



ARGUS PETROCHEMICALS 2020: CIS AND GLOBAL MARKETS

Petrochemicals market players met online to discuss the future of their industry.

The event brought together over 100 delegates from 20 countries and 80 companies, including BP, Total, Rosneft, Gazprom Neft, SIBUR, LUKOIL and others.

DELEGATES DISCUSSED THE CURRENT SITUATION IN THE RUSSIAN PETROCHEMICALS INDUSTRY, ITS PERSPECTIVES IN TERMS OF DEVELOPMENT, DEMAND RECOVERY IN CIS COUNTRIES AND EXPORT MARKETS, CHANGES IN SUPPLY CHAINS, AND THE POTENTIAL OF HIGH VALUE-ADDED PRODUCT SEGMENTS

Delegates discussed the current situation in the Russian petrochemicals industry, its perspectives in terms of development, demand recovery in CIS countries and export markets, changes in supply chains, and the potential of high value-added product segments.

Dorothee Arns, Director General of the European Association of Chemical Distributors, presented an analysis of the current situation and the outlook of the global petrochemicals industry. She noted the relevance of environmental matters and the importance of correctly positioning the petrochemicals industry in society.

Anton Rubtsov, Director of the Oil Refining and Gas Processing Department at the Russian Ministry of Energy, spoke on the state's regulation of petrochemicals. According to him, this market is a driver of economic growth, and the Russian Government is pursuing a consistent policy to support the industry's development across the country. "The extent of this support depends on how much potential we deem the industry to have in bringing about a multiplier effect on the national economy. We should maximise the use of Russian equipment and technology and focus on substituting technologies, not products. This should become our top priority in industry development," concluded Rubtsov.

Ksenia Karetina, Head of SIBUR's Analytical Centre, spoke about the current market environment and forecasts for the main consuming industries, such as the automotive and construction sectors. These industries are estimated to perform below their pre-crisis level until as far as 2022.

Speech by Ksenia Karetina.

Maria Ivanova, Vice President of the Russian Chemists Union, spoke about the pandemic's impact on petrochemical projects in the CIS. First of all, timeframes and priorities were shifted for a number of projects in the region. Nonetheless, Ivanova believes that the petrochemical industry is the most stable for implementing large, long-term projects.

Maxim Remchukov, Sustainable Development Director at SIBUR, gave a talk on how the zero CO2 emissions target influences the petrochemical industry. "Decarbonisation is a global trend and a challenge at the same time; a test of competitiveness for core markets," said Remchukov. "Carbon regulation is moving towards making petrochemistry a key cog in the circular economy, by attempting to reuse polymer waste at various stages of its lifecycle. Waste management reform in Russia is already underway, and we have every reason to believe that SIBUR will stimulate the demand for raw materials from waste-based industries, including through circular economy projects."

Speech by Maxim Remchukov.

The discussion also extended to project financing in the petrochemical industry as well as the export and trade of petrochemicals.