ABSTRACT

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Malaysian International Trading Corporation (MITCO), a fully owned subsidiary of Petroliam Nasional Berhad (PETRONAS) has been appointed to market the Low Density Polyethylene (LDPE) of PETRONAS's share to be produced by PETRONAS's joint-venture petrochemical plant called PETLIN. The plant would be on-stream (in production) at the end of the year 2001.

A continued rapid growth in the low-density polyethylene (LDPE) market has been expected globally for the next 4 to 5 years although competition is being encountered from other resins such as polypropylene in the important consumer and industrial packaging market. The growing concern is that the impact of this expanding market, and the inability of the market to cope with the reading of its price, would lead to a destructive outcome for the companies involved in the industry, inclusive of its producers and the end-users.

The volume capacity (total ability to produce) of PETLIN would be 255,000 metric tons per annum. PETRONAS's share of this total volume is 130,000 metric tons per annum and the entire responsibility to sell this volume is on MITCO. Only twenty percent (20%) from this PETRONAS share can be sold in the local market and the remainder, of approximately 100,000 metric tons have to be exported.

The study recommends that China, Indonesia, India and Philippines to be the main nations for marketing the product from PETLIN by MITCO.