

**October 24th, 2003**  
**Artimino, Florence - Italy**



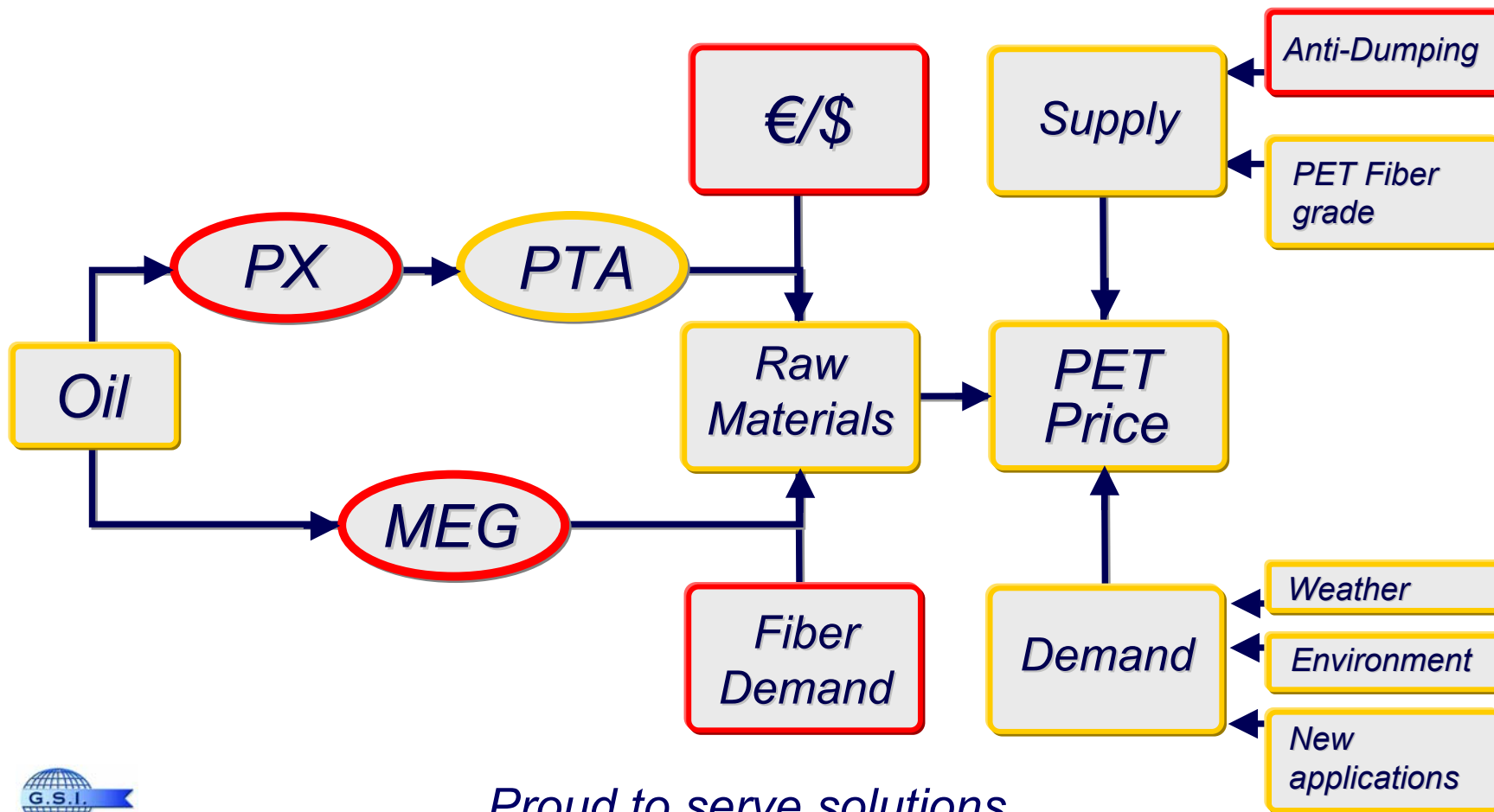
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# ***European PET Market***

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# The European PET Price will be effected by:



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# Agenda - European PET Market

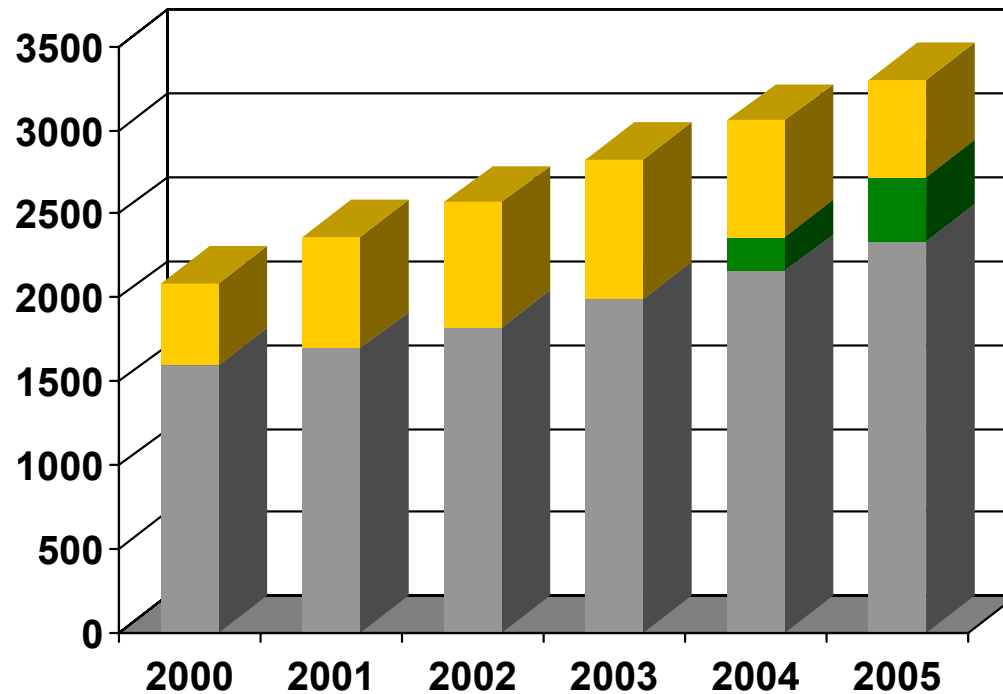
- ❑ European PET Market
- ❑ European Supply & Demand balance
- ❑ Imports analysis
- ❑ Anti-Dumping
- ❑ PET Price analysis



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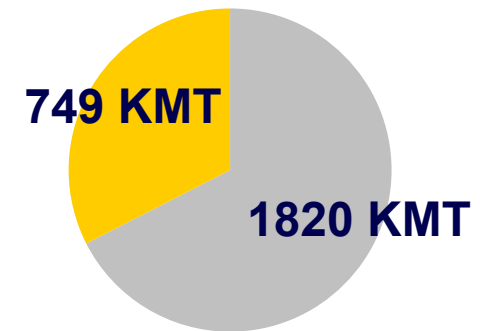


# European PET Market - Demand 2000/2005



- Non EU Countries
- New EU Countries\*
- EU Countries

2002



\* New European Countries: Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Malta and Cyprus



Source: Internal

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# European Supply and Demand balance



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# European PET Market - Demand

000 MT

	2001	2002	2003	2004	2005
<i>EU Countries</i>	1700	1820	1995	2160	2338
<i>New EU Countries</i>				205	378
<i>Non EU Countries</i>	666	749	831	688	587
<i>Total</i>	2366	2569	2826	3053	3303



Source: Internal

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# European PET Market - Supply (90% nameplate capacity)

000 MT

	2001	2002	2003	2004	2005
<i>EU Countries</i>	1712	1859	1841	1877	2142
<i>New EU Countries</i>				71	389
<i>Non EU Countries</i>	86	86	273	295	352
<i>Total</i>	1797	1944	2113	2242	2883

*Dow and Brilen new plants will start up at the end of 2004. Elana, SK Chemicals and RCZ will add volumes in Poland*



Source: Internal

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# European PET Market - Balance

000 MT

	2001	2002	2003	2004	2005
<i>EU Countries</i>	12	39	-154	-284	-196
<i>New EU Countries</i>				-134	11
<i>Non EU Countries</i>	-580	-663	-558	-393	-235
<i>Total</i>	-568	-624	-712	-811	-420



Source: Internal

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# Imports analysis



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## UE import Duties: from 0% up to 6,5% Plus

An analysis of the Duty situation of the main exporter Countries into the EU.

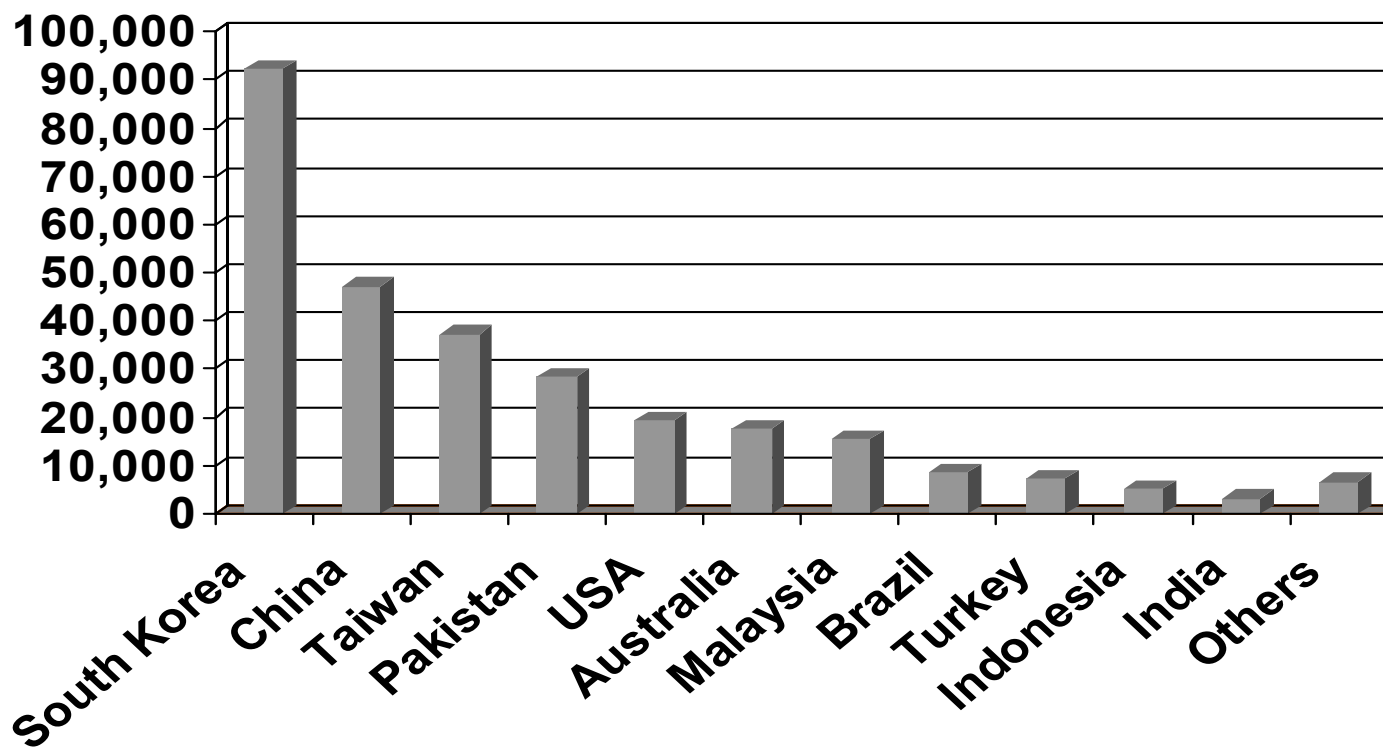
- Anti-Dumping India, Indonesia, Malaysia, Taiwan, Thailand and South Korea
  - 6,5% Australia and USA
- 3% China (4,7% starting from November 1st '03, 6,5% starting from May 1st 2004)
  - 3% (GSP form A) Iran and Brazil
- 0% (Bilateral Agreements) Mexico and South Africa
  - 0% Pakistan, Venezuela



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## PET imports into EU - 2002 (288 KMT)



Source: Internal

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## European PET Imports 2002

Although the Western European Supply and Demand PET market has been in balance during 2002 (39 KMT surplus) EU Countries have imported 288 KMT. Some of the material produced inside EU has been absorbed by the Eastern European deficit.

One third of the total volume has been imported by Korea. Two new important players like China and Pakistan entered into the Western European Market.



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# Anti-Dumping



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## Anti-Dumping: The first EU investigation

We served 3 different hearings at the EU Commission during the 12 months of Investigation supporting Investigators in a wide range of analysis.

We stimulated the European Industry to commit themselves to support Commission with their industrial evidences (Bottlers, Converters, Film Makers).

We posted Asian Producers served by GSI with regular, on-time feed backs.



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# Anti-Dumping: The first EU investigation

Starting: September 17th 1999

Study: November 6th 1999

Evidences: August 5th 2000

Findings: November 27th 2000

***Conclusion: to impose added duties on  
Import of PET within the European Union Border***



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Producer	Country	ADDED DUTIES	ANTI-SUBSIDY	ANTI-DUMPING
		EURO/MT	EURO/MT	EURO/MT
SK	Republic of Korea	-	-	-
Reliance	India	P.U.	41.30	181.70
Polypet	Indonesia	P.U.	-	178.90
Pearl	India	P.U.	31.30	130.80
Daehan	Republic of Korea	28.20	-	28.20
Shingkong	Taiwan	47.00	-	47.00
Far Eastern Textile	Taiwan	50.20	-	50.20
Hualon	Malaysia	52.60	16.60	36.00
Nan Ya	Taiwan	53.80	-	53.80
<b>Other Producers from Taiwan</b>	Taiwan	69.50	-	69.50
Tuntex	Taiwan	69.50	-	69.50
Indorama	Indonesia	92.10	-	92.10
Honam	Republic of Korea	101.40	-	101.40
<b>Other Producers from Thailand</b>	Thailand	132.30	49.10	83.20
Thai Shingkong	Thailand	132.30	49.10	83.20
<b>Other Producers from Korea</b>	Republic of Korea	148.30	-	148.30
Tong Kook	Republic of Korea	148.30	-	148.30
MPI	Malaysia	160.10	-	160.10
<b>Other Producers from Malaysia</b>	Malaysia	176.70	16.60	160.10
<b>Other Producers from Indonesia</b>	Indonesia	187.70	-	187.70
Bakrie	Indonesia	187.70	-	187.70
<b>Other Producers from India</b>	India	223.00	41.30	181.70
Futura	India	223.00	-	223.00
Elque	India	223.10	22.20	200.90

## Anti-Dumping: The new EU investigation

May 22nd 2003 a new Anti-Dumping investigation has been announced by the European Commission against Australia, China and Pakistan and a revision against South Korea and Taiwan. A provisional Anti-Dumping duty can be establish within February 21st 2004 (against Australia, China and Pakistan) and a definitive duty has to be defined within August 21st 2004.



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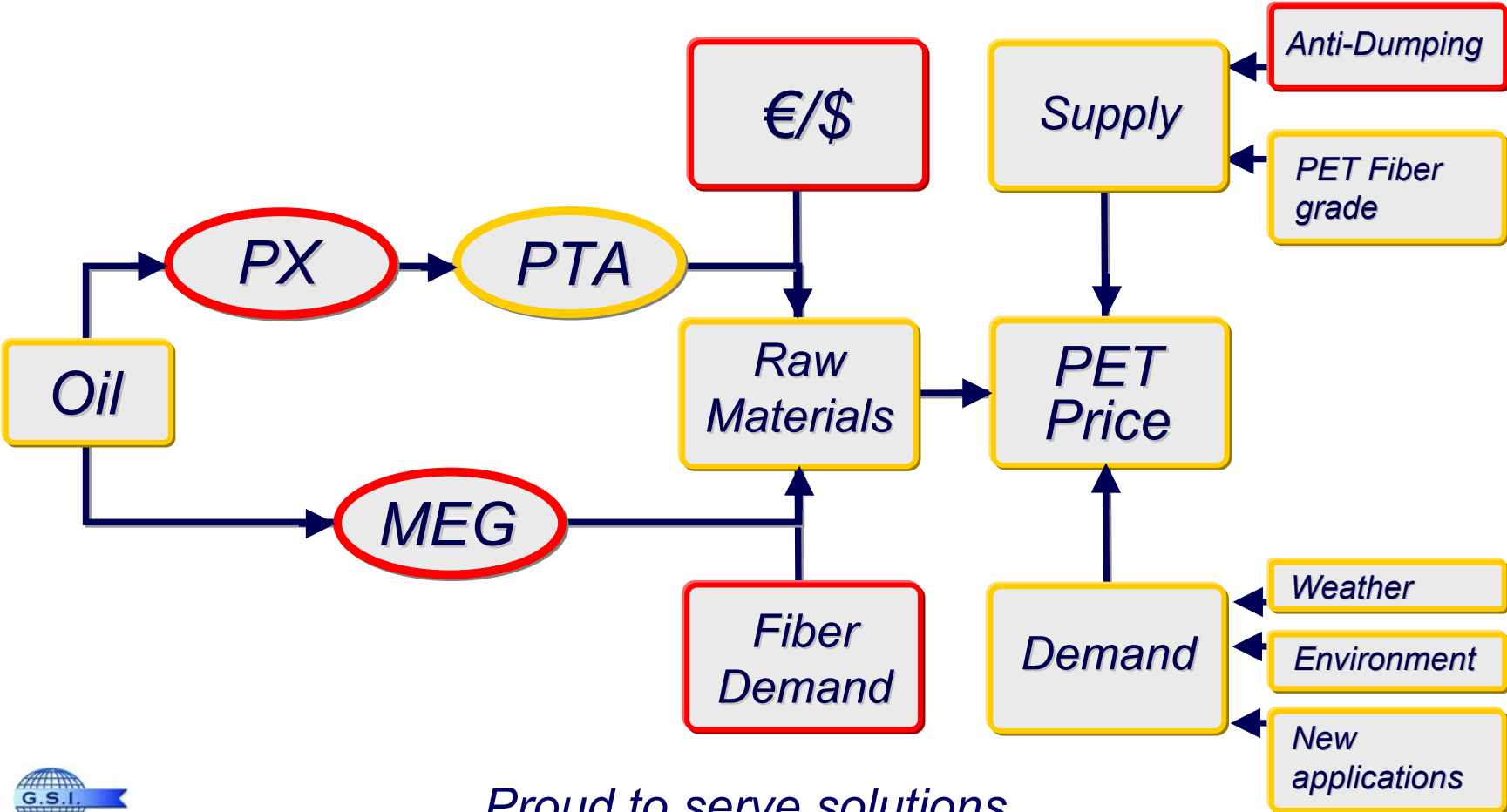
# PET Price analysis



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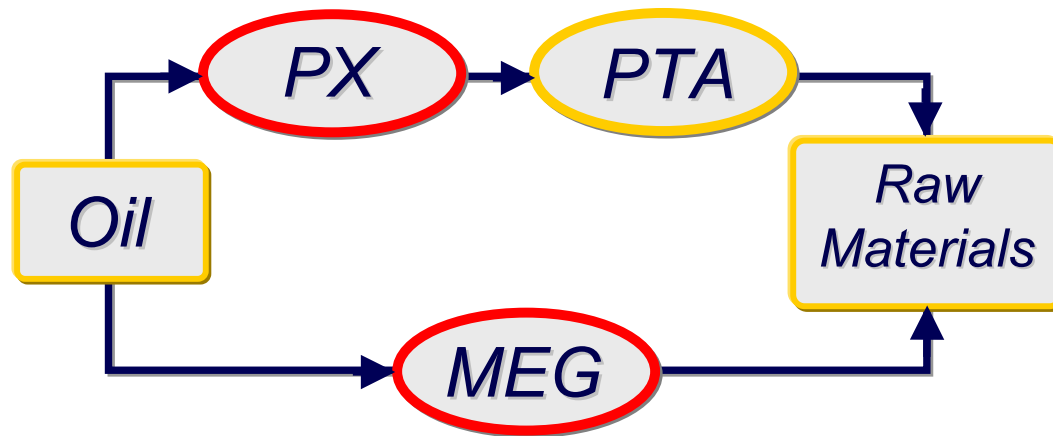


# The European PET Price will be effected by:



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# The influence of Oil in Polyester Business



(A)

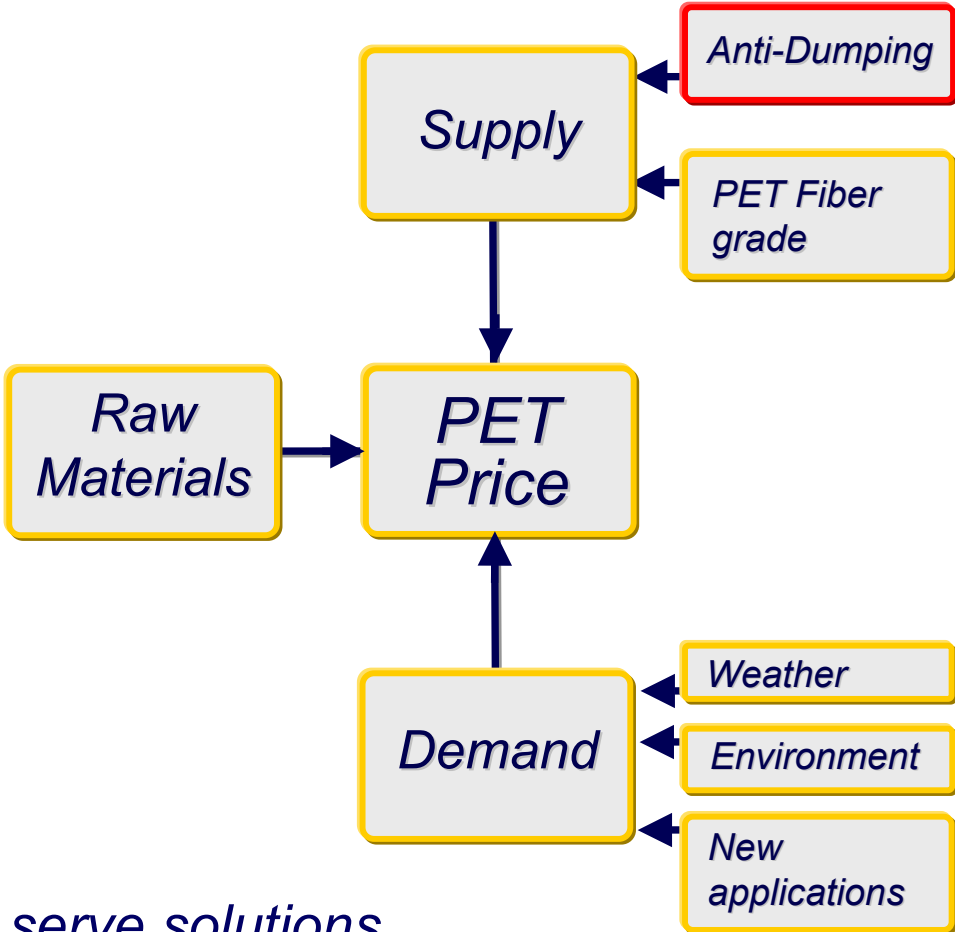


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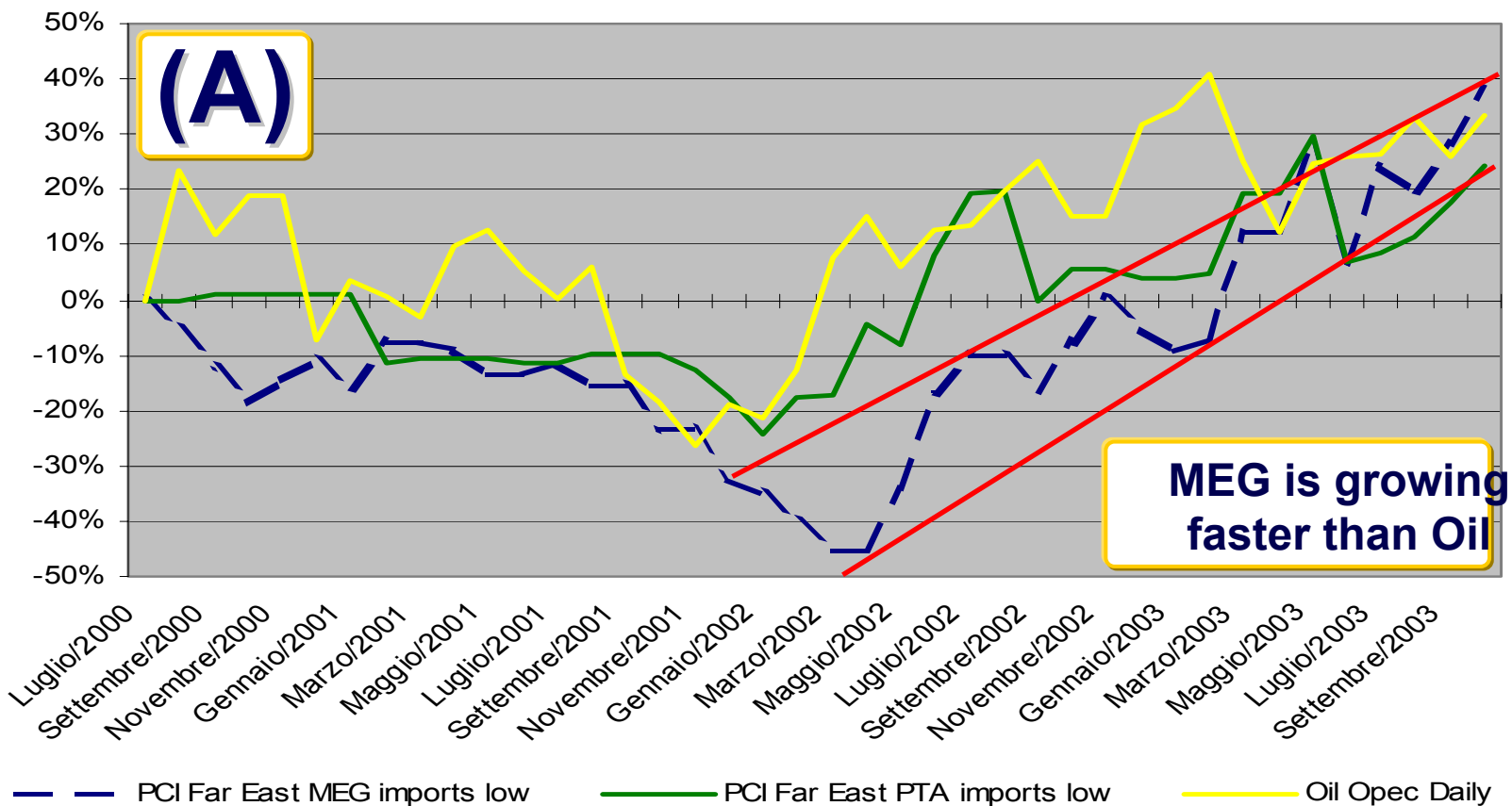
# The raw materials' influence on the PET Price

(B)



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# The Asian MEG and PTA correlation with Oil Price

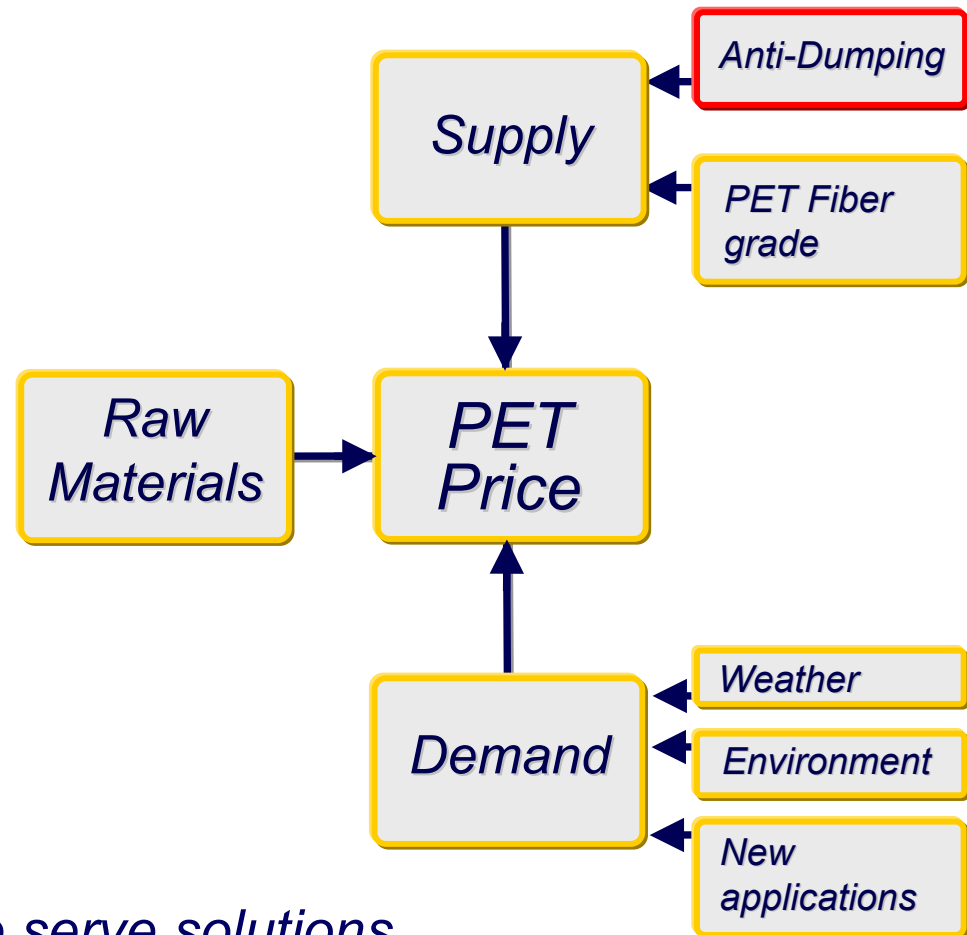


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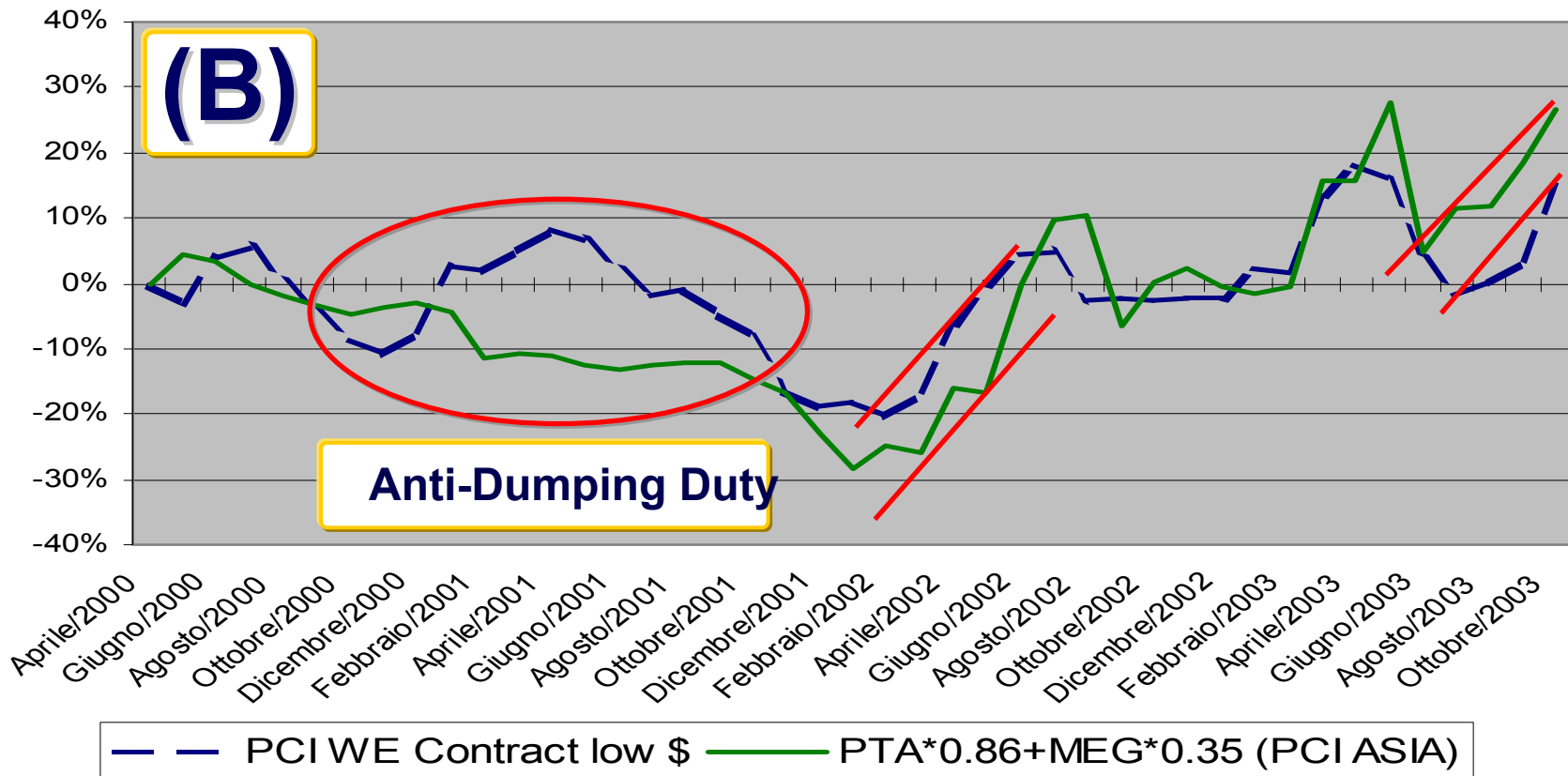
# The raw materials' influence on the PET Price

(B)



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# Western European PET Price correlation with Asian raw materials



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# Conclusion



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## GSI Conclusion

***With the up coming provisional and possible definitive Anti-Dumping duty Europeans PET Producers will have the chance to increase their margin in the next future.***

***BUT***

***During 2004 Western European PET Market will need more than 400 KMT, alternative sources will have to move material to Europe to balance the Market. The skill to identify new reliable sources will be a key factor for 2004***



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