



LAUNCHING PAD FOR EXPORTS

SIBUR plans to bring forward several new grades following the launch of ZapSibNeftekhim. Their pre-marketing kicked off at the annual exhibitions CHINAPLAS (China), IPACK-IMA (Italy) and PLASTPOL (Poland).

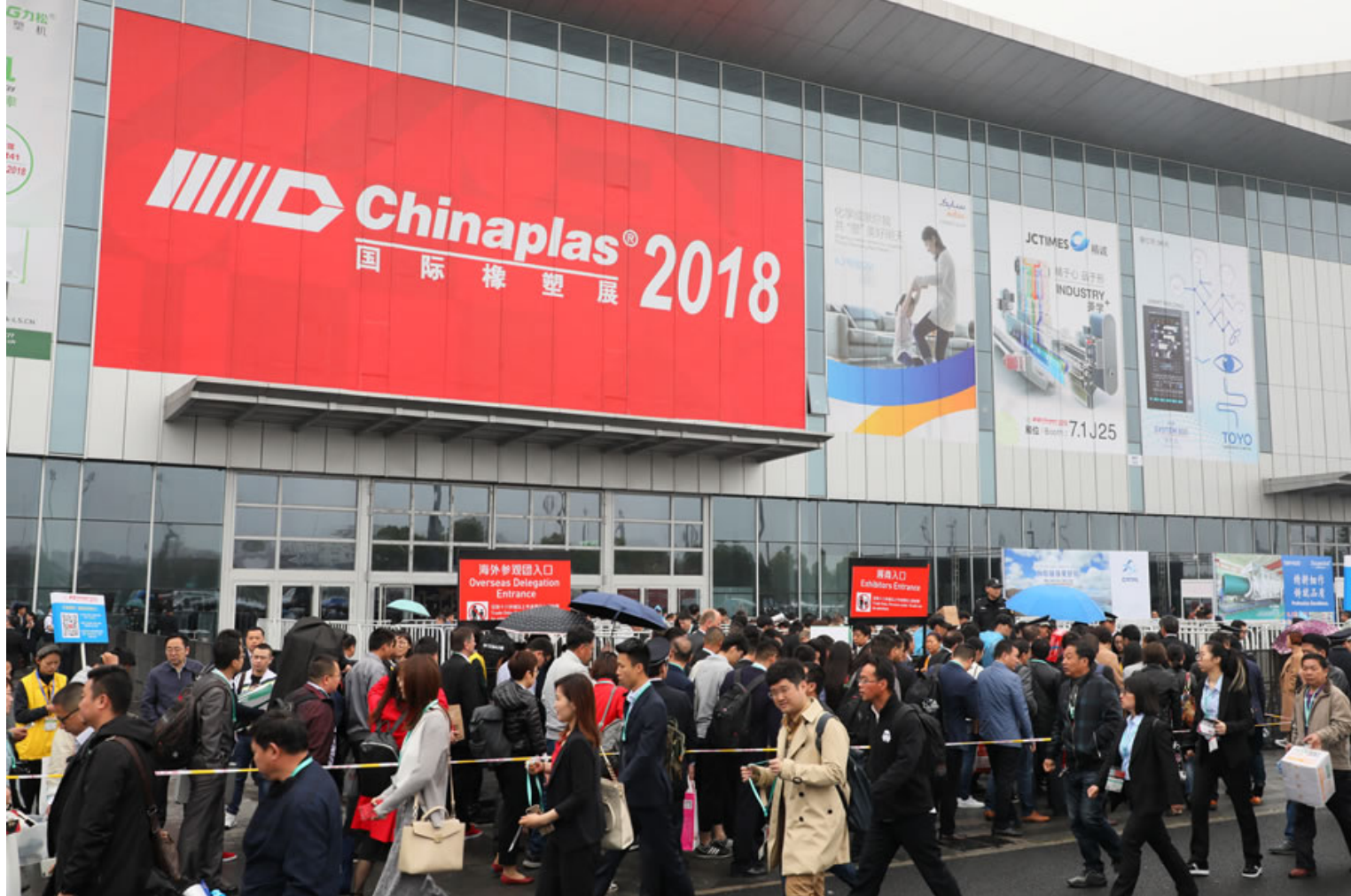
As part of those, the company advertised the completion of the ZapSibNeftekhim project next year. The new facility will serve to increase SIBUR's output and expand its polymer product range. Among other things, events of this scale help boost international brand recognition, which is what SIBUR needs: amid currently limited demand in Russia, the company is aiming to become a key polyolefin supplier in Europe and keep expanding into the vast Chinese market.

SIBUR'S POLYOLEFIN OUTPUT CURRENTLY STANDING AT SOME 1 MTPA IS EXPECTED TO ALMOST TRIPLE FOLLOWING THE LAUNCH OF ZAPSIBNEFTEKHIM.

And it has a good chance to succeed as many exhibition participants from Europe point out the shortage of polyolefins locally caused by growth in processing volumes outpacing that of polymer feedstock supply.

At CHINAPLAS, the world's largest petrochemical exhibition hosted by Shanghai in April, SIBUR signed several memoranda with Chinese companies, with cooperation to proceed once Russia starts exporting more to China.

"In the mid-term, the Chinese market will remain undersupplied and open for SIBUR's products, despite numerous projects to ramp up local production of basic polymers," Dmitry Shastin, SIBUR's new product sales manager, said on the sidelines of CHINAPLAS. "One of the key benefits offered by SIBUR to its new partners in China is high-quality technical support which currently comprises assistance in streamlining processing. In an effort to be closer to its customers, SIBUR has set up local technical support offices, adding to its competitive edge."



CHINAPLAS – the world's largest petrochemical exhibition. Photo: chinaplasonline.com, SIBUR.

The company that has by far tapped into just a few polyethylene and polypropylene segments of international basic polymer markets expects to significantly expand its presence after the launch of the new facility. In particular, SIBUR is likely to become one of the few European supplier boasting a full range of polyolefins.



SIBUR representatives reiterated this point at IPACK-IMA (Italy) and PLASTPOL (Poland). Their presentations covered both existing products and innovations, such as low-density polyethylene, polypropylene homopolymer, and a new grade for polymer films. The company that is currently supplying feedstock for blown stretch film plans to add a new grade for cast films to its product range. The new grade is set to boost the demand for the film by reducing manufacturing costs and improving its properties.

“SIBUR is well positioned to build up its 10% market share in Poland, the company's target market in Eastern Europe. We are also looking at Italy, the second largest polyolefin consumer in Europe after Germany,” Sophie Ladas, junior trader at SIBUR’s Basic Polymers Division, said on the sidelines of IPACK-IMA and PLASTPOL.



Plastpol in Poland. Photo: facebook.com/PlastpolFair, SIBUR

Another important driver of the company's competitive advantage is its state-of-the-art production capacities. “Thanks to highly advanced polymer production process at ZapSibNeftekhim, SIBUR will be able to strengthen its foothold in global markets as facilities in many countries are becoming increasingly old (the average age across Europe is around 25 years). Once the design capacity is reached, the plant’s new equipment will deliver both quality and seamless performance, ensuring steady supplies,” commented Irina Ermakova, sales manager at SIBUR’s Basic Polymers Division.