



EO SUPPLIES SET TO DOUBLE

SIBUR plans to start supplying twice as much ethylene oxide (EO) to Sintez OKA Group.

SIBUR-Neftekhim ships around 30 ktpa of ethylene oxide to the plant in Dzerzhinsk. The parties are now discussing a potential uptick in deliveries to 60 ktpa to match Sintez OKA Group's ambition to expand its capacities.

"The initiative aims to support Sintez OKA Group's investment programme to build two new facilities," an informed source told Rupec, providing no details about the potential size of investments in the projects.

MORE THAN HALF OF SIBUR-NEFTEKHIM'S ETHYLENE OXIDE IS USED AS FEEDSTOCK FOR OTHER COMPANY'S PRODUCTS.

Another source said that the companies are in talks about a potential 10-year contract for ethylene oxide supplies, which will translate into ongoing deliveries of a total of 600 kt of the product. "Construction and financing are only viable if raw materials are secured for a 10-year horizon," the source said, adding that the talks are now at an advanced stage.

"Under our plans going forward, we will be focusing on expanding production by 50% and adding new products and grades to our mix," Sintez OKA Group announced on its official website.

Sintez OKA Group is the leader of the Russian market for ethanolamines and alkylethanolamines and a supplier to global markets. The Group comprises a production facility with an on-site heat and power plant in the city of Dzerzhinsk (Nizhny Novgorod Region), and an R&D hub in St Petersburg.



Central control unit for ethylene oxide and glycol production at SIBUR-Neftekhim.

At its Dzerzhinsk facility, SIBUR-Neftekhim has capacities to produce ethylene oxide (130 ktpa), glycols (300 ktpa), acrylic acid and esters (35.5 ktpa and 43.6 ktpa respectively), and methacrylates (10 ktpa). More than half of SIBUR-Neftekhim's ethylene oxide is used as feedstock for other Company's products.

Source (<http://www.rupec.ru/news/43286/>)