

# Nova and Union Carbide

## invest US\$600 million to build world's largest ethylene plant in Alberta

**T**he world petrochemicals industry sees a demand boom on the horizon for ethylene derivatives. To be ready when the wave breaks, Nova Corporation of Calgary and Union Carbide of Danbury, Connecticut, have begun construction of a giant joint venture plant expansion project at Joffre, Alberta.

Scheduled for completion in the year 2000 and equally owned by the two companies, the US\$600 million expansion will make Nova's existing plant the world's largest single-site ethylene manufacturing complex. With a production capability of about 900 kilotonnes of ethylene each year, the new facility will boost Joffre's output by 60 per cent and expand the workforce from 580 to over 700.

Nova and Union Carbide announced the Joffre project at a press conference in Calgary hosted by senior executives of the two companies and by Alberta Premier Ralph Klein.

J.E. Ted Newall, Vice-Chairman and Chief Executive Officer of Nova, said that because of the quality of the existing facilities at Joffre and feedstock costs, the new plant will be "one of the lowest cost manufacturing facilities in the world."

Union Carbide President, William H. Joyce, said: "Nova's existing infrastructure at Joffre will give us a good head start in plant construction and ensure cost-effective operations."

Both officials said that the presence of a highly qualified corps of ethylene workers at Joffre contributed to their companies' choice of an Alberta location for the new plant. They praised Alberta's provincial government for fostering a welcoming business climate through such measures as its discontinuation of a machinery and equipment tax. The province also offers low corporate and personal incomes taxes, no sales tax, and low office lease rates.

"The Alberta government has a common-sense approach to getting things done," Joyce commented, "and that's a big incentive."

On that theme, Premier Klein noted that Alberta had attracted the expansion project in the face of competition from contenders in several U.S. states including some that were offering "a list of incentives as long as your arm."

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Nova Corporation's wholly owned subsidiary, Novacor Chemicals Ltd., will build and operate the plant. The company is North America's second largest producer of ethylene and fifth largest producer of polyethylene. ♦

