

Dow Bahia Blanca LDPE line expected to restart in December: sources

Platts.com, 28th June 2016

Dow's low density polyethylene plant in Argentina might resume operations in December, 13 months after an explosion shut the 90,000 mt/year capacity line in Bahia Blanca, sources in the Mercosur region said Tuesday.

"I've heard that the damage was big and due to that the plant will not be back before December," a Brazil-based distributor said.

"I also heard that they are doing an economic evaluation of whether it is worth resuming operations or closing it definitively," the Brazil-based distributor said.

LDPE production has been suspended since the November 3, 2015 blast.

Dow was not available for comment Tuesday, but initially, Dow said the line would resume operations in June.

However, last week a source close to the company said the plant might not resume operations before the end of 2016.

Dow Argentina operates two ethane-fed steam crackers and polyethylene production at its Bahia Blanca petrochemical complex. The site has an ethylene production capacity estimated at 765,000 mt/year.

Meanwhile, low-density polyethylene import availability in Latin America remains tight not just regionally but also globally. "From March to May we saw around 164 mt of LDPE and [high density polyethylene] imported from the US. From Argentina, we've gotten just two trucks of [linear low density polyethylene] and HDPE," a Paraguay-based distributor said Tuesday.

In order to meet demand within the Mercosur region, a higher volume of Brazilian LDPE was heard being traded in the region.

S&P Global Platts' weekly assessment of Brazilian export LDPE in Mercosur countries was stable Wednesday at \$1,375-\$1,385/mt FOT basis.

The market was heard to be bearish in the region though amid thin buying interest.

The price was based on Brazil-origin offers at \$1,500/mt CPT Paraguay. The assessment subtracts freight costs estimated at \$100/mt, as well as \$20/mt for negotiation.