

Sabic, Mitsubishi Rayon JV Awards Contract to Build Two Plants in Saudi

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A joint venture between Saudi Basic Industries Corp. (2010.SA) and Mitsubishi Rayon will build two petrochemical plants in the kingdom at a cost of 4.5 billion riyals (\$1.2 billion), the Saudi petchem giant said Thursday.

The joint venture has signed a contract with Taiwan's CTCI Corp. (9933.TW) to build the plants at Jubail Industrial City in Saudi Arabia's eastern province, Sabic said in a statement posted on the Saudi bourse website Thursday.

One of the plants will produce 250,000 metric tons of Methyl Methacrylate Monomer annually, while the other will produce 40,000 tons of Poly Methyl Methacrylate a year.

The company said: "the process of preparing the fundamental engineering designs and concluding the procurement agreements took longer than scheduled" but construction has begun and should be completed in the first quarter of 2017. Commercial operations are scheduled to begin later in that year.

The project will be financed by partners and banks, the statement said.

SOURCE Dow Jones Newswires