

EXCLUSIVE: Bechtel to sign deal for Egypt's largest-ever petrochemicals project

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Four separate EPC contracts have also been awarded

US-based Bechtel is due to sign a contract in late June with Egypt's Carbon Holdings for the \$8bn Tahrir Petrochemical Complex (TPC) (<https://www.meed.com/project-finance-deals-are-back-on-track/>), according to industry sources.

The contract will cover project management consultancy (PMC) for Egypt's largest-ever petrochemical project.

Four separate engineering, procurement and construction (EPC) contracts are also due to be signed in June.

The winners of these contracts are Bechtel, Germany's Linde, Italy's Maire Tecnimont, the local Hassan Allam Construction and Greece's Archirodon.

Project financing is provided by France's Euler Hermes, the UK's export credit agency, Canada's export credit agency, and the Overseas Private Investment Corporation, the US government's development finance institution.

Commercial bank syndication for funding is taking place under Euler Hermes and the UK's export credit agency, and is currently in the market.

Approvals are expected in July and the project's financial close is scheduled for the fourth quarter of 2018, according to industry sources.

Originally, the project was expected to be completed in 2017, but has been subject to several setbacks and delays.

Some of the delays were connected to Egypt's revolution and the subsequent turmoil, and more recently to financing problems.

In 2015, Carbon Holdings said it expected financing to close by the end of the year and that it would be provided by five agencies, but talks were put on hold because Export-Import Bank of the US (US Exim) could not lend new cash until its licence was renewed by Congress.

The TPC scheme includes the construction of a 1.5 million tonne-a-year (t/y) ethylene cracker and a polyethylene facility with a capacity of about 1.4 million t/y.

Other major products will include propylene, polypropylene, hexene, butadiene, benzene and styrene. When completed it is expected to be the largest naphtha cracker plant in the world.

Designed to serve local and export markets, TPC will be constructed in Egypt's Suez Special Economic Development Zone, with raw materials received and products shipped from the Gulf of Suez.