

Taiwan's CPC Corp to close Kaohsiung refinery complex by end-'15

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Taiwan's CPC Corp is proceeding with a planned closure of its Kaohsiung refinery and petrochemical complex by December 2015, a company spokesperson said on Monday.

"The deadline for stop(ing operation of all units) is December 2015," the spokesperson from the company's public relation department told ICIS.

The Kaohsiung complex is an integrated oil refining and petrochemical production facility that can handle 200,000 bbl/day of crude, information from the company's website showed.

It houses a 500,000 tonne/year cracker and various derivatives units, including an 80,000 tonne/year butadiene unit, according to ICIS data.

The plants will be closed one by one, the source said.

A joint venture (JV) 250,000 tonne/year base oils plant at the site will be permanently shut in November this year, a spokesperson from part-owner Anglo-Dutch energy major Shell told ICIS.

The base oils plant is a 49:51 joint venture between CPC and Shell.

"We can confirm that the CPC-Shell joint venture - CPC Shell Lubricants Corp. (CSLC) will close its base oil plant in November 2014 and its lubricants blending plant in February 2015, the Shell spokesperson said.

"This plan of JV closure is in line with the announced [Taiwan's] government decision to close the Kaohsiung Oil Refinery (KOR) complex in Kaohsiung, southern Taiwan by the end of 2015. The JV is located in that complex."

The closure of the Kaohsiung complex by the end of next year will be a fulfilment of a promise CPC made to the Taiwanese government years ago.

"Evaluations showed that the facility is aging and uneconomical for further operations," a source at CPC's operation department said.

The Kaohsiung complex started operations in 1946. In April 2012, a pipeline leak caused an explosion at the manufacturing site.

CPC also operates a 200,000 bbl/day refinery at Taoyuan and a 300,000 bbl/day refinery at Dalin.

SOURCE *ICIS News*