

## **ADNOC plans to increase petrochemicals and refining capacity by 2030**

Platts.com, 8th Nov 2016

The UAE's Abu Dhabi National Oil Co plans to increase its downstream refining and petrochemicals capacity as part of a newly approved strategy from the government, ADNOC's CEO said Monday.

"Under its new 2030 strategy and five-year business plan, ADNOC will diversify and increase production of its petrochemical portfolio, while opening new markets to ensure sustained profitability", Sultan Ahmed al-Jaber said during the keynote speech at an energy conference in Abu Dhabi.

"It also intends to expand its refining capacity to meet growing demand for refined products", he said.

Abu Dhabi's Supreme Petroleum Council, the highest hydrocarbon policy body in the emirate, approved ADNOC's 2030 strategy on November 2, including a 400,000 b/d increase in production capacity to 3.5 million b/d.

ADNOC said last week it would boost gasoline production to 10.2 million mt/y, from around 6 million mt/y currently, along with 1.4 million mt/y of aromatics. Petrochemicals capacity was expected to increase to 11.4 million mt/y by 2025, from 4.5 mt/year in 2016.

"We will stretch the margin from every barrel we produce," Jaber said.

"And by taking full advantage of our geography, at the pivot point between East and West, we will capitalize on the world's fastest growing markets, including Asia, where oil demand is expected to increase 15% and the market for petrochemicals is set to double by 2030," he said.

Jaber did not provide any further detail on ADNOC's downstream expansion plans.

Abu Dhabi has 840,000 b/d of refining capacity at Ruwais. In June, Jaber announced a new masterplan to integrate Adnoc's upstream and downstream businesses. This included replacing Murban crude used in domestic refining with offshore blended crude.

This will require a major upgrade to the Ruwais refinery, with new facilities to allow Takreer to process around 420,000 b/d of medium-heavy Upper Zakum crude from offshore. Until now, Ruwais has exclusively processed the lighter Murban crude from Abu Dhabi's major onshore fields.

The 200,000 b/d grassroots Fujairah refinery, on the UAE's Indian Ocean coast is still languishing without a contractor.

It is being developed by Abu Dhabi's energy investment vehicle, the International Petroleum Investment Company, but has stalled during the tender process. Ipic is now being merged with another investment company, Mubadala, as part of the emirate's efforts to streamline operations.