

Japan's Mitsui Chemicals to exit Keiyo Ethylene JV by end-March '15

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Japan's Mitsui Chemicals is planning to withdraw from the business operations of its Keiyo Ethylene joint venture by end-March 2015, as part of its restructuring efforts, the producer said on Friday.

Keiyo Ethylene, which produces 768,000 tonnes/year of ethylene, is a joint venture between Mitsui Chemicals, Maruzen Petrochemical and Sumitomo Chemical.

The improvement in ethylene supply from new large-scale plants in the Middle East and China as well as the forecasted production growth from shale gas in the US has resulted in an "urgent need to fundamentally restructure and reform domestic petrochemical business for industry sustainability," the company said.

According to Mitsui Chemicals, Japan's domestic ethylene production is expected to fall below 6m tonnes/year.

Mitsui Chemicals will now further strengthen its participation in the Ichihara ethylene center of Chiba Chemicals Manufacturing, an operative by Mitsui Chemicals and Idemitsu Kosan, as part of its efforts to restructure its petrochemical business.

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