

BUSINESS AREA 9

**Chemistry & Pharmaceutical**

Spain's chemistry industry is the second most important within the Spanish economy, to which it contributes nearly 13.4% of the industrial Gross Added Value (GAV). Spain is considered the fifth European manufacturer and tenth worldwide producer in this sector. In addition to being a strategic industry for the Spanish economy due to its highly export-oriented and innovative nature, the chemistry industry has significantly increased its contribution to the country's GDP over the last 20 years and in recent years has reached record high values in terms of investment. In terms of employment, there are nearly 670,000 professionals in this industry, 59% of them being college graduates.

Murcia is in the Spanish Mediterranean Rim, where most chemical industry firms are located. Within the Region it is important to mention Valle de Escombreras (Cartagena), an area with a large number of petrochemical industries with a cutting-edge technological and productive level at an international level. Within this sector a product which is certainly a category of its own is petroleum. In this regard, the port of Cartagena plays a key role as it is the main Spanish port in petroleum

traffic and one the most important in liquid bulk cargo in the entire Mediterranean region.

Another relevant characteristic of this sector is the proximity between primary material suppliers and end clients, an advantage contributing to enhanced services and optimized costs. This sector is also known for having more open-ended contracts (92%) than any other in Spain (74%) and for investing more in R&D than any other industry. The sectoral experience accumulated by Murcia has taken the region to build industrial parks adjusted to the requirements of the chemical industry. This is essential because due to the specific conditions of the chemical industry, companies in this sector demand installations such as waste treatment plants and specific piping, among others, all of which are available in the Region.

In addition to petroleum and its by-products, this industry includes a large range of industries with a significant production and turnover volume. Some of these industries are pharmaceutical, cosmetics, paints, as well as plastics and paper items, among others.

An aspect currently considered vital is the protection of the environment. In this sense, Murcia's chemistry industry has a Global Program for ongoing improvement of the environment, safety and health, in accordance with the sustainable development principles recognized by the United Nations and applied in 53 countries. In addition to this, it is important to mention the educational system of the Region which, aware of the relevance of this industry for the Murcian economy and society, offers specialized chemistry courses in the 7 universities of the Region's area of influence.



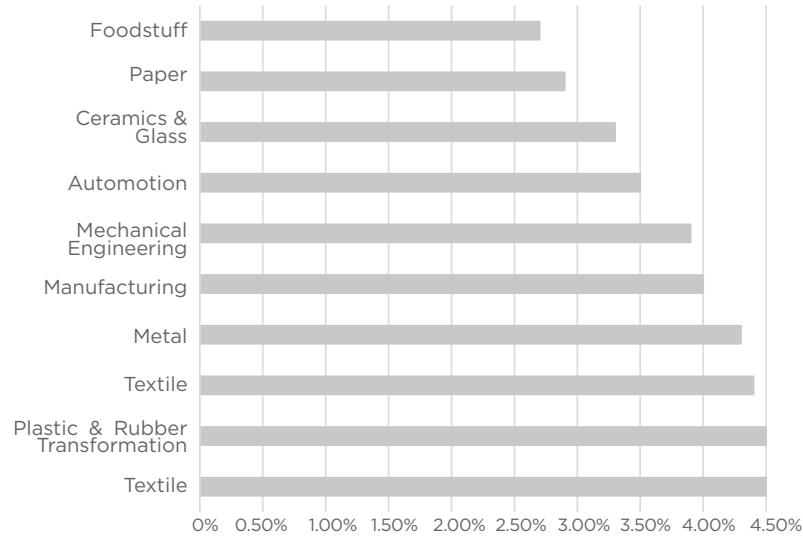
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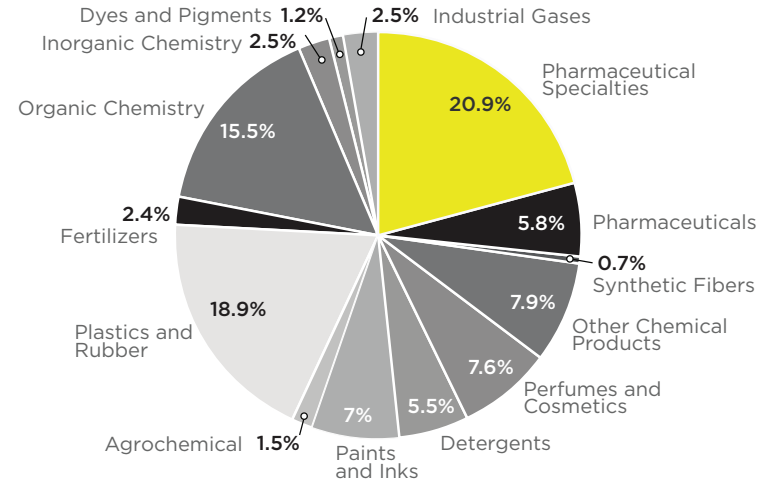
Each job created in pharmaceutical companies contributes to creating up to four additional indirect jobs.

Prospects 2030. Foreseen Worldwide Growth for Industrial Industries (Average Annual Variation)

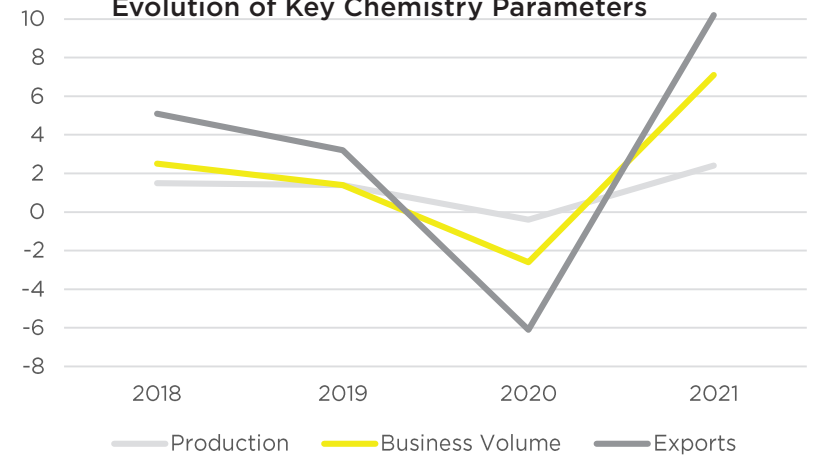


Source: FEIQUE 2021

Industry Distribution of Turnover



Evolution of Key Chemistry Parameters



Source: FEIQUE 2021

INDUSTRY HIGHLIGHTS

The main companies located in the Region, are **Sabic** and its polycarbonate plant, **SK Lubricants** and its lubricant base plant, as well as **Repsol's** mega-industrial complex, which is the most significant industrial investment ever made in the country (some €3.3 billion). These two big companies have joint forces to create another key sectoral player: **Ilboc**, specializing in grade 1&2 lubricants.

Other important companies are **Lineo**, which produces high-quality medicinal cannabis products, and **Dosfarma (Atida, U.K.)** which has grown significantly in the last few years, and **Eurofins**, French company which recently purchased **Villapharma**. **Saras Energía**, **Takasago** and **Francisco Aragón** are other key players successfully operating in this industry for years.

The Murcian chemistry industry is one of the main R&D investors, employs one out of five researchers in the private sector and has an export rate which does not cease to increase.