INDONESIA

Rising consumption of PE and PP / Shortage of ethylene / Capacity expansion / Honam's plans could stir things up

Indonesia's chemicals market is growing by around 10% a year. Nevertheless, the country has to import more than half the chemical materials it needs to produce plastics, fertilisers, pharmaceuticals and cosmetics, reports **Germany Trade and Invest** (gtai, Berlin / Germany; www.gtai.de). The chemical industry in Indonesia consists of around 1,050 large and medium-sized enterprises, has more than 200,000 employees, and in 2010 had a gross production value of EUR 22.3 bn. The country thus has enormous growth potential and an appreciable demand for modernisation and greater economic efficiency. According to gtai, the main obstacles to rapid industrial development are the lack of infrastructure, financial bottlenecks, small and inefficient production units, as well as inadequate integration between the oil and petrochemical sectors.

Consumption of plastic products is, gtai says, growing by 7 to 8% a year. In turn, the demand for plastics – especially PE and PP – is also rising. Key customer industries are the expanding building sector and the packaging industry, although automotive and E&E also report increasing demand. The market research company **PT Data Consult** (Jakarta / Indonesia; www.datacon.co.id) predicts that domestic PP consumption will grow from 1m t/y to nearly 1.3m t/y by 2014. For PE, the market research company forecasts a rise from the present 900,000 t/y to nearly 1.1m t/y.

There are currently two PE producers in Indonesia, namely **PT Chandra Asri** (Ciwandan-Cilegon, Banten; www.chandra-asri.com) and the **Lotte** subsidiary **PT Titan** (Merak, Banten; www.titangroup.com). Together, according to **PIE**'s Polyglobe capacity database (www.polyglobe.net), they have capacities for around 800,000 t/y PE. By 2014, Chandra Asri intends to start up another 200,000 t/y production line. The group also plans to raise its C2 output to 1m t/y.

Chandra Asri is at present the only ethylene producer in the south-east Asian island state. With a consumption estimated by the Indonesian plastics industry association **Inaplas** (www.inaplas.org) at 1.6m t in 2011, Indonesian plastics producers rely very much on imports. Chandra Asri could well have a direct competitor in the future with media reports indicating that **Honam Petrochemical** (Seoul / South Korea; www.hpc.co.kr) is planning to build a 1m t/y C2 facility.

INDIA

Supreme Court to consider countrywide plastics ban / Anti-littering effort supported by local TV station

In response to action brought by the animal rights organisation **Karuna Society for Animals and Nature**, India's Supreme Court has agreed to consider a total ban on plastics consumption in the country of more than 1.2 bn people. The court has called on Indian states to express their views on a possible ban. To avoid such action, it also urged that the plastics industry collect and recycle the waste.

Karuna said it is concerned about animals ingesting the plastics, in particular discarded PE bags. It points to tests on 36 cows that it said found 32-50 kg of plastic bags in each animal's stomach. The court expressed its support for the campaign, which is promoted by the TV channel **NDTV**.

SPOTLIGHT ON ASIA

MCC: Kashima No. 1 cracker to shut down by 2014

Mitsubishi Chemical Corporation (MCC, Tokyo / Japan; www.m-kagaku.co.jp) has announced plans to close its No. 1 ethylene cracker and No. 1 benzene plants in Kashima / Japan by 2014. To offset the drop in C2 output, the company said it would raise capacity at its No. 2 cracker by 50,000 t/y. Also located in Kashima, MCC's second C2 plant currently turns out 453,000 t/y. MCC said the overall cost of the revamping, which includes the relocation and instalment of new pipes, would amount to JPY 9.8 bn (EUR 98m). Once completed, the structural reforms associated with the lower cracker operation rate are expected to yield a reduction in annual fixed costs of JPY 4 bn (EUR 40m).

DSM: PA 4.6, PPS marketing deal with China Lumena

DSM Engineering Plastics (Sittard / The Netherlands; www.dsm.com) has signed a marketing and sales agreement with **China Lumena New Materials Corporation** (Hong Kong / China; www.lumena.hk) covering its proprietary "Stanyl" PA 4.6 and the Hong Kong-based group's "Haton" PPS. Under the terms of the framework deal, the companies agreed to explore potential cooperation in the marketing and sales of "Stanyl" in China and "Haton" outside the People's Republic. The agreement also called for investigating the possibility of jointly developing PPS/PA 4.6 alloys and looking into other potential forms of cooperation.

Rosti: Opening new subsidiary in Malaysia

Global plastics injection moulder **Rosti** (Malmö / Sweden; www.rosti.com) is set to open a new subsidiary, **Rosti Integrated Manufacturing Solutions**, in Senai, Johor Bahru / Malaysia in July. The 5,000 m^2 factory will initially focus on producing complete modules for business machines, although output eventually will cater to the group's core E&E, packaging, medical and automotive end customer markets.

Ticona: Engineering plastics range available in Japan

Ticona Japan (Toyko; www.ticona.jp) is now able to offer the entire range of the group's products to Japanese customers. Since moving to its new offices, the subsidiary of German engineering polymers group **Ticona** (Sulzbach; www.ticona.com) is in a position to directly sell all products in the portfolio except for "Fortron" PPS, said country director for Japan, *Koji Ito*.

Solvay: New research centre opened in India

Belgian chemical group **Solvay** (Brussels; www.solvay.com) has inaugurated its new "Research, Development and Technology Centre" in Savli, Gujarat State / India. The centre aims to focus on the development of high-performance polymers, organic chemistry, nano composites and green chemistry. Solvay said the hub, which will employ over 200 employees, will collaborate with academies and research institutes in India.

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