

Kazakhstan Polyethylene Plant Construction Started

11 September 2024, early construction of the polyethylene plant with an annual 1.25 MT production and investments approximately worth USD 7.4 billion started at the National Industrial Petrochemical Technopark Special Economic Zone in Atyrau Region.

The ceremony was attended by Sagyndyk Lukpanov, Member of the RK Senate of the Parliament, Serik Shapkenov, Akim of Atyrau Region, Askhat Khassenov, CEO of NC KazMunayGas JSC, Yerlan Akkenzhenov, Vice Minister of Energy, Olzhas Saparbekov, Vice Minister of Industry and Construction, Sergey Komyschan, Member of the Management Board/Executive Director of SIBUR, and Zhao Tiezhu, Vice President of Sinopec Overseas Investment Holding.

The project is implemented in accordance with the order of Kassym-Jomart Tokayev, the Head of State, to establish an oil and gas chemical industry cluster in the country's western region and will to become the largest project in the manufacturing sector of Kazakhstan.

Construction is expected to be completed by 2029. Commissioning of the plant will help to substitute imported polyethylene with domestic products and boost the high-value-added goods export.

Therefore, implementation of the project is expected to contribute to GDP growth by 1.2% and generate approximately 8,000 jobs during the construction phase and 800 jobs after production commencement. The project is expected to have a multiplier effect on the national economy by fostering the growth of the associated industries and new end products domestically manufactured.

Polythene, recognised as the world's most prevalent plastic, finds its use virtually across every sector of the economy.

The project is implemented by Silleno owned by NC KazMunayGas JSC (40%), Sinopec Overseas Investment Holding (30%) and Sibur Holding PJSC (30%). The project will be funded through shareholder equity and loans from international banks. The plant's planned product line will feature a wide product range (up to 22 grades of polyethylene), of which 40% are classified as premium grade. This is now possible due to agreements with the world's industry leading companies, such as Axens (France), Univation Technologies (USA) and Chevron Phillips Chemical (USA). The primary polyethylene feedstock is ethane extracted at the KMG Gas Separation Complex from the dry gas produced at the Tengizchevroil fields. Polyethylene serves as a fundamental component in the manufacture of a diverse array of products, such as pipes, construction and packaging materials, automotive components, medical equipment, and various other items extensively utilized in daily life and industrial applications.