

IRPC allots B28bn for 5-year plan

SET-listed IRPC Plc, the petrochemical arm of national oil and gas conglomerate PTT Plc, has set its capital expenditure budget for 2015-19 at 28 billion baht.

The focus will be on high-value polymer products.

President Sukrit Surabotsopon said the five-year plan would be the final phase of IRPC's Phoenix Project, representing half the company's upstream hygiene and high – value – added (HVA) production for 2013 – 2019.

Project investment will focus on maximized use of petroleum and petrochemical processes and environmentally friendly products.

Major projects will include a US\$200-million propylene capacity expansion aimed at raising production capacity by 300,000 tonnes to a total of 775,000 tonnes over the next two years.

In addition, IRPC plans to expand its production capacity for olefins and aromatics.

The company is conducting research into turning commodity-grade polymers into HVA products.

New HVA products to be launched this year include ultra-high-density polyethylene, pipe-grade polymers, anti-bacterial polymers and green acrylonitrile butadiene styrene polymers.

By the end of the HVA-expansion period, IRPC's refinery will have increased capacity utilisation to 100% from 80% now.

Besides increasing HVA production, the company is upgrading plant facilities and increasing utilisation of infrastructure to cut costs and raise productivity.

To capture HVA market share in Asia, IRPC has created a joint venture with PCC Rokita, a Polish polyurethane manufacturer, to work on market development and production.

The company expects high-value polymers to contribute half of revenue by 2020, up from the current 30%.

High-value polymers began contributing income to the company last year, when the first phase of the Phoenix Project got under way following the start of the project's plan in 2013.

IRPC expects its gross refinery margin will average copy0 a barrel this year, up from \$7.63 in 2014, as collapsing global oil prices are expected to rebound and approach \$60 a barrel by mid-year.

To avert inventory losses, the company plans to extend its crude oil distribution duration from PTT to 90 days from the current 30.

IRPC shares closed yesterday on the SET at 4.48 baht, up two satang, in trade worth 550 million baht.

