

PTTGC plans \$1bn factory for polymers

SET-listed PTT Global Chemical Plc (PTTGC), Thailand's largest petrochemical maker, is expected to start building a US\$1-billion factory to produce high-value polymer products.

Chief executive Supattanapong Punmeechaow said the facility would produce up to 150,000 tonnes of propylene oxide and polyols.

These polymers are feedstock for building materials, painting and coating products.

The products are licensed technology that PTTGC has obtained by purchasing an 85% stake from France-based Vencorex, owner of the technology, with the rest owned by Perstorp Group.

The company is also conducting a feasibility study into a project for an olefins cracker facility in Marcellus, New York worth \$5 billion.

Mr Supattanapong said his company would choose a precise location with easy access to shale gas resources, a feedstock of olefin production.

The company is also in talks with Indonesian national oil firm Pertamina and Saudi Arabian national oil firm Saudi Aramco to create a joint venture for an oil refinery and petrochemical complex in Balongan City on Java island.

The \$5-billion project was previously planned as separate units, with Saudi Aramco overseeing the oil refinery and PTTGC overseeing the petrochemical unit.

However, the partners finally agreed to synergise the project into a single unit.

Mr Supattanapong said the company could delay the development of a production facility for polylactic acid (PLA), a biodegradable polymer.

The project is a 50:50-joint venture between PTTGC and Cagill under NatureWorks LLC, which plans to expand PLA production out of the US by moving into Asian countries.

"We're waiting for appropriate investment privileges from central governments, as the production costs are too high compared with fossil-made plastics," Mr Supattanapong said, adding that investment privileges would help to cut the high costs.

Last year, the Malaysian government approached NatureWorks about expanding its production plant in that country by offering a subsidy on agricultural prices and soft loans for the project.

The cost of the project is estimated at \$150-300 million for annual capacity of 70,000 to 140,000 tonnes.

PTTGC shares closed yesterday on the SET at 52.50 baht, up 25 satang, in trade worth 316 million baht.

