



SIBUR AND TAIF ARE MERGING

The new consolidated company will become one of the top-five global producers of polyolefin and rubber products.

Under the terms of the merger, existing TAIF shareholders will receive a 15% stake in SIBUR in exchange for the transfer of a controlling interest in TAIF Group's petrochemical and energy companies. The remaining stake in TAIF may be subsequently purchased by the combined company. The deal will be closed subject to completion of the relevant corporate procedures and receipt of necessary regulatory approvals. This combination will make the new company's petrochemical operations more competitive in the global market, improve its resilience to market fluctuations, and also unlock further growth potential of Russia's petrochemical industry through joint realisation of capital intensive projects, and also boost chemical non-commodity exports. The transaction will also bring new jobs and opportunities for sustainable development and environmental management. There is huge scope for synergy in this merger, with improved resource-base diversification, distribution and logistics optimisation, R&D development, and higher operational efficiency at assets. Once all ongoing investment projects are completed, SIBUR will be one of the top-five global producers of polyolefin and rubber products.

THERE IS HUGE SCOPE FOR SYNERGY IN THIS MERGER, WITH IMPROVED RESOURCE-BASE DIVERSIFICATION, DISTRIBUTION AND LOGISTICS OPTIMISATION, R&D DEVELOPMENT, AND HIGHER OPERATIONAL EFFICIENCY AT ASSETS

"TAIF Group boasts an unrivalled portfolio of products and technologies. Powered further by SIBUR's capabilities, the new combined company will be able to deliver an industry leading growth programme. By combining our assets and professional teams, we will further boost productivity at Russia's leading petrochemical facilities and also significantly improve the competitive position of the Russian petrochemical industry on global markets," Dmitry Konov, Chairman of the Management Board at SIBUR Holding commented.

"Through the merger of our companies, we can unleash the huge potential for further efficient development of the nation's petrochemical industry. The deal will help TAIF Group to substantially accelerate the key projects in its 2030 Strategic Development Programme that will see over RUB 1.5 trillion of investment over the next 10 years, improve productivity at our facilities, and expand our product mix. By 2030, we expect tax payments, including those to Tatarstan's consolidated budget, to increase significantly – to up to RUB 50 billion per year," Albert Shigabutdinov, Chairman of TAIF's Board of Directors said.

During the signing ceremony for the SIBUR and TAIF agreement, Russian Deputy Prime Minister Alexander Novak said that investments in the Russian petrochemical sector in the coming decades will amount to about USD 70 billion, which will create tens of thousands of jobs. He also noted that one of the key tasks for the economy in the near future is to develop non-commodity exports,

bringing it up to USD 250 billion by 2024. In doing so petrochemicals can bring from USD 9 billion to USD 18 billion in additional non-commodity exports per year due to the production of 8–16 million tonnes of products.

For details about the synergies offered as a result of the new merger, the new company’s impact on sales markets, and the expansion of the product range, see the Q&As section (/en/20/article/qas/).