

Petrobras approves Innova sale, Comperj restructuring

DATE : 2013-10-01

Brazil's federal oil company Petrobras said its shareholders have approved the sale of styrene business Innova to Brazilian plastic packaging producer Videolar and its major shareholder for 870mn reais (US\$388mn).

At an extraordinary general meeting, shareholders also approved the company's decision to restructure and dissolve four wholly owned subsidiaries, Comperj Participações, Comperj Estirênicos, Comperj MEG and Comperj Poliolefinas. Petrobras had established the units to run its petrochemical businesses at the giant Comperj refining and petrochemical complex that is under construction in the state of Rio de Janeiro.

The first refining train at Comperj is due to begin operating in 2016. Brazilian petrochemical company Braskem, in which Petrobras is the second largest shareholder, has still not decided on what petrochemical plants to construct at the site.

According to media reports, Almir Barbassa, chief financial officer of Petrobras, said that because Comperj will be supplied with petrochemical feedstock from natural gas rather than from crude oil, as had originally been planned, Petrobras no longer needs separate subsidiaries for the project.

The sale of Innova was announced in August. Innova is among a number of assets that Petrobras is selling to raise cash and focus on investments in the Brazilian offshore.

Innova is based in Triunfo in southern Brazil and produces ethylbenzene, styrene and polystyrene. It is currently doubling its styrene capacity from 250,000t/y to 500,000t/y, which should be complete by 2016.

Videolar produces polystyrene, biaxially oriented polypropylene (BOPP), polypropylene film and packaging items.

The transaction is subject to the approval of Brazil's antitrust authority Cade. Innova, Videolar and debt-laden Unigel are Brazil's three largest styrene producers.

SOURCE Business News Americas