



MEETING IN DAVOS

Dmitry Konov, Chairman of SIBUR Holding's Management Board, participated in the World Economic Forum in Davos, where 60 heads of state and government, CEOs and owners of 1,000 major companies discussed the Globalisation 4.0 and Industry 4.0 programmes and the challenges of the global economy.

WEF EXPERTS NAMED THE THREAT OF A FULL-SCALE TRADE WAR, WORSENING CONFRONTATIONS, CYBER THREATS AND CLIMATE CHANGE AS THE KEY GLOBAL RISKS FOR THE WORLD ECONOMY IN 2019.

"Globalization 4.0: Shaping a New Architecture in the Age of the Fourth Industrial Revolution" was the theme of Davos 2019. However, the participants' view of the globalisation process was rather pessimistic.

Following the established tradition, on the eve of the forum, experts published a regular report that examines a broad range of global issues. The report concludes that global growth trends have reached their peak. The main news is that the global economic growth forecast has been revised downwards to 3.5% in 2019 and to 3.6% in 2020 against the backdrop of 3.7% seen in 2018. Concurrently, the International Monetary Fund downgraded its global growth forecast in 2019 by 0.2 percentage points due to further increases in international trade barriers.

"We simply do not have the gunpowder to deal with the kind of slowdown that current dynamics might lead us towards," said Borge Brende, president of the WEF. Ultimately, WEF experts named the threat of a full-scale trade war and worsening confrontations between major powers as the key global risks for the world economy in 2019. The list of global threats also includes cyber attacks and climate change.



Borge Brende, president of the WEF, was fairly pessimistic in his speech.

GLOBAL OIL DEMAND IS EXPECTED TO INCREASE BY 1.3 MILLION BARRELS A DAY DESPITE GROWING NUMBERS OF ELECTRIC CARS.

Energy became an important topic in Davos 2019. In particular, talking about her government's priorities, Angela Merkel said that Germany would be ready to abandon nuclear energy by 2022 and coal-powered generation by 2038.

“There are many factors weighing on oil prices, yet a key one was related to the situation in the United States,” said Patrick Pouyanné, CEO of Total, in Davos. “One of the main reasons as to why prices were expected to be weak was because in the United States – a major oil producer – a good part of its production was not being exported because of bottlenecks at the pipelines. These are being constructed, and when it will be done at the end of the year, there will be an influx of U.S. crude in the market and this will drag prices lower towards the end of the year.”

However, the exporting countries have nothing to fear so far. Fatih Birol, Executive Director of the IEA, said in Davos that soon global oil demand is expected to increase by 1.3 million barrels a day. So, it is not accurate to say that electric cars, which have now reached five millions across the world – half of which are in China, will reverse growing demand of oil.

SIBUR in Russia House

The Russian delegation was the most active participant at the Russia House (a project set up by Roscongress Foundation).



Russia House in Davos

A VIDEO OF THE RUSSIA – ONE STEP AHEAD ROUND TABLE IS AVAILABLE [HERE](https://play.live.dfw.ru/stream/id1036/6643.html).
([HTTPS://PLAY.LIVE.DFW.RU/STREAM/ID1036/6643.HTML](https://play.live.dfw.ru/stream/id1036/6643.html))

It is worth noting that interest in Russian speakers has noticeably grown – the Russia House gathered more than 150 journalists and over 1,500 guests from 70 countries.

“Russia House organisers made this business programme as relevant and insightful as possible by inviting prominent business people and officials. Russia has reaffirmed its commitment to be open to the international community,” said Anton Kobayakov, Advisor to the President of the Russian Federation.

Dmitry Konov, Chairman of SIBUR Holding’s Management Board, was among the speakers of the Russia – One Step Ahead round table. His view is that modern technologies and innovation play an important role both at business and country development levels. It is no coincidence that Maxim Oreshkin, Minister of Economic Development, speaking at the Russia House, rated SIBUR as one of the nation’s technology leaders.



The Russia – One Step Ahead round table was devoted to discussing the country's economic agenda. Photo: Roscongress photo bank.

“All petrochemical companies focus on process engineering. As there are no ready-to-use solutions, we have to develop them in-house engaging our people who understand the process, the algorithm and the organisation to put individual solutions together,” said Dmitry Konov, citing the opportunity for SIBUR's employees to physically see the results of their work as one of the Company's advantages. “This motivates many people we hire,” he added.

For SIBUR, Davos has become a traditional European platform for communication with peers and partners from around the world to discuss both matters of the petrochemical industry and items on the global economic agenda. At the WEF, the Company unveils the most ambitious projects.

This time, Dmitry Konov announced that SIBUR had launched extended front-end engineering and design (FEED) for the Amur GCC's polyethylene units. FEED is used to determine key technological parameters of the project.



Gazprom's Amur GPP has been under construction since October 2015. It will supply ethane feedstock to the new facility. Photo: gazprom.ru.

In addition, Linde (Germany) and Technip (France) have been carrying out FEED for the ethylene unit.

Linde Engineering is a technology partner for plant engineering and construction worldwide. With more than 1,000 patents and 4,000 completed projects, Linde ranks among the leading international plant contractors. Founded in 1958, Technip manages engineering and construction projects in the energy sector.

Amur Gas Chemical Complex will team up with Gazprom's Amur Gas Processing Plant, which will provide ethane feedstock to the new facility. SIBUR will process 2 mt of ethane to be supplied by Gazprom for ethylene and polyethylene production.

Once the required documentation is in place, SIBUR will define the project's financing structure. According to Dmitry Konov, this can happen as soon as Q3 2019. Construction is set to start in 2020 (subject to approval), while commissioning is planned for 2024.