

Mexico's Braskem Idesa produces 83,538 mt of PE resin in Q2 at new complex

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Mexican petrochemical producer Braskem Idesa produced 83,538 mt of polyethylene resins during the second quarter at its new complex in Veracruz state, of which a combined 54,000 mt was sold in domestic and international markets, including pre-marketing sales, Braskem said Thursday.

Braskem Idesa is a joint venture between Brazil's Braskem (75%) and Mexico's Grupo Idesa (25%) and represents the first of a wave of new petrochemical projects in North America.

The first line, a high-density injection polyethylene line, began operations April 6 and the second line, an HDPE blowmolding line, came online April 28. The LDPE line started in June, Braskem said, adding that the LDPE plant is still considered a pre-operational asset, since it is in the commissioning phase.

Production from the Braskem Idesa complex, previously known as Etileno XXI, is mainly intended to meet Mexico's growing PE demand, with any remaining output available for export, including to the US and South America.

Recently, however, sources have said that Mexico-origin resin from the company has been spotted in northern Africa and also in Asia, specifically China.

Once the complex is running at capacity, it will be able to produce 1 million mt/year of polyethylene. Capacity utilization was 32% in Q2, the company said, adding that it had built up 74,000 mt of resin inventories.

Market players in the US and throughout Latin America continue to monitor the progress of the LDPE plant, as spot LDPE resins are considered tight throughout the Americas. LDPE resins continue to be the highest priced of the spot PE export resins.

US LDPE export prices were assessed Wednesday at \$1,301-\$1,323/mt (59-60 cents/lb) FAS Houston, stable week on week.