

Braskem America polypropylene plant in Texas on target for 2020 startup: CEO
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Braskem America's planned 450,000 mt/year polypropylene plant along the Houston Ship Channel is well into its mechanical construction phase, with two reactors having been delivered from South Korea in mid-March, CEO Mark Nikolich said Tuesday on the sidelines of NPE 2018, a plastics trade show.

"From a project perspective, it's moving along quickly," he said. "We're preparing to do the heavy lifts" with one of only three mega-cranes in the world on site to lift the reactors to their positions in the first US polypropylene plant in Braskem's lineup to be built from scratch.

The company acquired its five other PP plants in Texas, Pennsylvania and West Virginia with a cumulative capacity of 1.57 million mt/year.

One of the reactors to be lifted is comparable in size to the Statue of Liberty, a Braskem spokeswoman said.

"We're on target for the first quarter of 2020," Nikolich said of the \$675 million facility.

In the meantime, Braskem imports PP from Brazil to fulfill US supply needs, with demand growing 2% to 2.5% annually.

"We can't tell customers to wait until 2020, so we're supplementing that supply," Alexandre Elias, vice president of polypropylene for Braskem America, said alongside Nikolich.

Braskem America provided NPE attendees with a virtual reality tour of what the plant will look like once built. The company broke ground on the La Porte facility in 2017 after Hurricane Harvey assaulted the Texas Coast with unprecedented rainfall in September.

The US petrochemical industry has been largely focused on adding ethane cracking and polyethylene derivative capacity in light of the US natural gas shale boom and its huge flow of cheap feedstock. Eight ethane-fed steam crackers and 14 PE plants are starting up between 2017 and 2019, with more to come in 2020 and beyond.

PP plant construction has not proliferated in a similar fashion as companies have focused their spending on crackers and polyethylene, Nikolich said.

Formosa Plastics is planning a 250,000 mt/year PP expansion at its Point Comfort, Texas, facility, but the company has not confirmed a timeline for startup.

ExxonMobil in March announced it had begun engineering work on a 450,000 mt/year PP plant on the US Gulf Coast, and LyondellBasell is considering a new facility as well.

The US became a net PP importer in 2016 and Braskem expects that status to continue until North America starts up enough capacity to satisfy domestic demand.

The company has been importing PP from Brazil for about three years, and Brazil is the second largest PP exporter to the US, slightly behind South Korea, according to US International Trade Commission data.

In 2017, Brazil accounted for 14.58% of the 218,245 mt of the US' PP imports, while South Korea contributed 14.7% of that total, USITC data showed.

Through March, US imports from Brazil were up to 12,200 mt, six times as much as in the first three months of 2017.

Meantime, Nikolich said the company's potential petrochemical complex in West Virginia remains on hold pending progress on infrastructure, such as pipelines.

"We haven't found the right risk profile" for that project, he said, noting that the recent run-up in oil prices may have given ethane a wider advantage over naphtha in the short run, but it may not last long enough to prompt the final investment decision advancing.