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Mitsui and Idemitsu to Start Joint Shipping Allocation for Imported Naphtha

A leading Japanese chemical company Mitsui Chemicals, Inc. (MCI) and Japan's independent petroleum company Idemitsu Kosan Co., Ltd. (IKK) have agreed on joint shipping allocation for imported naphtha, as a part of the overall cooperation arrangement which they had entered into in February this year, in order to reduce the transportation cost of the naphtha to be imported to Chiba Area, the two parties announced today.

MCI and IKK intend to reduce transportation cost by making the joint use of large naphtha tankers for shipping naphtha imported from the Middle East. This will allow both companies to increase the opportunity to take advantage of large naphtha tankers, which used to be difficult for a company to independently make its own utilization because of the limited contracted quantity of the naphtha shipped from the Middle East as well as the restricted capacity of the naphtha tanks in Chiba Area, by the joint engagement between the two companies. The first shipping is being carried out by a 75,000-ton naphtha tanker and is scheduled to arrive at Chiba in the middle of this month.

The two companies will proceed with the feasibility study on the use of even larger-scale naphtha tankers in order to further reduce transportation cost and to continue to push ahead with expanding the effect of their cooperation arrangement.

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