

Shell shuts 'most units' at Netherlands Pernis facility after fire

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Royal Dutch Shell has shut down "most of its units" at its Pernis facility in Rotterdam after a fire struck the facility late on 29 July, the Anglo-Dutch crude and chemicals major confirmed on Monday.

The company said the incident had been caused by a fire at a power station within the facility.

"At around 22:30 on July 29, Shell Pernis experienced a power outage due to a fire in a power supply system. Shell Pernis has decided to shut down most of its units in a safe and prompt manner, and this has resulted in flaring," said the company in a statement.

"All appropriate agencies were notified and we continue to keep the local community informed. There were no injuries associated with this incident."

A spokesperson for Shell on Monday declined to comment further on the disruption's potential duration nor on the units affected.

Rotterdam sits in the crude oil and petrochemical hub of Amsterdam-Rotterdam-Antwerp (ARA), which is key for the production and distribution of product across the northwest Europe area.

Shell's facility at Pernis processes 404,000 bbl/day of crude oil products such as diesel, jet kerosene, base oils, liquefied petroleum gases or fuel oil.

The company also produces polyols and solvents at the facility. According to the ICIS plants and projects database, Pernis has a production capacity of 250,000 tonnes/year for propylene and 150,000 tonnes/year of isopropanol (IPA) at Pernis.

It has also production capacities for methyl ethyl ketone (MEK), at 90,000 tonnes/year, and for methyl isobutyl ketone (MIBK) at 45,000 tonnes/year.

European aromatics players were assessing on Monday afternoon the fire's potential impact in the market, although most sources said it was too early to establish how the domestic benzene and styrene markets could be affected.

When Shell started its Pernis new aromatics unit in 2016 it said that benzene from the unit would be sent to its other chemical plants at its Moerdijk site where it would be processed to produce styrene monomer.

"Based on that, it [the incident at Pernis] could have an impact on styrene spot numbers," a trader said.

Early on Monday afternoon, Europe styrene August bids and offers were at \$1,150-1,200/tonne on a notional basis.

Other aromatics sources said it is too early to assess any impact, however.

"Any effect should have more to do with benzene than styrene, but for the moment we do not see anything," said one source.

Discussions for the August benzene contract price were ongoing on Monday, with a settlement expected later in the day, and sources said there was no real pressure on talks yet as a consequence of the Pernis incident.

"There should be some impact but it will also depend on how long the refinery will be down," a benzene trader said.

Source *Icis News*