

Sumitomo Chemical to shut ageing Japanese ethylene plant

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Japan-based Sumitomo Chemical will permanently wind up the operations of an ethylene plant at its Chiba Works in Ichihara, Chiba, in or before September 2015, following a decline in domestic demand for ethylene derivatives.

"The move is expected help the company consolidate its domestic and global petrochemical business."

The ageing of the ethylene plant and its falling competitiveness in terms of energy efficiency, as well as maintenance and repair costs, have contributed to the closure, which is set to take place at the time of the next periodic shutdown maintenance of the Chiba Works.

The move is expected help the company consolidate its domestic and global petrochemical business, by reducing costs and increasing lines of higher value-added products.

Sumitomo is planning to secure required ethylene and other basic petrochemical feedstock, by increasing purchases from its joint venture company Keiyo Ethylene.

Commenced in January 1970, the plant at Chiba Works has an ethylene production capacity of 415,000 tonnes per annum (tpa), while Keiyo Ethylene has production capacity of 768,000 tpa (a year with no periodic shutdown maintenance).

Maruzen Petrochemical holds a 55% stake in Keiyo Ethylene, while Mitsui Chemicals and Sumitomo Chemical own 22.5% each.

SOURCE Chemicals Technology