

# ASIAN SPECIALTY CHEMICALS NEWSLETTER

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A quarterly newsletter of developments in the chemicals sector

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## INTRODUCTION

We hope you find the *Asian Specialty Chemicals Newsletter* informative.

BDA is a corporate finance and advisory firm, which assists multinational clients to identify, assess and execute cross-border transactions involving Asia, including acquisitions, divestments, JVs and restructuring. We have offices and professional staff throughout Asia, and in the US and Europe.

If you think that BDA's services may be useful to you, please contact us at any one of our offices or email me at [erellie@bdallc.com](mailto:erellie@bdallc.com). Contact details for our offices are at the back of this newsletter. We look forward to speaking with you in the future.

Euan Rellie  
Managing Director

## CHINA

**Ascent & Affluence Investment Group (A&A)** is in discussions to acquire **Jin Hua Chemical Group**. The proposed acquisition will allow A&A to back-integrate from its chemical fibres. Jin Hua produces 300,000 tpa of caustic soda and 130,000 tpa of PVC. It also produces 130,000 tpa of propylene oxide. The company is looking at increasing its caustic soda and PVC capacities. It plans to start clearing land for the 50,000 tpa toluene diisocyanate (TDI) plant it will build in Huludao. (April 11, 2005)

**Bayer Material Science** is considering increasing capacity at its crude methyl di-p-phenylene isocyanate (MDI) project in Shanghai, China, to 350,000 tpa. A subsidiary, **Bayer Polyurethanes (Shanghai) Co**, will run the planned complex. The German major will increase its investment and raise the project's capacity through the use of new technology. (April 15, 2005) .

**Bayer Material Science** has accelerated plans to boost production of the polycarbonate (PC) Makrolon from its chemicals complex in Caojing near Shanghai. It now plans to expand capacity to 200,000 tpa in 2007 instead of 2009. A compounding plant for PC blends, with capacity of 40,000 tpa, will come onstream in mid 2005, and the initial 100,000 tpa of Makrolon capacity should follow in Q1 2006. (May 10, 2005)

**BP Zhuhai Chemical** has increased capacity at its No 2 purified terephthalic acid (PTA) project in Zhuhai, Guangdong, to 900,000 tpa. The proposed

plant will be the company's second PTA unit at this site. Its first plant, a 350,000 tpa unit, produced up to 450,000 tpa last year. Although the nameplate capacity of the proposed unit was 900,000 tpa, it could produce up to 1.2m tpa. Start-up is expected in H2 2007. BP Zhuhai is an 85:15 JV between **BP** and China's **Fu Hua Group**. (April 25, 2005)

**Ciba Specialty Chemicals** opened its R&D centre in Shanghai in April 2005, its first such facility in China, which cost US\$20m. The Shanghai centre will combine expertise in organic synthesis, physical chemistry, polymer chemistry, photochemistry, and analytical chemistry with application and formulation sciences to create new products and solutions for its customers globally, but particularly in Asia. (April 29, 2005)

**Hangzhouwan Acrylic Fibre Co** plans to produce 200,000 tpa of acrylic fibre in Ningbo, Zhejiang, China, by 2010. The company is building a 60,000 tpa acrylic fibre unit. This will be followed by two more 60,000 tpa acrylic fibre units in two phases. The second plant will come onstream only in 2007-08. The company was targeting 2010 for the start-up of the third plant. While the total nameplate capacity of the three plants is 180,000 tpa, they will be capable of producing up to 200,000 tpa. The first plant will start up in August. (April 4, 2005)

**Jiangyin Runhua Chemical Products Co** has shelved its vinyl chloride monomer (VCM)-PVC project in Jiangyin, Jiangsu, China, owing to recent financial troubles and difficulties in securing loans for the project. Runhua had originally planned to produce in two phases, 250,000 tpa of VCM and 200,000 tpa of PVC in each phase. The project was part of Runhua's plans to expand its petrochemical slate. It produces 165,000 tpa of EPS, and had planned to build another EPS plant with a capacity of 190,000 tpa. The EPS project has also come to a standstill. The company is seeking additional investments. (May 9, 2005)

**Jin Hua Chemical Group** is set to clear the land for a 50,000 tpa toluene di-isocyanate project in Huludao, Liaoning, China, due to start up at end-2006. The company is expecting the Chinese government to give the green light in May. The

project will be a JV with **China North Industries Group Corp (CNGC)**, which will also be providing its technology. The technology is used in CNGC subsidiary **Gansu Yinguang Chemical's** plant in Baiyin, Gansu. (April 11, 2005)

**Lanxess** said it sold its **Porofor** plant in Leverkusen, Germany, to China's **Weifang Yaxing Chemicals Co** for an undisclosed sum. The unit will be moved from Leverkusen to Weifang in Shandong Province. Weifang Yaxing will receive a trademark license allowing it to market the product under the Porofor name in China and some other countries. It will also supply Lanxess with the chemical blowing agent. Lanxess said customers should therefore not see any change. Plastics expanded with Porofor are used in construction, automotive engineering, clothing, furniture and leisure industries. (April 20, 2005)

**Maoming Petrochemical** plans to build a 600,000 tpa paraxylene (PX) facility in Maoming, Guangdong. The project is planned to be integrated with Maoming's 13.5m tpa refinery. Start-up was targeted for 2007. The company will be able to supply PX to BP's purified terephthalic acid plant in Zhuhai, Guangdong, and orthoxylene (OX) to **UPC Technology Corp's** phthalic anhydride plant, also in Zhuhai. The project will also produce OX, which is a co-product of PX. Maoming currently produces 231,000 tpa of benzene, toluene, and mixed xylenes for captive use and for sale in the local market. It also has a 100,000 tpa styrene unit. (May 2, 2005)

**Mitsubishi Rayon Co (MRC)** has revealed plans to build a 40,000 tpa polymethyl methacrylate (PMMA) plant in China. The new plant will come onstream between 2008 and 2010. The company had previously been considering whether to expand its 40,000 tpa PMMA plant in Nantong, Jiangsu, by 20,000 tpa or to build a new PMMA plant in Huizhou, Guangdong. Nantong, Huizhou and even expansion of the Nantong plant could be possible locations for the PMMA project. (April 25, 2005)

**Polymer Group Inc (PGI)** said it will build a spunmelt manufacturing plant in Suzhou, China, and add advanced chemical bonding technology at

its facility in Nanhai. It said construction of the Suzhou facility was expected to begin during Q2 2005, with commercial production scheduled for mid-2006. (April 15, 2005)

**Qinhuangdao Acrylic Fibre Factory** is considering a 50,000 tpa acrylic fibre project in Qinhuangdao, Hebei, China. The company was working on the project's feasibility study, and has more than 200 hectares of land that could be used. The firm has a 55,000 tpa acrylic fibre plant that uses imported feedstock. (April 18, 2005)

**Rhodia and China National Blue Star Corporation** have signed a MOU on building a core intermediates (methylchlorosilane) production unit in Tianjin, based on Rhodia technology. The unit will have an initial capacity of 200,000 tpa and is planned to start up in Q4 2007. (May 10, 2005)

**Shenyang Wax Paraffin Chemical** has started building its 130,000 tpa acrylic acid/acrylates facility in Shenyang, Liaoning, China. Start-up is planned for Q3 2006. The project will use **Mitsubishi Chemical's** technology. Propylene feedstock will come from its refinery's deep catalytic cracking (DCC) unit. The DCC unit will be upgraded to a catalytic pyrolysis process (CPP) unit, which could produce ethylene and more propylene. The company is a unit of **China National Chemical Corp**, which may build a second acrylic acid/acrylate unit at the same site. The extra propylene will feed the second unit. Construction work had yet to start on the CPP project because the company was still negotiating with potential licensors for the planned derivative units. It plans to produce ethylene dichloride, vinyl chloride monomer, and PVC downstream of the CPP unit. (April 18, 2005)

**Tianbao Chemical Products Co** has successfully completed phase I capacity expansion of Tertiary Dodecyl Mercaptan (TDM) to 3,000 tpa, which cost US\$12m. TDM is used in ABS, SBR, NBR, M-HIPS manufacturing processes, as well as in pharma, biocide, and spices. Almost 100% of TDM used in China is imported. Tianbao is working with **BDA** in seeking a JV partner for this project, and is aiming to build another 7,000 tpa capacity in two

more phases by 2007. The product should be comparable in quality and 30%-40% cheaper than imports. The TDM product is based on **Jilin Chemical's** technology. China's TDM market is expanding rapidly, estimated at over 5,000 tpa in 2005, from 3,400 tpa in 2000. TDM sales are expected to reach US\$10m in 2006, and US\$18m in 2007. (May 31, 2005)

**Wacker-Chemie**, the Munich-based specialty chemicals company, is poised to invest in high growth products and regions, with an emphasis on China. Wacker is working with **Dow Corning** to build a multi-hundred-million-dollar JV siloxane and silica facility near Shanghai, with target start-up in 2008. The products will serve industrial and consumer applications ranging from construction to electronics and personal care. **Wacker Polymers** is building a US\$13m spray dryer for the production of Vinnapas redispersible powders, which are used as binders for tile adhesives, mineral plasters and sealing slurries. The facility is scheduled to come onstream before Q4 2005. (May 13, 2005)

**Xinjiang Dushanzi Tianli High & New Tech Co** plans to build a 50,000 tpa cyclohexane unit and a 70,000 tpa adipic acid facility in Dushanzi, Xinjiang, China. The company will obtain benzene and hydrogen feedstock from **Dushanzi Petrochemical**, a **PetroChina** subsidiary. Dushanzi operates a 6m tpa refinery that it plans to expand to 10m tpa. Tianli also produces 30,000 tpa of PP and 30,000 tpa of methyl ethyl ketone. (April 18, 2005)

**Yangzi Petrochemical** plans to expand its ethylene oxide (EO) capacity by 180,000 tpa to meet growing demand from the cosmetics and detergents sectors. The Sinopec subsidiary currently produces 80,000-90,000 tpa of EO. It aims to complete the project at end-2006 or in early 2007. Yangzi is restricted by an agreement with **BASF-YPC Co** from increasing its 260,000 tpa monoethylene glycol (MEG) capacity. The company is one of the shareholders of BASF-YPC, which will have an MEG capacity of 300,000 tpa when the new unit is brought onstream in Q2 2005. (May 2, 2005)

**Yangzi Petrochemical** will start work on its aromatics expansion project before August 2005. The expansion is expected to be completed in the Q2 2006. The project will boost the company's combined capacity for paraxylene (PX), orthoxylene, and mixed xylenes to 1.4m tpa from 1m tpa. The PX capacity will be raised to 800,000 tpa from 550,000 tpa. The company's 450,000 tpa purified terephthalic acid (PTA) project will also be brought onstream at the same time or slightly after the aromatics expansion. Yangzi has an existing PTA capacity of 700,000 tpa. The company will have a little PX surplus that will be sold to Yizheng Chemical Fibre, which is also a PTA producer. (May 2, 2005)

**Yangtze River Acetyls Co (Yaraco)** is to raise its acetic acid capacity from 200,000 tpa to 350,000 tpa in April. **BP** owns 51% of Yaraco, while **Sinopec Sichuan Vinylon Works** owns 44% and **Chongqing Investment and Construction Co** owns 5%. BP also plans to build a 500,000 tpa acetic acid plant in Nanjing, Jiangsu Province, with Sinopec's subsidiary, **Yangzi Petrochemical Co**. Start-up is slated for H2 2007. (April 25, 2005)

**Yunnan Yuntianhua Co** plans to build a formaldehyde unit integrated with a polyoxymethylene (POM) unit in Chongqing, Sichuan, China. The proposed POM unit will have capacity of 20,000 tpa. The company was working on the feasibility study, which it planned to submit to the government this year. Construction is scheduled to start in 2006, with the project coming onstream in 2008. One potential methanol supplier is **Mitsubishi Gas Chemical**. It is conducting a detailed feasibility study on an 850,000 tpa methanol project, which will be jointly pursued with **Chongqing Chemical & Pharmaceutical Holdings**. (April 25, 2005)

**Zhenghe Group** plans to build an acrylic acid and acrylic esters plant in Guangrao Economic Development Zone, Shandong, China. The

US\$145m project will produce 110,000 tpa of acrylic acid and 160,000 tpa of acrylic esters. Zhenghe's 3m tpa refinery will provide the propylene feedstock. The firm also produces 60,000 tpa of polypropylene and 80,000 tpa of methyl tertiary butyl ether. Zhenghe was in talks with **Shanghai Huayi (Group) Co** on forming a JV for the project. Huayi's JV with **Shanghai Gaoqiao Petrochemical, Shanghai Huayi Acrylic Acid Co**, produces 140,000 tpa of acrylic acid and esters in Shanghai. (April 18, 2005)

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## INDIA

**Guarniflon SPA**, an Italian engineering plastic major is to set up a wholly owned subsidiary in India. The subsidiary, **Guarniflon India (GI)**, will set up two JVs with an investment of US\$9m over the next 2-3 years. The first JV will produce polytetrafluoroethylene (PTFE) resins. Guarniflon's subsidiary will own 26% of the JV and an Indian partner the rest. The second JV will be for PTFE processing and PTFE-based product manufacturing. The subsidiary will hold a 74% stake. The other 26% share will be offered to an Indian partner. Apart from promoting the two JVs, Guarniflon India will set up a R&D centre for the development of PTFE compounds, semi-finished, and finished products. It will also transfer PTFE processing-related technology to the two JVs. GI will export virgin as well as processed PTFE through Guarniflon's global network. (May 2, 2005)

**Gwalior Chemical Industries Ltd (GCIL)** has decided to expand the capacities of seven chemical plants and build three new units in India. Its 24,000 tpa thionyl chloride plant will be expanded to 36,000 tpa at a cost of US\$1.4m. This project is planned for start-up in 2006. GCIL also plans to triple the capacity of its 1,200 tpa benzotrichloride plant by Q1 2006. Other expansions at the Nagda site will come onstream in Q2 2006. Products set for expansion include benzyl chloride, benzal chloride, benzaldehyde, benzyl alcohol, and benzoyl chloride. GCIL's 7,800 tpa benzyl chloride unit and its 14,000

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tpa benzal chloride unit will be expanded to 14,400 tpa and 17,200 tpa, respectively. GCIL plans to add 3,000 tpa of capacity to its 6,000 tpa benzyl alcohol unit, triple the capacity of its 600 tpa benzoyl chloride unit, and increase the capacity of its 7,800 tpa benzaldehyde unit to 9,600 tpa. GCIL also plans to build a 1,200 tpa benzyl esters plant, a 2,400 tpa acid chlorides plant, and a 1,200 tpa viscose dye pigments unit. (April 11, 2005)

**Indian Oil Corp (IOC)** is considering building its second paraxylene (PX) and purified terephthalic acid (PTA) plants in India. IOC expects to complete its first PX/PTA project in Panipat, Haryana, in Q4 2005. Construction of the 362,000 tpa PX plant and 520,000 tpa PTA unit is 70-75% complete. IOC had hoped to start production in Q4 2004. The interest in the new PX and PTA plants stems from the belief that India's textile and polyester market will exhibit strong growth in the coming years, especially after textile quotas were removed on 1 January 2005. China and India are expected to be the major beneficiaries in the quota-free regime. (April 1, 2005)

**Jindal Poly Films** is to build a 45,000 tpa biaxially oriented polypropylene (BOPP) film unit in Khanvel, Dadra & Nagar Haveli, India. The US\$37m project is slated for commissioning in Q3 2006. The project will double the company's BOPP capacity: it has two BOPP units with capacities of 13,000 tpa and 32,000 tpa in Nasik, Maharashtra. Jindal will start up two metalliser units in Nasik with a total capacity of 14,000 tpa, in July and August 2005. In a second phase, two more metalliser units of the same capacity will be built, with start-up in September 2006. The completion will increase the its metallisation capacity to 40,000 tpa. (May 2, 2005)

**Jubilant Organosys Ltd (JOL)** has issued foreign currency convertible bonds worth US\$75m with an option to increase the size of issue by another US\$25m, with proceeds expected to fund expansion projects and acquisitions. (May 19, 2005)

**Oil and Natural Gas Corp (ONGC)**, has drawn up plans for two crackers — one in Dahej, Gujarat,

which will be linked to Petronet's LNG terminal at the same location, and the second cracker in Mangalore, Karnataka, which also envisages construction of an LNG terminal. The company is already said to have started discussions with potential technology licensors. (April 4, 2005)

**Reliance Industries** has stated its interest in expanding overseas, and has offered to acquire Qenos in Australia. Seven players, including private equity investors, are said to be in the race for Qenos, which is likely to fetch around US\$310m. Qenos, a JV between Orica and ExxonMobil, comprises three crackers and polyethylene (PE) plants with a total capacity of around 400,000 tpa for ethylene and PE. It is based in Altona and Botany Bay. (April 25, 2005)

**Sunshield Chemicals Ltd (SCL)** is likely to undergo financial restructuring and product diversification following a change of its controlling shareholders. Mumbai-based entrepreneur Amit Champaklal Choksey and his affiliated investment firms have acquired a 50.1% equity stake in SCL through a public offer in early 2005. The company produces ethylene oxide condensates (EOCs) at Raigad in Maharashtra. It caters to the process chemical needs of textiles, paper, agrochemical, lubricants, polymers and rubber industries. The new owners will also consider producing other types of specialty chemicals. (May 21, 2005)

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## INDONESIA

**Aditya Birla Group** is in talks with Indonesia's state-owned plantation company **PT Perkebunan Nusantara (PTPN)** to set up a US\$100m specialty chemicals JV in Indonesia. The plant will have an initial capacity of 350,000 tpa which will be increased later. 30% of the investment will be funded by equity and the rest by loans. (May 18, 2005)

**Chandra Asri** plans to select an engineering, procurement, and construction (EPC) contractor by May 2005 to build two more furnaces for its cracker-expansion project. The company plans to expand

its 510,000 tpa cracker in Merak, Indonesia, by 60,000 tpa. It expects to complete the work in 22 months after the selection of the contractor. Chandra Asri had proposed to raise its cracker's capacity to 1.1m tpa in phases by 2009. The expansion will help Indonesia meet its ethylene deficit, which is currently at 500,000 tpa. (April 11, 2005)

**Kuvera Energy Corp Ltd** (Singapore), **Consoe Petrochemical Co** (Hong Kong), and **Prima Gaya Estima** (Indonesia) are planning to form a JV, **Indo Olefin Petrochemical Industries**, to build a 1m tpa cracker in Merak, West Java, Indonesia, as a joint consortium. The project, which will cost US\$1.7bn, is expected to start up in 2008. It will also produce 600,000 tpa of propylene, 150,000 tpa of butadiene, and 1.25m tpa of pygas. The project has been approved by the Indonesian government. (April 25, 2005)

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## JAPAN

**Itochu Corp** is considering building a specialty chemical plant at Nanjing in China. The company was conducting a feasibility study, which it hoped to complete by Q4 2005. Itochu will partner with other companies for the project. Itochu is also studying with **Mitsubishi Gas Chemical** the possibility of building a Dimethyl Ether (DME) plant at Napa in Papua New Guinea and a methanol plant in Brunei. (June 7, 2005)

**Mitsubishi Chemical** is considering building a polytetramethylene glycol (PTMEG) unit downstream of its 1,4-butanediol (BDO) project in China. Mitsubishi had planned to start up a 100,000 tpa BDO plant in China in 2007-08, with a second 100,000 tpa line to be added at the same site later. The plan for a PTMEG unit was not known at the time. It is in talks with **CNOOC Shell Petrochemicals Co (CSPC)** to offtake CSPC's butadiene for the project. Both sides were also evaluating the feasibility of having the project in Daya Bay, Guangdong, China. (April 4, 2005)

**Showa Denko (SDK)** will reorganize the structure of its chemicals business in June to increase its operational efficiency. Its two existing business divisions, gases and chemicals, and specialty chemicals will be consolidated into a chemicals division and a chemicals production centre. The chemicals division will consist of gas and chemicals, organic industrial chemicals, electronic chemicals and specialty chemicals operations. The chemicals production centre will control the production of the plants in Kawasaki and Chidori. (May 26, 2005)

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## KOREA

**Honam Petrochemical** is mulling various alternatives including capacity expansions in South Korea, overseas investments, and the feasibility of moving upstream and/or downstream. Possible expansion of the recently acquired Hyundai cracker, expansion opportunities at KP Chemical, and merging KP Chemical and Lotte Daesan are among the options being weighed by the management. (March 28, 2005)

**S-OIL** is considering building an aromatics complex in Onsan, South Korea. It has started a feasibility study and a decision could be made in the next four months. The project will include a new reformer, but the company was also mulling whether or not to build a toluene disproportionation (TDP) unit and/or a paraxylene (PX) unit. S-Oil currently produces 200,000 tpa of benzene, 350,000 tpa of toluene, 800,000 tpa of mixed xylenes, and 700,000 tpa of PX at the site. These capacities could be doubled if the project is built. (May 9, 2005)

**SK CORP** is considering either expanding its refinery or building a paraxylene (PX) plant in Ulsan, South Korea. The start-up dates and capacities of the PX project and the refinery expansion were not available. The company operates an 810,000 bbl/day refinery at the site. It is also building an aromatics plant, which will produce 70,000 tpa of benzene, 270,000 tpa of toluene, and 317,000 tpa of mixed xylenes in June 2006. The mixed

xylenes produced could feed the PX project. SK Corp is already producing 450,000 tpa of benzene, 550,000 tpa of toluene, 800,000 tpa of isomer xylene, and 750,000 tpa of PX. (April 25, 2005)

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Asia. The PMMA plant will be its second plant in Singapore and will raise its capacity at the site to 100,000 tpa and to 244,000 tpa in Asia. (May 26, 2005)

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## MALAYSIA

**Euro Packaging** plans to double its high-density polyethylene (hdPE) bag production capacity in Kuala Lumpur, Malaysia, to 120,000 tpa by the middle of 2006. Euro Packaging also plans to start constructing a 36,000 tpa hdPE bag plant in Jebel Ali Free Zone, Dubai, in June or July this year, and to double the capacity of its hdPE bag plant in Tianjin, China, to 24,000 tpa by 2006. Euro Packaging completed expanding its hdPE bag line in Boston, last month, doubling the plant's capacity to 36,000 tpa. (May 10, 2005)

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## TAIWAN

**Chi Mei-Asahi Corp** is to start up its 75,000 tpa polycarbonate (PC) unit in Tainan, Taiwan, in Q2 next year. Construction is under way. The unit is based on **Asahi Kasei's** technology, which uses carbon dioxide, ethylene oxide, and bisphenol-A (BPA) as raw materials. Supply will come from the new BPA capacities from **Chang Chun Petrochemical** and **LG Petrochemical**. Chi Mei-Asahi's new PC unit will produce optical- and injection-grade PC. Taiwan's demand for Optical-grade PC is expected to grow at 8-10%. The country consumes more than 200,000 tpa of optical-grade PC. Injection-grade PC would be sold mainly to the Chinese market, where demand is expected to grow at more than 15%. (April 4, 2005)

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## SINGAPORE

**Faci Asia Pacific**, an Italian oleo-chemical manufacturer, is opening a US\$10m fatty esters plant in Jurong Island. The facility will make chemicals used in the manufacture of plastics, personal care products, food and lubricants. It has a capacity of 10,000 tpa. The plant will help Faci supply customers in the Far East, Australia and the US. (May 20, 2005)

**Sumitomo Chemical** announced plans to build a 90,000 tpa methyl methacrylate (MMA) plant and a 50,000 tpa polyMMA (PMMA) plant on Jurong Island, Singapore. The investment will make Singapore Sumitomo's largest MMA site globally. Both plants, with a combined investment cost of US\$185m, are scheduled to start production by Q1 2008. The MMA plant, Sumitomo's third in Singapore, will raise the company's MMA capacity to 233,000 tpa at the site and to 413,000 tpa in

## THAILAND

**Mitsubishi Rayon Co (MRC)** is considering building two methyl methacrylate (MMA) units in Asia with a total capacity of at least 180,000 tpa. MRC is likely to build one unit at its existing production site in Thailand and the second unit in another Asian country, except China. Both projects are targeted to start up in 2007-2011. (May 20, 2005)

**PTT** agreed to buy a 30% stake in **TPI** for US\$514m. PTT may also acquire TPI sister company **TPI Polene's** low-density polyethylene plant and divest TPI's cement business. The cement business accounts for 70% of TPI's revenues. The Government and state run funds are expected to buy a combined 30% stake in TPI as well, but PTT

would run the company. TPI collapsed after the 1997 devaluation of the baht with debts of around US\$2.7bn. The company's assets include: a refinery, cracker, and downstream plants, and a wide range of products, which include polyethylene (PE), polypropylene (PP) and styrenics. The company also has its own utilities and port services. The new owners are likely to increase TPI's operating rates, debottleneck plants, and possibly finance overseas acquisitions. (May 1, 2005)

**Siam Cement** will decide on its next phase of investment at the end of 2005. The company had been mulling a naphtha-based cracker in Mab Ta Phut, Thailand, but no decision has been made. The proposed complex was supposed to be a duplicate of Siam Cement's 800,000 tpa cracker, which is being operated by subsidiary **Rayong**

**Olefins Co.** The company was concerned about the project's start-up date and cost. (May 2, 2005)

**Thai Acrylic Fibre (TAF)** is building its fifth acrylic fibre unit in Sara Buri, Thailand. Construction had started on the 20,000 tpa unit which would come onstream in September this year. The plant would raise TAF's total acrylic fibre capacity to 97,000 tpa. An affiliate of India's **Aditya Birla Group**, TAF is the only acrylic fibre producer in SE Asia. (April 4, 2005)

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## ABOUT BDA

Business Development Asia is a corporate finance advisory firm which assists multinational companies in expanding their businesses in Asia through JVs, acquisitions and divestments. For further information on BDA's services or on any of the articles in this newsletter, please contact our offices below.

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