

NOVOMOSKOVSK PIPE PLANT JOINS POLYPLASTIC GROUP

Press service of POLYPLASTIC Group

The POLYPLASTIC Group keeps expanding. Novomoskovsk Pipe Plant, established in 2006 by the Polymer Managing Company and Kazanorgsintez CJSC (at Polymercontainer Novomoskovsk Plant) joined the Group in the first half of 2013.

Novomoskovsk Pipe Plant has 9 extrusion lines with a total capacity over 20,000 tonnes per year. The plant can produce PE pipes from 20 mm to 630 mm, and has its own testing laboratory to implement quality control of all products.

The plant will increase production capacity 1.5–2 times within the next five years, helping to capitalise on its great potential. Moreover, the product range will include innovative pipes developed by POLYPLASTIC Group.

The plant has a lot of production and warehouse space, and the 15+ hectare site will be expanded still further. Power availability is 3–4 times higher than current consumption.

Full scale modernisation will start in the near future. The aim is to deploy PVC suspension pipe production. The POLYPLASTIC Group plans to bring new PVC pipe products for water and sewer pipelines from 110 mm to 500 mm as well as casings for the Russian market by 2014.

In the next two years the plant plans to implement the production of high pressure oriented PVC pipes and will become the largest producer of PVC pipe in the FSU region.



The addition of the Novomoskovsk Pipe Plant is consistent with the Group's strategies of doubling sales volume by 2020, and of achieving production output of 500,000 tonnes per year. In this case, given the state of the pipe market, the PVC share should be not less than 12–15% (60–75 thousand tonnes). The mutually beneficial effects of the merger will be seen in the accelerated development of the plant, expansion of its production facility, and widening of the product range and sales volumes, as well as the reinforcement of the POLYPLASTIC Group's position on the pipe market in Russia and the FSU region.

IMPORT OF PIPE GRADE PE HAS FALLEN 50% IN 2013

According to the DataScope Review of Market Report, imports of HDPE into Russia in 2013 have reduced by 30%. This is due to a domestic production increase of 38% and the slowing dynamics of demand growth.

The total volume of HDPE imported into Russia in 2013 has fallen to 286.2 thousand tonnes compared with 408.5 thousand tonnes in 2012. Import growth was only reported in extrusion coatings for big diameter steel pipes and the injection molding

sector. The overall import indicator in these sectors came up to 73.8 thousand tonnes and 48.9 thousand tonnes respectively. That is 12% and 3% more than in 2012.

Imports of HDPE for pipe production gave fallen by almost half in 2013. It reached 68.3 thousand tonnes (129.6 thousand tonnes in 2012). Reduced demand for PE pipes in the internal market and high prices for HDPE has made Russian processors significantly reduce imports of raw materials.

Imports of film grades of HDPE have fallen by more than half in the last year and reached 44.8 thousand tonnes (about 1000 thousand tonnes in 2012).

The main reason for such a significant reduction in imports was domestic production growth. Imports of blow and cable HDPE in 2013 contracted to 30% and 10% respectively – about 34.2 thousand tonnes and 13.6 thousand tonnes.

Source: advis.ru