

PETROCHEMICALS

IRPC details capacity expansion

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The SET-listed IRPC Plc, the petrochemical arm of PTT Plc, will spend US\$1 billion to expand capacity and develop two environmentally friendly industrial estates with the aim of doubling its annual earnings within three years.

President Atikom Terbsiri said the company board last week approved funding for a long-residue project that will be operational in 2015, raising its propylene capacity by 300,000 tonnes a year.

The capacity enhancement is the final part of IRPC's Phoenix investment plan that runs through 2015.

The company is now mulling construction of a paraxylene plant, the cost of which is still being studied, in the next phase of expansion.

Meanwhile, IRPC has been developing two eco-industrial estates in Rayong province and will start selling land to manufacturers next year.

Capacity expansion and land sales will double earnings before interest, taxes, depreciation and amortisation by 2015 from \$300 million annually at present, said Mr Atikom.

He said increased production of premium petrochemical products will strengthen the company's competitiveness and profit margins.

Industrial land development will also allow the company to boost earnings growth despite the business being new and challenging, said Mr Atikom.

Controlled by PTT, the country's energy flagship, IRPC operates a refinery with capacity of 215,000 barrels per day.

In the second quarter, the company posted a net loss of 4.06 billion baht compared with a profit of 2.34 billion baht in the same period last year.

The poor performance was blamed on lower oil prices and petrochemical products hurting inventory values.

Shares of IRPC closed yesterday on the SET at 4.12 baht, down two satang, in trade worth 53.7 million baht.