

# Saudi MMA start-up welcomed by Europe

DATE: 2018-04-13

The successful start-up of the Saudi Methacrylates (SAMAC) plant in Saudi Arabia, was the main focus of the European methyl methacrylate (MMA) market, one that has been plagued by tightness since mid-2016.

The news of the successful start-up of the plant in Saudi Arabia was welcomed by MMA buyers, many of whom questioned what the impact will be on the global supply and demand balance.

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The SAMAC facility is a joint venture between Mitsubishi Chemical Corporation (MCC) and Sabic, with a 50/50 split of the capacity between the two producers.

MCC said in a press statement that the facility will be a strategic asset, with the ability to supply the Asian, European, Middle Eastern and African markets.

European players expect European product to be displaced from the Middle Eastern, Turkish and African markets because of this.

An increase of Saudi imports are also expected in Europe, but this is largely dependent on market conditions globally and netbacks in other regions.

"It will certainly take the pressure off Europe, the prices we have seen in the last 12 months have been a disaster in the coatings and adhesive industry," said one MMA buyer.

However, although the new plant will boost the global supply and demand balance, the market is still expected to remain tight for the first half of the year.

This is largely linked to the series of ongoing turnarounds globally, notably a lengthy stoppage for Lucite International in the UK. The market at this time is well prepared for the stoppage, with Lucite building inventory, and traders and buyers ordering additional spot volumes in advance.

Spot prices remain stable in the week ending 6 April, with the market calm and prepared with the turnaround progresses as planned.

However, April remains a key month for MMA players, with the market waiting with bated breath for the restart of the Lucite Cassel plant.

Demand in April is expected to pick-up, after a disappointing March, linked to unseasonably cold weather. Supply and demand fundamentals continue to drive contract talks, with March contract prices settling in the week ending 6 April.

The March contract settled at a rollover, with prices remaining at an historical high. April and second-quarter contract talks are ongoing, with discussions in the early stages for both. March prices settled at €2,965-3,070/tonne FD northwest Europe, a rollover from February.

MMA is used in the manufacture of acrylic sheet, surface coatings, emulsion polymers and adhesives.

*Source Icis News*