

Opportunities and Challenges at the Interface between Petrochemistry and Refinery

The OMV View

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OMV's refineries have been integrated into petrochemistry since start up of the first steam cracker in 1970. The refineries in Schwechat, Burghausen as well as those in Romania, especially Arpechim, have significant petrochemical capacities. 1998 saw the merger of PCD with Borealis and a 25% stake of OMV in the latter. Since 2005 OMV owns a 35% stake in Borealis, a leading producer of high grade polymers.

The last years have shown major investments in Schwechat as well as in Burghausen, Schwechat's cracker was expanded by appr.150 kta ethylene to nominal 500 kta. And in Burghausen the revamp of the cracker has been combined with a metathesis unit in order to feed a new 330 kta poly-propylene plant.

The polymer market is still growing. However, the bulk of investments to boost future capacity are located in the Middle East and in the Asia-Pacific region, predominately in China. As more and more products from these regions finds its way into Europe, the European petrochemical industry sees itself facing fierce competition. In response, we observe a process of restructuring: The creation of Arkema (Total), the take-over of BP's petrochemical assets by INEOS, the disposal of Shell-BASF subsidiary BASSELL to Haldia Petrochemical and Accent Industries, and the transfer of Statoil's interest in Borealis to IPIC and OMV.

Compared to these competing regions, European sites bear a heavy burden in terms of fairly old units, labour as well as high energy and raw material costs.

How to compete with these challenges?

The author will highlight the options for OMV in order to further strengthen the petrochemical integration of the refineries. This will include an overview of emerging technologies.