

Formosa Plastics says PE, PP force majeure from Point Comfort to run through July
Platts.com, 18th July 2017

Formosa Plastics' force majeure and sales control on its polyethylene and polypropylene from its Point Comfort, Texas, complex will last through the end of July, the company has told its customers.

All polypropylene and polyethylene units have resumed production, the company said in a letter to customers sent late Monday and by obtained by S&P Global Platts on Tuesday.

Formosa Plastics declared force majeure on both polymers June 27, three days after multiple units at Point Comfort -- about 90 miles from Corpus Christi -- unexpectedly went down due to a weather-related event, which multiple sources with knowledge of company operations attributed to lightning strikes.

Formosa Plastics spokesman Steve Rice Friday said all lines were running, or "scheduled to be so very soon."

Multiple market sources said late last week that the final polyethylene line -- which produces high density polyethylene grades including high molecular weight film -- could be back up by the weekend.

Formosa Plastics said in the letter that all August orders would be subject to ability to supply, "based upon ongoing normal operations of our facilities."

The Point Comfort complex can produce almost 1.5 million mt/year of high density polyethylene, 582,000 mt/year of linear low-density polyethylene, 1.9 million mt/year of polypropylene.

Polyethylene and polypropylene markets have been talked tighter in July, with some sources pointing to the outages as one contributing factor.

Spot export prices were last assessed Monday for HDPE blow molding at \$1,036-\$1,058/mt (47-48 cents/lb) FAS Houston, for linear low-density butene polyethylene at \$1,080-\$1,002/mt (49-50 cents/lb) and for homopolymer polypropylene at \$1,080-\$1,102/mt (49-50 cents/lb) FAS Houston.