

BASF declares force majeure on US butyl acrylate

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Germany-based oxo-alcohols producer BASF has declared force majeure on US butyl acrylate (butyl-A), according to a customer letter received on Tuesday.

Following an unplanned outage after an "equipment failure" at BASF's butyl-A production unit in Freeport, Texas, the company notified customers about the force majeure declaration, saying the product is on allocation. The company did not specify the percentage of that allocation, telling ICIS on Tuesday that its "account representatives are working closely with our customers throughout this process".

"We do not know the anticipated duration of the plant shutdown at this time," the BASF letter also stated. "It is unlikely that we will be able to supply all of our customers' demand, and it may not be possible for us to supply all or some of the needs of non-contract customers."

BASF added that each order will be subject to review and allocation during this time.

Acrylates already have been on sales control for several months from Dow Chemical and BASF, stemming from a mid-October 2016 explosion and fire at BASF's plant complex at Ludwigshafen in Germany.

Dow lifted its sales control for most of the acrylates, effective 1 May, but is maintaining sales limits on its butyl-A and 2-ethylhexyl acrylate (2-EHA).

While May free-market contract prices have begun moving lower on softer upstream propylene pressure, recent April contract increases took glacial acrylic acid (GAA) values, for example, to a new range \$1.09-1.11/lb (\$2,403-2,447/tonne) FD (free delivered), as assessed by ICIS.

Acrylates are commonly used to make products including paint and coatings, plastics and construction and pressure-sensitive adhesives.

Other US acrylates suppliers include Arkema, Dow Chemical and Sasol.

Source ICIS News