

Petrochemical plants in East China to curb output Aug-Sep ahead of G20 Summit

Platts.com, 3rd June 2016

The Chinese government has ordered petrochemical plants in Shanghai and Ningbo to curb production over August-September, ahead of the upcoming G20 Summit in Hangzhou to be held in September, the Environmental Protection Administration said.

The summit will be held in Hangzhou, Zhejiang, over September 4-5, and petrochemical plants in surrounding cities have been asked to reduce production in order to ensure improved air quality during the summit.

The plants that have been hit include those operated by Shanghai Petrochemical, Shanghai Huayi Polymer, Shanghai Secco and state-run China Petroleum and Chemical Corp., or Sinopec.

Shanghai Petrochemical has to shut two polypropylene units, each with a production capacity of 100,000 mt/year, a 300,000 mt/year polyethylene terephthalate plant, and a 230,000 mt/year ethylene glycol plant.

Other Shanghai-based companies include Huayi Polymer which has to halt a 38,000 mt/year acrylonitrile-butadiene-styrene plant.

For Ningbo, while the initial version of the listing was released, companies had up to May 26 to respond to these sanctions, and details have yet to be confirmed.

According to the initial version, companies affected in Ningbo include Formosa Petrochemical and Ningbo Zhongjin Petrochemical, which have to stop all petrochemical production while Sinopec Zhenhai Refining and Chemical Co., has to reduce production to 50% of capacity.

Zhenhai Refining & Chemical operates a 450,000 mt/year high density/linear low density polyethylene swing unit at Ningbo.

The limits on Shanghai will take effect from August 24 to September 6, while details of Ningbo's restrictions have yet to be confirmed.