

Sibur and Sinopec enter joint venture to produce NBR

During Russian President Vladimir Putin's state visit to China on 20 May 2014, the Russian gas processing and petrochemicals company Sibur signed a contract with China Petroleum and Chemical Corporation (Sinopec) to establish a joint venture for the construction of a 50 kt/y butadiene nitrile rubber (NBR) plant at the Shanghai Chemical Industry Park, 50 km south of Shanghai.

Sinopec's share in the joint venture will be 74.9 % and Sibur's will be 25.1 %. Chinese President Xi Jinping and President Vladimir Putin were both present at the signing ceremony. The parties also signed a technology license agreement for the use of Sibur's NBR production technology at the new facility. Sibur's specialists will take part in establishing the new facility's production and commercial operations.

Sinopec expressed, "Last year the two parties developed a joint venture on the site of the **Krasnoyarsk Synthetic Rubber Plant (KZSK)** in Russia. Sinopec purchased 25 % + 1 share of KZSK. Today, a significant proportion of KZSK products are delivered to the Chinese market through their partnership with Sinopec. Sinopec believes that with the establishment of this new joint venture in Shanghai, Sinopec will be better equipped to fulfil market demand and contribute to China's economic development."

Sibur expressed, "China remains a fast developing market, committed to replacing imports with domestic production. Sinopec is a leader in this market with significant resource capabilities, and this, combined with Sibur's advanced technologies for producing butadiene nitrile rubbers, will enable a successful long-term partnership between the two companies. It will also enable us to develop a highly competitive production facility in China and expand Sibur's footprint in the Asia market."

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