

Mexichem's Colombia PVC force majeure may last to mid-October: sources
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Polyvinyl chloride volumes from Mexichem Resinas Colombia are likely to remain limited and a force majeure could remain in place until mid-October when operations should return to normal, market sources said Wednesday.

Mexichem could not immediately be reached for comment.

The Cartagena plant in Colombia can produce 400,000 mt/year of PVC.

Mexichem declared force majeure September 1 shortly after Hurricane Harvey hit the US Gulf Coast, affecting plants that supply feedstock to the Cartagena plant. Mexichem declared force majeure for shipments of all its suspension, copolymer and emulsion PVC resins in Mexico, the US and Colombia due to lost feedstock vinyl chloride monomer supply from the US.

According to Colombia-based sources, as of the start of this week, the company's Mamonal, Cartagena, plant was behind on more than 15,000 mt of previously ordered PVC, mainly to customers in Colombia.

The company also was heard in recent days prorating any orders for product from its Cartagena plant so that the volume of new orders could not be above than the three-month average of what was ordered before Harvey.

The company also has also been heard raising domestic pricing by \$50/mt in October and an additional \$50/mt in November.

As a result, prices ex-plant Cartagena, including the increase, were around \$1,020/mt for October, according to indications heard from the market in recent days.

A Mexichem spokeswoman in Mexico previously said the company will disclose the suspensions of force majeure for PVC shipments in Latin America, including Colombia and Mexico, as soon as they become available. Last week, a company spokeswoman said the force majeure could be lifted by the end of September. It was still in place Wednesday.