

CHEMICAL PROFILE

POLYVINYL CHLORIDE

June 5, 1989

SUPPLY

PRODUCER	CAPACITY*
Air Products, Calvert City, Ky.....	300
Air Products, Pensacola, Fla.....	200
Borden, Geismar, La.....	400
Borden, Milopolis, Ill.....	350
CertainTeed, Lake Charles, La.....	280
Formosa, Delaware City, Del.....	95
Formosa, Point Comfort, Tex.....	1,000
Georgia Gulf, Delaware City, Del.....	150
Georgia Gulf, Plaquemine, La.....	700
BF Goodrich, Avon Lake, Ohio.....	280
BF Goodrich, Deer Park, Tex.....	240
BF Goodrich, Henry, Ill.....	180
BF Goodrich, Louisville, Ky.....	405
BF Goodrich, Pedricktown, N.J.....	485
BF Goodrich, Plaquemine, La.....	180
Goodyear, Niagara, N.Y.....	110
Keysor, Saugus, Calif.....	60
Occidental, Baton Rouge, La.....	450
Occidental, Burlington, N.J. ("North" plant).....	140
Occidental, Burlington, N.J. ("South" plant).....	110
Occidental, Pasadena, Tex.....	1,000
Occidental, Pottstown, Pa.....	210
Shintech, Freeport, Tex.....	1,500
Union Carbide, Texas City, Tex.....	125
Vista, Aberdeen, Miss.....	450
Vista, Oklahoma City, Okla.....	350
Vygen, Ashtabula, Ohio.....	100
Total.....	9,810

*Millions of pounds per year of PVC resin and copolymer. Borden has increased capacity at its Geismar and Milopolis plants by 50 million pounds and 30 million pounds, respectively. A further increase at Milopolis is scheduled for September. CertainTeed boosted capacity by 40 million pounds earlier this year by adding a reactor. Formosa has added about 100 million pounds to its Point Comfort plant through debottlenecking. The company is building a new plant at Baton Rouge by the middle of next year, to produce 700 million pounds. The plant will utilize some suspension resin equipment from Delaware City; because of this project, Delaware City's capacity has been reduced from 330 million pounds, and it now produces only dispersion resin. In the second half of this year, Delaware City's capacity will be brought up to 235 million pounds. Georgia Gulf will add 110 million pounds of suspension resin capacity to its Plaquemine plant. Goodrich added 250 million pounds of capacity in September 1988, dividing it between Louisville and Pedricktown. Occidental has raised capacities at Baton Rouge and Pasadena by 150 million pounds and 300 million pounds, respectively, through a succession of debottleneckings and process changes. Pasadena is slated for another 200-million-pound expansion by July of next year. The company is under FTC obligation to divest itself of one of its PVC plants. FTC originally cited Pasadena as the plant to be sold, but a decision is now pending on a proposal to meet the requirement by selling the Burlington plants instead. Shintech added 500 million pounds of capacity last September, and another 500 million pounds is slated for the second half of 1990. Vista has added approx-

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Petrochemical Projects Boom In Houston Area

Journal of Commerce Staff

HOUSTON — A total of 49 petrochemical construction projects with a combined value of approximately \$1.5 billion will be completed by Houston by 1990, according to an industry survey conducted by the Houston Economic Development Council and Houston Lighting & Power Co.

Houston's 49 petrochemical projects represent about 40% of the new U.S. petrochemical activity announced during 1987, according to Lee Hogan, HEDC president.

"Houston's petrochemical industry is entering a new era of growth," Mr. Hogan said. "We estimate that these projects for the Houston area will create an average of 1,500 construction jobs in each year of the next three years as these projects are completed."

Mr. Hogan said Houston's resurgence in petrochemical construction activity is tied to increases in worldwide demand for petrochemical products.

"Petrochemical companies do their homework, selecting sites that provide easy access to petroleum-based feedstocks and distribution networks. The new projects planned for Houston reinforce the city as one of the world's leading petrochemical centers," Mr. Hogan said.

Mr. Hogan added that several Japanese petrochemical companies have announced plant expansions for the Houston area, including Kanagawa Petrochemical Co., Nippon Petrochemical (USA) Inc. and Shin-etsu.

"Demand for primary and intermediate chemicals has been stimulated by the national economic expansion, and production capacity is tight for the first time in several years," according to Saadat Syal, manager of target industries marketing for HEDC.

"Houston is certainly sharing in the expansion of the U.S. petrochemical industry, and we expect to see additional petrochemical

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construction projects announced for the Houston area in the coming months," said Mr. Syal.

Houston's traditional role as the U.S. center for base chemical production is attracting a growing number of specialty chemical producers who benefit from close access to feedstock materials, Mr. Syal added.

He noted that the Houston area contains 46% of U.S. capacity for ethylene and propylene; 50% of capacity for polypropylene; and 34% of capacity for polyethylene.

The petrochemical construction projects documented by the survey include:

- Phillips Petroleum Co. will add 106 million pounds of annual capacity to its Houston plastics resin plant by late 1988.

- Sincro Films Corp. will complete a new \$30 million plastics plant by early 1989. The plant will produce polypropylene film.

- Hoechst-Celanese Corp. is adding 130 million pounds of annual capacity at its Houston acrylic acid plant. Completion is scheduled for 1989.

- Exxon Chemical Americas will build a new heavy-duty plastics facility at its Baytown, Texas plant, using technology licensed from Mitsui Petrochemical Industries.

- Rohm & Haas Co. plans a \$100 million expansion for its acrylic acid plant, increasing the plant's annual capacity by 33%.

A complete listing of the plants is included in the following table:

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CONSTRUCTION & EXPANSION

Primary product of DEGUSSA's 5mil lb Mobile AL organosilanes plant will be "Degussa S169" bifunctional polysulfidic organosilane.....EXXON CHEMICAL's 205mil lb HDPE plant using Mitsui Petrochemical Industries slurry process technology -- should be onstream by mid-'90; co's current PE capacity is 1.3bil lbs; and is expected to be 1.9bil lbs by yr-end '90.....MOBIL CHEMICAL's 15mil lb Virton Belgium oriented polypropylene film (OPP) plant onstream early '90, will bring co's worldwide capacity to 300mil lbs with 150mil in Europe.....MONSANTO AG CO's Alimet, liquid form of methionine activity, Alvin TX capacity 160mil lbs/yr, 2nd phase expansion underway will bring capacity to 200mil lbs in '89.....POLYSAR POLYMERS Plastics Div 200mil lb Decatur AL polystyrene plant onstream fall-'90; when debottlenecking is done at its various facilities 100mil lbs of capacity will be added - by late '90 co's total capacity should be 1.1bil lbs.....SHINTECH's Freeport TX 500mil lb PVC expansion is onstream, brings capacity to 1.5bil lbs; co will add another 500mil lb expansion to be done in '90--with this expansion plus SHIN-ETSU CHEMICAL, Tokyo 600 mil lb capacity total will be 2.6 bil lbs, world's largest.....

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