

Japan's Denka to exit VAM operations in end-April 2014

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Denki Kagaku Kogyo (Denka) plans to withdraw from its Vinyl Acetate monomer (VAM) business in the second quarter of next year, citing worsening operating environment, the Japanese producer said on Tuesday.

Denka will cease production at its sole 60,000 tonne/year VAM plant at Ichihara, Chiba prefecture, in end-April 2014, and end all its VAM sales by end-June in the same year, it said in a statement.

"Domestic demand for VAM has declined due to the long slump in housing starts ... Furthermore, there have been a number of capacity expansions of VAM plants overseas, which prolonged harsh market conditions," Denka said in Japanese.

"The worsening of the operating environment is beyond our efforts, and we concluded it would be difficult to earn stable profits," the company said.

Denka said exiting the VAM business is similar to its decision to close one of its Styrene monomer (SM) plants in May 2012.

SOURCE *Icis News*