

INEOS cracker restart delay leads to butadiene force majeure

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The restart of INEOS' No 5 cracker at Cologne in Germany following planned maintenance has been delayed, resulting in a force majeure declaration on butadiene (BD), according to market sources.

The restart of the 660,000 tonne/year ethylene cracker – one of two owned and operated by INEOS at the site – was delayed because high winds the week ended 1 November halted maintenance activities, sources said.

It was not clear whether force majeure had also been declared on the supply of ethylene and propylene from the cracker.

INEOS has a 145,000 tonne/year BD unit at Cologne, according to ICIS data, supplied with crude C4 (CC4) feedstock from the crackers.

Reduced feedstock would mean reduced BD output. INEOS had not yet responded to a request for comment.

The impact is being felt on the BD market where supply was already constrained because of planned BD unit and cracker shutdowns and – up until recently – strong export demand for Asia.

"Its [BD supply] is very tight – there are further supply issues," a BD producer said. It added that this had led to a "flurry of activity on the domestic market".

However, while one major BD consumer agreed that the current market was tight, it said the supply allocation was workable, the situation was not critical and they could reduce operating rates at their consuming unit further if necessary.

It said it had rejected some very high spot offers and had still been able to buy spot volume at close to the November contract price of €900/tonne (\$1,216 /tonne) FD (free delivered) NWE (northwest Europe).

SOURCE *Icis News*