

**China Price Monitor PP Pricing**  
**September 9, 2008**  
**(Pricing for September 5, 2008)**

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Comparison of Domestic vs Import Prices as CNY/tonne										
	Transaction Prices for Domestic Resin including VAT					Transaction Prices for Imported Resin CFR or CIF CMP including VAT & import duty				
	This Week		Next Week		Change	This Week		Next Week		Change
	Low	High	Low	High		Low	High	Low	High	
PP Block Co low-melt	13580	14500	13500	14400	-80	14025	14366	13769	14025	-256
PP Block Co high-melt	13950	14520	13850	14500	-100	-	-	-	-	-
BOPP Film Homo	13090	13300	13000	13200	-90	13769	13769	13599	13599	-170
PP Homo Yarn	12640	13360	12600	13350	-40	13429	13940	13429	13769	0
PP Fiber	12940	13540	12850	13500	-90	-	-	-	-	-
PP Homo Injection	12740	13300	12700	13250	-40	13429	13940	13429	13769	0
Excludes delivery. Payment terms are T/T for domestic resin and LC at site for imported resin.										

### This week's executive summary

- Domestic PP continued to drop this week due to the sharp decrease of crude oil values, high inventory levels at local producers and bearish sentiment.
- Implementation of price listing or price cuts by major producers also dampened market sentiment, leading to stagnant trades in all regions.
- On demand side, operating rates from downstream converters picked up slightly following the relief of electricity restriction.
- However, finished products sales of end-users were under pressure due to bank credit crunch.
- Some converters said they were lack of cash-flow to replenish inventory although raw material prices stood low levels, and hence restraining market trading volumes.

China PP Shutdown Schedule - expected number of shut down days																	
Majority Owners	Plant	City	Province	Line	Annual Capacity KT	Dec	JAN, 08	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Comments
Petrochina	Daqing Refinery	Daqing	Heilongjiang	PP	300								7				
Petrochina	Dalian PC	Dalian	Liaoning		270						15	30	31	31	31		
Petrochina	Lanzhou PC	Lanzhou	Gangsu	PP	40		3					20	31	31	31		
				PP New	300												
Sinopec	Yanshan PC	Beijing	Beijing		440	4	2	5		2		4	11	5	3		
Sinopec	Yangzi PC	Nanjing	Jiangsu		400		8	6	4	15				13			
Sinopec	Shanghai PC	Shanghai	Shanghai		450						8			17	23		
Sinopec	Maoming PC	Maoming	Guangdong	PP	170				3			4					
				PP New	300	2	17			3		17		1			
Sinopec and BP	Shanghai Secco	Shanghai	Shanghai		250	7											
CNOOC and Shell	CSPC	Huizhou	Guangdong		240												
Formosa	Formosa Ningbo	Ningbo	Zhejiang		450									28			
	<b>Total</b>				<b>6418</b>	<b>37</b>	<b>69</b>	<b>39</b>	<b>41</b>	<b>53</b>	<b>90</b>	<b>154</b>	<b>127</b>	<b>174</b>	<b>132</b>	<b>26</b>	

*Note: Only top ten resin suppliers included, all suppliers shutdown list is available in the full China Price Monitor*

## Production News & Shutdowns

- Dalian PC shut down its 70,000 tonne/year old PP unit on 15 May, and the unit has not restarted yet.
- Panjin Ethylene shut down 50,000 tonne/year PP unit on 12 August for maintenance and plans to restart on 10 September.
- Shanghai PC shut down its 120,000 tonne/year 1PP unit on 14 August, and planned to restarted on 23 September.
- Shaoxin Sanyuan PC shut down its 200,000 tonne/year PP unit on 3 September for 10-days maintenance.
- Lanzhou PC shut down its 40,000 tonne/year old PP unit on 10 June due to lack of propylene, it plans to restart on October.
- Daqing PC shut down its 100,000 tonne/year PP unit during 1-17 September for scheduled maintenance.
- TUCO shut down its 60,000 tonne/year PP unit on 28 September for 28-days maintenance.
- Qilu PC shut down its 70,000 tonne/year PP unit on 29 August due to unexpected accidents and the unit has not restarted yet.
- Yanshan PC shut down its 200,000 tonne/year PP unit during 29 August to 3 September.