

## **Margin improvement of 10 MM\$ for Latin American Petrochemical Complex**

### ***Industry background***

Petrochemical industry cycles are a well-known fact in energy downstream sector. Margins are greatly susceptible to a fragile supply-demand balance. Energy environment always plays an important role, however it is not always correlated to the specific bottom line of a particular player.

### ***Situation addressed***

Feedstock cost was identified as the main reason of a Latin American Aromatic Complex difficult financial situation. Market cycle implied prices for products, BTX, were held low relative to prices for raw material, Naphtha. Syn Oil-Chem intervention led to improving margins to a healthy level.

### ***Role our company played***

- Maintained a continuous and fruitful contact and exchange of ideas at different levels inside the organization with plant operators, supply logistics, feed and product quality, safety regulations and internal import procedures.
- Identified supply chain modifications to keep high margin units operations instead of holding on to those generating a poor margin
- Persevered and navigated a complex process involving approval by different organizations and committees, both local and at a corporate level during a two-year period.
- Contributed to finding the the right material and suitable landed cost feedstock.
- In cooperation of interested and savvy oil product suppliers the right blend was produced and fed to the cited Aromatic Complex to manufacture these kind of petrochemicals on a sustainable basis.
- Negotiated along supply and commercial executives term contracts which finally met challenging price, quality, lot sizes and timing goals.

### ***Results***

Margins were improved by more than 10 million dollars due to these ideas through consequent arduous work made a reality. The Aromatic Complex gained strength to better withstand cycle abates in product/raw material price differentials.

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