

FPG cuts reliance on China, eyes growth in emerging markets

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Formosa Plastics Group (FPG) said Tuesday that it is cutting its reliance on China and will instead eye emerging markets in Vietnam and Indonesia, citing the low profitability in China. The announcement came as the group unveiled its financial statement for November at an investor conference earlier in the day. The group posted consolidated revenue of NT\$137.67 billion (US\$4.73 billion) in November, up 3.2 percent from a month ago and a 4.3 percent increase year-on-year. Hong Fu-yuan, president of Formosa Chemicals and Fibre Corp., one of FPG's four companies along with Formosa Plastics Corp, Formosa Petrochemical Corp and Nan Ya Plastics Corp., said the company will reduce its reliance on the Chinese market, adding that it remains to be seen how the new Chinese government will help improve market conditions there. Hong said a recent visit he made to Vietnam showed him that business opportunities there are immense. Vietnam imports 1.8 million tons of plastic resins a year, he noted, adding that the company is also diversifying its exports to Brazil, the United States, Europe, the Middle East and Southeast Asian countries. Formosa Plastics Corp President Jason Lin said the company's products such as polyvinyl chloride (PVC), acrylate esters (AE) and ethylene vinyl acetate (EVA) are sold to India and Turkey. He added that the company's carbon fiber is sold to Europe and that it is in talks with American airline companies for further sales. He continued that the company's superabsorbent polymer is sold to South Africa, Brazil and other countries in South America. Nan Ya Plastics Corp. President Wu Chia-chau said his company's electronics materials are sold to Japan, while its polyester fiber is sold to Vietnam and South Asia. All four companies posted increases in their financial statements for November. Formosa Plastics posted NT\$14.78 billion, up 3.8 percent from both a month ago and a year ago. Nan Ya Plastics reported NT\$14.8 billion, up 4.6 percent from a month earlier and a year-on-year increase of 5.8 percent. Formosa Chemicals and Fibre posted NT\$25.04 billion, up 12.8 percent from the previous month ago and an annual increase of 31.1 percent. Formosa Petrochemical reported NT\$83.03 billion, up 0.3 percent and an annual increase of 21 percent.

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