

## Maintenance Turnaround Activity “Heats Up” at US Refineries in 2002

HOUSTON--February 20, 2002--*Industrial Information Resources, Incorporated (IIR) (Houston, Texas).*

During a period when consumers are paying less for gasoline, refineries, especially in the U.S., are experiencing an increase in scheduled maintenance turnaround activity. The refining industry, which recorded record profits in 2001 due to inflated gasoline prices, deferred major turnarounds back then to take advantage of strong market conditions. Since 9/11, gasoline prices at the pump have dropped substantially indicating that demand has weakened. On the jet fuel front, effects on the airline industry have combined with the struggling economy to decrease the demand for the commodity and today market demand still remains below par. In addition, OPEC's success at driving crude oil prices higher by cutting production has stabilized the price for crude oil but has not inflated gasoline prices. Warmer than expected temperatures in the Midwest and Northeast are also contributing to a lower demand in fuel oils.

Most refineries do not have the capability of “swinging” from one product to another without affecting an entire refinery operation. Demand for refined products has caused refiners to take advantage of the slow period and schedule major maintenance turnarounds. Typically major unit turnarounds occur in cyclical patterns taking place every 4 to 6 years.

In 2002, Industrial Information Resources has identified over 250 major refinery unit turnarounds (<http://www.industrialinfo.com/esprdov.htm>), an increase of 7% over last year. Thirty-one (31) major process units are scheduled for maintenance in March alone. Twelve (12) of those are Fluid Cat Cracking Units (FCCU) representing over \$70 million in maintenance spending and over \$250 million in capital investments. An additional twenty-five (25) FCCU's are scheduled for maintenance during the rest of the year.

In a refinery, the FCCU is considered as one of the major processing units in producing fuels. These units typically go down for planned maintenance activity every three to five years. During the downtime, refiners will often take advantage of the opportunity to upgrade equipment with the most up-to-date technologies.

*Industrial Information Resources has developed a comprehensive database identifying refinery Unit Maintenance turnaround activity taking place in plants across the U.S. IIR has identified over 1,300 current, future and historical turnarounds representing million of dollars in opportunities for Equipment & Service providers. The Refinery Database is designed to provide market coverage of the 162 plants and over 3,200 process units, with emphasis on new build, expansion of existing units, turnaround tracking and project spending activity.*

*For more information, send inquiries to [refininggroup@industrialinfo.com](mailto:refininggroup@industrialinfo.com) or visit us online at [www.industrialinfo.com](http://www.industrialinfo.com).*