

AzMeCo and Groupe Souakri Sign Memorandum of Understanding to Establish Algeria Methanol Company

LONDON, UNITED KINGDOM, March 30, 2025 /EINPresswire.com/ -- Souakri Group, a leading multi-faceted industrial group present in various sectors of the Algerian economic activity such as the construction materials industry, petrochemicals, and agri-business among other sectors, and Azerbaijan Methanol Company LLC (AzMeCo), a prominent methanol producer based in Azerbaijan, are pleased to announce the signing of a Memorandum of Understanding (MOU) to establish the Algeria Methanol Company. This joint venture marks a significant step forward in the development of a large-scale methanol production facility in Algeria, leveraging the strengths and expertise of both parties.

Strategic Collaboration for Methanol Production

The collaboration between Groupe Souakri and AzMeCo aims to develop a state-of-the-art methanol production plant in Algeria, with an initial capacity of 1 million tons per annum. The project will also include the development of derivative plants to produce value-added products such as ammonia, urea, formaldehyde, and other methanol-based chemicals. This



Nizami Piriyeve and Nasib Piriyeve of AzMeCo, Abdenour and Azzedine Souakri of Souakri Group, His Excellency Nourredine Yazid, the Ambassador of Algeria to the UK, and Houari Abdelatif, Head of the Delegation Responsible for Foreign Trade.

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initiative aligns with Algeria's strategic goals to diversify its industrial base and strengthen its position in the global petrochemical market.

Groupe Souakri brings to the partnership:

- (i) Its in-depth knowledge of the local context
- (ii) Its proven experience in developing successful strategic partnerships with world-renowned foreign partners
- (iii) A recognized local expertise in petrochemical production, notably in the construction and operation of a formaldehyde production plant with a capacity of 100 kt/year (expandable to 200 kt/year), producing 85% CFU, and a 20 kt/year resin production line

The company also has plans to expand into pentaerythritol production, further solidifying its position in the methanol value chain. Methanol, a key raw material for formaldehyde production, is already utilized in Souakri's existing operations, underscoring the company's deep understanding of the methanol market and its applications.

AzMeCo, with its extensive experience in methanol production and global market reach, will contribute its technical know-how and operational excellence to ensure the successful implementation of the project. Together, the two companies aim to create a world-class methanol production facility that will serve both domestic and international markets.

Project Phases and Economic Impact

The project will be executed in two phases:

- Phase I: Development of a 1 million ton per annum methanol plant, including storage and loading/unloading facilities, with an estimated investment of 1 billion USD.
- Phase II: Expansion into derivative plants to produce ammonia, urea, formaldehyde, and other methanol-based products, further enhancing the value chain and creating additional economic opportunities.

The Algeria Methanol Company will fulfill the local market's needs for methanol and urea while supporting Algeria's industrial ecosystem and creating jobs in the region. The project is expected to have a significant positive impact on Algeria's economy, contributing to the country's industrial diversification and export capabilities.

Commitment to Sustainability and Innovation

Groupe Souakri and AzMeCo are fully committed to integrating sustainable practices and cutting-edge technologies across all phases of the project. The methanol plant will be designed to meet the highest environmental standards, ensuring minimal carbon footprint and maximum resource efficiency. This commitment is not just conceptual but is already reflected in the project design integrating CO₂ capture technology into the methanol production loop. This approach aligns with the shared vision of both companies to drive renewable energy innovation, advance net-zero initiatives, and implement green energy solutions while maintaining strong economic sustainability and profitability.

Quotes from Leadership

Mr. Abdenour Souakri, President of Groupe Souakri, stated: "This partnership with AzMeCo represents a major milestone for Groupe Souakri and for Algeria's petrochemical industry.

Our experience and knowledge acquired through constructing a formaldehyde production plant and methanol utilization positions us perfectly to lead this project. Together with AzMeCo, we will create a world-class methanol production facility that will drive economic growth and industrial diversification in Algeria."

Mr. Nizami Piriye, Chairman of AzMeCo, commented: "We are excited to collaborate with Groupe Souakri on this transformative project. Algeria's strategic location, its growing industrial base and the sustainable support of the government make it an ideal location for our next project. By combining our industrial development expertise with Souakri's local knowledge, we are confident that this project will set new standards in the global methanol industry."

Next Steps

The parties will immediately begin work on a strategic project assessment to evaluate the technical and economic feasibility of the project. This assessment will serve as the foundation for detailed planning and implementation. Groupe Souakri will lead engagement with local stakeholders and state authorities to ensure the project's alignment with national industrial priorities. AzMeCo Group will start the selection and coordination of international vendors and contractors for the project.

The signing of this MOU marks the beginning of a long-term partnership between Groupe Souakri and AzMeCo, with the shared goal of establishing Algeria as a key player in the global methanol market.

About Groupe Souakri

Groupe Souakri is a leading Algerian industrial conglomerate with expertise in construction materials, petrochemicals, and energy. Known for its joint venture with Lafarge in cement production, the company has significantly contributed to Algeria's infrastructure development.

Souakri Group is a leading Algerian industrial conglomerate operating in various industrial sectors (building materials, petrochemicals & energy, and agri-business). Known for its joint venture with Holcim (formerly Lafarge) in cement production, and Volvo (through its subsidiary Renault Trucks), the company has significantly contributed to Algeria's infrastructure development. In petrochemicals, Souakri operates a formaldehyde production plant and a resin production line, with plans to expand into pentaerythritol production. Leveraging its methanol-based operations and commitment to sustainable development, Groupe Souakri plays a key role in Algeria's industrial growth and diversification.

<https://groupe-souakri.com>

About AzMeCo

Azerbaijan Methanol Company LLC (AzMeCo) is the industrial development arm of PNN Group, a private international conglomerate founded by Russian businessman Nizami Piriyevev, with interests in petrochemicals, energy, investments, fintech, and healthcare. With deep expertise in methanol project development, AzMeCo successfully delivered a 700 kt/year methanol plant in Garadag, Azerbaijan, managing the full EPC scope with its in-house team. The group has also developed and patented advanced technologies, including a CO₂ capture and reinjection system that simultaneously enhances methanol production efficiency and reduces carbon emissions.

<https://azmeco.com>

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