

Celanese to give Clear Lake acetic update Friday

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LONDON (ICIS news)--Celanese will update customers on its Clear Lake acetic acid plant, which has been down for over two months, at its second quarter earnings conference on Friday, a source close to the US major said on Tuesday.

"There will be no public comment on the plant until Friday," the source said. "Customers have been told that it will be the first chance of a full public update."

The source added that global acetic acid supply was "very, very, very tight" in the wake of the force majeure which was announced on 14 May and extended on 12 June for an indefinite period.

Last Thursday Celanese said that a planned mid-July restart had been unsuccessful and that the force majeure on acetic acid and downstream acetyls from the 1.2 million tonne/year Texas plant would be extended for an undefined period.

Speculation was mounting over the extent of problems at the plant. Reports within the market were that it had been shut down on the back of reactor problems.

Other sources suggested the possibility that the reactor would have to be replaced, a process which could take upwards of two months.

This was further compounded by a customer note released by Deutsche Bank last Friday which said a further 55 day, or eight week shutdown, was "reasonable", reinforcing the view that a new reactor would have to be installed.

"Based on this timing," the bank said, "restart would occur in mid-September."

The plant accounts for an estimated 45% of US and 10% of global productivity.

Lost production was estimated by market participants as being in excess of 150,000 tonnes, with one trader saying that nameplate capacity would mean a loss of more of 200,000 tonnes.

Acetic acid and VAM producers in Europe include Celanese, Celanese-owned Acetex Chemie, Dow and Lyondell.

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