

Media Release

15 August 2019

The Australian chemistry industry releases new report on the economic benefits of gas-based manufacturing

Business leaders from the Australian chemistry industry have released a new report highlighting the vast economic benefits of gas-based manufacturing in Australia.

Commissioned by members of Chemistry Australia including Qenos, the [Chemical Sector Economic Contribution Analysis](#) report details the large and valuable contribution the Australian chemistry sector makes to the economy.

“The Australian chemistry sector contributes \$38 billion to Australia’s GDP and supports the employment of 212,000 Australians. It underpins more than 1,600 full time equivalent jobs for every petajoule of gas it uses. This is important because when you look at other industries that use gas, the number of jobs the chemical industry supports is much higher; 80 times higher than LNG, and 150 times more than the gas-fired electricity generation sector,” said Stephen Bell, Qenos Chief Executive Officer.

“The chemical industry also adds \$286 million of value to every petajoule of gas used in the sector, which is again much higher than other gas-based industries; 33 times more than LNG, and 68 times more than the gas-based electricity generation.”

“Australians receive \$277 million more in economic benefit from a petajoule of gas that goes through the chemistry industry than they do from a petajoule of gas going to LNG exports.

“This doesn’t mean these industries are less important to the economy, but it does provide an indication of the value of our sector, and the potential impact of lower chemical sector production on the economy resulting from the current gas crisis.

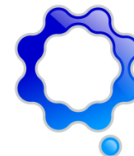
“The crisis is impacting investment decisions of companies in the chemistry industry today and future investment considerations, which is a significant lost opportunity for Australia.

“In the current climate of slow economic growth and declining economic complexity, we can’t afford to lose investment in an industry that makes such a large and valuable contribution to the economy.”

The recent moves by the Federal Government to improve supply of affordable, reliable gas to domestic industries are a step in the right direction, but greater urgency is needed to solve the short-term challenges that the sector is facing.

“Government intervention is necessary to address the dysfunction in Australia’s gas market, so as not to lose manufacturing capability and further strip complexity from Australia’s economy.”

Mr Bell said "As the only manufacturer of polyethylene in Australia, our future depends upon the reliable supply of gas at an affordable price." "Qenos welcomes the findings of the Chemical Sector Economic Contribution Analysis report, confirming the significant role that the Australian chemistry industry plays in supporting jobs and the economy."



Acil Allen Report – Chemical Sector Economic Contribution Analysis

Released by Chemistry Australia, the Acil Allen Consulting report tables the economic contribution of the Australian chemistry industry, which represents the largest gas-based manufacturing sector in Australia.

The report estimates the direct and indirect economic value of the output of the Australian chemical industry during the financial year 2017-2018.

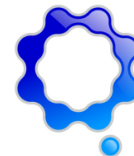
Key data:

- The chemistry sector drives more than \$286 million of local economic activity for every petajoule of gas it consumes
- This is 33 times more than the LNG industry and 68 times more than the gas-fired electricity generation industry
- The sector also supports more than 1,600 full time equivalent jobs for every petajoule of gas it uses; this is 80 times higher than LNG, and 150 times more than the gas-fired electricity generation sector
- Australians receive \$277 million more in economic benefit from a petajoule of gas that goes through the chemistry industry than they do from a petajoule of gas going to LNG exports
- The chemistry industry underpins more than 212,000 full time equivalent jobs across the economy
- 80 per cent of the chemistry sector is located in Victoria, NSW and Queensland
- The chemistry sector directly employs 61,458 people in full time equivalent jobs with the bulk of employment concentrated in Victoria (19,550), NSW (19,303) and Queensland (11,372)
- In 2017-18, the chemistry sector contributed \$11.2 billion to NSW GSP, \$10.5 billion to Victoria GSP and \$6.8 billion to Queensland GSP

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QENOS PTY LTD

As Australia's only manufacturer and leading marketer of polyethylene, Qenos adds value to Australia's oil and gas reserves through conversion into high value petrochemicals and polymers that are used by hundreds of companies in the downstream Australian plastics industry. The final products are used in a myriad of applications, including the key packaging, agriculture, automotive, water, mining and waste management industries making Qenos a vital link in the Australian manufacturing chain. With manufacturing sites in Victoria and New South Wales, Qenos has approximately 1000 employees and contractors with annual revenue of \$750m.

Qenos is a subsidiary of China National Bluestar (Group) Co. Ltd which is owned by China National Chemical Corporation (ChemChina). ChemChina is a state owned enterprise and global Fortune 500 company, that is rapidly growing both within China and internationally, employing more than 130,000 people and with revenue over US\$50 billion.

As part of the Qenos vision to be a leading business in the manufacture, distribution and trading of polymers and advanced chemicals, Qenos has introduced a new market channel, eXsource. The Qenos and eXsource eCommerce platform gives customers access to a wide range of imported polymers manufactured by Qenos, LyondellBasell, Bluestar and others.

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