

# Gazprom Neftekhim Salavat signs EPC contract for acrylic acid facility

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Gazprom Neftekhim Salavat (GNS) (RTS: SNOZ) has signed an EPC (engineering, procurement, construction) contract with Japan's Mitsubishi Heavy Industries, Ltd. and Sojitz Corporation and Turkey's Renaissance Construction to build an acrylic acid facility, the Russian petrochemical company announced.

The contract calls for designing, supplying and building a new facility to produce acrylic acid and acrylates.

It was reported earlier that the facility would be located at the Monomer plant. It will include production lines for raw acrylic acid with capacity of 80,000 tonnes per year, butyl acrylate (ester of acrylic acid and butyl alcohol) with capacity of 80,000 tonnes per year and glacial acrylic acid with capacity of 35,000 tonnes per year.

The facility is scheduled to reach design capacity in the fourth quarter of 2015.

GNS said its board of directors decided last week to set up the joint venture LLC Akiril Salavat with CJSC Lider, the management company for the Gazfond pension fund.

GNS told Interfax that Akiril Salavat is the name of the new production facility at Monomer. The new firm will have charter capital of 1 million rubles and will be equally owned by GNS and Lider.

Lider, which manages investment funds, mutual funds and private pension funds, is 44.93% owned by Gazfond and 1.74% by Gazprombank, according to the SPARK-Interfax database. Lider owned a 19.092% stake in GNS until August 2011.

Acrylic acid and its esters are used in production of a broad range of polymer materials (acrylic dispersions and paints, latexes, blended polymers, adhesive compositions and super absorbents) used in various sectors of industry.

The only producer of acrylic monomers in Russia and the CIS at present is OJSC Akirilat in Dzerzhinsk, Nizhny Novgorod Region, which has capacity to produce 35,000 tonnes of acrylates per year.

Gazprom neftekhim Salavat implements the full hydrocarbon refining cycle, petrochemicals and mineral fertilizer production. Its enterprises turn out large commercial products, including automobile gasolines, diesel fuel, kerosene, fuel oils, toluene, liquefied gases, butyl alcohols and plasticizers, ammonia, urea, glycols, polyethylene, polystyrenes, silica and zeolite catalysts, corrosion inhibitors, elemental sulfur, household appliances from plastics and surface-active substances.

*Source Interfax: Russia & CIS Business and Financial Newswire*

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