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- Wanhua Yantai 600kt Integrated MDI Plant Conducts Successful Operation 【Dec. 29】

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Top News

Bayer Actively Preparing Expansion at Shanghai Integrated Site【Jan. 2】

PUdaily, Shanghai-Germany-based Bayer AG is preparing to expand its production base in Shanghai to escalate pace of developing China’s energy saving market.

Johannes M. Dietsch, president of Bayer Greater China Group told reporters in an interview at its 150 Anniversary Exhibition in Shanghai that Bayer is preparing for expanded projects at its Bayer Integrated Site Shanghai (BISS) in Caojing, Shanghai to further improve polyurethane (PU) and polycarbonate (PC) production capacity. "From our global perspective, further expansion and additional investment at the BISS is the top priority of our work."

Bayer is optimistic about potential of China’s building energy efficiency market with domestic urbanization accelerating and energy conservation goals putting forward.

The company has announced early Sept plan to expand MDI capacity to 500 kt by mid of 2014 from current 350 kt per annual. MDI is feedstocks to produce PU foam that can be applied in construction and automobile.

Japan Imposes Four-Month Anti-dumping Duty against TDI Imports from China【Dec. 16】

PUdaily, Shanghai-The Japanese government announced on Dec. 12 that the toluene diisocyanate (TDI) imported from China will be imposed anti-dumping duties as TDI products from China had been sold at a price lower than normal in Japan, giving rise to losses of Japanese local companies, according to Kyodo News on Dec. 13.

After completing relevant formalities, the anti-dumping duty would be imposed within this year at the earliest. The duty rate is 69.4%, lasting for four months after it takes effect.

Besides, the Japanese government added that they will continue probing relevant enterprises in Japan and China, to decide whether to impose anti-dumping duties for five years.

TDI is a chemical used to make many household products, including foam for furniture cushions and auto seat etc.

In this February, Japan Ministry of Finance as well as Trade and Industry accepted the complaint from Japanese chemical companies to make an anti-dumping investigation against TDI imports from China and made its preliminary affirmative determination on Dec. 4 that TDI from China had been sold at a rather low price in Japan, bringing about losses to Japanese local companies.

◆ Click here for relevant news: Japan Might Imposes Anti-dumping Duties against TDI from China.
China MDI Capacity to Increase to 2.78 Million Tons and Overcapacity Highly Concerns 【Mar. 4】

PUdaily, Shanghai- China Wanhua Chemical has just been reported to start up its new MDI plant in Yantai by the end of this year and the capacity increases to 800 kt per annual compared with formerly said 600 kt and each phase capacity is at 400 kt, the largest capacity for single plant in the world, according to Wanhua and PUdaily. Meanwhile, Bayer MaterialScience (China) announced MDI expansion plan in last Sept. to 500 kt from current 350 kt per annual in the middle of 2014, which will have added China total MDI capacity to 2780 kt per annual by end 2014, taking others (details please see below table) into consideration, far exceeding estimated demand in 2014.

According to analyst in charge of MDI from PUdaily, with more capabilities on the way like 400 kt MDI plant in Chongqing of BASF and 280 kt by Shanghai Lianheng, overcapacity is becoming a highlight for China even the global market, but supply has to be healthy at the same time to guarantee robust environment for the industry; otherwise all enterprises along the industry will be negatively affected. “I think domestic manufacturers will work jointly to keep healthy supply to the market; cutthroat competition is not going to happen in this oligopoly market,” said the analyst. “The operating climate in China is expected to be increasingly challenging and if profits fail for some producers, they may retreat from the market via divesting the business or just closing plants as Japan Mitsui Chemicals announced to do in early Feb,” added by the analyst.

China MDI expansion plan before 2017 (* is splitter)

<table>
<thead>
<tr>
<th>Producer</th>
<th>Capacity/kt/a</th>
<th>Location</th>
<th>Startup Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wanhua Chemical</td>
<td>800&lt;sup&gt;*&lt;/sup&gt;</td>
<td>Yantai</td>
<td>Aug, 2014&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
<tr>
<td>Shanghai Lianheng</td>
<td>240&lt;sup&gt;*&lt;/sup&gt;</td>
<td>Shanghai</td>
<td>2016&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
<tr>
<td>*Huntsman</td>
<td>280&lt;sup&gt;*&lt;/sup&gt;</td>
<td>Shanghai</td>
<td>2016&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
<tr>
<td>BASF</td>
<td>400&lt;sup&gt;*&lt;/sup&gt;</td>
<td>Chongqing</td>
<td>Unknown&lt;sup&gt;4&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

Wanhua Yantai 600kt Integrated MDI Plant Conducts Successful Operation 【Dec. 29】

PUdaily, Shanghai- Wanhua Chemical closed its 200 kt MDI old plant in Yantai, Shandong province on Oct. 30 and start clearing fixed assets, according to an announcement published by the company on Oct. 27.

“The newly-built 600 kt Integrated MDI facility in Yantai owned by Wanhua Chemical has conducted successful operation and produced qualified product.” the company said in a press conference held by Yantai Information Office, Yantai SASAC and Wanhua Group on Dec. 26, 2014.

The successful operation indicates that Wanhua Chemical has become the largest MDI producer in the globe with total capacities of 2040 kt per year, including the 240 kt plant of Wanhua-Borsodchem. Besides, Wanhua plans maintenance at its 1200 kt MDI facilities in Ningbo, Zhejiang province in early Nov. without detailed timeframe.

Wanhua Chemical is the largest MDI manufacturer in China and focuses on expanding market worldwide. On Oct. 11, the company announced to build a MDI splitter in US and the plant is likely to come on stream in the early part of 2016.

Wanhua Chemical has established subsidiaries and branch offices worldwide, including in South Korea, the United States, Russia, Japan, Holland, Brazil, India and Turkey, etc.
Wanhua to Increase Price of Wannate HMDI Worldwide 【Dec. 15】

With effect from January 1st, 2015, or as contracts allow, Wanhua will increase price of Wannate HMDI by 10 percent worldwide.

Price increase is necessary due to the current market situation, significantly higher raw materials cost and rising cost of environment, health and safety.

Inner Mongolia Dongyuan Scien-Tech Starts BDO Trial Production Soon 【Aug. 14】

PUdaily, Shanghai-Currently, Dongyuan Scien-Tech Company has finished the construction of BDO project. It has started the joint commissioning of the BDO equipment, and will start the trial production soon.

The BDO project manager Mr. Ou told that all the equipment and techniques are the world first class and the BDO production line (100,000 tons/year) is the world largest one with the lowest raw material consumption.

The Dongyuan Scien-Tech low carbon cycle economy industrial park project would be constructed in 3 stages.

The whole project is expected to be finished and put into use in 2020. As a result, it can also provide 12,000 jobs.

Dongyuan Scien-Tech is the only company which introduces the advanced technique (Reppe) from INVISTA in the Inner Mongolia Autonomous Region. The company aims to build the largest base of producing BDO and the related downstream products in the global and also the largest complete-closed type low-carbon loop economy industrial park in the Inner Mongolia Autonomous Region.

After two years of tight construction, the total invested RMB 37.5 billion BDO production line with capacity of 100,000 tons/year starts debugging. This BDO project fills the gap of Inner Mongolia Autonomous Region and the company is expected to launch products in October, 2014. Dongyuan Scien-Tech Company would build low carbon cycle economy industrial park with this project as the carrier.

Dongyuan Scien-Tech Co., Ltd. was founded in Dec, 2008; it is the only company which introduces the advanced technology from INVISTA. In the first phase, Dongyuan Scien-Tech will invest RMB 6.1 billion into the project, constructing the BDO devices with capacity of 100,000 tons/year and calcium carbide equipment with capacity of 720,000 tons/year. This project locates in the Inner Mongolia Wuda Industrial Park. In the second phase, the company would invest RMB 11.4 billion in building 208,000 tons/year BDO project, 60,000 tons/year polyformaldehyde project, 100,000 tons/year PTMEG project, 20,000 tons/year GBL project, 40,000 tons/year PBT project, 60,000 tons/year PBS project, 80,000 tons/year 40D SPANDEX project, and 60,000 tons/year high performance polyurethane resin(PU) project.

All the projects above are strongly supported by the Inner Mongolia Autonomous Region government. In the future, Dongyuan Scien-Tech Co., Ltd. would develop itself around the BDO and its downstream industry, and then make a contribution to the Hi-tech chemical industry in China.

BASF Chongqing MDI Plant to Operate in Q2 of 2015 【Jun. 24】

PUdaily, Shanghai-The 400 kt integrated MDI project now under construction in Chongqing Changshou Economic and Technological Development Zone is scheduled to commence operation in the second quarter of 2015, according to Chongqing Chemical & Pharmaceutical Holding (Group) Company, who cooperated with BASF in the building of this project.

"The new facility is going to be put into operation in Q2 of 2015" said Wangping, Chairman of the Board of Chongqing Chemical & Pharmaceutical.

And he adds, "The annual consumption of natural gas is expected to reach around 200 million cubic meters."

The project consists of a 400 kt MDI plant, a nitrobenzene plant and an aniline plant. The capacities of the nitrobenzene plant and the aniline plant are 400 kt and 300 kt respectively.
Huntsman Joins China Cold Chain Logistics Industry 7th Annual Meeting 【Dec. 17】

PUdaily, Shanghai-Shanghai Huntsman Polyurethanes has joined the 7th Annual Meeting of China Cold Chain Logistics Industry held from Dec. 12 to 14 in Beijing.

Huntsman team at 7th Annual Meeting of China Cold Chain Logistics Industry

PUdaily, Shanghai-Shanghai Huntsman Polyurethanes has joined the 7th Annual Meeting of China Cold Chain Logistics Industry held from Dec. 12 to 14 in Beijing. Su Bingli, business director at Huntsman Polyurethane (China) delivered a speech focusing on Huntsman Group introduction, cold chain development in the world as well as Huntsman’s solution for cold chain and project show.

As reported by China Cold Chain Logistics Alliance, one of the holders of the annual meeting, it attracted more than 800 enterprises from food, agriculture products and logistics markets and wholesalers, etc. At the same time, 2014 China Cold Chain Logistics Fifty Strong was unveiled.

Huntsman Corporation is global manufacturer and marketer of differentiated chemicals with 2013 revenues of approximately $13 billion; it provides high-quality polyurethane products for package in cold chain logistics. As Mr. Su revealed Huntsman will further strengthen business in this industry.

Wanhua Finished Mid-completion at PO/MTBE in Nov., 2014 【Dec. 17】

Chinese urethane specialist Wanhua Chemical Group Co. Ltd. is planning to build a MDI splitter on the U.S. Gulf Coast in either Texas or Louisiana, CEO Jiansheng Ding told on the sidelines of the CPI 2014 meeting.

PUdaily, Shanghai-Wanhua Chemical has finished Middle-completion at propylene oxide/methyl tert-butyl ether (PO/MTBE) project in Yantai, Shandong province at end Nov. after 26 months construction starting in Sept. 2012, Chinese news reported recently.

The production line with capacity of 240,000 tons/year for PO and 742,000 tons/year MTBE is part of Wanhua Chemical PO/ acrylic ester (PO/AE) integrated project and it employs technology from Huntsman which is also building PO/MTBE in Nanjing cooperated with Sinopec.

Other facilities under the PO/AE project include 750,000 tons/year propane dehydrogenation (PDH), 300,000 tons/year acrylic acid and 300,000 tons/year polyether polyols, all located in Bajiao Industrial Park, Shandong province, where Wanhua also builds new MDI facilities with capacity of 600,000 tons/year.

Market sources told PUdaily that the PO/MTBE together with the new polyether polyols facilities are likely to start up in the first quarter of 2015, but it’s not confirmed by the company.
Huntsman and BASF to Build New MDI Plant in Shanghai 【 Jul. 1 】

BASF, Huntsman, Shanghai Hua Yi (Group) Company, Shanghai Chlor-Alkali Chemical Co. Ltd. and SINOPEC Group Assets Management Corporation held a ceremony today kicking off the construction of a new plant with a production capacity of 240,000 metric tons of crude MDI (diphenylmethane diisocyanate) per year, at Shanghai Lianheng Isocyanate Co. Ltd. (SLIC) in Caojing, China.

With the new plant, the MDI capacity at this site will be doubled to 480,000 metric tons per year. In addition, the partners plan to build a HCl (hydrogen chloride) recycling plant for the production of chlorine, a precursor for MDI. The facility is expected to start up 2017. The project is subject to further approval of the Chinese Ministry of Commerce.

MDI is an important precursor in the manufacture of polyurethanes – versatile polymers that are used in industries like construction, automotive, appliance, and footwear.

"Asia Pacific remains an important growth and investment region for BASF, with the fast growing Chinese market being a major focus. Polyurethanes are among the most versatile materials existing to address sustainability issues across numerous applications such as the automotive or construction industries. With the new plant, BASF can participate in this dynamic market," said Martin Brudermüller, Vice Chairman of the Board of Executive Directors, responsible for Asia Pacific.

The new MDI plant is planned at the Shanghai Chemical Industry Park (SCIP) in Caojing, adjacent to the existing integrated isocyanates complex. This will enable the utilization and full access to raw materials and energy.

Shanghai Lianheng Isocyanate Co. Ltd. (SLIC) has a production capacity of 240,000 metric tons of crude MDI per year and includes manufacturing facilities for the precursors aniline and nitrobenzene built by BASF, Huntsman, Shanghai Hua Yi (Group) Company, Shanghai Chlor-Alkali Chemical Co. Ltd. and SINOPEC Shanghai Gaoqiao Company. Commercial production started in 2006.

Huntsman and Shanghai Chlor-Alkali Chemical to Double MDI Splitting Capacity at Shanghai Plant 【 Jul. 3 】

Huntsman (NYSE: HUN) and Shanghai Chlor-Alkali Chemical Co. Ltd. (SCAC) has announced plans on July 2 to double the MDI (diphenylmethane diisocyanate) splitting capacity of their joint venture company, Huntsman Polyurethanes Shanghai Ltd. Co. (HPS), at the Shanghai Chemical Industrial Park (SCIP) in Caojing. With the new plant, MDI splitting capacity at the site will increase from 240,000 to 480,000 metric tons per year. Commercial operation is planned to start in 2017.

The facility will take MDI precursors and split them to create more differentiated, custom made products for downstream markets.

MDI-based polyurethanes are used in an extensive range of applications and market sectors – including construction, automotive, footwear and appliances – and provide key benefits of energy efficiency, comfort and well-being.

"We’ve seen an upsurge in demand from Asian customers for higher quality, differentiated products and the new splitter will help us to meet these needs – providing our customers with a full range of next generation solutions for the insulation, automotive, bedding, furniture, adhesives, coatings, elastomers and footwear markets", said Tony Hankins, President of Huntsman’s Polyurethanes division.

“Huntsman was the first MDI manufacturer to establish business in China in 1992. The planned doubling of the upstream and downstream capabilities of SLIC and HPS respectively demonstrates our long-term vision and commitment to support the success of our customers in the region.”

Huntsman owns 70% of HPSs’ shares; SCAC owns 30.
2014 PUdaily Newsbits: China

Kailuan Zhonghao Produced First Batch of Qualified Adipic acid【Sept. 16】

PUdaily, Shanghai—On 10th September, Kailuan Zhonghao succeeded in starting trial production for adipic acid with the capacity of 150,000 tons/year. This adipic acid production line is regarded as a milestone on the way that Kailuan Group transfers the coal chemical to fine chemical and new material filed. By using the benzene from Zhongrun as feedstock, Kailuan Zhonghao produces adipic acid with high quality which can be applied into shoe soles, polyurethane and nylon 66 etc.

Tangshan Zhonghao chemical Co., Ltd is a wholly-owned subsidiary of Kailuan Group, which was established at 17 June, 2010. It plans to construct polyformaldehyde project with capacity of 60,000 tons/year and adipic acid project with capacity of 150,000 tons/year. The project is expected to vote total investment of more than RMB 5 billion.

Bayer MaterialScience to Expand Shanghai TDI Capacity【Feb. 25】

Bayer MaterialScience (China) is going to expand capacity at its toluene diisocyanate (TDI) plant in Caojing, Shanghai from 250 kt per annual to 310 per annual.

PUdaily, Shanghai—According to statement released by Shanghai Academy of Environmental Sciences (SAES) on Feb. 21, 2014, Bayer MaterialScience (China) is going to expand capacity at its toluene diisocyanate (TDI) plant in Caojing, Shanghai from 250 kt per annual to 310 per annual. Detailed timeframe has not disclosed.

“Through technological reconstruction (including adjustment and adding partial equipments) and uptime extending, the integration plant’s capacity will increase to 310 kt per annual in two phases,” the statement said in Chinese.

“Reconstruction will also take place at the support chlorine production facilities while public works, environmental engineering and aided engineering will mainly rely on existing ones.”

SAES conducts the EIA for this project and this statement is valid within ten days since the announcement. Any questions please contact SAES at zicz@saes.sh.cn or Bayer MaterialScience at xiaoqiao.zhang@bayer.com.

The TDI plant starting up in June, 2011 employs the new gas-phase phosgenation technology, which reduces costs and energy consumption.

Other major TDI producers in China are Shanghai BASF (160 kt per annual), Cangzhou Dahua (150 kt per annual), Gansu Yinguang (100 kt per annual) and Yantai Juli (80 kt per annual).

TDI is material to produce flexible PU foam that can be applied in furniture and auto cushion and hardener in coatings.
China's Anti-Dumping against TDI from Japan, South Korea and US Terminated Effective from Nov. 21, 2014【Nov. 21】

PUdaily, Shanghai-On November 20, 2014, the Ministry of Commerce of the People's Republic of China (hereinafter referred to as the "Ministry of Commerce") issued Announcement No.73 of 2014, announcing that the anti-dumping duties against imports of toluene diisocyanate (TDI 80/20) originated in Japan, South Korea and US will be terminated, effective from November 21, 2014.

On November 20, 2009, Ministry of Commerce issued Announcement No.92 of 2009, deciding to continue to impose aforesaid anti-dumping measures; such anti-dumping measures were extended for five years as of November 21, 2009 and will expire on November 20, 2014. On May 30, 2014, Ministry of Commerce issued Announcement No.31 of 2014, saying that the anti-dumping measures will expire on November 20, 2014 and as of the issuance of the Announcement, any natural person, legal person or relevant organization in or on behalf of the domestic industry may, at least 60 days prior to the expiration of such anti-dumping measures, apply for expiry review in written form to the Ministry of Commerce.

During the period, no apply for expiry review was put forward by domestic TDI manufacturers nor the Ministry of Commerce actively initiated such expiry review. In view of this, Ministry of Commerce announced that the aforesaid anti-dumping measures will be terminated, effective from November 21, 2014.

China Sinopec Changling to Start up 100 kt HPPO Project in H1 of 2014【Jan. 21】

PUdaily, Shanghai-China Sinopec's Changling Petrochemical plans to start up its 100 kt hydrogen peroxide-to-propylene oxide (HPPO) plant in Hunan province, according to reports from Hunan.

"After completing foundation construction, the crew is now ready to install equipment, which is more excited for everyone," said the local news report.

"This is self-innovative project for us. Changes of many aspects need to be kept in tandem with equipment manufacturers and engineering crew," said Li Hua, Chairman and General Manager of Changling Petrochemical in mandarin, "Any omissions would lead to a delay by at least one year."

After startup, it is expected to bring about more than 1100 million Yuan sales revenue and 200 million Yuan profits.

The plant costing an investment of 1.2 billion Yuan is due to deliver on Apr. 25, 2014.

The HPPO project is one of China Petrochemical “Ten Dragons” scientific and technological projects and is nominated in National Key Basic Research Development Program (known as 973 Plan).
India Extended Anti-dumping Against China and Sth Korea Polyols 【Nov. 19】

PUdaily, Shanghai-India Central Board of Excise and Customs (CBEC for short) have announced to extend anti-dumping measure against flexible slabstocks polyols (FSP) from China (including Taiwan) and South Korea till August 30, 2015.

FSP is an important raw material to make PU foam that can be used for production of furniture, auto seats and packaging, etc.

As India local media reported in Sept, the Designated Authority had in end-August initiated a second sunset review of FSP imports from China, South Korea and Chinese Taiwan.

But other grades of polyols such as rigid, polymer and HR polyols are free from this measure originated from China (including Taiwan) and South Korea.

Data showed from China and South Korea, in the first nine months of 2014, mainland China totally exported 25,250 tons while South Korea exported 23,304 tons of polyols.

Manali Petrochemical is the leading polyols producer in India with capacity of 50,000 tons/year and the other producer is Expanded Polymer System with capacity of 27,000 tons/year.

India anti-dumping against FSP from Japan and United States ended in February, 2014.

Finally, local tribunal was said to be making decision on anti-dumping against FSP from Singapore.

China To Start up Five PDH Units; Boosting C3 Outputs to 2.85M tons

China will start up five new propane dehydrogenation plants (PDH) plants this year that will boost its propylene (C3) production by 2.85m tons/year, industry sources said on Monday.

Two of the plants – both located in Zhejiang province and with a 450,000 tonne/year capacity – are coming on stream sometime in the second quarter, while two other units in the same province with bigger capacities of 600,000 tons/year each will start production from June to the third quarter.

The biggest of the five plants starting up has a 750,000 ton /year capacity and will come on line late this year. (Please see table below)

PDH plants yield higher propylene output compared with naphtha-based production, and require much less investment, industry sources said.

<table>
<thead>
<tr>
<th>Operator</th>
<th>C3 output t/yr</th>
<th>Location</th>
<th>Start-up date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shaoxing Sanyuan Petrochemical</td>
<td>456,000 t/yr</td>
<td>Shaoxing, Zhejiang</td>
<td>Q2</td>
</tr>
<tr>
<td>Zhejiang Satellite Energy Co.</td>
<td>456,000 t/yr</td>
<td>Pinghu, Zhejiang</td>
<td>Q2-3</td>
</tr>
<tr>
<td>Ningbo Haiyue New Materials Co.</td>
<td>606,000 t/yr</td>
<td>Zhejiang</td>
<td>June-12</td>
</tr>
<tr>
<td>Yangzijiang Petrochemical</td>
<td>606,000 t/yr</td>
<td>Zhejiang</td>
<td>Q3</td>
</tr>
<tr>
<td>Wantong Chemical</td>
<td>756,000 t/yr</td>
<td>Yantai, Shandong</td>
<td>end-2014</td>
</tr>
</tbody>
</table>

Higher propane requirements meant that the country will have to import more of the raw material, they said.

China had its first PDH unit last year, with the start-up of Tianjin Bohai Chemical Industry Group’s 600,000 ton/year facility in the fourth quarter. The company imported 195,000 tons of propane in line with the start of operations at the PDH plant in the last months of 2013. The plant requires an annual propane feed of 720,000 tons.

In 2013, China imported nearly 2m tons of propane, while its domestic propane supply increased by about 3.7% to 1.82m tons.

Propane is used to produce ethylene when it enjoys price advantage over naphtha. Most naphtha crackers in China can switch to take propane as feedstock.

Wuhan Petrochemical’s 800,000 tonne/year cracker, which started in August last year – began using more propane and less naphtha as feedstock for production since the start of the year, market sources said.
2014 PUdaily Newsbits: China

Praxair to Supply Gas to China’s Jinling Huntsman for PO/MTBE Project 【Jul. 18】

Praxair has signed a long-term contract to supply industrial gases to Nanjing Jinling Huntsman New Materials Co., a joint venture between Sinopec Jinling and Huntsman.

Praxair has signed a long-term contract to supply industrial gases to Nanjing Jinling Huntsman New Materials Co., a joint venture between Sinopec Jinling and Huntsman, the companies announced on Thursday.

Jinling Huntsman will use the gases to help build a propylene oxide (PO) and methyl tertiary butyl ether (MTBE) plant located in Nanjing, East China.

PO is a high-quality intermediate compound used to make polyurethane materials, and MTBE is a clean fuel additive.

“Nanjing Jinling Huntsman New Materials is very pleased to select Praxair as its industrial gas supplier and cooperative partner,” said Ju Zhengyu, general manager of the company. “As a leading global industrial gases company, Praxair has developed a safe and reliable gas solution for our project.”

Praxair will construct its new air separation unit (ASU), with a capacity of 900 tpd of oxygen, in the Phase II area of Nanjing Chemical Industrial Park (NCIP), a leading, state-level interconnected chemical production facility. Praxair will also build a pipeline in the park to help meet the industrial gas requirements of Jinling Huntsman and other customers throughout NCIP. The ASU is expected to start up in 2016.

“We’re proud to win the trust of Jinling Huntsman,” said Dr. Minda Ho, president of Praxair China. “The air separation plant we will build will establish Praxair as the first industrial gases pipeline supplier in NCIP with great potential to supply more customers in the new phase of this top-notch chemical park.

“Praxair has a strong track record of developing industrial gases supply networks in leading chemical industrial parks such as Shanghai Chemical Industry Park, Huizhou Daya Bay Chemical Industrial Park and Yangzhou Chemical Industry Park. We’re looking forward to applying our world-class air separation technology with high safety, reliability and operational excellence to support our customers in their business goals.”

China Reviews Anti-dumping on Imported Adipic Acid 【Nov. 26】

China will begin a review of its anti-dumping measures on adipic acid from the United States, the European Union and the Republic of Korea starting Saturday, the Ministry of Commerce said on Oct. 31.

The sunset review of the five-year measures, first imposed on Nov. 1, 2009, will last for 12 months ending on Nov. 1 next year, according to the ministry.

The review comes after four domestic companies said dumping or damages to the domestic industry would reoccur if anti-dumping measures were terminated.

During the review period, adipic acid imports from Rhodia Korea Co., Ltd. will still be subject to anti-dumping duties ranging from 5.9 percent to 16.7 percent. Meanwhile, imports from the U.S. and the EU will be subject to levies between 5 percent to 35.4 percent.

Adipic acid is primarily used in the production of nylon 6-6, polyurethane foam and polyester resin.
China’s Anti-Dumping against BDO from Saudi Arabia and Taiwan to Expire on Dec. 24, 2014【Dec. 16】

PUdaily, Shanghai-On December 10, 2014, the Ministry of Commerce of the People’s Republic of China (hereinafter referred to as the “Ministry of Commerce”) issued announcement, declaring that the anti-dumping duties against imports of 1,4-Butanediol (BDO) originated in Saudi Arabia and Taiwan will be terminated, effective from December 25, 2014.

On December 24, 2009, Ministry of Commerce issued Announcement No. 106 of 2009, deciding to impose anti-dumping duties on Saudi Arabia and Taiwan BDO imports; such anti-dumping measures were extended for five years as of December 25, 2009 and will expire on December 24, 2014.

On July 25, 2014, Ministry of Commerce issued Announcement No. 51 of 2014, saying that the anti-dumping measures will expire on December 24, 2014. As of the date when the announcement is issued, any natural person, legal person or relevant organization in or on behalf of the domestic industry may, at the least by August 24, 2014, apply for expiry review in written form to the Ministry of Commerce.

During the period, no domestic industry or relevant organizations put forward written petition for review, nor the Ministry of Commerce actively initiated such expiry review. In view of this, Ministry of Commerce announced that the aforesaid anti-dumping measures will be terminated, effective from December 25, 2014.

Hong Kong Court Rules against Pioneer Tech Enterprise in BDO Trade Secret Suit【Nov. 14】

A Hong Kong Court recently entered judgment in favor of butanediol (BDO) producer and licensor INVISTA in a trade secret lawsuit against Pioneer Tech Enterprise. The Court’s ruling permanently prohibits Pioneer from making any use of INVISTA’s trade secrets—including submitting any bids or other documents reflecting the trade secrets—and awards damages to INVISTA for Pioneer’s infringement and breach of confidence.

Both INVISTA and Pioneer submitted bids to a client in Shaanxi Province in 2013 to license BDO technology at a planned facility in China. INVISTA initiated a formal challenge to the bid process and pursued legal action against Pioneer, Frontech, Inc., and business executive Ming D. Wan, alleging that the defendants had misappropriated INVISTA’s trade secrets related to BDO technology.

“INVISTA invests significant time and resources in developing and licensing the most competitive technology available in the market,” said Mike Pickens, general manager for INVISTA Performance Technologies. “We owe it to our licensees to relentlessly pursue instances of intellectual property misappropriation. This protects the investment of our licensees and ensures that INVISTA will be able to continue to develop and license leading edge technology.”

In 2010, INVISTA sued Wan and his company, Frontech, in the U.S. for misappropriation of trade secrets. As part of the resolution of that matter, Frontech agreed to pay INVISTA a fee for a limited license related to two other BDO projects, return all confidential INVISTA information, and preserve certain documents related to its efforts to secure BDO licenses in the future.

After failing to appear for a Texas Court-ordered deposition and produce documents relating to its BDO licensing efforts, Wan and Frontech were held in contempt of court and ordered to pay a fine to INVISTA.

INVISTA Performance Technologies provides industry-leading resources and know-how to deliver world-scale technology for licensing to a growing portfolio of technologies in the value chains of polyester (PTA, polymer, fiber, R2R), polyurethane (BDO, PTMEG) and nylon (adipic acid, PA66 polymer, N2O abatement).

The company licenses its proprietary BDO technology to manufacturers in China and around the world, who use it to produce polyurethanes, spandex, polyester glycols, and other specialty chemicals.
Huntsman Opens New Thermoplastic Polyurethanes Production Facility in Shanghai, China 【Feb. 27】

Huntsman Corporation (NYSE: HUN) held an inauguration ceremony today to mark the official opening of its new thermoplastic polyurethanes (TPU) production facility at the Jinshan Second Industry Zone in Shanghai, China.

The 21,000 m2 plant, which cost $20 million, is Huntsman’s first TPU production facility in the Asia Pacific region and complements the company’s existing TPU plants in the USA and Germany. The facility has been built to service the region’s fast-growing demand for TPU products, which are used in an extensive range of consumer and industrial applications, including sports footwear and clothing, automotive interior parts and glass lamination.

Commenting on the new plant, Asia Pacific CEO and President of the Polyurethanes’ division, Tony Hankins, said: "China has become the largest market for TPU products and this new facility will significantly improve our supply capabilities, enabling us to respond more quickly and effectively to the needs of our partners in the region. The investment reflects our long-term commitment to our local customers and builds on the division’s strategy of strengthening our downstream capabilities.”

AkzoNobel Opens New Vehicle Refinishes Plant in China 【Oct. 30】

AkzoNobel has started operations at its state-of-the-art vehicle refinishes plant in Changzhou, China - the company’s 30th manufacturing facility in the country.

The new factory adds around 25 million liters of capacity for Sikkens, Lesonal and Prime vehicle refinishes products and strengthens AkzoNobel's position as one of the leading players in China’s vehicle refinishes and commercial vehicle OEM markets, building on its acquisition of Changzhou Prime Automotive Ltd. in 2010.

"The Changzhou site is designed to help us meet rapidly increasing customer demand, not only from domestic suppliers, but also from our global automotive customers that have business in China," explained Simon Parker, Managing Director of AkzoNobel’s Vehicle Refinishes business.

He added that the Chinese vehicle refinishes market is worth around €750 million and has been growing at around 10 percent a year. “Changzhou is the ideal location for this facility,” continued Parker. “A good infrastructure is already in place and it is ideally situated in the coatings ‘center’ of China, with close access to many of our customers.”

Commenting on the start of operations, Conrad Keijzer, the AkzoNobel Executive Committee member responsible for Performance Coatings, said: "The new plant in Changzhou underlines our commitment to investing in China and strengthens our ability to manufacture locally developed product, particularly for the fast-growing mid-tier vehicle refinishes market.”

AkzoNobel currently employs more than 8,000 people in China. Revenues totaled €1.6 billion in 2013, with the majority being generated from local demand.
AkzoNobel to Build Decorative Paints Facility in China【Aug. 21】

Planned to be built in Qionglai Yang’an industrial park, the project is part of an investment of more than €50m to build powder coatings and decorative paints manufacturing facilities.

The 55,000m² plant will be the company’s fourth facility for decorative paints in China and will create 100 new jobs in the region.

AkzoNobel said that the plant will comply with its highest sustainability and HSE&S standards.

The first phase of the plant is scheduled to commence operations in 2016, with full operations expected to begin by 2017.

AkzoNobel CEO Ton Büchner said: “Our investment in this new site is further proof of our ongoing commitment to China, which is one of our most strategically important markets.

“Establishing this new facility also gives added momentum to our organic growth ambitions, as well as enabling us to continue expanding our manufacturing footprint in Asia.”

AkzoNobel executive committee member Ruud Joosten said: “Further boosting our presence in China will support our growth ambitions and enable us to work more closely with our customers in the region.”

In China, AkzoNobel, which generated revenues of €1.6bn in 2013, has a workforce of more than 7,400, including 500 in research and development.

In Sichuan province, AkzoNobel owns a regional office, a powder coatings production plant and a car refinishes training centre. A new powder coatings production facility is currently under construction.

AkzoNobel to Expand Performance Coatings Technology Center in Shanghai【Jun. 25】

AkzoNobel is investing more than €6.5 million in its Songjiang site near Shanghai to expand an existing research center by adding a dedicated facility for the company’s Performance Coatings businesses.

Once completed in June 2015, the new development and application center will add capability and capacity to serve growing demand throughout Asia for innovative solutions targeted at the packaging, coil, specialty finishes and powder coatings markets.

The extension will also double the number of people working in R&D at Songjiang (to around 200) over the next couple of years. When fully operational, the new laboratory will be Performance Coatings’ second largest research and development base after Felling in the UK.

“Boosting our R&D capabilities in Asia means we can accelerate the development and formulation of new products tailor-made for the Asian market,” said Conrad Keijzer, AkzoNobel’s Executive Committee member responsible for Performance Coatings. “The expanded R&D center will therefore play a crucial role in supporting our growth ambitions – for China in particular –and will provide us with a major innovation facility located close to our customers in the region.”

RD&I Director for Performance Coatings, Klaas Kruithof, added that the new center will also drive efficiency by further consolidating the company’s R&D footprint. “Expanding the existing facility will enable ongoing research and development activities for powder coatings to be transferred from Ningbo,” he explained. “It will also be capable of accommodating R&D activities for Decorative Paints and the company’s Surface Chemistry business.”

Strategically positioned in the greater Shanghai area, the Songjiang site was recently expanded to create one of AkzoNobel’s biggest resin plants for performance coatings in the world. In total, around 300 people are currently employed at the location.

With operations spread across the country, AkzoNobel employs more than 7,400 people in China, including 500 in R&D. In 2013, the company generated revenues in China of €1.6 billion, the majority coming from local demand.
Arkema is initially investing $240m in Jurong Chemical’s acrylic acid production in China, the French chemicals maker said on Thursday.

The two companies have formed a joint venture firm called Sunke, which will comprise the assets of Jurong Chemical’s acrylic acid production at Taixing in Jiangsu province, according to Arkema.

Jurong Chemical currently has two production lines at the site, each with an installed capacity of 160,000 tons/year. A third line with the same capacity is due to start up in the first quarter of 2015.

“When the deal closes later this year, Arkema will have access to half of the site’s installed production, namely 160,000 tonnes/year for a $240m investment,” Arkema said.

“This partnership is a unique opportunity for Arkema to access a major acrylic monomer production site in Asia this year,” Arkema executive vice president Marc Schuller said in the statement, citing that China represents a quarter of the global acrylics market.

“This expansion in a strategic region now provides us with a strong and balanced industrial and commercial footprint on three continents,” he added.

Arkema currently has acrylic acid production at Carling in France and at Clear Lake, Texas in the US.

The deal, which is still subject to regulatory approvals, is expected to close in the summer of 2014, the company said.
Axalta Expands Waterborne Coatings Capacity in China  【Jan. 14】

Liquid and powder coatings supplier Axalta Coating Systems has broken ground on its new facility in the Jiading district of Shanghai, China, to expand its production capacity for coatings.

Axalta's chairman and CEO Charlie Shaver said the company invested in the facility to meet growing customer needs for high-performance water-based coatings solutions.

"Our technological leadership focuses on developing environmentally-friendly coating solutions.

"Our new facility will also employ the latest generation production systems to reduce the environmental footprint of our operations."

The expanded capacity for waterborne production is expected to help Axalta support the long-term growth of China's automotive industry.

Axalta's waterborne production process uses a global waterborne technology system to produce "lean and green automotive coatings", which reduce volatile organic compounds, energy consumption and investment.

For the past two years, the Chinese government has issued a series of regulations for all new automotive manufacturer production lines to use eco-friendly waterborne coating products to cut the overall environmental footprint.
BASF Opens New Automotive Coatings Plant in Shanghai【Jul. 25】

BASF Shanghai Coatings Co., Ltd. inaugurated its new automotive coatings plant on July 24 at the Shanghai Chemical Industry Park in Shanghai, China. The expansion of its automotive coatings production capacity with an investment of around €50 million further strengthens BASF’s presence in China and its position as a leading coatings supplier to the automotive industry.

“BASF is the leading chemical partner for the automotive industry. This investment further signifies our commitment to our automotive customers and to supporting the dynamic growth of China’s automotive market,” said Dr. Andreas Kreimeyer, Member of the Board of Executive Directors of BASF SE and Research Executive Director.

The plant is equipped with state-of-the-art ventilation and off gas treatment, ensuring a clean environment in and around the plant. In addition, it is specially designed to have a closed handling of ingredients. “Our new plant is designed according to the latest and most environmentally friendly manufacturing processes and technologies,” said Peter Fischer, Senior Vice President, Coatings Solutions Asia Pacific, BASF. “Our innovative processes and high-performance automotive coatings help our customers to achieve their efficiency targets and to stay competitive.”

“We plan our investments according to the anticipated market development and customer demands. We will continue to invest in strengthening our local production in China and Asia to respond even faster to our customers,” added Dr. Albert Heuser, President Functions Asia Pacific, President and Chairman Greater China, BASF.

The new automotive coatings plant is located adjacent to another new BASF resin and electrocoat plant which will start operation in the second half of 2015. The close proximity of these two plants with access to facilities of BASF Caojing site and the Shanghai Chemical Industry Park will allow greater synergies and operational efficiency.

BASF Shanghai Coatings Co., Ltd. is a joint venture between BASF Group and Shanghai Huayi Fine Chemical Co., Ltd., with more than 17 years of successful partnership.
Bayer MaterialScience, a subgroup of the Bayer Group and world leading polymeric materials provider for high tech solutions, announced its expansion plan for the production of the coating raw material hexamethylene diisocyanate (HDI) at the groundbreaking of its new 50,000-tons-per-year HDI production unit located at the Bayer Integrated Site Shanghai (BISS).

With this new HDI unit, BISS will be equipped with one of the largest HDI production capacities in the world by 2016, ensuring strong and flexible supply to global customers, as well as solidifying and enhancing the company’s pioneering capabilities in HDI production technology.

Market-focused innovation driving growth

As a leader in polyurethane technology with rich knowledge about the local market, Bayer MaterialScience has a keen understanding of China’s role as a key global production center. The rising of middle class also creates an urgent need for high-performance end products, contributing to great potential of HDI demand in the market.

Meanwhile, pacing urbanization, climate change, and industry upgrade call for an optimization of production processes, and for high-quality, energy-efficient and environmentally friendly products.

Bayer MaterialScience works to address these challenges and needs through new solutions enabled by advanced PU technologies, such as sustainable textile coating solutions, innovative lean coating process for the automotive industry, next-generation adhesives for the footwear industry, and decorative coating solutions for lightweight materials, such as composites.

Bayer MaterialScience’s HDI expansion is supported by the regional innovation hub for Asia Pacific located at the Polymer Research & Development Center (PRDC) and the establishment of a Coatings, Adhesives, Specialties global innovation team in Shanghai. In addition, the company has continually strengthened its business presence in the region with ongoing investments in production, research and people.

A leader in polyurethane technology

Since polyurethanes were first discovered at a lab in Leverkusen in 1937, Bayer MaterialScience has led the way in the development of high-performance polyurethane coating and adhesive solutions that allow everyday products to last longer as well as perform and look better, enhancing the lives of consumers around the world.

Invented by Bayer over 30 years ago, the state-of-the-art HDI production technology has been a cornerstone of Bayer MaterialScience’s leadership in the manufacture of polyurethanes and has been further perfected over the years. Using the latest gas-phase technology, the HDI production process conforms to the highest safety standards and is efficient and environmentally friendly, resulting in higher yields and lower emissions.

Bayer MaterialScience is ready and able to develop and launch new products in response to market needs now and in the future.
China Wanhua Chemical Launched New Products for Coatings 【Sept. 16】

PUdaily, Shanghai-Wanhua Chemical launched new products including aliphatic isocyanates and waterborne PU resin for coatings application on Sept. 15, the company press release said on Sept. 16.

Dr. Sun Jiakuan, director of Surface Material Business committing to providing environmentally friendly and value adding solutions to customers in the coatings and adhesives industries, revealed that this project which includes waterborne PU dispersion and waterborne acrylic emulsion was completed and came on stream at the end of August; the project with capacity of 50,000 tons/year takes investment at around CNY 150 million.

“This is the first and an important step for Wanhua’s national strategy development. After following manufacturing facilities in Zhuhai goes into production 2015, Yantai in 2016 and Chengdu in 2017, Wanhua will supply environmentally friendly coatings products to clients in these regions,” Dr. Sun commented.

According to Sun Shuchang, deputy general manager of ADI Business Division, Wanhua Chemical will introduce HDI biuret, two new types of HDI trimer in this year after successful development of HDI, HMDI and HDI trimer while in 2015, IPDI monomer and trimer and TDI adducts will be introduced to the market.

As the largest MDI manufacturer in China, Wanhua Chemical has been continuously extending its product range as well as expanding its PU market territory, such as from aromatic isocyanates to aliphatic isocyanates, from China to worldwide.

The company is expected to commence operating at its propylene oxide (PO) and polyether polyols facilities in Yantai, Shandong province by the end of this year or early next year. Besides, it is expanding MDI capacity and consolidate its leading position as PU supplier with startup of new facilities in Shandong province.
INVISTA broke ground on March 26, 2014 on new hexamethylene diamine (HMD) and nylon 6,6 polymer plants at the Shanghai Chemical Industry Park (SCIP) in China. These facilities mark a key milestone in INVISTA’s plans for integrated nylon 6,6 facilities in the China market and underscore the company’s commitment to the region.

INVISTA broke ground on March 26, 2014 on new hexamethylene diamine (HMD) and nylon 6,6 polymer plants at the Shanghai Chemical Industry Park (SCIP) in China. These facilities mark a key milestone in INVISTA’s plans for integrated nylon 6,6 facilities in the China market and underscore the company’s commitment to the region.

More than 300 people attended the ceremony, including senior government officials from SCIP, the Jinshan government and related authorities, local customers, INVISTA leadership and employees.

“China is one of the most important regions for our growth strategy,” said Jeff Gentry, INVISTA’s chairman and chief executive officer. “We have seen significant growth in the region in recent years, and we plan to continue to bring our latest innovative technologies here. The theme of our groundbreaking event—Growing Together: a New Era of Nylon 6,6—reflects the fact that we are working closely with our customers to build the local nylon and polyurethane markets.”

The 215,000-ton HMD plant and the 150,000-ton polymer plant are expected to start up in 2015. INVISTA has already received several government permits; most recently, the Shanghai Environmental Protection Bureau granted Environmental Impact Assessment (EIA) approval for the polymer facility.

In addition to the HMD and polymer plants, INVISTA has plans for a future, 300,000-ton adiponitrile (ADN) facility. Once completed, INVISTA’s new facilities will be among the most energy-efficient nylon intermediates sites in the world and will employ INVISTA’s most advanced technologies for ADN, HMD and polymer production. The overall investment in these plants will exceed US$1 billion, which will be the largest capital investment undertaken by INVISTA to date.

Warren Primeaux, president of INVISTA Intermediates, said, “We believe that China is driving global nylon demand growth, and the use of nylon 6,6 intermediates and polymer in the region will be increasing. The new facilities will enable INVISTA to provide customers with better service, shorter lead time and a local resource for production. We are excited to continue supporting the increasing regional demand for durable goods—products that can be enhanced by the use of nylon 6,6.”

HMD, ADN and nylon 6,6 polymer are materials used in the production of nylon 6,6 fibers and polymers that ultimately become part of air bags, automobile parts, carpet, workout apparel, outdoor equipment and more.

About INVISTA

With leading brands including LYCRA®, COOLMAX®, CORDURA®, STAINMASTER® and ANTRON®, INVISTA is one of the world’s largest integrated producers of chemical intermediates, polymers and fibers. The company’s advanced technologies for nylon, spandex and polyester are used to produce clothing, carpet, car parts and countless other everyday products. Headquartered in the United States, INVISTA operates in more than 20 countries and has about 10,000 employees.
Company Dynamics

Asahi Kasei Chemicals Completes Polycarbonatediol Plant for PU in China [Dec. 29]

Asahi Kasei Chemicals has completed the construction of a plant in China for polycarbonatediol (PCD), an intermediate for polyurethanes, and began its commercial operation.

PCD is used to make high-performance polyurethanes with characteristics such as exceptional heat resistance and water resistance.

Demand for PCD is growing throughout the world as the polyurethane market increasingly shifts toward higher-performance. A highly functional PCD developed by Asahi Kasei Chemicals, "Duranol" features greater compatibility and enables polyurethanes to be obtained with greater softness.

The product has the leading share of the Asian PCD market for polyurethanes for synthetic leather in automotive interiors, polyurethane coatings, and UV-curable polyurethanes. Demand for highly functional PCD is forecasted to continue to grow briskly throughout Asia and especially in China as a major center for manufacturing automobiles and consumer electronics.

Asahi Kasei Chemicals’ first plant is located in its Mizushima Works, Kurashiki, Okayama, Japan. The new plant in China will enable the company to meet demand growth with a stable supply infrastructure in Asia, reinforcing its position as a leading supplier of highly functional materials to manufacturers of high-performance polyurethanes, including HDI-based polyisocyanate.

BASF to Acquire Taiwan Sheen Soon [Dec. 9]

Germany’s BASF has agreed to acquire the assets in Taiwan and mainland China of thermoplastic polyurethanes (TPU) manufacturer Taiwan Sheen Soon.

The financial details of the acquisition were not disclosed.

The Taiwan-based company has TPU capacity of 20,000 ton/yr in Taiwan and 5,000 ton/yr in China through a joint venture with Pou Chen.

The move will broaden BASF's TPU and TPU adhesives product portfolio as well as strengthen its manufacturing footprint in Asia. BASF has TPU capacity in the US, Germany and China and is one of the world’s largest TPU manufacturers.

The acquisition is expected to be completed in 2015, pending the necessary regulatory approvals.

TPU is widely used in the manufacture of cushions, car seats and footwear as well as adhesives and sealants.
BASF and Sinopec Inaugurate Acrylic Acid and SAP Plants in Nanjing, China【Apr. 10】

BASF and Sinopec has inaugurated two new plants on April for acrylic acid and superabsorbent polymers (SAP) at their state-of-the-art Verbund site, BASF-YPC Co., Ltd., a 50-50 joint venture in Nanjing, China. Additionally, a new butyl acrylate plant will begin production later this year.

BASF and Sinopec has inaugurated two new plants on April for acrylic acid and superabsorbent polymers (SAP) at their state-of-the-art Verbund site, BASF-YPC Co., Ltd., a 50-50 joint venture in Nanjing, China. Additionally, a new butyl acrylate plant will begin production later this year.

The new plants will further strengthen the C3 (propylene) value chain and serve the growing downstream demand. With an annual capacity of 60,000 metric tons, the new SAP plant will serve growing demand in China for baby diapers, adult incontinence products and feminine care products.

“BASF is investing in Asia Pacific to produce 75% of our Asia Pacific sales locally, in order to ensure faster, more energy-efficient, more reliable supply. With the start-up of these projects, we continue to build on the success of our strong partnership with Sinopec, and reinforce our commitment to serving the hygiene industry in China and Asia as well as around the world,” said Albert Heuser, President, Greater China and Functions Asia Pacific, BASF.

“The start-up of these projects will continuously improve the company’s ability to meet the demands of our customers. It will create new opportunities for sustainability and will make a positive contribution to clean production. It will also enhance industrial development,” said Chang Zhenyong, Vice Chief Engineer, Director of Chemical Department, Sinopec Corporation.

BASF’s “Verbund” system creates efficient value chains that extend from basic chemicals right through to high-value-added products. In addition, the by-products of one plant can be used as the starting materials of another. At the BASF-YPC Verbund site in Nanjing, SAP, butyl acrylate and acrylic acid production will be backward integrated into the manufacturing of C3. This ensures greater supply reliability, energy efficiency, and cost effectiveness, while minimizing energy use and environmental impact.

BASF Builds New Chemical Catalysts Manufacturing Plant in Shanghai【Dec. 11】

BASF has announced a new, world-scale chemical catalysts production facility at the company’s existing site in the Shanghai Chemical Industry Park in Caojing, Shanghai, China.

The plant – BASF’s first process catalysts manufacturing facility in Asia Pacific – will produce base metal catalysts, custom catalysts, and adsorbents to meet growing Chinese and Asian market demand. These catalysts are used in the production of fatty alcohols, sulfuric acid and butanediol and for the removal of impurities from olefins.

Construction of the new plant begins this month, with the launch of manufacturing activities planned for the fourth quarter of 2016. Once operating at full capacity, the plant will create 75 new jobs in Shanghai.

“By 2020, BASF aims for local production of approximately 75% of the products we sell in Asia Pacific, in order to intensify our collaboration with and strengthen our supply position to customers in the region. To achieve this, together with our partners we are investing €10 billion from 2013 - 2020 to further develop our local production footprint in Asia Pacific. BASF’s investment in the Caojing, Shanghai, chemical catalysts plant represents another milestone in the company’s regional growth strategy,” said Dr. Albert Heuser, President Functions Asia Pacific, President and Chairman Greater China, BASF.
BASF Starts up New Polyisocyanates Production Line in Caojing, China  
【Sept. 5】

BASF is further strengthening its production footprint in Asia Pacific with the start-up of a second production line for hexamethylene di-isocyanate (HDI) based polyisocyanates in Caojing, China. BASF has been operating an aliphatic isocyanates plant at the same site since 2006.

This wholly-owned BASF production plant will benefit from close proximity to raw material and largest market for aliphatic isocyanates in Asia. Its advanced production line will ensure safe and efficient operations, with the flexibility to adapt to new customer requirements.

“The start-up of this second production line will enhance supply security and flexibility to meet the growing market demand for high performance resins. It will also enable us to make timely adjustments to our product portfolio, in response to the fast-changing market situation in Asia Pacific,” said Jeff Knight, Senior Vice President, Dispersions & Pigments, Asia Pacific, BASF.

The new production line will focus on the production of biuret and isocyanurate under the BASF brand Basonat®, for all transportation coating segments (Original Equipment Manufacturer, refinish and parts), industrial coatings and adhesives as well as serving the entire Asia Pacific region.

This investment represents another milestone in BASF’s Asia Pacific strategy. By 2020, BASF aims for local production of approximately 75% of the products it sells in the Asia Pacific region in order to intensify its collaboration with and strengthen its supply position to customers in Asia Pacific. To achieve this, BASF is investing €10 billion together with its partners from 2013 - 2020 to further develop its local production footprint in Asia Pacific.

Bayer MaterialScience Starts up New Polycarbonate Production Line in Guangzhou  
【Dec. 17】

December 16, 2014, Guangzhou – Bayer MaterialScience (BMS), a leading supplier of high-tech polymers, today announced the start-up of a new polycarbonate sheet production plant at its Guangzhou site. The new production plant is equipped with solid sheet units and multiwall sheet units serving major target industries including construction, agriculture, mass railway transit, lighting box, and particularly high optical demand safety and security, protection, as well as glazing and LCD/LED industry.

The cutting-edge technology employed in the extrusion machinery and processing control enables the new production line to bring out more diversified PC sheets. While the thickness of the solid sheets ranges between 1-20mm, the width reaches up to 2.5m, making it suitable for highly precision and optical demand industries. Furthermore, these products are a favorite material of choice among glazing, safety and security, protection and LCD/LED industries mainly due to their excellent optical features and high degree of precision.

“The new sheet production line is an important move towards strengthening our presence in the emerging economies, which reaffirms our investment promise to the market and local government that support BMS business development in China,” said Holly Lei, President of Business Unit Polycarbonates at Bayer MaterialScience China, adding that “We encourage our customers to visit the state-of-the-art production facility, in a bid to further enhance confidence towards BMS products, services, and the concept of sustainability in this industry.”

The polycarbonate market has been constantly growing in south China and along the coastal areas owing to increased demand from downstream users in many areas. The objective behind the building of the production line was not only to gain more market share but also to provide more efficient services to the high-tech downstream industries. Besides, the new plant is also good news for users in Southeast Asia, as Guangzhou is the marine transportation hub of this region.

“BMS Guangzhou sheet plant has laid a strong foundation for the new production line, as a result of the years of efforts put on technical development and talent cultivation,” said Li Beichuan, General Manager of BMS Guangzhou.
Site, adding, "For example, the state of
the art production facility with
advanced technology is capable of
providing high optical and multiple
functional polycarbonate sheet to the
customers in China and Asia Pacific."

The polycarbonate business unit in BMS
is making unremitting endeavor to
facilitate customers with a full-scale
portfolio and comprehensive services
globally. The new sheet production line
in Guangzhou Yonghe Economic and
Technologic Development District has
fulfilled its commitment towards
customers by providing high quality
products and sustained services to
China and SAE markets. It also reflects
the steady investment made by BMS in
modern and large-scale facilities,
needed to gain a competitive edge
giving it the best development
prospects in a highly aggressive and
demanding market.

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**Evonik Starts up Isophorone Facilities in SCIP, China  [May. 20]**

Evonik Industries has
commenced an integrated
production complex for
isophorone and isophorone diamine in
Shanghai, China, the company press
release said on May 19.

The company has invested over €100
million in the facilities, which will have
an annual output capacity of 50,000
metric tons. Construction in the
Shanghai Chemical Industry Park (SCIP)
took less than two years. Evonik
primarily plans to use the output of the
new plants to serve customers in the
coatings and paint, construction,
adhesives, and composite industry in
Asia.

“The new plant continues our successful
growth story in isophorone chemistry.
We are now represented in the three
major economic zones, Europe, NAFTA,
and Asia, with fully backwards
integrated production facilities to tap
into attractive new growth
opportunities,” said Patrik Wohlhauser, Member of the Evonik Industries Executive
Board and Chief Operating Officer.

Evonik has fifty years of experience with isophorone chemistry and continuously
improves its process technologies. So far products based on isophorone (crosslinkers)
were being manufactured in Marl and Herne, Germany, and in Mobile, USA.

In addition to the new production complex, Evonik built an application technology
service center with state-of-the-art laboratories at the Xinzhuang site in Shanghai. The
custom-tailored isophorone solutions will strengthen the competitiveness of Asian
customers.

Megatrend resource efficiency drives market growth.

The global market for isophorone and its derivatives grows at a stronger annual rate
than global gross domestic product, with Asia showing above-average growth. The
demand is particularly driven by the megatrend of resource efficiency. Thus, composites,
which are used, for instance, in lightweight construction for automobiles as well as in
highly durable wind power stations, offer above-average growth potential.

In addition, isophorone chemistry prolong the life expectancy of heavily used surfaces,
which reduces maintenance cost and often makes renovations superfluous. Examples
include floor coverings in parking garages, facades exposed to demanding climatic
conditions, or ships operating in salty ocean water. Growth projections are also high for
environmentally friendly coating technologies, such as UV-curing systems or
solvent-free powder coatings. Evonik markets its products of isophorone chemistry
globally under the brand names VESTAMIN®, VESTANAT®, VESTAGON® and VESTASOL®.
China Fujian Southeast ElectroChemical Brings the Other 50kt TDI Line on Stream

PUdaily, Shanghai- Fujian Southeast ElectroChemical has already put the other 50 kt TDI line into operation, according to reliable market source. The new line started debugging in this August.

The company has two TDI production lines in Fujian province, China, with each capacity at 50 kt per year. Now both lines are operating with 70% loads but it is said that the new one runs unsteadily.

New prices from the company are yet to disclose.

Faurecia Opens New Seating Complex in China【Jun. 25】

Automotive components maker Faurecia SA opened a 60,000-square-meter automotive seating manufacturing complex in central China’s Wuhan city in November.

The group’s two existing seating plants in the city - Faurecia GSK (Wuhan) Automotive Seating, a 51 percent-owned joint venture with Taiwan’s largest automotive parts manufacturer GSK, and Faurecia (Wuhan) Automotive Components Systems – a wholly-owned affiliate company – have moved into the park and will supply seat frames and complete seats to Dongfeng Peugeot Citroen Automobile and Nissan. Both plants have a capacity close to 500,000 parts per year.

The company predicts that 12 percent of its sales will be to Chinese brands in 2016. Faurecia China reported sales of $2 billion in 2012 and said it plans to double that figure by 2016, which would be 15 percent of the group’s total sales within the country.

Production processes and technologies including cutting, foaming and covering will be introduced to the park and an automotive seating design and development center is also planned. Faurecia expects to shape the new industrial complex into a benchmark site for its seating business in China.

Faurecia currently has 39 plants and four research centers, and employs 10,000 people in China.

Grand Opening Ceremony of Vencorex Shanghai Office【Dec. 17】

"we want to strengthen our global position and further develop our presence in Asia. New facilities and production assets will allow us to support the growth in the region."

Vencorex inaugurated with stakeholders and Asian customers its Shanghai sales branch. The new entity will serve the Chinese market through dedicated sales organization, market development, technical support as well as customer service.

A warehouse has also been established to enhance the distribution of Vencorex products locally, and an application laboratory is operating to help customers in their developments.

"We want to strengthen our global position and further develop our presence in Asia. New facilities and production assets will allow us to support the growth in the region. We aim to be a strong partner to our customers in developing application technology,” said Per-Erik Velin, sales and marketing director.

"Vencorex ambition is to focus on performance isocyanates with new capacities and new products coming on stream in the near future. The Shanghai branch, will be a key foundation to support this ambition in China. It is perfect timing for our teams to meet our customers and business partners to prepare the future together,” said Philippe Barbeau, Innovation and Market Development director.
Huntsman to Expand Polyols for PU in the Port of Rotterdam【May. 13】

Huntsman and Tebodin signed partnership contracts on all engineering projects for Huntsman Holland on an EPCm (Engineering, Procurement, Construction management) basis as well as on Consultancy services. The contracts cover the cooperation of the companies for 5 years, according to press release at Port of Rotterdam.

Huntsman Holland is located in the Botlek area in the port of Rotterdam with a 85 hectare site on which it produces differentiated chemicals. Tebodin has supported with comprehensive EPCm services in the construction of a MDI Splitter unit (Keystone project) in 2013. The unit is designed to handle globally sourced MDI (methylene diphenyl diisocyanate) precursor.

As Huntsman was still commissioning the new state-of-the-art MDI splitter Tebodin had already started working on the next investment, a downstream flex polyols manufacturing unit which will enable Huntsman to serve customers with a full range of next-generation, differentiated polyurethane products for automotive, adhesives, coatings and other applications,’ says Mr. Max van der Meer, Operations Director Europe.

Project Capstone will be commissioned in the next months and provides a more efficient manufacturing expansion within the existing polyols facility.

Johnson Controls and Yanfeng Form to Global JV for Automotive Interiors【May. 19】

Johnson Controls and Yanfeng Automotive Trim Systems Co., Ltd, the component group of Shanghai Automotive Industry Corporation (SAIC) announced the signing of a definitive agreement to form a global automotive interiors joint venture.

The agreement is a noncash transaction comprised of asset contributions by the two parties that will create the largest automotive interiors company in the world with revenues of approximately $7.5 billion. Yanfeng will hold the majority 70 percent share in the joint venture, and Johnson Controls will have a 30 percent share.

“Joining our two interiors businesses is a natural extension of our already very successful existing partnership with Yanfeng in automotive seating, which has flourished over the past 15 years. It creates a strong combined company with a market leading position and a foundation for sustained global growth,” said Alex Molinaroli, Johnson Controls chairman and chief executive officer. “This also aligns with Johnson Controls’ corporate commitment to China, which is increasingly becoming a major center for the global automotive industry.”

The new company will be headquartered in Shanghai with global engineering, development and customer centers in the United States, Europe, China, Japan and India. The product portfolio will include instrument panels and cockpit systems, door panels and floor consoles.
"Wanhua Chemical strives to become a trustworthy, long-term, stable and mainstream new materials supplier in Korea. We will spare no efforts to provide more value and opportunities for Korean customers to gain further development and grow together."

Wanhua Chemical Group Co., Ltd., Asia-Pacific’s largest methyl diphenylene isocyanate (MDI) manufacturer, opened the Korean branch office in Seoul on May 20th, which was inaugurated by Peter Huo, the CMO and vice president, according to press release by Wanhua Chemical.

The new office serves as the regional headquarters which will better provide polyurethane solutions and services to Korean customers. Moreover, the new office will consolidate Wanhua Chemical’s operations in Korea.

Korea is the second largest MDI market in Asia-Pacific following China as well as one of the markets with fiercest competition. Wanhua Chemical has been present with its products in the Korean markets since 2003. The company places a high value on the Korean markets and keeps strengthening and growing the business in the region.

With reliable products, stable supply and excellent customer service, Wanhua Chemical has been recognized and won good reputation across the polyurethane segments and sectors in Korea thanks to good quality and brand. Now Wanhua Chemical has become a major supplier of MDI in Korea.

"Wanhua Chemical strives to become a trustworthy, long-term, stable and mainstream new materials supplier in Korea. We will spare no efforts to provide more value and opportunities for Korean customers to gain further development and grow together."

said Peter Huo.

Sticking to the globalization strategy, Wanhua Chemical has established subsidiaries and branch offices worldwide, including in the United States, Russia, Japan, Holland, Brazil, India and Turkey, etc. Expanding presence in Korea will strongly strengthen the company’s global network.

According to PUdaily Data, at present, Wanhua Chemical has two MDI production lines in Yantai and Ningbo with a capacity of 200 ktpa and 1200 ktpa respectively. Besides, market source said Wanhua Chemical will plan to have a trial run on its newly-built 800 ktpa facilities in Yantai, Shandong province in Oct., 2014 with 50% loads first. By that time, its old plant with capacity of 200 ktpa will be closed.
Industry Dynamics

China’s Largest Oilfield to Reduce Output 【Dec. 29】

Daqing Oilfield, the largest oilfield explored by China’s major oil and gas producer PetroChina, is expected to reduce its production starting in 2015.

According to the economic working conference of northeast China’s Heilongjiang Province on Saturday, Daqing Oilfield, which produces nearly one-fourth of China’s total oil output annually, will see output reduction by 1.5 million tonnes next year.

By 2020, Daqing's annual output will be slashed to 32 million tonnes with an annual reduction of more than 1.3 million tonnes, the conference said.

As China’s largest inland oilfield, Daqing has produced more than 2.1 billion tonnes of crude oil since production started in 1960.

It produced slightly more than 40 million tonnes of crude oil in 2013, marking the 11th consecutive year in which the crude oil output of Daqing exceeded 40 million tonnes.

Limited oil reserves, high cost of development and declining international oil prices have caused the fast-depleting Daqing Oilfield to reduce output, a staff who declined to be named from Daqing told Xinhua.

He said the proper adjustment of output can allow the oilfield to develop sustainably and give more time to research on new technologies.

But the output target reduction may put pressure on Heilongjiang's economic growth. The preliminary estimate showed that GDP and fiscal revenue of the province will decrease by more than 20 billion yuan (3.2 billion U.S. dollars) and about six billion yuan respectively in 2015.

In order to offset adverse impact of the output reduction on local economy, the province planned to accelerate its economic restructuring and deepen cooperation with PetroChina by promoting the oil refining projects.

India launches Anti-dumping Probe into Chemical Imports from China and Switzerland【Jul. 31】

The Directorate General of Anti-Dumping and Allied Duties (DGAD), an arm of the Commerce Ministry of India, has launched an anti-dumping probe over imports of Diketopyrrolo Pyrrole Pigment Red 254 from China and Switzerland.

The move comes after a domestic producer filed a petition with DGCA over alleged dumping of the chemicals into India.

Diketopyrrolo Pyrrole Pigment Red 254 is a chemical primarily used in the paint industry.

DGAD said that it has found sufficient evidence of dumping from China and Switzerland.

DGAD was quoted by the Press Trust of India as saying that the DGAD “hereby initiates an investigation into the alleged dumping and consequent injury to the domestic industry ... to determine the existence, degree and effect of any alleged dumping, and to recommend the amount of anti-dumping duty, which if levied would be adequate to remove the ‘injury’ to the domestic industry.”
The agency is verifying the import data from January 2013 to December 2013 and will also consider the data of 2010-11 and 2011-12 to evaluate its impact on domestic producers.

Following the investigation, DGAD could recommend an anti-dumping duty, which will be imposed by the Finance Ministry.