

AGC Chemicals closing fluoropolymer site

Contributed by Administrator
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BAYONNE, NEW JERSEY (October 2, 2007) -- Poor market conditions are leading AGC Chemicals Americas Inc. to close its 157-employee fluoropolymer resin plant in Bayonne by the end of the year.

The firm "worked diligently for a number of years to improve the performance of its Bayonne business," AGC President Masumi Suehiro said in a September 27 news release. But the firm ultimately decided it was "no longer viable" to operate the plant.

The plant -- which also produces fluorinated solvents -- is set to close December 31. AGC will move its headquarters to Exton, Pennsylvania, where it operates a technical service center. The firm also will continue to operate a fluoropolymer compounding plant in Thorndale, Pennsylvania.

Fluoropolymer resins made in Bayonne are processed into sheets, tubes and tapes for semiconductor and auto parts.

Although sales volumes remain strong, selling prices for AGC's fluoropolymers are unable to keep up, mostly because of lower-priced import resin from Russia and China, said John Bonner, AGC vice president of operations.

"The average selling price actually was higher 10 years ago than it is today," said Bonner, who's been with the firm 18 years.

Higher raw material costs also affected the plant, which has annual capacity of about 4,000 metric tons. Of that amount, 20-30 percent is used by the Thorndale facility.

The plant sits on a 15-hectare parcel, half of which is being sold to a developer that plans to build a shopping mall, Bonner said.

AGC Chemicals, based in Bayonne, is a unit of Asahi Glass Group, a Tokyo-based conglomerate with annual sales of \$13 billion (97.6 billion yuan). The Thorndale compounding plant will process material imported from Asahi-owned companies in Japan.

Asahi Glass acquired the Bayonne plant in 1999 when it bought the fluoropolymers business of Imperial Chemical Industries plc. ICI built the plant in 1965.