



Breaking News on Food Processing & Packaging

LyondellBasell to shut Italian polypropylene plant

By Rory Harrington, 26-Feb-2010

LyondellBasell Industries said it plans to close its polypropylene (PP) plant in Terni, Italy, as demand for the product continues to be hit by the global economic downturn.

The company said it had launched the necessary consultation process with the 120 employees *"to permanently shut down the unit"* which produces biaxially-oriented polypropylene (BOPP) films and textiles.

"We are going through a significant staff reduction throughout the company," LyondellBasell spokesman Waldemar Oldenburger told FoodProductionDaily.com. *"The business outlook for European PP producers is not very optimistic at present in view of the global supply and demand pressures."*

Global demand hit

LyondellBasell said that if the move went ahead, it anticipated being able to meet demand with output from its *"world-scale"* Italian facilities at Ferrara and Brindisi.

"Demand for polypropylene continues to be affected by global economic conditions and the resulting market environment has made facilities such as Terni no longer economically viable," said Anton De Vries, senior vice president, olefins and polyolefins for Europe, Asia and International.

Terni has a nameplate capacity of 255KT per annum – although the company declined to say at what level production was currently running at. LyondellBasell's global PP capacity is currently 8.3m tonnes per annum.

Italy, like many other European PP producing countries, is coming under increasing pressure from low-cost manufacturers in the Middle East.

"Italy has traditionally exported PP to other southern European countries", said Oldenburger. *"However, the likes of Turkey, Greece and countries in North Africa are increasingly sourcing product from outside Europe – particularly lower- cost producers in the Middle East."*

BOPP film is used extensively in the flexible packaging sector.

Earlier this month, the company's US operations announced it had reached an agreement that it believed would allow it to emerge from Chapter 11 bankruptcy.

Copyright - Unless otherwise stated all contents of this web site are © 2000/2010 - Decision News Media SAS - All Rights Reserved - For permission to reproduce any contents of this web site, please email our Syndication department: [Administration & Finance](#) - Full details for the use of materials on this site can be found in the Terms & Conditions

© 2000/2010 - Decision News Media SAS - All right reserved. The logo for Decision News Media, featuring the text "Decisionnewsmedia" in a blue, sans-serif font with a small blue square to its right.