

UKRAINIAN PIPE PLANTS CONTINUE TO WORK

By Igor Strelets

The political crisis of 2014 in Ukraine, which escalated to war in the East of the country, has triggered decrease in industrial production including plastic pipes sector. The volume of production in the first half year fell 35–40%.

Output of the plants maintained high level of stock in the previous years. Year 2014 saw stock levels reduced to optimal minimum with production mainly satisfying current demand.

Rubezhansky Pipe Plant (RPZ), the largest Ukrainian PE pipe producer, is currently experiencing the most difficult situation. Being situated in Lugansk Region, the plant found itself very close to the war zone. This significantly complicates the delivery to the customers, there are not so many people prepared to risk their lives. Moreover, the war made it absolutely impossible to do any kind of business in Lugansk and Donetsk. For most of the plant employees it is act of bravery to get to work under fire.

Nevertheless, the plant continues to work. Currently no more than 3 extrusion lines work out of 8 due to redundancy (partially voluntary), some people preferred to take unpaid leave, some were transferred to other plants of the Group. The plant dispatches product practically every day and complete the order on time and maintain good quality. The vast client base, which needs quality pipe and fittings, supports the plant, mainly water and gas supply companies from the North, East and South of Ukraine.

In the first half year of 2014 the RPZ produced 2200 tonnes of plastic pipes, which is 2.3 times lower than in the same period of 2013 (5160 tonnes).

Kalush Pipe Plant (KzTZ) situated in Ivano-Frankovsk Region produces PE and PVC pipes for various applications. The products are mainly for Western and Central Regions of Ukraine.

As the result of the first half year, KaTZ produced 1100 tonnes of PE pipes for water and gas supply sector. It is 42% less that in the same period of the 2013 (about 1900 tonnes). This is due to decrease of governmental construction of external utility networks.

PVC pipes have seen growth, in the first half year 930 tonnes of pipes were produced. It is 36% more than in similar period of last year (680 tonnes). In the background of production decrease, such growth in demand is mainly due to private construction sector and high quality of KzTZ's PVC products.



A great number of water, sewer, heating and gas supply networks were destroyed as a result of war activity in Donetsk and Lugansk Region. Enormous restoration works will need to be done when the war end and a lot of pipes will be needed. The condition of the networks in the rest of the Ukraine is also poor. Modernisation of the utility networks will become one of priority tasks. The demand for quality plastic pipes, sooner or later, will grow in Ukraine.

Pipes Production at Kalush and Rubezhansky Pipe Plants in the I half year

