

# THE WORLDFOILIO

## Singapore Chemical Industry

'It's our job to balance supply

and demand'



A Global Network  
The Asian Connection



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Ms. Gina Fyffe, CEO of Integra Petrochemicals

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Integra is one of the world's longest-serving petrochemical trading companies, with trading, shipping and logistics operations in the U.S., Europe, China, South Korea, India, Saudi Arabia and Singapore. Ms. Gina Fyffe, CEO of Integra Petrochemicals, discusses the prospect of deeper ASEAN regional integration in the petrochemicals industry as a driver of economic development, and the potential impact of digitalization on the shipping, logistics and petrochemicals industries.

**We have seen a renewed interest towards AEC 2025. How important is it to push for economic integration, not only for the region but also to make ASEAN more attractive to outside players?**

It must be a balance; economic integration for the sake of it has no benefits and many risks. Indonesia, Malaysia and Singapore are countries that make a virtuous triangle in Southeast Asia. In Indonesia, the growing middle class brings increased demand for consumer goods, packaging, medicine and healthcare, as well as the ongoing development of oil and gas production with PERTAMINA and others, as well as some petrochemicals.

In Malaysia, PETRONAS and other international companies are taking oil and gas and converting it into not only fuel, but also into the basic building blocks for petrochemicals, which are needed for all the products that the growing population and middle class need. Singapore, without oil and gas reserves, is in a unique position because on Jurong Island, it has a large number of international and local companies who take raw materials and further process them along a number of specialty tracks.

Working together, these three countries have great potential for a growing number of synergies, where the growing consumer markets, the raw materials and the ability to process and upgrade are all close at hand, but across national borders. Closer integration has huge benefits in terms of helping economic development across the region.

**The ITM is being put in place in the chemical sector, a sector which is being disrupted by digitalization. What do you think are the implications of digitalization in your sector and how could it be used to increase the efficiency of the value chain?**

We focus a lot of attention on how we can communicate and serve our customers in a faster and more efficient way. The ability to avoid human error on invoicing or in documents has a value translating straight into our financial systems. This reduces the mundane repetitive tasks and allows our staff to focus on the more important and interesting parts of their jobs.

We have, over the years, looked at digitalizing as a way of becoming more efficient. We worked not only to do it ourselves, but also for third parties to have access. Before the 'dot-com' bubble burst, we had already developed a platform to allow, for example, the captain of a ship to input data that would go straight to the customer, updating them on delivery details as well as going straight into our systems to develop financial data, invoicing, etc. Unfortunately, we were ahead of our time and the system could not get enough traction at that time, but we were able to learn a great deal from the development of the project to make our systems more robust and efficient.

With shipping, logistics and petrochemicals involving different sizes of companies, not everybody can move at the same rate. One of the problems is whether or how to allow everybody in the chain to have access to your system. There are going to be walls everywhere and it is how you climb across, or access a gate, as a supplier and as a customer, to those various systems. What we are seeing now is that many big multinational companies in petrochemicals are setting up unique customer and supplier portals. With many different systems in place, there may be efficiencies for the major companies individually; but at this point, it is making life a lot more complicated and difficult for the smaller companies. For them to comply with the requirements of all these company-specific portals, and to feed a growing amount of information into each one, will take time to sort out and achieve a harmonized method of operation.

**Being "glocal" you are present in the U.S., Europe, China, South Korea, India, Saudi Arabia and Singapore. As the supply chain has evolved in the chemical industry and as Asia has grown both as a consumer and producer, can you tell us the role you play in the supply chain today?**

We balance supply and demand regionally and globally. We add value by studying and planning, for example having known for several years that the U.S. is going to start producing an incredible amount of ethylene and polyethylene in the coming years based on shale; much of that product will need to be exported. So very early on, we started talking to global consumers and producers to develop a wide ranging plan on how to work with that situation.

In order to export these products you need to have global knowledge. It takes time for domestic companies to learn about global trade routes. A tsunami of polyethylene or ethylene suddenly appearing will not help anybody. Balances will go out of kilter and prices would go all over the place, making planning very difficult for downstream consumers, as well as producers globally. If there is no stability nor ability to plan, this will close investment in some parts of the world. These products will flow into Europe, Asia as well as Latin America because polyethylene and ethylene demand is continuing to grow and has a close relationship to GDP. It is worth noting that the GDP growth in Asia overall is higher than in other parts of the world.

This is something that large global petrochemical companies can anticipate and protect themselves from, but for the smaller, more regional companies, they rely on companies such as Integra to help them with the supply and planning issues.

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