

## BP and ZPCC explore the creation of a world-scale acetic acid joint venture in China

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BP and China's Zhejiang Petroleum and Chemical Corporation (ZPCC) have signed a memorandum of understanding (MOU) to explore the creation of a new equally-owned joint venture to build and operate a 1 million tonne per annum (tpa) acetic acid plant in eastern China.

The proposed facility – in Zhoushan, Zhejiang Province – would deploy BP's CATIVA® XL technology to produce acetic acid, a versatile intermediate chemical used in a variety of products such as paints, adhesives and solvents. It is also used in the production of purified terephthalic acid (PTA) of which BP is a leading global manufacturer.

The potential new plant, which would be an addition to ZPCC's major integrated refining and petrochemical manufacturing complex at Zhoushan, would be BP's largest acetic acid producing site in the world.

China is the world's largest acetic acid market and accounts for more than half of global production capacity. BP is a long-term investor in China with a number of existing petrochemical manufacturing facilities in the country, including two existing acetic acid joint ventures.

The MOU was signed by Nigel Dunn, chief executive of BP's Global Acetyls business and Luo Wei, executive director of ZPCC and was witnessed by Xiaoping Yang, BP China Chairman and President, Li Shuirong, Chairman of ZPCC and senior officials from Zhejiang Province. The signing took place at the third International Petroleum and Natural Gas Enterprises Conference (IPEC 2019) in Zhoushan.

"This is a significant new opportunity for BP in China, one of the world's fastest-growing markets for petrochemicals," said Rita Griffin, chief operating officer, BP Petrochemicals. "Combining BP Acetyls' world-leading technology and know-how, with ZPCC's world-class mega complex and local expertise, our new partnership will help meet demand for these important products."

Li Shuirong, Chairman of ZPCC said: “ZPCC is delighted to sign this MOU with BP to explore this opportunity for acetic acid production. I am confident that this cooperation will help ZPCC to optimize its site structure and improve competitiveness, and together, we shall advance the high-quality development of China’s petrochemical industry.”

BP’s proprietary CATIVA® XL technology requires significantly lower capital investment and offers superior operating performance when compared with other acetic acid technologies. In support of BP’s commitment to advancing a low carbon future, CATIVA® XL technology is also more energy efficient and has a high production reliability track record, which also contributes to a lower carbon footprint.

Xiaoping Yang, BP China Chairman and President, added: “We are excited at the potential of this new partnership with ZPCC, a further demonstration of our long-term commitment to the Chinese market. With this proposed investment, we will continue to expand BP’s business footprint in China and to contribute to the country’s economic, environmental and social sustainability.”

## Notes to editors

### About BP in China

- BP is one of the leading foreign investors in the Chinese oil and gas sector. BP’s business activities in China include oil and gas exploration and development, petrochemicals manufacturing and marketing, aviation fuel supply, oil products retailing, lubricants blending and marketing, oil and gas supply and trading, LNG terminal and trunk line operation, chemicals technology licensing, advanced mobilities as well as venturing. Building on its business successes in China, BP has also expanded partnerships with Chinese national energy companies internationally. Further information about BP China is available on [www.bp.com.cn](http://www.bp.com.cn).
- BP Acetyls has two existing acetic acid manufacturing joint ventures in Chinese mainland: Yangtze River Acetyls Co. Ltd (YARACO) in Chongqing and BP YPC Acetyls Company (Nanjing) Ltd. (BYACO) in Nanjing.

### About ZPCC

- Zhejiang Petroleum and Chemical Corporation (ZPCC), founded on 18 June 2015, is a mixed-ownership joint-venture company with private holdings and state-owned enterprises.
- ZPCC is constructing a 40 MMTA integrated refining and chemical integration project, with a total investment of RMB 173 billion. This will be one of the biggest integrated complexes in the world and is currently one of China’s largest private-capital

investments. The project construction is divided into two phases: the annual processing capacity of the first phase is 20 million tons of crude oil, 5.2 million tons of aromatics and 1.4 million tons of ethylene, while the second phase will be 20 million tons of crude oil, 6.6 million tons of aromatics and 2.8 million tons of ethylene.

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