PLANT WATCH

SNC-Lavalin wins contract for sulfuric-acid project in Saudi Arabia 
February 7, 2014 — SNC-Lavalin Inc. (Montreal, Quebec, Canada; www.snc-lavalin.com), in consortium with Sinopec Engineering Group, has signed a contract with Ma’aden in Saudi Arabia to provide engineering, procurement, construction, commissioning and startup services for a three-line sulfuric acid facility. The total value of the contract is approximately $764 million. The project is scheduled to be operational in late 2016.

Linde will supply hydrogen at Nynas refinery in Hamburg 
February 7, 2014 — The Linde Group (Munich, Germany; www.linde.com) has signed a longterm contract with Nynas AB, for the onsite supply of hydrogen at Nynas’s petroleum-refinery in Hamburg, Germany. The Linde Engineering Division will build a steam-methane reformer plant with a total investment of approximately €30 million. The new hydrogen facility is scheduled to go on-stream in the fourth quarter of 2015 with a capacity of 400,000 m³/d of hydrogen.

Mitsui Chemicals will build plant for xylene diisocyanate in Japan 
February 6, 2014 — Mitsui Chemicals (Tokyo; www.mitsuchiem.com) is constructing the world’s first large-scale plant for xylene diisocyanate (XDI) within its Omuta Works facility in Kyushu, Japan. The plant’s capacity will be 5,000 metric tons per year (m.t./yr) and is scheduled for startup in October 2015.

Evonik increases structural foam production with opening of new facility 
February 6, 2014 — Evonik Industries AG (Essen, Germany; www.evonic.com) has begun operation at its new production facility for polyhexamethylene adipamide structural foam in Darmstadt, Germany, following an investment of approximately €6 million. The new facility will increase the polymerization capacity at the site by 50%.

Solvay to increase its natural soda ash production capacity in the U.S. 
February 4, 2014 — Solvay S.A. (Brussels, Belgium; www.solvay.com) plans to increase its annual production capacity of natural soda ash at its Green River plant in Wyoming by 150,000 m.t. Construction has already begun to expand production capacity from its current level of around 2 million m.t./yr.

BASF to manufacture chelating agent at new plant in Alabama 
January 28, 2014 — BASF SE (Ludwigshafen, Germany; www.bASF.com) will build a new plant for its chelating agent Trilon M (methylglycinedicarboxylic acid) at Evonik’s Theodore, Ala. site. With an investment of about $90 million, the new production facility is planned to start up in the second half of 2015.

Asahi Glass to build new refrigerants plant in Japan 

Huntsman expands global capacity for polyetheramines at three sites 
January 23, 2014 — The Performance Products Division of Huntsman Corp. (The Woodlands, Tex.; www.huntsman.com) will expand its global capacity for polyetheramines (PEA) by a minimum of 15% after debottlenecking three of its PEA manufacturing plants. With construction currently underway, the company expects the expansion projects at its Conroe, Tex., Lianelli, Wales and Singapore sites to be fully operational by May 2014.

Praxair will construct oxygen-supply facility at steel mill in South Korea 
Praxair, Inc. (Danbury, Conn.; www.praxair.com) has signed a longterm contract with Taewoong Steel Co. to supply high-purity oxygen to the company’s steel mill facility in the Mieum Foreign Industrial Zone in Busan, South Korea. Praxair will construct a new air-separation plant and pipeline, which are expected to start operations in 2016.

Ineos to license polypropylene technology to new plant in Vietnam 
January 22, 2014 — Ineos Technologies (Rolle, Switzerland; www.ineos.com) has licensed its Innoven polypropylene process technology to Vung Ro Petroleum Ltd. at its refinery complex located in Phu Yen Province, Vietnam. The plant will produce various polypropylene grades with a total capacity of 900,000 m.t./yr.

ECONOMIC INDICATORS

BY Mary Page Bailey

FOR ADDITIONAL NEWS AS IT DEVELOPS, PLEASE VISIT WWW.CHE.COM

BASF to manufacture chelating agent at new plant in Alabama

January 28, 2014 — BASF SE (Ludwigshafen, Germany; www.bASF.com) will build a new plant for its chelating agent Trilon M (methylglycinedicarboxylic acid) at Evonik’s Theodore, Ala. site. With an investment of about $90 million, the new production facility is planned to start up in the second half of 2015.

Asahi Glass to build new refrigerants plant in Japan


Huntsman expands global capacity for polyetheramines at three sites

January 23, 2014 — The Performance Products Division of Huntsman Corp. (The Woodlands, Tex.; www.huntsman.com) will expand its global capacity for polyetheramines (PEA) by a minimum of 15% after debottlenecking three of its PEA manufacturing plants. With construction currently underway, the company expects the expansion projects at its Conroe, Tex., Lianelli, Wales and Singapore sites to be fully operational by May 2014.

Praxair will construct oxygen-supply facility at steel mill in South Korea

Praxair, Inc. (Danbury, Conn.; www.praxair.com) has signed a longterm contract with Taewoong Steel Co. to supply high-purity oxygen to the company’s steel mill facility in the Mieum Foreign Industrial Zone in Busan, South Korea. Praxair will construct a new air-separation plant and pipeline, which are expected to start operations in 2016.

Ineos to license polypropylene technology to new plant in Vietnam

January 22, 2014 — Ineos Technologies (Rolle, Switzerland; www.ineos.com) has licensed its Innoven polypropylene process technology to Vung Ro Petroleum Ltd. at its refinery complex located in Phu Yen Province, Vietnam. The plant will produce various polypropylene grades with a total capacity of 900,000 m.t./yr.

Mergers and Acquisitions

SiKA acquires Brazilian waterproofing company Lwart Química

February 4, 2014 — SiKA AG (Baar, Switzerland; www.sika.com) has agreed to acquire Lwart Química Ltda., a supplier of waterproofing products in Brazil. Last year Lwart Química generated net sales of around $36.5 million.

Eastman to acquire BP’s aviation turbine oil business

January 29, 2014 — Eastman Chemical Co. (Kingsport, Tenn.; www.eastman.com) will acquire the assets of BP’s aviation turbine engine oil business. The acquisition includes a production facility in Linden, N.J., laboratory equipment located in Naperville, Ill., and a longterm supply agreement. The acquisition is expected to be completed in the second quarter of 2014.

Balchem and Taminco announce production JV for choline chloride

January 27, 2014 — Taminco Corp. (Albany, Pa.; www.taminco.com) and Balchem Corp. (New Hampton, N.Y.; www.balchem.com) will form a joint venture (JV) to build and operate a choline-chloride production facility in St. Gabriel, La. The plant is expected to come onstream in 2015.

Arkema acquires acrylic acid plant, forms JV in China

January 23, 2014 — Arkema (Colomiers, France; www.arkema.com) and Jurong Chemical have created a JV called Sunke, in which Arkema will have a majority interest, comprising the assets of Jurong’s acrylic-acid production site in Taixing, China. Production capacity initially will be 160,000 m.t./yr for an investment of $240 million, with the option to expand to 320,000 m.t./yr for a further investment of $235 million.

Alpek and United Petrochemical form JV for new plant in Russia

January 17, 2014 — Alpek S.A.B. de C.V. (San Pedro Garza Garcia, Mexico; www.alpek. com) has announced that its subsidiary, Grupo Petromex S.A. de C.V., signed a JV agreement with United Petrochemical Co. for the construction of an integrated purified terephthalic acid (PTA) and polyethylene terephthalate (PET) plant in Ufa, Bashkortostan, Russia. The facility is planned to have a maximum installed capacity of 600,000 m.t./yr each for PTA and PET.

Mary Page Bailey
Current trends

Preliminary data for the December 2013 CE Plant Cost Index (CEPCI; top; the most recent available) show a small increase (0.17%) in the overall index compared to the November final index value. The subindices for equipment all rose in December compared to the previous month, except for the electrical equipment index. The current CEPCI value stands at 0.75% lower than the value from a year ago. Meanwhile, updated values for the Current Business Indicators (CBI) from IHS Global Insight (middle) saw the CPI value of output rise in December of last year, while all other CBI values declined slightly in the first month of 2014. Compared to a year ago, five of the indicators are higher, while two are lower.

Highlights from recent ACC weekly reports

The first Chemical Activity Barometer (CAB) reading of 2014 showed strengthening, which points to continued growth and an improving U.S. economy throughout 2014, according to the American Chemistry Council (ACC; Washington, D.C.; www.americanchemistry.com). In January, the CAB ticked up to 94.0, increasing 0.2 points over December on a three-month moving average (3MMA) basis. This marks the ninth consecutive monthly gain for the CAB, which is now up 2.6% over a year ago. This growth is at a more moderate pace since the 0.4% gain last seen in September 2013. The CAB is an established leading economic indicator, shown to lead U.S. business cycles by an average of eight months at cycle peaks, and four months at cycle troughs.

Other data recently reported by ACC in their Weekly Chemistry and Economic Reports include U.S. exports of chemicals, which grew 0.4% in 2013, while chemical imports declined by 1.0%. This gain expanded the trade surplus for the U.S. chemical industry to $3.4 billion. The value of the exports was $189.1 billion in 2013, while the value of the imports was $185.7 billion. However, a large deficit exists for the trade of pharmaceuticals. If pharmaceuticals are excluded, the surplus grows to $41.3 billion. This value is slightly larger than the $41.2 billion surplus that was observed in 2012, ACC said.

In addition, U.S. specialty chemical market volumes rose 1.0% in December. This follows a 1.1% gain in November and a 0.6% gain in October. Of the 28 specialty chemical segments monitored by ACC, 25 expanded in December. Those segments with large gains (defined at 1.0% or greater) include the following: adhesives and sealants; construction chemicals; electronic chemicals; food additives; foundry chemicals; lubricant additives; mining chemicals; paint additives; and pigments and printing ink. Finally, the U.S. Chemical Production Regional Index rose by 0.8% in December, following a 0.3% gain in November, according to ACC.

Current business indicators

<table>
<thead>
<tr>
<th>Current Business Indicators*</th>
<th>Latest</th>
<th>Previous</th>
<th>Year Ago</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPI output index (2007 = 100)</td>
<td>Jan.'14 = 88.8</td>
<td>Dec.'13 = 89.1</td>
<td>Nov.'13 = 88.6</td>
</tr>
<tr>
<td>CPI value of output; $ billions</td>
<td>Dec.'13 = 2,177.5</td>
<td>Nov.'13 = 2,149.0</td>
<td>Oct.'13 = 2,140.7</td>
</tr>
<tr>
<td>CPI operating rate, %</td>
<td>Dec.'13 = 74.8</td>
<td>Dec.'13 = 75.1</td>
<td>Nov.'13 = 74.7</td>
</tr>
<tr>
<td>Producer prices, industrial chemicals (1982 = 100)</td>
<td>Jan.'14 = 294.0</td>
<td>Dec.'13 = 294.2</td>
<td>Nov.'13 = 291.5</td>
</tr>
<tr>
<td>Industrial Production in Manufacturing (2007 = 100)</td>
<td>Jan.'14 = 96.4</td>
<td>Dec.'13 = 97.2</td>
<td>Nov.'13 = 97.0</td>
</tr>
<tr>
<td>Hourly earnings index, chemical &amp; allied products (1992 = 100)</td>
<td>Jan.'14 = 157.7</td>
<td>Dec.'13 = 158.7</td>
<td>Nov.'13 = 157.4</td>
</tr>
<tr>
<td>Productivity index, chemicals &amp; allied products (1992 = 100)</td>
<td>Jan.'14 = 106.7</td>
<td>Dec.'13 = 107.7</td>
<td>Nov.'13 = 106.7</td>
</tr>
</tbody>
</table>

*Current Business Indicators provided by IHS Global Insight, Inc., Lexington, Mass.