

SCG seeks new allies for Vietnam plan

Qatari partner pulls out as oil price tanks



Kan Trakulhoon, chief executive of SCG, said the US\$4.5-billion petrochemical complex on a Vietnamese island will go ahead as scheduled after it finds a new partner. SEKSAN ROJJANAMETAKUN

SCG Chemicals Co says it will go ahead with the plan to build a US\$4.5-billion petrochemical complex in Vietnam despite the withdrawal of its Qatari partner, Qatar Petroleum International.

Kan Trakulhoon, SCG's chief executive and president, said the petrochemical unit of Siam Cement Group, Thailand's largest industrial conglomerate, was in talks with a few foreign partners interested in the complex

"Everything in Vietnam is going quite well. Unfortunately, we have to make some changes to the shareholders of the petrochemical complex in Vietnam after our Qatari partner stepped back," said Mr Kan "We need to look for new partners and we are talking with a few companies."

He said the Qatari withdrawal had some impact on the project.

"But we are still confident everything will go ahead as planned and SCG will remain a major shareholder of the project after the change," said Mr Kan.

Prior to the withdrawal of the Qatari partner, SCG owned 46% of the complex. Vietnamese and Qatari partners own the rest.

The project, a joint venture on Long Son island off of southern Vietnam, will produce 1 million tonnes of ethylene annually when it becomes operational in 2018.

The group recently bought a 400-hectare plot on Long Son island for Vietnam's first petrochemical complex.

The complex is part of SCG's plan to increase profits at a time of slumping oil prices and expand the business in Southeast Asia.

Cholanat Yanaranop, President of SCG Chemicals, said the collapse of global oil prices had an adverse effect on the Qatari company because oils is its core business, halting its development in the venture.

“After it conducted a review, Qatar Petroleum International realized petrochemicals is not its core business and it is not familiar with doing business in Vietnam. So it quit the venture, “said Mr. Chonlanat



