



ARA Petrochemical Tank storage market

PJK International

In Northwest Europe the oil and the petrochemical sectors are leading sectors that employ thousands of people directly and indirectly within the region. The main European production cluster for liquid bulk products is made up of the Benelux countries, Switzerland and the German and French regions that are connected to the rhine river.

The Amsterdam, Rotterdam, Antwerp region or ARA is the main trade hub that connects Europe to global markets. The petrochemical sector is responsible for producing various materials such as plastics, paints, solvents, fibres and raw materials for pharmaceutical and cosmetics sector. Taking a closer look at the petrochemical side of the cluster and the different market participants in it, many of the companies produce goods in high-volume or 'bulk' quantities.

Companies in this cluster have been getting more exposed to severe competitive pressure. This has been leading to the closure of for example La Mede refinery, Reichstett refinery, Petit Couronne refinery and the Wilhemshafen refinery. Also the decision made by Gunvor to not go ahead with their investment in upgrading the GPR site is a sign of high uncertainty amongst players about what the future will bring. Despite this at the same time there are others planning expansion like Ineos, one of the leading chemical companies with sales of around 60 billion dollars and their production network spans 171 sites and 24 countries. Ineos announced that their plan will have 2.7 billion capital investment in Northern Europe.

One of the things to watch in the future and the question for all is; where will the new Ineos plant be built. According to news articles both Rotterdam and Antwerp are being considered. As Ineos already has production sites in Antwerp we give Antwerp a slightly bigger chance, but you never know what the outcome will be. Either way it is likely to boost trade in ARA, as Ethane and propane imports will increase and most likely chemicals and intermediates trade will also increase.

PJK International has developed a report that covers the ARA petrochemical tank storage market, which will provide you with a market insight, the forecast horizon of the study is 2022, a medium term outlook. In the following pages you can get a clear picture from the content pages of the report.

The first page of contents of the report below:

ARA Petrochemical TT storage market outlook

Date: August 20th 2018



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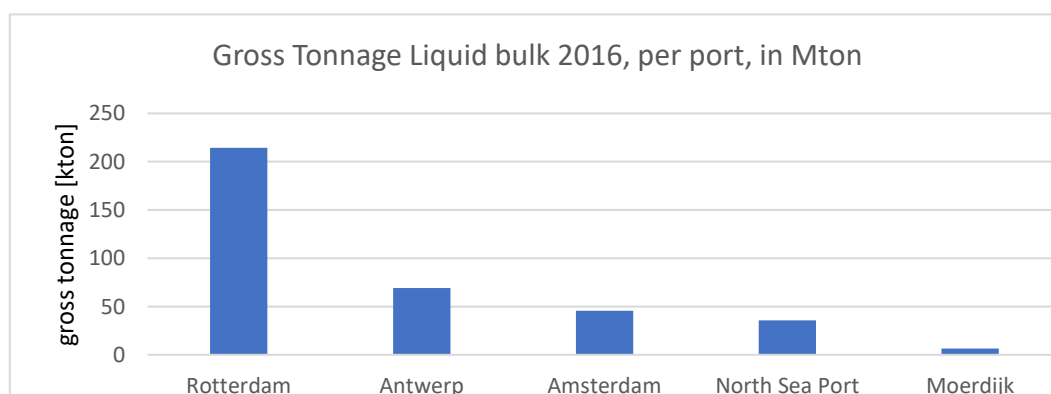
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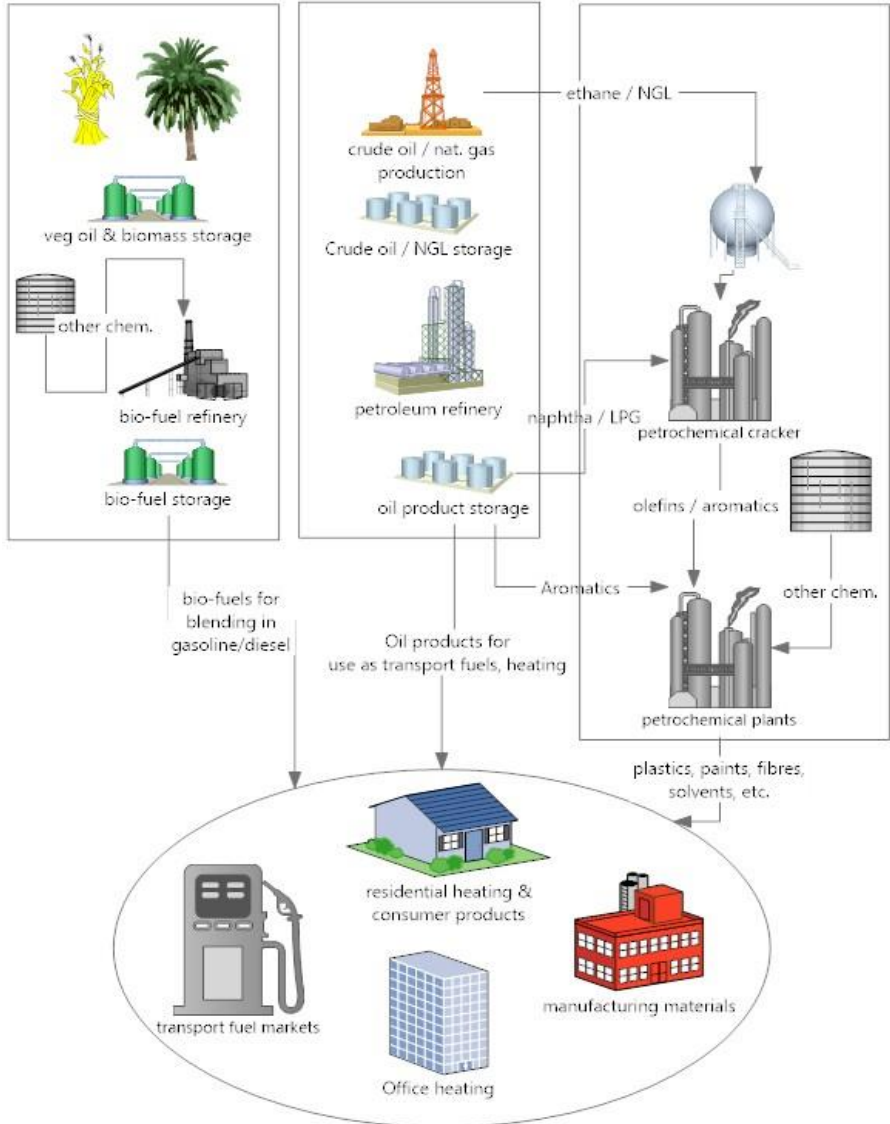
In the report a supply-chain view of the sector has been taken, focussing on the liquid bulk volumes. Many companies in the ARRRR-cluster produce goods in high-volume or 'bulk' quantities. Therefore volumes are very much related to business activity: if business is slow, volumes are low and if business is booming, volumes are up. Many other service providers active in this cluster, such as tank terminal operators and barge transport companies, depend on the volumes for their respective business operations. Volume means business in many cases and the objective is to develop a view on future volumes in various market segments that together form the ARRRR-supply-chain. The focus on liquid bulk is a consequence of the fact that in the chemical sectors liquid bulk streams are highly relevant. The tank terminals in the ARA are described in somewhat more detail, in order to show the developments in growth, capacity and possibilities in the different ports in the ARRRR-cluster (more specifically the ARA-region).

The ARRRR region: Antwerp – Rotterdam – Rhine – Ruhr-Area; The area that covers the sea-harbors in Belgium and the Netherlands, which are connected by pipeline and the river Rhine to the German Ruhr area and other hinterland industries and markets. In the ARA region, the port of Rotterdam is the largest port measured by gross tonnage, followed by Antwerp, Amsterdam, Zeeland seaports (Flushing, Terneuzen and Ghent) and Moerdijk.



Due to strong and intensive trading relationships, Northwest European liquid bulk markets are integrated to a high degree. Within Northwest Europe the sea-harbours of the ARA-region act as an international trade hub and connect local markets with global markets. When looking at how local markets relate to global markets it is best to analyse Northwest Europe as a whole. However, because this report focuses on liquid bulk supply-chains per tanker barge the definition of the Northwest European region is too broad. The fact that the North-Sea is the most efficient trade route for connecting ARA with Denmark, Ireland, Norway and the UK makes these countries less relevant from a barge market perspective. Therefore in most of the analysis we will focus on **ARRRA**.

From a material flow point of view oil products, bio-fuels and petrochemicals are interrelated. The following figure graphically shows the interrelations between these supply chains. The left part is a graphical representation of the bio-fuel supply-chain, where biomass and vegetable oils are first harvested, transported to biofuel production sites and stored there until it is processed into biofuels. The finished product is first stored into tanks and later distributed to consumer markets.



For more information and pricing please contact our sales team:

Teska Dinkla

Sales executive

T +31 (0)850 66 25 22

M +31 (0)6 28 34 87 84

E teska.dinkla@tankterminals.com

Skype teskattcom

Aldo Cavalcanti

Sales executive

T +31 (0)850 66 25 23

M +31 (0)6 28 34 87 85

E aldo.cavalcanti@tankterminals.com

Skype aldo_cavalcanti

Greta Talmaci

Sales executive

T +31 (0)850 66 25 21

E greta.talmaci@tankterminals.com

Skype greta.talmaci

