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Grupa Azoty starts a new project worth PLN 320m

On December 16th 2014, Grupa Azoty signed a contract with Uhde Inventa-Fischer of Germany under a project to construct a new Polyamide 6 Plant in Tarnów.

The contract is for the purchase of licences, process design and project equipment. The capex budget for the project totals PLN 320m. The project is scheduled for completion in December 2016 and will add 80 thousand tonnes to Grupa Azoty's annual polyamide production capacity.

Products from the new plant will meet most exacting global quality standards. The applied engineering and technical solutions will enable precise control of the production process and help achieve strong performance indicators.

"The project is important both in terms of its scale and strategic implications for Grupa Azoty. Its primary effect will be to extend the product chain and increase our output of engineering plastics that deliver better margins," commented Paweł Jarczewski, President of the Grupa Azoty Management Board. "Equally important is the fact that it is being launched within the Kraków Special Economic Zone, which is bound to bring us tangible economic benefits," Mr Jarczewski added.

The new investment in Tarnów means greater job security and improved working conditions for the current personnel of Grupa Azoty involved in the caprolactam manufacture process. Increased production of polyamide 6 in Tarnów will also create an opportunity for the development of new local plants operating as processors of plastics into specialised products.

"The decision to go ahead with the project will result in the consolidation of caprolactam production capacities at Grupa Azoty. The new Polyamide 6 Plant is our response to the abrupt changes seen recently on the global polyamide market," says Witold Szczypiński, Vice-President of the Management Board, Director General of Grupa Azoty. "The current global polyamide consumption is approximately 9 million tonnes per annum. Higher production capacities will allow Grupa Azoty to be better prepared for any changes on the market and will ease our dependence on external customers. The implementation of the project will also allow Grupa Azoty to switch its target market from Asia to Europe, which is to become the main target market for the project," adds Mr Szczypiński.

In the next four years, Grupa Azoty will invest over PLN 904m in Tarnów alone. Apart from the Polyamide Plant, Grupa Azoty also plans to place in service a fertilizer granulation unit with a value of PLN 140m by the end of 2016. Other investment plans include upgrade of the unit for production of C-none from phenol, extension of the polyamide processing unit, and marketing a next-generation iron-chromium catalyst.