



E. I. DU PONT DE NEMOURS & COMPANY
INCORPORATED

WILMINGTON, DELAWARE 19898

CHEMICALS AND PIGMENTS DEPARTMENT

cc: L. H. Papineau M. Brewer
G. C. Tunis E. Yonei
L. D. Greenberg J. M. Loether (3)
J. E. Kramer F. B. Brediums (3)
T. R. Wallingford P. A. Wriede (3)
R. N. Selby E. W. Stewart (12)
S. W. Severance T. A. Bartolec
R. J. Buch (21) D. J. Kratzer
S. F. West M. P. O'Brien
A. S. Campbell R. S. Weis
R. U. Tobar C. W. Hoeftman
K. L. Neynaber O. Gonzalez (10)
R. Buckland H. L. Glotzer

FOR DU PONT USE ONLY

May 15, 1981

C&P DISTRICT OFFICES

P. L. PENNARTZ - CHARLOTTE (7)
R. D. LORENZ - CHICAGO (12)
A. J. HART - CLEVELAND (11)
W. GAYLORD - HOUSTON (9)
T. J. WELLMAN - NEW YORK (11)
T. J. VAN KIRK - SAN FRANCISCO (6)
J. N. LONG - WYNNEWOOD (8)

SALES REPS (by direct mail to homes from Wilm.)

Attached is the April Newsletter. Since the December issue, several key market developments occurred:

- BASF withdrew some CPC capacity
- Ciba-Geigy announced withdrawal from over 100 products.

Consolidation within the pigment colors industry has been underway for five years. Even so, many product types are still plagued by excess capacity and depressed pricing versus raw material cost escalations and product value-in-use. More consolidation is inevitable in order to maintain a profitable industry.

We appreciate the promptness in which you have communicated competitive trends and announcements.

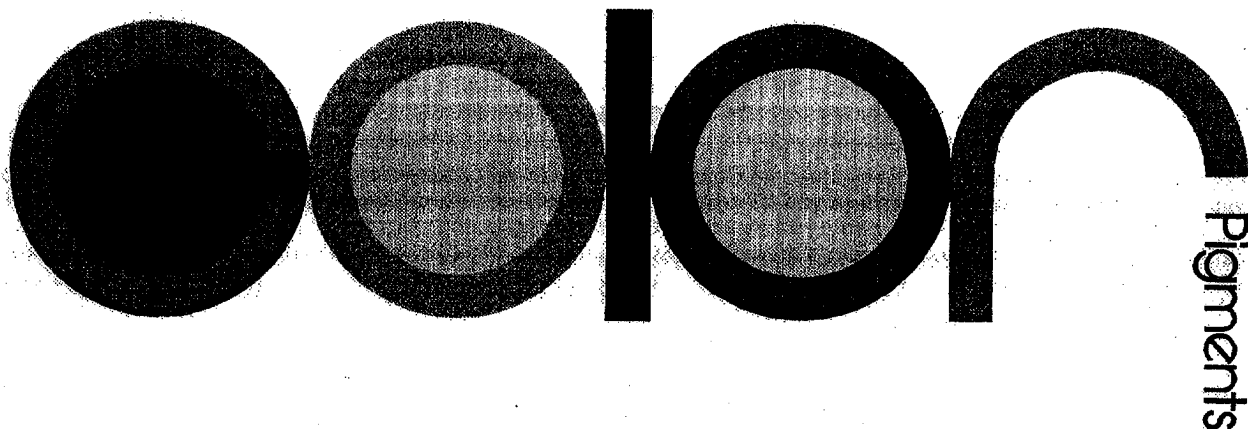
Please let us know how we can further support your efforts.


J. S. THACKRAH

JST:jdc
Attachment



PIGMENT COLORS



Business Status

1981 Worldwide Sales and Transfers through April, when compared to forecast, are 104% of volume and 98% of revenue. Domestic S&T are up 6% and ex-U.S.A. down 18%. Mix is poorer than forecast as inorganics are strong, while QA is soft due to the depressed automobile market.

Compared to 1980, Sales and Transfers are 90% of volume and 111% of revenue. As you will recall, first quarter 1980 was exceedingly strong (pre-recession). Revenue increases largely reflect the upward movement in average selling prices.

For the balance of this year, we expect further gradual improvement in the Domestic Market, with ex-U.S.A. remaining soft until year end.

Staying Power

In recent years we have continually responded to customer inquiries regarding our future in color pigments. It is time to set the record straight.

Since 1978 Mineral Pigments, American Cyanamid and Industrial Color ceased lead chromate manufacture. Last year Cyanamid announced withdrawal from CPC, and more recently BASF withdrew some CPC capacity in West Virginia. Last month Ciba-Geigy announced a major withdrawal effective June 30, 1981, involving over 100 codes, including their entire diarylide and Hansa yellow lines, CPC green and many organic reds. Also, Ciba's Radiant Color Division, which produces fluorescent pigments, is for sale.

Since 1979 Du Pont has discontinued 11 codes and commercialized six new products. While further pruning is in planning, we should not have to apologize to customers for our commitment. Customers should recognize that the best formula for longevity is profitable suppliers.



PIGMENTS

DUP050070998

N42135.01

News About "Krolor"

On April 22 we filed suit in Japan against Toho Ganryo and Nihon Inorganic alleging "Krolor" patent infringement. Both companies produce and market these type products in Japan, and Toho imports significant quantities to the U.S. through their distributor, C. Withington and Co., who resells at 15-20% below "Krolor" list prices. If you encounter such competitive situations, please contact Don Hoppenjans.

On April 28, for a considerable fee, we licensed Kikuchi Color and Chemical to manufacture heat-resistant lead chromates ("Permachrome") in Japan and market there and in other countries where we do not have separate patent rights. In addition to Japan, we hold rights in Canada, France, Germany, Italy, Switzerland, U.K., and the U.S.

New Products

"Dalemar"

R&D have developed an experimental high solids aqueous dispersion (XYW-911-P) which is slated to eventually replace low solids YW-811-P. XYW-911-P will be a 45%+ toner of our most lightfast exterior-grade YT-808-D. This new product will find application in Trade Sales Colorant and implant tinting systems. During May we will produce a 5M lbs. plant batch. Customer samples will be available in late June. Ted Kolski can provide assistance with your promotions.

QA

XYT-915-D gold is receiving praise in Detroit for its durability and styling potential from automotive stylers and paint producers. Our production trial is scheduled this summer, and we expect to commercialize by year end. It is being used to style new colors for the 1984 model year.

New Sales Aids

Du Pont Colored Pigments Price List - That is the name of our attractive new price book many of you have requested which is now available through Bill Miller (774-0903). Some of its key features are: 1) a new colors logo, 2) colored tabs and pages, 3) easy to use index, 4) standard package weights in pounds and kilograms and 5) "Aquis" dispersions and presscakes presented as product lines. We believe this book very nicely presents our product line.

CPC Blue Product Guide - Have you wondered why we have 23 CPC Blue products and how they relate to each other? Attached is a handy pocket guide which should help answer basic questions as well as identify competitive codes and our counterofferings. We use two trade names for Phthalo Blue - "Ramapo" for resinated phthalocyanine pigments and "Monastral" for non-resinated.

If you find this guide helpful and would like one for other products, please let us know. Fifty extra copies are on hand at District Offices. Additional copies are also available from Bill Miller.

QA - two new sales aids will be issued during second quarter.

RI-959-D - strong version of RI-759-D. A lab note with exhibits will also be issued by July 15 comparing RI-759-D and RI-959-D to Hoechst's E3B, Harmon's RV6719 and RI-759-D.

RI-273-D - easier dispersing RI-233-D. RI-273-D should be used where a transparent QA red is required.

News About The Ink Market

● "Dalamar"

We are selling modest quantities of our "Dalamar" yellows in the ink industry. In some cases, the industry is being asked by customers to formulate away from lead chromates to leadfree inks. The most economical reformulation is to diarylide yellows, but there are opportunities for "Dalamar" pigments, particularly where lightfastness is required - i.e., packages for window display, maps, anything requiring good durability to light. Customers should test to be sure that bleedfastness and heat stability are sufficient for their use.

These are the products to recommend:

YT-868-D - Best lightfastness - green-shade yellow.

YT-858-D - Better value, green-shade yellow - good lightfastness.

YT-820-D - Red-shade yellow.

Also remember the Green-Gold products

YT-562-D and YW-613-P (presscake)

● "Watchung"

Sales to ink customers are up 27% versus last year. This is an excellent, broad-based product line you have to sell. Pay particular attention to accounts who make ink for metal can decoration. High value-in-use products for this end use include RI-618-D, RI-698-D and RI-870-D.

• CPC Blue

Historically, most sales to ink have been green shade blues, particularly BT-417-D, but there may be more red shade blue potential than we previously realized. American Cyanamid will continue to produce 55-3750 through May for Sun Chemical. After shutdown, Sun will install Cyanamid's equipment. We speculate Sun may not start up on schedule with good quality material and we will have an opportunity for new business. If you have not yet sampled 55-3750 users, please do so. Recommendations are BT-498-D and BT-427-D. Over the next few months we should have adequate inventories of our products to provide prompt service.

CPC Green - GP-501-D, GT-751-D and GT-674-D

With Ciba-Geigy's announced withdrawal from the CPC green market, we understand, they are suggesting customers contact Du Pont for a suitable counteroffering vice A-4436, A-3167 and A-4433. While our GP-501-D is an "A" match for A-4436, we prefer new business be directed to our next best offering, GT-751-D. Our long-term supply position for GP-501-D is tentative. For A-4433, GT-674-D should be sampled. You may want to inform customers that in the third quarter 1981 this code will be restandardized - comparable strength, but bluer. Our GT-751-D is an "A" match for A-3167.

"Air-Pallets"

We continue to ship Inmont (51st Street) and F&F "Air-Pallets" containing moly orange and chrome yellow lead chromate pigments. We are positioned to expand this program and look forward to more inquiries. To assist your sales efforts, attached (domestic field copies only) is Semi-Bulk Systems' "Air Pallets" brochure. Additional copies are available from Dick Repetto. We have an inventory of pigment at Semi-Bulk in St. Louis, MO, specifically for customer demonstration. Let us know if you want to set up a customer visit.

Off-Standard and RECO

Continued progress is being made. Since January of 1980, you have sold over one million pounds of off-spec product, significantly assisting cash flow and providing an opportunity for your customer to save money. A special "tip of our hat" goes to Joe Loughney for selling 53M pounds of RECO to Breen and Dart, and he has 30M pounds on hold for customer evaluation. On May 1, the price for RECO increased from \$.75 to \$.85 per pound. Here is an extra selling point for customers - off-standard and RECO materials may be combined with standard products for truckload discounts.

Henry Pietras continues to be your prime contact in the Sales Order Center (774-0937) for samples and inventory status.

Dalamar® New Business Opportunity

With Ciba-Geigy's April announced withdrawal from the Hansa yellow market, we have a golden opportunity to gain new volume business. On May 6, Chestnut Run issued a lab note covering our counterofferings. Just in case your copy has not arrived, here is the rundown. Ted Kolski can assist with customer promotions.

HANSA YELLOWS

Regular

Horicon Yellow (G)
Burna Yellow (G-Transp.)
Brazil Yellow (G-Strong)
Yellow Toner (5G)

Yellow Toner (R)

Ciba-Geigy

X-1351
X-1622
X-2866
X-1954

X-1956

Du Pont

"Dalamar" Yellow GS YT-858-D
"Dalamar" Yellow GS YT-858-D
"Dalamar" Yellow GS YT-858-D
Blend "Dalamar" Yellows
YT-858-D/YT-868-D
Blend "Dalamar" Yellows
YT-808-D/YT-820-D

More Permanent

"Empress" Yellow (GX)
"Empress" Yellow R (RX)

"Empress" Yellow 10G
Iroquois Yellow 10G
"Empress" Yellow GS
"Empress" Yellow GSX
"Empress" Yellow RX
"Empress" Yellow RX

X-2846
X-2910

X-3051
X-1285
X-3410
X-3473
X-3498
X-3513

"Dalamar" Yellow GS YT-858-D
Blend "Dalamar" Yellows
YT-808-D/YT-820-D
Toluidine Yellow 10G YT-828-D
Toluidine Yellow 10G YT-828-D
"Dalamar" Yellow GS YT-858-D
"Dalamar" Yellow GS YT-868-D
"Dalamar" Yellow R YT-850-D
Blend "Dalamar" Yellows
YT-808-D/YT-820-D

HANSA YELLOW AQUEOUS DISPERSIONS

Super "IMPerse" Yellow 10 G X-2685
Super "IMPerse" Yellow GS X-3415
Super "IMPerse" Yellow G X-2842
Super "IMPerse" Yellow GX X-2851
Super "IMPerse" Yellow GSX X-3024
Super "IMPerse" Yellow GSX X-3488

Toluidine Yellow 10G HS
YW-928-P
"Dalamar" Yellow HS YW-869-P
"Dalamar" Yellow HS YW-869-P
"Dalamar" Yellow HS YW-869-P
"Dalamar" Yellow R NON-ION
YW-822-P
"Dalamar" Yellow HS YW-869-P