

Accident at Mitsui's Works Threatens Hydroquinone Supply Stability

27 avril 2012

(c) 2012 The Chemical Daily Co., Ltd.

Concerns are mounting over the possibility of hydroquinone supply entering a shortage situation as a result of the occurrence of an explosion and fire at Mitsui Chemicals' Iwakuni-Ohtake works on April 22, which led to the shutdown of virtually all production facilities for over 10 products, including hydroquinone.

The Iwakuni-Ohtake works in Yamaguchi Prefecture houses an 11,500-t/y plant for hydroquinone production, Asia's biggest. In an already tight global market, demand, estimated at 55,800 tons in 2011, is forecast to grow at an annual rate of more than 3%. Hydroquinone's main use, accounting for 40% of total demand, is as a polymerization inhibitor to prevent the polymerization of methyl methacrylate and acrylic acid. Its other user segments include photographic developers and agrochemicals.

Mitsui has enough stock to meet its customers' needs for two months because it had built up inventory ahead of a routine plant shutdown for maintenance scheduled for May to June, but industry sources say that a critical shortage would ensue if production suspension lasts longer than two months.

Other major producers include Ube industries, Rhodia and Eastman Chemical. Ube, whose 2,500 t/y of output capacity is the only other capacity in Japan, is also due to conduct a routine plant shutdown for maintenance in May to June and said that it would not be able to increase its supply volumes.