SIBUR for Clients
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MORE FLEXIBLE, MORE AGILE, MORE EFFICIENT

Base Polymers Division of SIBUR — regarding the results of SIBUR and TAIF assets consolidation.

Towards the market

The consolidation took place on the background of a favorable market situation: the global base polymers market was growing faster than GDP growth. According to Alexey Sboev, the Head of Petrochemical Business Marketing: “The market dynamics were between 3% and 10% growth, and in Russia this growth was even higher. At the same time, there were certain structural restrictions impeding the full satisfaction of the growing demand and securing the leader’s position in this niche even after ZapSibNeftekhim was brought on stream and reached its nameplate capacity.

MERGING THE RESEARCH AND DEVELOPMENT CAPACITIES PROVIDED FOR A POWERFUL SYNERGY EFFECT. IN THE PROCESS OF INTEGRATION, AN AUDIT OF PRODUCTS FORMULATIONS USED IN BOTH COMPANIES WAS PERFORMED. A NUMBER OF POSITIONS WERE OPTIMIZED

There were a sufficient number of positions in the base polymers segment requiring operations not at large tonnage capacities, but at pretty compact facilities, as they provide for smaller losses when producing pilot batches of new products, as well as assure better technological flexibility and variative product slate. Consolidation of the companies helped to resolve this problem. “Operational capacities of Nizhnekamsk site are more compact and more flexible for new products assimilation,” Natalya Malkova, Senior Product Manager for polypropylene, says. “Thanks to this, SIBUR was able to expand the range of polypropylene grades, quickly responding to the market demands, especially in the current situation with the increased demand for the analogues of the products, which we used to import from EU countries.”

Dmitry Shastin, the Senior Product Manager for polyethylene, highlights that the consolidation of the companies allowed for efficient redistribution of operations. Currently, work is underway to start manufacturing:

- polyethylene grades to start manufacturing caps and lids for closing various packaging (e.g., PET bottles for water with and without gas);
- grades for blow molding to manufacture IBC containers;
- special HDPE grade for manufacturing PERT class pipes;

- linear polyethylene grades to manufacture bulky articles using the rotational molding method.

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Customers benefited not only from new grades, but from services development as well. “In this area, SIBUR effectively had more capabilities,” Sergey Roskoshny, Head of Industry Sales in the Packaging Segment, says. “Now the customers of the integrated company have access to them, receiving additional benefits, such as an extended product portfolio available through “one window”, more comfortable logistical terms, various payment options, etc.”

Sinergy in innovations

Merging the research and development capacities provided for a powerful synergy effect. In the process of integration, an audit of products formulations used in both companies was performed. A number of positions were optimized. Because the most efficient formulations were selected and the processes were restructured accordingly, the customers received the same products with improved performance parameters. At the same time, the company was able to reduce production costs.

Sergey Roskoshny provides an example: bimodal polyethylene, with KhimPEK, Danaflex, Mondi and Tuboplast being its major customers. “The domestic market demand for this grade constitutes over 10 ktpa,” Sergey says. “It is used in films and laminated flooring to improve their mechanical parameters (impact strength); it also allows for manufacturing structures with lower density without compromising their physical and mechanical parameters. In April, we piloted the newly developed formulation at Kazanorgsintez, manufactured the first batch for homologation by the key customers, performed the comparative assessment of SIBUR’s grade parameters vs. the benchmarks at SIBUR PolyLab.”

Because the most efficient formulations were selected and the processes were restructured accordingly, the customers received the same products with improved performance parameters.

Our customers need not only polymers, but the “off-the-shelf” quality solutions on their basis in segments such as packaging, construction and in other areas. And they need it fast. The applied science of SIBUR already provides for such a proposition. Sergey Roskoshny describes one more case: “after ELOPAK left the Russian market, there was a severe shortage of tetra-brick packaging for dairy products, juices and other beverages. The combined team of SIBUR researchers, product managers and marketing experts presented six options for substituting packaging solutions: 4 positions of PET-based rigid polymer packaging and 2 polyethylene-based flexible positions. We already explored the potential manufacturers for the finished products and their adjustment for the filling lines.”

Pavel Lyakhovich,
Member of SIBUR LLC Management Board, Managing Director, Base Polymers Division

“Before the consolidation, both SIBUR and TAIF accumulated big bodies of knowledge on process and chemical solutions, allowing for changing the parameters of different grades within a broad variety. They are supported by a significant number of tests using the state-of-the-art research equipment available in different R&D centers.

After combining their theoretical knowledge and practical experience, our researchers and process engineers received a higher degree of freedom, both in the process of product slate development and in facilitating the process of bringing new products to the market due to forming a common projects pipeline and excluding duplication. Thanks to this synergy effect for a series of specialized grades, the full development cycle from the idea to launching a new product in the market may be halved, i.e., to one year!

R&D teams are efficiently interacting with a broad network of their research partners in developing new products and processes. Forming the consolidated position is this area also provides for the benefits in facilitating the research and in scalability of its outcomes.

On top of that, the common approach to R&D was elaborated for interaction with the customers within the process of customizing products for their needs. This made our business process more manageable and more efficient, promoting our integration with the key customers in the R&D area.

One more remarkable example of synergy is scaling up the new developments of NIOST Modeling Center in optimizing and improving the efficiency of operation processes at Tatarstan production site.

Hence, integration of research and development infrastructure of both companies provides for a positive effect in all areas, not just in R&D”.