

# Japan's Showa Denko to operate Oita cracker at 90% in 2013

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Japanese chemical producer Showa Denko plans to continue to operate its 690,000 tonne/year naphtha cracker in Oita at a rate of 90% throughout 2013, the company said on Wednesday. "The current operating rate is 90% because we have reduced production [of ethylene] since the fourth quarter of 2011. Considering next year's [expected] demand, we feel it would be still too early to bring it to 100%," a spokesman said. Showa Denko announced on Wednesday its financial outlook and strategic business plan for 2013. As part of the plan, the company intends to upgrade its 190,000 tonne/year styrene monomer (SM) plant at Oita, which is run by NS Styrene Monomer – a joint venture between Showa Denko and Nippon Steel & Sumikin Chemical – by mid-2013, it said in an official statement. This will not change the plant's capacity, but it will increase the unit's energy efficiency to make product more cost-competitive, the official said. Its remaining 230,000 tonne/year SM plant at the same site will not undergo an upgrade, the official added. Showa Denko also plans to newly develop its own technology to produce butadiene (BD) from acetaldehyde as a feedstock in 2013. Meanwhile, Showa Denko predicts its full-year net profit to decline by 41% to yen (Y) 10bn (\$122m) in 2012 from 2011, and operating profit to be Y32bn, a 32% decrease from the previous year, the company said. The producer forecast its net sales to fall by 12% year on year to Y750bn in 2012, it said. Showa Denko expects its full-year net profit in 2013 to be Y15bn, and operating profit to increase slightly to Y35bn, the company said. Its net sales are predicted to reach Y800bn in 2013, the producer said. Showa Denko plans to announce its official financial results forecast for 2013 in February, it said.

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