

# Taiwan's Dairen Chemical to shut one Mailiao VAM plant in end-Sept

**DATE : 2013-09-17**

Taiwan's Dairen Chemical Corp plans to shut its 300,000 tonne/year No 2 vinyl acetate monomer (VAM) plant at Mailiao in end-September for three weeks of maintenance, a company official said on Wednesday.

Its other 350,000 tonne/year No 3 VAM plant at the site will continue to operate normally during the shutdown of the No 2 plant, the official said.

Meanwhile, major VAM producers in Asia are planning to announce price hikes of \$15-20/tonne (€11-15/tonne) or more in the coming weeks for October shipments in a bid to recover margins, market sources said.

Producers' margins are being eroded as prices of feedstocks acetic acid and ethylene are rising, they said.

On 12 September, a global VAM producer hiked its list and off-list prices in Asia ex-China by \$40/tonne, with effect from 1 October, or as contracts allow, market sources said.

Concrete discussions however, have yet to commence in earnest.

Most VAM producers do not have any firm selling indications to offer in light of soft demand and ample supply.

A China-based producer said that any price hike would impact sales volumes.

Several VAM suppliers and producers had reduced their monthly sales volumes or skipped offering September shipments because of the wide buy-sell spread.

On 13 September, spot prices of VAM in northeast Asia and southeast Asia were hovering at \$980-990/tonne CFR (cost and freight) NE Asia and \$960-990/tonne CFR SE Asia, respectively, according to ICIS data.

Major VAM producers in the Asian market include US-headquartered Celanese, China's Sinopec Sichuan Vinylon Works, Japan VAM & Poval and Showa Denko, South Korea's Asia Acetyls Co (Asacco) and Saudi Arabia's International Vinyl Acetate Co (IVC).

*SOURCE* *Icis News*