

Press release



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INEOS announces mega-investment in port of Antwerp Largest investment in European chemical industry in 20 years

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INEOS, one of the largest chemical concerns in the world, has chosen the port of Antwerp as the location for a mega-investment of 3 billion euros representing 400 new jobs. The capital outlay is the largest in the European chemical industry in the past two decades. With the securing of this large-scale investment project Flanders confirms its position as a leading chemical region, while the port of Antwerp further reinforces its role as the largest chemical cluster in Europe.

Largest investment in the European chemical industry in 20 years

Earlier this year INEOS announced that it planned a large-scale investment for further expansion of its chemical production facilities. Various European locations were considered, but ultimately the British chemical group opted for Antwerp.

INEOS plans to build a brand-new **propane dehydrogenisation (PDH)** plant and an **ethane cracker** unit in Antwerp. These will respectively convert propane into propylene and ethylene as the raw materials for chemical products that find their way into many industries including car manufacturing, building construction, clothing, cosmetics and personal grooming products, pharmaceuticals, electronics and packaging materials.

The plants will be built on the existing INEOS site in Lillo in the port area and on neighbouring grounds. For this purpose INEOS will take over unused parts of concessions held by neighbouring companies, thus ensuring maximum integration with the existing chemical industry. In this way the new plants will be connected by pipeline to various INEOS ethylene and propylene derivative units elsewhere in Europe.

It normally takes four or five years to complete a project of this magnitude, and the new production plants are expected to be operational by 2024. Once the plants are up and running they will provide 400 full-time jobs directly and five times that number indirectly. Some 3,000 people will be employed during the construction phase.

INEOS CEO and chairman Jim Ratcliffe explained: *"Our investment in a world-class ethane cracker and PDH plant is the largest of its kind in Europe in more than a generation. As such it is a major development for the European petrochemical industry. We believe that this investment can reverse the decline in the European chemical industry in recent years."*

Hans Casier, CEO of INEOS Phenol and chairman of essencia (chemical and life sciences industry federation): *"The fact that Antwerp has been chosen as the location for this investment is a big new boost to the international competitive position of the existing chemical cluster. This is a great success not only for the chemical industry in the port, but also for the economy of Flanders, Belgium and indeed the whole of Europe."*

Chemicals increasingly play key role in Flemish industry

Frank Beckx, managing director of essenscia Flanders: *"After Borealis similarly opted for Antwerp a few months ago, this decision by INEOS puts the chemical sector in Flanders even more firmly on the world map. In particular the construction of a hyper-modern cracking plant based on the very latest technology is of great strategic importance, as not since the 1990s has such an installation been built in western Europe. A cracker produces the essential simple molecules that form the basis of the entire chemical industry. And by creating at least 400 new jobs the project will be a significant boost to employment in this sector. This is undoubtedly the most important economic news in a long time. Such an investment – which in turn will probably attract others of its kind – further strengthens the position of the chemical industry as the key sector of the Flemish economy. This is a massive vote of confidence, inspiring us to maintain our collaboration with government in building up a strong competitive position internationally for this world-leading chemical cluster."*

Attraction of the port of Antwerp

Jacques Vandermeiren, CEO of Antwerp Port Authority: *"It is naturally very good news that INEOS has selected our port for this major new investment. It once more demonstrates that we as the largest integrated chemical cluster in Europe are very attractive to international investors. Furthermore, propylene and ethylene are the starting points for many other processes, so production of these basic components will further strengthen our raw materials position in the chemical industry and indeed many other industries in our country. This mega-investment brings the total amount of new capital expenditure that we have attracted to Antwerp over the past year to more than 5 billion euros. This will undoubtedly help to secure the presence of industry here in Antwerp, and will make an essential contribution towards creating a sustainable future for our port and for the Belgian economy."*

Bart De Wever, Mayor of the City of Antwerp: *"Today, we have the opportunity to announce the largest investment in the European chemical industry in 20 years. I have to admit that I am overcome by pride and humility. These are the moments you live and work for. Antwerp is thriving. A statement I will repeat again and again because we really have to stop doom-and-gloom scenarios once and for all. We can have every confidence in the future. The economic climate is healthy. Antwerp is open for business. This is an investment for an entire generation. It also demonstrates that even in times of Brexit uncertainty, investors still maintain belief in the process of economic growth, internationalisation and sustainable technology. There remains trust in progress."*

Welcome Team for Chemical Sector scores successes

The "Welcome Team for the Chemical Sector" was set up earlier this year by Flanders Investment & Trade (FIT) and essenscia Flanders (chemical industry association). This initiative brings together a team of experts offering intensive support to foreign chemical companies, helping them with investment projects and highlighting the advantages for the chemical industry in Flanders in terms of innovation, tax policy and investment support, among others. With some 300 investment projects since 2010 the chemicals and life sciences sector represents around half of all foreign investment in Flanders.

Minister-President Geert Bourgeois: *"This is particularly good news, an exceptional event: the largest investment in Flanders in the past 20 years. The project is also a good illustration of long-term collaboration between various ministries and government departments, the industry associations, the port etc., all with a shared objective and coordinated by my agency, Flanders Investment & Trade."*

Claire Tillekaerts, managing director of Flanders Investment & Trade (FIT): *"An investment of 3 billion euros in the port of Antwerp by INEOS is particularly good news not just for the Flemish economy, it also underlines the efficient collaboration between government, the business world,*

centres of knowledge and Antwerp Port Authority that enables our region to attract such large investments. The Welcome Team for the Chemical Sector – which is coordinated by FIT – offers the necessary expertise for finding the ideal location, selecting the right local partners, etc. To give this investment a kick-start in Flanders various government departments were intensively involved. All those who participated in this project reacted very promptly and professionally to queries from INEOS, providing in-depth responses. The package of tailor-made services that was specially put together managed to brilliantly convince the British chemical company and landed the investment despite intense competition."

Press contacts

Antwerp Port Authority

Annelies Nauwelaerts

+32 3 205 20 70

communicatie@portofantwerp.com

essenscia Flanders

Gert Verreth

+32 (0)477 46 42 27

gverreth@essenscia.be

FIT

Mohsin Abbas

+32 2 504 87 28

pers@fitagency.be

INEOS

Richard Longden

+41 799 626 123

Richard.longden@ineos.com

About Antwerp Port Authority

As Europe's second-largest port, the Port of Antwerp is a major lifeline for the Belgian economy: more than 300 line services to over 800 destinations ensure global connectivity. The Port of Antwerp annually handles around 235 million tonnes of international maritime freight, and is home to Europe's largest integrated (petro)chemical cluster. The Port of Antwerp accounts, directly and indirectly, for a total of around 143,000 jobs and more than €20 billion added value.

True to its mission 'a home port vital for a sustainable future', Antwerp Port Authority aims to flexibly respond to a rapidly evolving maritime market, allowing the port to continue playing its role as a leading world port. The emphasis in this respect is on cooperation, adaptability, a strong focus on innovation and digitisation, and on sustainable added value, as well as on responsibility towards society.

Antwerp Port Authority is a limited liability company of public law, with the City of Antwerp as sole shareholder. It employs over 1,500 people. Port alderman Annick De Ridder is chairman of the Board of Directors and Jacques Vandermeiren is CEO and President of the Executive Committee, which is responsible for the day-to-day management. www.portofantwerp.com

About essenscia Flanders

essenscia Flanders is the industry association representing some 450 companies in the fields of chemicals, plastics, pharmaceuticals and biotech. With a combined turnover of 43 billion euros and an

employment total of 61,000 jobs directly and 100,000 indirectly the sector is one of the most important in Flanders, representing one third of overall Flemish exports, one third of added value by industry and nearly half of all private-sector investments in R&D. As an exports and innovation champion the sector is a major contributor to growth and prosperity in Flanders. In terms of turnover per head of population Flanders is actually N° 1 in the world for chemicals and plastics. With Catalisti, the innovative spearhead cluster for chemicals and plastics, and BlueChem, the first incubator for sustainable chemistry in Belgium, essenscia Flanders is a strong supporter of sustainable innovations for the chemistry of the future.

About FIT and Flanders

Investing in Flanders is an attractive proposition for multinational companies. Flanders is not only a major logistics hub in the epicentre of European purchasing power, it is also the place-to-be for companies who want to boost their European ambitions. Flanders is further known for its flourishing interaction between the private, public and academic sectors, offering fertile soil for R&D and innovation in advanced technological niches. Flanders Investment & Trade provides guidance for international players in Flanders, points them towards attractive financial incentives and offers close support for investment projects.

Flanders Investment & Trade (FIT) promotes international enterprise in Flanders in a sustainable way, as a key element in the social and economic development of the region. In doing so FIT pursues a two-fold mission, namely to support Flemish companies in their international activities while attracting foreign investors to Flanders. Companies can call upon the FIT network both at home and abroad. FIT additionally provides financial support and information on various financial incentives.

About INEOS

INEOS has grown from a single site in Antwerp in 1998, originally employing 400 people with a turnover of €200m. Today, INEOS is one of the world's largest chemicals companies and the 50th largest business in the world, employing around 20,000 people across 171 sites in 24 countries. It is a privately-owned company with sales in 2017 of \$60bn and EBITDA of \$7bn. In addition to its growth in petrochemicals, it has acquired oil & gas fields in the UK, Denmark and Norway and is a top 10 company and the biggest private enterprise operating in the North Sea. For more information visit <http://www.ineos.com>.