Duty bound to help North American PET producers

Tuesday, August 18 2015 Steven Pacitti

PET producers in Canada, the US and Mexico are expected to benefit from import duties being imposed by the US Department of Commerce on India and China.

Announcing its preliminary affirmative decisions in the countervailing duty (CVD) investigations of imports of certain PET resin from China and India, the Department of Commerce opted for a CVD in the range of 4.27-18.88 per cent on PET imports from China into the US, and 5.5-115.04 per cent on those from India into the US. Investigations were also carried out on Oman but no CVD has been imposed. Active immediately, the CVD runs for five years.

In addition to CVD, Anti Dumping Duties (ADD) investigations are also underway against China, India, Oman and Canada. The results of these investigations are expected in the fourth quarter.

Thailand-based Indorama Ventures Limited (IVL), a major PET producer with production facilities in the US, claims to have produced 1.2 million tonnes of PET in North America in 2014, or one-third of the continent's market share.

The company acquired the StarPet PET facility in North Carolina back in 2003 and produces 252,000 tonnes at the site, which employs Zimmer continuous polymerisation and Buhler solid state polycondensation technology. Purified terephthalic acid (PTA) for the site is purchased from BP and Interquisa Canada.

IVL also acquired the North American polymer assets of Invista in 2011. Called Auriga Polymers and based in South Carolina, the facility produces 387,000 tonnes of PET, which is used in bottles, trays, sheets, film and textile applications.

IVL has expanded its PET and polyester businesses in recent years as it continues its focus on vertical integration, and the company entered the PTA business with the acquisition of three PTA plants in 2008. In 2012 it pursued further integration with an entry into monoethylene glycol (MEG).