



شرکت صنایع پتروشیمی
مدیریت برنامه ریزی و توسعه

اهم اخبار جهان پتروشیمی

شماره ۴۹۳

- ✓ **بازگشت BASF به صدر جدول شرکت های برتر شیمیایی-پتروشیمیایی جهان** ۱
- شرکت آلمانی باسف پس از یکسال مجدداً به صدر فهرست یکصد شرکت برتر شیمیایی - پتروشیمیایی جهان بازگشته است براساس گزارش موسسه ICIS، شرکت باسف با درآمدی معادل ۶۶/۶ میلیارد دلار در سال ۲۰۱۹ (۱/۵ درصد کمتر از ۲۰۱۸) توانسته است در رتبه برترین شرکت شیمیایی جهان قرار گیرد و شرکت های چینی و آمریکایی سینوپک و DOW با درآمدی معادل ۶۳/۲ و ۴۳ میلیارد دلار در رتبه های بعدی قرار گرفته اند.
- شرکت سایبک با درآمد ۳۲/۵ میلیارد دلار در رتبه پنجم و شرکت پتروشیمی هلدینگ خلیج فارس با درآمد ۸/۳۵ میلیارد دلار در جایگاه چهارم قرار گرفته اند.
- مجموع درآمد یکصد شرکت برتر جهان در سال ۲۰۱۹ با کاهش ۴/۹ درصدی در مقایسه با سال ۲۰۱۸ به حدود ۱۰۰۵ میلیارد دلار رسیده است.
- ✓ **توسعه صنایع تبدیل نفت خام به محصولات شیمیایی در هندوستان** ۱
- صنایع رلیانس هندوستان در صدد سرمایه گذاری در توسعه صنایع تبدیل نفت خام به محصولات شیمیایی از طریق احداث مجتمع های پتروپالایشگاهی در این کشور می باشد.
- سرمایه مورد نیاز این کار از طریق فروش سهام این شرکت و قرارداد ۱۵ میلیارد دلاری آن با شرکت آرامکوی سعودی تامین می شود.
- ✓ **مشارکت عراق و شل در احداث مجتمع پتروشیمیایی** ۳
- قرارداد ۸ میلیارد دلاری احداث مجتمع پتروشیمیایی بصره با مشارکت شرکت انگلیسی شل در مراحل پایانی خود قرار دارد، این مشارکت به صورت ۵۱-۴۹ فی مابین وزارت نفت عراق و شرکت شل خواهد بود. خوراک گاز اتان مورد نیاز این طرح از میدین نفت و گاز بصره تامین خواهد شد.
- ✓ **سرمایه گذاری ۹ میلیارد دلاری شل در صنایع انرژی هندوستان** ۵
- شرکت انگلیسی شل در صدد خرید ۵۰ درصد از سهام طرح پتروشیمیایی شرکت هندی Nayara Energy به ارزش ۹ میلیارد دلار می باشد. هدف شل از این سرمایه گذاری گسترش حضور خود در بازار داخلی هندوستان و کسب سهم بیشتری از تقاضای رو به رشد صنایع کشاورزی و بسته بندی مواد غذایی این کشور می باشد.

✓ **پیش بینی کاهش ۶/۴ میلیارد دلاری دارایی های شرکت ساسول در سال ۲۰۲۰** ۶

شرکت ساسول آفریقای جنوبی پیش بینی نموده در سال ۲۰۲۰ با کاهش ۶/۴ میلیارد دلاری دارایی های خود روبرو گردد. شیوع جهانی ویروس کرونا، نوسانات بازار جهانی نفت خام و انفجار در مجتمع تولید LDPE از مهمترین دلایل کاهش ارزش سهام شرکت ساسول به شمار می روند.

✓ **احداث مجتمع عظیم پلیمری در روسیه** ۷

شرکت سیور روسیه در صدد احداث یک مجتمع پتروشیمیایی به منظور تولید پلیمرهای اساسی به ظرفیت سالانه ۲/۷ میلیون تن (۲/۳ میلیون تن پلی اتیلن و ۴۰۰ هزار تن پلی پروپیلن) می باشد.

این طرح (تحت عنوان Amur GCC) دارای بزرگترین واحد کراکر جهان بوده و خوراک گاز اتان و LPG مورد نیاز آن توسط شرکت گاز پروم روسیه تامین خواهد شد ، این طرح طبق برنامه در حد فاصل سالهای ۲۰۲۴-۲۰۲۵ به بهره برداری می رسد.

✓ **بلند پروازی های شرکت آرامکوی سعودی در توسعه صنایع پتروشیمی** ۹

شرکت آرامکوی سعودی به منظور کسب حداکثر ارزش افزوده از منابع نفت و گاز این کشور در صدد توسعه صنایع شیمیایی - پتروشیمیایی بوده و به همین منظور ۶۹ میلیارد دلار از سهام شرکت ساییک را به تازگی خریداری نموده و مالکیت ۷۰ درصد این شرکت را در اختیار گرفته است.

✓ **کاهش سوددهی آرامکوی سعودی** ۱۱

سوددهی شرکت آرامکوی سعودی در سه ماهه دوم ۲۰۲۰ با کاهش ۷۳ درصدی در مقایسه با سال ۲۰۱۹ روبرو شده است ، کاهش جهانی تقاضا و قیمت نفت خام از مهمترین دلایل کاهش سوددهی آرامکوی سعودی بوده که ناشی از رکود اقتصادی حاصل از شیوع ویروس کرونا در سراسر جهان می باشد.

✓ **قرارداد تامین گاز اتان واحد کراکر اتیلن مکزیک** ۱۲

دولت مکزیک در تلاش برای انعقاد قرارداد تامین گاز اتان بیست و یکمین واحد کراکر اتیلن در این کشور می باشد. این قرارداد فی مابین شرکت های PEMEX (تامین کننده خوراک گاز) و Braskem منعقد خواهد شد.

تهیه و ترجمه: احمد کشوری

BASF regains lead in ICIS Top 100 Chemical Companies ranking

08 September, 2020

This year, Germany's BASF regained the lead as the world's largest chemical company with sales of \$66.6bn in 2019, a decline of 1.5% from 2018.

Coming in second was 2018's leader, China-based Sinopec with \$63.2bn in chemicals sales, followed by US-based Dow in third with \$43.0bn in revenues, US-based LyondellBasell in fourth with \$34.7bn in sales and Saudi Arabia's SABIC in fifth with \$32.5bn in sales.

"2019 was a tough year for the global chemicals sector with declines in sales and profits almost across the board amid a manufacturing slowdown. This has been overshadowed by the coronavirus pandemic in 2020 which will hit results even harder," said Joseph Chang, Global Editor of ICIS Chemical Business.

The synchronized global manufacturing slowdown along with overcapacity in key chemicals markets made for a difficult 2019.

"The Top 100 companies generated revenues of \$1.05 trillion in 2019 – down 4.9% on 2018 on a comparable, as reported, basis. The data show that 33 of the companies in this listing reported a fall in sales of more than 10%," said Nigel Davis, ICIS Insight Editor.

This compares to a robust 2018 where the ICIS Top 100 Chemical Companies generated combined sales of \$1.2 trillion, up 10% from a year earlier.

India's Reliance unveils details of oils-to-chemicals business carve out

2020/09/07

MUMBAI (ICIS)--Indian conglomerate Reliance Industries Ltd (RIL) released a detailed plan to carve out its oil-to-chemicals business into a separate entity for a potential stake sale, the company said in a filing on Sunday.

As per the scheme, RIL's oil-to-chemicals (O2C) assets, including its refining, petrochemicals, fuel retail (majority interest only) and bulk wholesale marketing businesses, along with its assets and liabilities, will be transferred to a new unit.

The new unit will include the refining and petrochemical plants and manufacturing assets at RIL's Jamnagar, Dahej, Hazira, Nagothane, Vadodara, Patalganga, Silvassa, Barabanki and Hosiarpur locations.

It will also include all assets relating to RIL's ongoing refinery and petrochemical projects that are being commissioned or near completion, the company said.

RIL had officially announced its proposal to transfer its oil-to-chemicals (O2C) business to a separate entity in April.

"The nature of risk and returns involved in the O2C business are distinct from those of the other businesses of RIL and the O2C business attracts a distinct set of investors and strategic partners," it said in the statement detailing its plan to create the new subsidiary.

"RIL being a listed company cannot issue shares with differential rights (i.e. equity shares with interest linked only to O2C business) therefore, the O2C undertaking has to be transferred into a wholly-owned subsidiary of RIL in which the investors will invest," it added.

Accordingly this scheme is being proposed for transfer of the O2C business to the subsidiary on a slump sale basis.

In a slump sale, assets are transferred or sold without considering the values of the individual assets or liabilities contained within the undertaking.

"The scheme will become effective from the appointed date...means opening business hours of 1 January 2021 or such other dates as may be approved by board of the parties," the company said on its website.

The separation of the assets was planned as part of RIL's target to sell 20% in its refining and chemicals business to Saudi Aramco.

The \$15bn deal with Aramco [was initially scheduled](#) to be completed by March 2020, but has been delayed

At the company's Annual General Meeting in July, RIL chairman Mukesh Ambani had said that the company expected to [complete the deal](#) with Aramco by early 2021.

Iraq says \$8bn Shell deal will be signed this year

03 September 2020 By [Wil Crisp](#)

Iraq is preparing to sign a final agreement before the end of the year with UK/Dutch Shell for the development of the \$8bn Nebras petrochemicals complex in Basra, according to the country's oil minister.

Ihsan Abdul Jabbar Ismail said: "After a series of meetings with Shell representatives over the past days, we agreed to accelerate measures to launch this strategic project ... we decided to sign the final contract with Shell before the end of this year."

Iraq's oil minister said Shell would control 49 per cent of Nibras, which will become one of the largest petrochemicals projects in the Middle East and North Africa under current plans.

Iraq's Oil Ministry and the Industry & Minerals Ministry will each own a 25 per cent shareholding.

[Shell statement](#)

In an emailed statement, Shell confirmed that it is continuing to evaluate the project, but remained noncommittal regarding the prospect of finalising the deal before the end of 2020.

A Shell spokesperson said: "We're working closely with our partners the Ministry of Industry & Minerals, Ministry of Oil and others to evaluate the viability of Nebras.

"A key success factor for an integrated petrochemicals complex is establishing a safe investment environment and a reliable gas supply to provide sufficient ethane feedstock."

Finding a reliable gas supply could potentially remain a sticking point in the deal.

Iraq cannot currently meet domestic gas demand and is under pressure from the US to stop gas imports from Iran.

Iraq's Industry & Minerals Ministry signed a memorandum of understanding (MoU) with Shell for the development of the Nibras project in 2012, but plans have seen significant delays amid political instability and financial problems.

Officials have said the project will be completed over a period of five to six years and will generate profits of around \$90bn during its 35-year operational period.

The scope of the project includes:

- **Construction of a petrochemicals plant**
- **Construction of a processing plant**
- **Construction of an ethane-cracking unit**
- **Construction of a warehouse**
- **Construction of a storage facility**
- **Construction of related infrastructure**

Under existing plans for the project, ethane will be provided as a feedstock for the facility from Basra Gas Company's projects to collect associated gas from oil fields in Basra.

The [Nebras project](#) was revived early in 2019 and, in March 2019, Shell said it was evaluating the project.

While Iraq's oil minister has said that the deal will be finalised before the end of the year, many industry insiders remain sceptical that Shell will be willing to commit to the project amid the ongoing uncertainty connected to the Covid-19 pandemic and low global petrochemical prices.

Previously, Iraq's Oil Ministry has said that issues regarding pricing have been a sticking point in negotiations.

Project delays

A range of large petrochemicals projects in the Mena region are seeing extensive delays amid the current price environment.

These include the \$10.9bn Tahrir petrochemicals complex (TPC) in Egypt.

They also include two major projects being developed by Egypt's state-owned Sidi Kerir Petrochemicals Company (Sidpec).

The projects are a planned \$1.7bn plant to produce polypropylene (PP) and a \$730m plant to produce propylene and its derivatives (PDH). Both are due to be located in Egypt's port city of Alexandria.

Shell eyes stake in \$9 B petrochemical project

8/12/2020

Oil major Royal Dutch Shell plans to buy a 50% stake in Indian-based Nayara Energy's up to \$9 billion planned petrochemical project, a source familiar with the matter said.

Global oil majors are looking at expanding foothold in the vast Indian market, where local refiners are investing billions of dollars to boost their petrochemical capacities.

They are looking to meet an expected surge in demand for goods ranging from plastics to paints as the country seeks to promote durable, cheaper materials in industries such as farming and food packaging.

Shell and Nayara - which is part-owned by Russian oil major Rosneft - signed a memorandum of understanding in early June, the source said, adding an equal joint venture will be created for building the project.

"The petrochemical joint venture between Nayara and Shell was discussed at board of directors meetings of Nayara in November and December last year," another source said.

The 1.8 million tonnes a year full steam ethylene cracker and linked downstream units to be build at Vadinar in western Gujarat state would cost \$8 billion-\$9 billion and would be completed in five years, the first source said.

The project will also have an aromatic complex and capacity to produce 10.75 million tonnes of a variety of petrochemicals, according to Nayara's proposal to the environment ministry.

Shell declined to comment on the project while Nayara did not respond to a Reuters request for comment.

Along with the petrochemical complex, Nayara also aims to expand its current 400,000 barrels per day Vadinar refinery to 920,000 bpd. The refinery expansion and petrochemical project are estimated to cost nearly 1.3 trillion Indian rupees (\$17.39 billion).

India's environment ministry would hold a meeting on the expansion project on Aug 29-30, the first source said.

In India, Shell operates a liquefied natural gas import terminal, a port, fuel stations and a plant to turn waste into petrol or diesel. Last year it signed an equity investment deal with an Indian company specialising in biomass aggregation and processing for energy production. (Editing by Emelia Sithole-Matarise)

Sasol braces for \$6.4bn in fiscal 2020 writedowns, annual loss

2020/08/11

LONDON (ICIS)--Sasol expects to announce an annual loss for the 12 months to the end of June as the energy and petrochemicals producer prepares South African rand (R) 112bn (\$6.4bn) in writedowns for the year, largely related to its Louisiana complex.

Sasol expects to incur a headline per-share loss of R8.72-14.86 for the year, due in part to weaker earnings before interest, taxes, depreciation and amortisation (EBITDA) and the estimated extent of writedowns for the year.

The company has suffered from the collapse in oil prices earlier this year, coming ahead of the global spread of the coronavirus pandemic, meaning that Sasol hit its estimated highest leverage peak to bring the Lake Charles, Louisiana petrochemicals complex online at the point of the most dramatic market disruption in generations.

The firm had no hedging in place on oil pricing for the year, and earnings from Lake Charles had been expected to undershoot expectations even before the market crashed, as a result of delays to bringing units online, exacerbated by an explosion at the low-density polyethylene (LDPE) unit.

Base chemicals operations are expected to take the bulk of the attrition, with R71.3bn of the writedowns expected to fall on that division as a result of the Lake Charles woes, which prompted a full internal investigation and the resignation of the former co-CEOs.

The basic chemicals adjustments, coupled with R27.7bn in writedowns for the performance chemicals operations, mean that the downward adjustments for the company's chemicals divisions comes close to eclipsing the firm's R100.9bn market capitalisation.

Sasol also expects to mark down the Lake Charles units that achieved beneficial operation by R3.9bn, energy operations by R12.5bn, as well as a R12.2bn hit on derivative contract losses and currency translation due to the weaker rand against the US dollar.

Group EBITDA for the year is likely to be down 17-37% from the R47.6bn posted in fiscal 2019 due to weaker oil pricing and softer chemical and refining margins. Sasol expects to formally announce its fiscal 2020 financial results on 17 August.

The company has moved to put a substantial chunk of the Lake Charles complex up for sale before the complex is fully completed, to free up cash and bring down leverage multiples, with South Korea's Hanwha Solutions the latest name linked to sales talks, with the firm reportedly [weighing](#) \$1.7bn-3.4bn for a 50% stake in the business.

Sasol expects the final cost of the complex to be slightly under \$13bn.

Construction begins at massive polymer plant

8/18/2020

A construction site in the Amur Region saw the sinking of the first test pile in the foundation of Amur Gas Chemical Complex, a facility set to become one of the world's largest and most advanced basic polymer producers. The official ceremony was held online and was attended via video conference by Mikhail Mishustin, Prime Minister of the Russian Federation, relevant Ministers, Vasily Orlov, Governor of the Amur Region, Dmitry Konov, Chairman of the Management Board at SIBUR Holding, and other representatives of government authorities, the Company and its partners.

The Amur GCC project envisages construction of a basic polymer production facility with a total capacity of 2.7 mtpa (2.3 mtpa of polyethylene and 400 ktpa of polypropylene). The facility will feature a unique and the world's largest cracking unit for the first-stage processing of incoming feedstock.

Amur GCC will be launched in synch with the gradual ramp-up of Gazprom's Amur Gas Processing Plant to its full capacity, so that the latter could supply ethane and LPG to Amur GCC for processing into high value-added products. The completion of construction and commissioning is scheduled for 2024–2025. Once in operation, Amur GCC will give a major boost to the growth of non-commodity exports, as Amur GCC's polymer production capacity is 1.35 times higher than total polymer exports in 2019.

China's Sinopec, the world's largest petrochemical company, is expected to become SIBUR's partner under this project. As a national leader of the oil and gas processing industry, Sinopec boasts an extensive distribution network in China for oil and gas products of varying processing levels. This country remains the key driver behind global polymer consumption growth and is a target market for Amur GCC.

Most on-site preparations at AMUR GCC have been accomplished. Contracts for detail design and equipment and materials supplies for the facility's key process units have been signed and are being fulfilled. SIBUR's technology partners are Linde and NIPIGaspererabotka (cracking units), Univation Technologies and Chevron Phillips (ethylene polymerisation) and LyondellBasell (propylene polymerisation). NIPIGaspererabotka will be responsible for project management, procurement and construction of off-site facilities. Where unique foreign licensed equipment is not required, the project will source up to 80% of supplies locally – the highest reliance on local procurement among major gas chemical projects in Russia. Moreover, supplies such as metal structures, construction materials, laboratory and remote control equipment are all intended to come exclusively from local manufacturers.

“This is one of the largest investment projects in Russia that brings strategic benefits to the gas industry and the country at large. In a very short span of time, Russia's Amur Region will see the

opening of a giant factory with most advanced production techniques based on modern IT and telecommunications technologies. Launching these technologies is an investment in the future. We are forging new growth paths for the Amur Region, giving an impetus to the local economy. I am confident that the project will create thousands of high-tech jobs and drive the development of the transport and social infrastructure in the region. This will not only boost the economy, but will make the life of people in this beautiful place more comfortable. Building a gas chemical complex will unleash new opportunities for the region and coupled with the opening of a gas processing plant will surely create a multiplier effect for the economy,” said Mikhail Mishustin.

“Amur GCC that we are laying the foundation for today is a world-class project of high strategic importance to our region. It will create a multiplier effect, improving the image of the region, attracting investment, contributing to the region's GDP and generating tax revenues for budgets of all levels, as well as facilitating the development of related and associated industries and social infrastructure. As a highly resource-intensive project this facility will increase the number of jobs at both construction and post-commissioning stages. With a new gas chemical cluster in place, students and graduates will have a wider choice of careers to pursue. This will help us curb talent outflow and offer the youth new digital professions and opportunities for well-paid interesting jobs in the Russian Far East,” said Vasily Orlov.

“Amur GCC is another step forward towards transforming SIBUR into a global-level petrochemical company. The complex will be a key project in SIBUR’s investment programme for the next five years and upon commissioning will almost double our basic polymer production capacities, even taking into account ZapSibNeftekhim that is currently ramping up to the full-scale output level. Long-term forecasts for petrochemicals demand, proximity to the sales markets and a well thought out feedstock base give us confidence that Amur GCC will be a highly effective and competitive business that will help SIBUR gain a strong foothold in both Russia and globally,” said Dmitry Konov.

In addition to Amur GCC, the nation's largest gas processing and gas-chemical cluster will be created in the Russian Far East to boost the region's development. What makes the project even more important is the fact it is a stepping stone to unlocking the country’s huge non-commodity export potential. Deep conversion of ethane, a key feedstock for Amur GCC, quadruples the added value of the resulting product. By 2040, this project is expected to increase non-commodity exports by RUB 4.6 tn. The significant role of the project is acknowledged by the agreement to make Amur GCC a resident of the Svobodny Priority Development Area that was signed by Alexei Vereshchagin, CEO of Amur GCC LLC, and Dmitry Tetenkin, Director General of the Far East Development Corporation JSC.

Amur GCC will be the world’s first petrochemical complex to implement a remote control room. The project will benefit from over 150 digital and automated solutions and 24/7 remote monitoring and control of most process operations. Amur GCC is set to become an example of the most advanced solutions in engineering data management, with all technical documents, engineering data and the 3D model being aligned and available in just one click. The project data will be accumulated and made accessible both at the construction stage and during operation for future refurbishments, modernisations, repairs and maintenance.

In line with SIBUR's Sustainability Strategy, Amur GCC will employ state-of-the-art processes such as smokeless flaring and using renewable energy sources where possible, both of which are now emerging as new trends gaining traction in the global petrochemical industry while the world seeks to reduce carbon footprint.

Saudi Aramco targets long-term ambitions for chemicals industry

LONDON (ICIS)-Saudi Aramco asserted its ambition to become more prominent in the petrochemicals industry as the dominant end market for future crude consumption, while being key to a green energy transition.

This dovetails with the state-owned oil major's recent acquisition, [purchasing a majority stake in Saudi petrochemical firm SABIC](#) for \$69bn, making it one of the largest acquisitions in the industry.

“As far as we were concerned, when the decision was made to purchase the 70% stake, we had a very long-term view to becoming top chemical company to make Aramco the number one energy company,” said Saudi Aramco CFO Khalid Al-Dabbagh.

As demand for petrochemicals products is expected to grow faster than any other segment downstream of crude, being the majority shareholder of SABIC will provide Saudi Aramco with a strategic advantage.

“The completion of this transaction enhances Saudi presence in the global petrochemical chem industry, a sector expected to record the fastest growth in oil demand in the years ahead. The acquisition transforms Aramco into a global petrochemical player,” added Al-Dabbagh.

Speaking at the company's earnings presentation, Al-Dabbagh highlighted the synergies in procurement, supply chain, manufacturing, marketing and sales with partners and across projects and complementary geographies between the two companies.

Importantly given the current economic situation, the acquisition will increase resilience of cash flow generation.

This was severely impacted in the [first half of 2020](#), in part because of the SABIC acquisition, but also because of the fallout of the coronavirus.

“We had planned to have a much higher amount and reduce debt association, but we have financed the acquisition with the PIF (Public Investment Fund) over the next eight years,” said Saudi Aramco CEO Amin Nasser.

“Having the balance sheet we had allowed us to weather the impact of the storm and havoc coronavirus reeked on the industry.”

The economic headwinds of low demand and weak oil prices brought about by the pandemic weighed on the Saudi Arabian-headquartered energy company's performance in the first half of 2020.

Nasser described the second quarter as "the most challenging economic period in generations" but anticipated a partial recovery in the latter part of the year as containment restrictions are eased and economic stimulus measures are rolled out.

With this in mind, Saudi Aramco has scrutinised future capital spending, which is expected to remain at the lower end of the \$25-30bn range for this year, and is likely to be significantly lower than the \$40-45bn range initially projected for 2021.

While other producers have moved away from integrated chemical ventures, Saudi Aramco has leaned on its synergies to put it in a strategic position to crest the transition to greener energy.

"The world will need to find a way to meet demand therefore I am confident with their right technology we can meet the dual challenge of meeting energy needs while lowering emissions...Technology is a game changer for us and we are putting a lot of focus on it," said Nasser.

Saudi Aramco Q2 profit plunges on oil slump, lower refining/chem margins

Author: Pearl Bantillo

2020/08/10

SINGAPORE (ICIS)--Saudi Aramco reported a 73% year-on-year plunge in its second-quarter net profit, caused by a slump in crude oil prices and falling refining and chemicals margins amid the coronavirus pandemic.

in billion Saudi riyal (SR)	Q2 2020	Q2 2019	% change	H1 2020	H1 2019	% change
Sales	123.2	286.8	-57.0	348.8	556.1	-37.3
Operating income	53.1	181.3	-70.7	182.8	347.9	-47.5
Net income	24.6	92.6	-73.4	87.1	175.9	-50.5

Earnings pressure was partly offset by a decrease in the royalty rate from 20% to 15%, lower income taxes, as well as higher income related to sales for gas products, the energy giant said in a filing on the Saudi Stock Exchange on 9 August.

The world's biggest crude exporter has declared a second-quarter dividend of \$18.75bn, which will be paid out in the third quarter.

“Strong headwinds from reduced demand and lower oil prices are reflected in our second quarter results,” Aramco president and CEO Amin Nasser said in a statement.

Lockdowns implemented across the world to contain the spread of the deadly novel coronavirus has plunged the global economy into a recession.

These pandemic-containment measures are being lifted gradually amid continued spikes in global cases, which stood at more than 19m as of 9 August, according to data from the World Health Organization (WHO).

“We are seeing a partial recovery in the energy market as countries around the world take steps to ease restrictions and reboot their economies,” Nasser said.

He added that Saudi Aramco “will continue to pursue our long-term growth and diversification strategy”.

In June 2020, the company completed the \$69.1bn acquisition of a 70% stake in Saudi petrochemical major SABIC.

Mexican government eyes Ethylene XXI ethane contract

Author: Al Greenwood

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HOUSTON (ICIS)--The ethane contract for the Ethylene XXI polyethylene complex in Mexico attracted more attention from the nation's government, with the attorney general mentioning the project as part of a larger list of allegations from the former head of Pemex, who had been arrested in Spain following allegations of corruption.

Emilio Lozoya [has returned to Mexico](#) and spoke with the nation's attorney general, Alejandro Gertz, [who summarised his statements in a video](#).

It was not possible to verify the summary with Lozoya.

Part of the summary was about Pemex's contract to supply ethane to Braskem Idesa's Ethylene XXI complex. The prices for the ethane are benchmarked to those in Mont Belvieu, Texas.

Gertz quoted Lozoya as saying that the contract has benefited Ethylene XXI while causing serious losses to the federal government.

The government criticised the contract [in late July](#), when Andres Manuel Lopez Obrador (AMLO), announced that Pemex is working through the process [to terminate it](#).

Braskem, which holds a 75% stake in Braskem Idesa, referred questions about Gertz's summary to Odebrecht, a Brazilian construction company that owns a controlling stake in Braskem. Odebrecht did not immediately respond to a request for comment.

The remaining 25% stake in Braskem Idesa is owned by Grupo Idesa. Patricio Gutierrez, CEO of Idesa, said he could not comment about the specific allegations that were read by Gertz.

However, he said that the ethane contract is legal, binding and enforceable. Moreover, Idesa has always been open to having discussions with the government and Pemex on finding a solution to the contract that is sustainable in the long term to both parties.

Pemex did not immediately respond to a request for comment.

GERTZ'S COMMENTS

According to Gertz, Lozoya mentioned the contract as part of a larger statement that made various allegations of bribery. Gertz connected none of these bribery allegations to Ethylene XXI.

As told by Gertz, Lozoya alleged that millions of pesos worth of bribes went to the 2012 presidential campaign of Enrique Pena Nieto, who would ultimately win the election. Lozoya alleged that the money came from Odebrecht.

Other bribes allegedly went to legislators to push through structural reforms in 2013-2014, according to the summary. Gertz did not specify from where the money for those bribes came.

After summarising Lozoya's allegations, Gertz said, "There is also another part in which [Lozoya] spoke of Ethylene XXI, which was during the previous administration. In this specific case, he said that there was also a series of economic benefits in favour of this company that also is linked to a Mexican company that is a partner to Odebrecht. And they were given a series of benefits in feedstock prices, resulting in serious losses for the federal government."

PROBLEMS WITH THE ETHANE CONTRACT

In past comments, Braskem has said that the cause of the difficulties of the contract has been a lack of ethane in Mexico.

Mexico's ethane supplies have declined with oil production over the years.

By the time Ethylene XXI started up, Mexico had swung from an ethane surplus to an ethane shortage.

Initially, Pemex honoured the ethane supply contract by diverting feedstock from its own crackers to Ethylene XXI. Pemex was unable to ship enough ethane to Ethylene XXI, so the complex started importing the feedstock from the US. The amount still is not large enough to allow the complex to run at full capacity.

Pemex began to rack up penalties for failing to meet the terms of the ethane contract. It now owes Braskem \$56m.

Ethylene XXI includes a 1.05m tonne/year ethane cracker as well as 750,000 tonnes/year of high density polyethylene (HDPE) and 350,000 tonnes/year of low density polyethylene (LDPE).

Braskem is in talks with lenders and the Mexican government about ways to address the country's shortfall of ethane, said Pedro Freitas, Braskem chief financial officer. He made his comments during the company's earnings conference call, which took place before Gertz read his summary of Lozoya's allegations.

Making any changes to the contract would be challenging, since it would require approval of the lenders of the project, Freitas said during the call. Those number 14, and they include international banks, development banks and commercial banks.

Meanwhile, Braskem has opened an investigation following allegations about Ethylene XXI that were reported in the Mexican media, Freitas said during the earnings conference call. "There was a claim in the news that there was something untoward in Braskem Idesa. So we, as part of our

normal cycle here in regards to any type of allegation of the company, we opened an investigation."

Freitas did not elaborate on the allegation in the media. He did say that Braskem has found no indication that there is anything behind it.

The company conducted an earlier investigation into Ethylene XXI that was connected to the larger Lava Jato - or Car Wash - scandal. That investigation was completed in 2017 and nothing was found.