

Enterprise Products Partners and Navigator Holdings set up joint venture for ethylene export terminal

Clay Boswell, Chemical Week, IHS Markit (31 January 2018)

Enterprise Products Partners (Houston, Texas) and Navigator Holdings (London) have entered into a 50-50 joint venture to build a 1 million metric tons/year ethylene export terminal on the US Gulf Coast. The facility, which will have 30,000 metric tons of on-site refrigerated storage capacity and an ethylene loading rate of 1,000 metric tons/hour, is slated to enter service by the first quarter of 2020.

The partners first announced the project in July 2017. They have since then obtained long-term contracts with anchor customers including Flint Hills Resources and a major Japanese trading company. Flint Hills operates a 771,000 metric tons/year swing cracker at Port Arthur, Texas.

“By 2021, the petrochemical industry is expected to expand aggregate ethylene production capacity in Texas and Louisiana by nearly 50% to approximately 90 billion lbs/year [40 million metric tons/year],” says A.J. Teague, CEO of Enterprise’s general partner. “The resulting rapid growth in the supply of U.S. ethylene, combined with increased demand from international markets, like Asia, creates an ideal scenario in which markets abroad are able to diversify their supply by accessing cost-advantaged feedstocks made possible by the shale revolution in the United States. This export terminal will also offer diversification opportunities for domestic petrochemical producers who will not have to rely solely on the export market for derivatives like polyethylene.”

Odfjell Terminals is also developing an ethylene export terminal, which would be located at the company’s facility in Seabrook, Texas. In February 2017, the company hired JGC America to conduct front-end engineering and design (FEED) for the project.

For further information on the chemical shipping market, please visit www.ihsmarket.com/mtforchem