

# New methanol-to-petchem project in Trinidad led by Mitsubishi

Released on 10/12/12

An \$850m (€663m) methanol-to-petchem project in Trinidad and Tobago would be built in a new industrial area there and led by a group including Mitsubishi Gas Chemicals, according to a statement from the government on Monday.

The project would convert methanol to di-methyl ether (DME) and be built on 50 hectares of land at the Union Industrial Estate in La Brea, according to the statement from Trinidad's energy minister Kevin Ramnarine.

The announcement follows a similar but much larger project announced earlier this year, in which a group led by Saudi Arabia's SABIC and China's state-owned Sinopec planned to build a facility in Trinidad.

Mitsubishi did not return phone calls and emails in time for publication.

The Mitsubishi project reflects a shift in thinking about petrochemicals in Trinidad, which has seven methanol plants with a total capacity of 6.6m tonnes/year. Those plants supply roughly 70% of US methanol imports.

But Trinidad no longer just wants to make and sell methanol or ammonia for export, partly because of the possibility that it will lose the US as a customer within the next five years.

Industry sources said Trinidad sees more value - and higher product prices - by encouraging production of methanol derivatives. The SABIC/Sinopec project would have built methanol-to-olefins and methanol-to-petrochemicals plants at Point Lisas.

The Mitsubishi project also represents a geographic shift in Trinidad, away from the Point Lisas Industrial Estate, where most of the tiny island's petrochemical plants are located.

The government wants a second petrochemical complex at La Brea, in southwestern Trinidad, where a new port is being built.

"So it's sort of tying two things together," a source close to Trinidad's petrochemical industry said.

The country's other ports are in Port of Spain and Point Lisas.

Ramnarine said the DME would be used in Trinidad as a replacement or blending stock for diesel and liquified petroleum gas (LPG).

DME is being used in China and Europe now as a substitute for propane and diesel, Ramnarine said.

"It is, however, cheaper than diesel, given the fact that it is derived from natural gas as opposed to being derived from expensive crude oil," Ramnarine added.

The second phase of the project calls for Mitsubishi to make acrylonitrile at the plant, Ramnarine said. The energy minister told a newspaper last week that the plant could also make monoethylene and glycol.

Mitsubishi has signed a deal to buy ethane from Phoenix Park Gas Processors to supply the ethane.

Ramnarine said the target date for the project was in the first quarter of 2014, though it might be moved forward to the last quarter of 2013.

Source ICIS News