japan. Shanghai office is responsible for material procurement from China Mainland, while Tokyo office handles material procurement from the rest of Asia Pacific countries. Both offices act at strategic sourcing for Aramco Asia. Furthermore, Aramco Asia also has an office in Seoul, Korea responsible for sourcing and supplier identification in the country.

Additionally, we have a contract procurement team in Beijing that is responsible for procuring all required services from the Asia Pacific Region.

Engineering and Technical Services

Saudi Aramco’s Engineering & Technical Services Department will evolve into a premier engineering specialist group — consisting of industry recognized Subject Matter Experts— focusing on solution-based problem solving. The department will concentrate on practical ways to make Saudi Aramco safer and more profitable, while preparing the company for the future.

The core function will be to provide value-added services to Saudi Aramco by responding to requests for technical analysis and research, leading and participating in benchmarking studies, and identifying technology for transfer, and qualifications of new manufacturers within Asia Pacific region.

Engineering & Technical Services will support Saudi Aramco in managing the new Beijing Global Research Center. The center’s main objective is to enhance SAO’s profitability and productivity in a cost-effective, timely and collaborative manner. This objective will be achieved by meticulously conducting advanced research activities that ultimately introduce new proven technologies and provide specialized innovative technical services. The BGRC focuses exclusively on three major research areas: geology, geophysics, and production chemicals for enhanced oil recovery.
Corporate Citizenship

Beyond its core business, Aramco Asia also strives to be a good and responsible corporate citizen. Through partnership with local communities and government agencies, Aramco Asia’s strategy is to promote sustainable social and economic development in the areas where it has a presence.

China

Shortly after its establishment, Aramco Asia made a donation to the “Lifeline Express” Eye Hospital Train to restore vision to more than 300 cataract patients. In 2013, Aramco Asia participated International Charity Bazaar organized by Ministry of Foreign Affairs and Saudi Embassy in China as one of the co-sponsors and made donation to build water cellar in rural areas of Yunnan Province.

At the corporate level, Saudi Aramco cooperates with the China Foundation for Poverty Alleviation and donates funds to improve conditions for boarding schools and to build bridges & solar power station in the remote area of Southwest China.

Cooperating with China Development Research Foundation(CDRF), we support Village Early Education Centre projects in HuaChi County of GanSu Province in northwestern China. The donated fund would benefit 213 children from nutrition and education improvement programs throughout the year 2015.

In addition, we joined force with China Youth Development Foundation and China Daily to support 30 children between 8 – 12 years old from minority ethnic groups in Yunnan Province for a week-long Summer Camp in Beijing, providing them an opportunity to the learning of traditional Chinese culture as well as modern technology.

Japan

Saudi Aramco has teamed up with ASHINAGA as well Save the Children to conducts a wide range of children related activities in the region that would support the future generations who would contribute to a revival of the March 11 disaster-hit region as a whole.
Saudi Aramco’s donation to Rainbow Houses Project focusing on earthquake-hit area of in Japan was allocated to the construction of these so-called Rainbow Houses, which will provide mental health care and emotional support for over 400 orphans.

In commemorating late Prof. Dr. Motoko Katakura, the earliest female Japanese cultural-anthropologist pioneering in the Middle East and Islamic World, Aramco Japan established “Aramco Motoko Katakura Desert Culture Fund” in December, 2014 inside the “Motoko Katakura Foundation for Desert Culture”. The Aramco Katakura Fund will be utilized for supporting the Foundation’s academic programs including research and cultural collaborations between Japan and Saudi Arabia for a period of five years, providing an unique sense of value in the research of indigenous Arab culture and the life of nomads.

Korea

Saudi Aramco has donated to the Halym Burn Foundation for children suffering burns, to support obtaining better medical treatment for burn victims from low-income households.

In commemorating late Prof. Dr. Motoko Katakura, the earliest female Japanese cultural-anthropologist pioneering in the Middle East and Islamic World, Aramco Japan established “Aramco Motoko Katakura Desert Culture Fund” in December, 2014 inside the “Motoko Katakura Foundation for Desert Culture”. The Aramco Katakura Fund will be utilized for supporting the Foundation’s academic programs including research and cultural collaborations between Japan and Saudi Arabia for a period of five years, providing a unique sense of value in the research of indigenous Arab culture and the life of nomads.

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