

St. Louis - General Offices

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A Study of Markets
for Aroclor in Japan

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I spent the week of February 13 and 20 in a program to assist Mitsubishi Monsanto (MMK) in a study of the markets for Aroclor in Japan. The ultimate objective was to see if there was sufficient potential business for MMK to consider the construction of biphenyl and chlorinated biphenyl plants in Japan to compete with Kanegafuchi Chemical Company. This latter company now produces chlorinated biphenyl in Japan.

In general, my itinerary included the following:

1. Two days reviewing the world-wide situation on Aroclor markets, a preliminary review of the information already gathered in Japan and a thorough discussion of the present producer in Japan - Kanegafuchi Chemical.
2. Four days of "spot calls" on selected electrical and plasticizer customers in an effort to confirm some of the facts. This was extremely difficult not only because of the language problem, but also because MMK does not know this market, and it was difficult to find the right people who had the answer to our questions. For this reason, a lot of the information was confusing and conflicting. Nevertheless, it did help.
3. Two days preparing a report to discuss with MMK top management. We held this discussion on the afternoon of February 23.
4. A final day putting together the final report. This should issue in a week or two.
5. I also spent one day on PYDRAUL fluids.

Attached is a copy of the report which we presented to MMK top management. In general it says that MMK should be able to sell about 8 M lbs. of Aroclor by 1971 or about 50% of the Japanese market. There is still a few things to be confirmed, but this looks like a good "ballpark" figure.

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MMK top management were impressed with the possibilities of their entering the Aroclor market and will very likely request enough class C information from Mr. Cresce to begin an economic evaluation of a plant to produce 8 to 10 M lbs. per year.

There are many, many problems that have to be solved; but after this first round, it looks as though it is worth pursuing. I plan to discuss in detail with Mr. Cresce and will be happy to do so with you if you desire.

Also attached is a copy of a letter from Mr. Matsuno who is Director of Planning of MMK. It simply confirms many of the things which we did while I was in Japan and outlines a few things yet to be done. The final report on the market situation is being prepared in Japan and should issue in a week or two.

If you have any questions on this preliminary report, please let me know.

G. R. BUCHANAN

/JJ

Attachments

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