Plastics Firm Plans $500M Expansion at La. Plants

BATON ROUGE, La. (AP) — A Japanese plastics maker will spend $500 million to expand its plants in Plaquemine and Addis, part of an ongoing investment boom by refiners and chemical producers in Louisiana.

Shintech will expand its production capacity by more than 10 percent, Japanese parent company Shin-Etsu Chemical Co. Ltd. said in a news release last week. Shin-Etsu said its Plaquemine plant is running at capacity and expansion is needed to meet growing worldwide demand for PVC.

Plant manager David Wise told The Advocate [1] that the work will eliminate production bottlenecks, creating 10 new permanent jobs and as many as 500 construction jobs. The plants have 360 direct employees and a similar number of contract workers.

Shin-Etsu will pay for the project using its own money, planning completion in 2015.

Shintech opened its Addis plant in 2000 and its Plaquemine plant in 2008. Last year, the company announced that its sister firm of SE Tylose would spend $120 million to build a hydroxyethyl cellulose plant near Plaquemine. HEC is used in the production of latex paint.

That plant is set to open in 2014.

Once the new expansion is finished, Shintech will increase its polyvinyl chloride capacity by 300,000 tons a year, its vinyl chloride monomer capacity by 300,000 tons a year and its caustic soda capacity by 200,000 tons a year.

Shintech is the largest producer of polyvinyl chloride in the United States. PVC is the third-most widely produced plastic in the world and frequently used in construction. It is also used in upholstery and electrical cable insulation. Vinyl chloride monomer is used mainly to produce PVC. Caustic soda is a fundamental chemical material found in products such as paper, synthetic textiles and soap.

More than $30 billion in Louisiana chemical plant investments have been announced since 2011, driven partly by a boom in American natural gas production that has driven down prices for the fuel.

"We've been aware of the project for over a year now," said Iain Vasey, the Baton Rouge Area Chamber's executive director of business development. "We welcome Shintech and their continued investment in Louisiana."

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