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Grupa Azoty strengthens its foothold in Brazil

Grupa Azoty and Comexport of Brazil have executed a framework trade agreement in Kraków.

As declared in the agreement, Comexport will purchase Grupa Azoty's polyamide, whose possible uses include production of structural fibres.

The polymer sold to Comexport will ultimately be produced at the new PA6 plant in Tarnów. The new plant with an annual capacity of 80,000 tonnes is scheduled for launch in Q4 2016. The agreement of June 20th 2014 is also viewed as the basis for considering a potential joint venture project to further process the product in Brazil.

"The arrangement with our long-term trading partner is a milestone in the geographical expansion of Grupa Azoty's business," said Paweł Jarczewski, President of the Grupa Azoty Management Board. "Brazil being one of the world's fastest growing markets, our presence there as a supplier of chemicals is a huge success for the entire Polish economy," added Mr Jarczewski.

"In parallel to the investment process aimed to expand the polyamide 6 production capacities in Tarnów, we are seeking new trading partners to join the project. Not only do we want to find customers for our products, but also partners to establish joint ventures for further processing of polymers. This agreement meets both our objectives," said Witold Szczypiński, Vice-President of the Grupa Azoty Management Board, Director General.

The agreement was signed in the presence of representatives of the Polish-Brazilian Chamber of Commerce. The sale of polyamide to Brazil will be a continuation of the business relationship between Grupy Azoty and Comexport. At the end of 2013, as part of its negotiations of fertilizer contracts for the coming years, Grupa Azoty entered into a series of trade contracts with Comexport, worth a total of PLN 360m. The contracts for sale of ammonium sulfate produced in Tarnów and Puławy, as well as compound fertilizers produced in Police, are effective until the end of 2016.