

# Dow restarts idled St. Charles cracker

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Dow Chemical has restarted the Olefins 2 plant at its St. Charles Operations near Hahnville, LA, and the unit has been producing on-spec ethylene since 25 December, the company announced on Monday. Dow estimates that the plant's operation will increase Ebitda by \$150 million this year.

Brian Ames, president, Dow Olefins, Aromatics and Alternatives, calls the start-up of St. Charles ethylene plant "the first major milestone" of Dow's US Gulf Coast investment strategy, which will connect the company's downstream businesses to advantaged feedstocks from natural gas. "This action further reduces the company's purchased ethylene, lowering costs and strengthening the competitiveness of our high-margin, high-growth derivatives businesses," he adds.

Dow idled the St. Charles unit in January 2009, following an extended period when operating rates in North America were in the low 80% range, according to IHS Chemical. Other producers idled or closed units as well, with the result that between 2008 and 2010, 2.4 million m.t. of regional production capacity—6.7% of the total—were taken off the market.

IHS Chemical estimates total nameplate North American ethylene capacity in 2011 at 33.4 million m.t., and operations that year at 89.9%.

Eastman Chemical and Chevron Phillips Chemical restarted idled ethylene plants in 2010. The Dow plant, which has an estimated capacity of 386,000 m.t./year, will be the last of the idled operations to return to service, says IHS Chemical.

Several expansions are in the works, however. BASF/Fina, Ineos, LyondellBasell Industries, Westlake, and Williams have announced debottlenecks of existing units totaling around 1.5 million m.t. Formosa, Occidental Chemical, Chevron Phillips, Exxon Mobil, Sasol, Dow, and Royal Dutch Shell have announced plans to build new steam crackers with a total capacity of around 8.7 million m.t.

IHS Chemical expects nameplate North American ethylene capacity to reach 39.1 million m.t. in 2017.

*Source Chemical Week*