

SK unit, Sinopec agree on butanediol venture

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A chemical unit of South Korea's SK Group said Tuesday that it has signed a deal with China's state oil firm Sinopec to set up a Chinese joint venture to produce butanediol, a key material used to make synthetic fiber.

SK Global Chemical and Sinopec will invest a total of some 680 billion won on the construction of the plant in the southwestern Chinese city of Chongqing by 2015. The venture will have an annual output capacity of 200,000 tons of butanediol, according to SK Group.

Butanediol is used to make spandex, synthetic leather and polyurathan.

The latest joint venture will be SK's third petrochemical project with Sinopec. SK is also pushing for an ethylene plant project with an annual production capacity of 800,000 tons in Wuhan, on which the Chinese government is expected to give final approval within the year.

SOURCE Yonhap English News