

# Eni to invest EUR 2bn to revive petrochemical business

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Italian oil and gas group Eni SpA (BIT:ENI) has prepared a plan to relaunch its petrochemical business with an investment worth EUR 2 billion (USD 2.69 bn), chief executive Paolo Scaroni told Italian daily Corriere della Sera.

Eni has outlined a plan for its subsidiary operating in the sector of elastomers, formerly known as Polimeri Europa and renamed to Versalis, whose CEO Daniele Ferrari is the first top manager at the company appointed from outside the Eni group. According to the paper, the plan focuses on two main goals -- the development of green chemistry at the company's old petrochemical plants and the re-evaluation of the core business with elastomers via international joint ventures and new products.

The group develops its basic chemicals business at 14 production sites with 5,600 staff. The revival of such business would represent a driver for the entire industrial sector which is worth revenues for EUR 50 billion, the daily noted. According to Scaroni, such plan is the only way to start using again sites that are otherwise bound to shut down.

Such an investment in biomass chemicals has no alternative in Europe and Versalis has already launched two re-conversion projects, apart from the accord signed today with Yulex Corporation.

Scaroni told the paper Eni had signed a joint venture accord with Italian Novamont for the development of the Matrica project at the group's old plants of Porto Torres. We will invest EUR 500 million to produce the Mater Bi biodegradable plastic, the CEO told Corriere.

Eni has another accord with Novamont and US Genomatica for industrial-scale production of butadiene from renewable sources.

Eni's plan for internationalisation of the chemical business via partnerships with foreign companies is intended to raise the revenues by 50%, focusing on Asia and Latin America. Versalis has recently opened headquarters in Shanghai and signed new accords in China.

By the end of the plan in 2015 the gross profit of the business should have improved by EUR 400 million and Versalis should return to profit, Scaroni told the paper.

The 2011 consolidated balance sheet of Versalis showed losses for EUR 320 million, a four-fold rise from 2010.

SOURCE SeeNews