

International trade data for methylamines and derivatives

Introduction

1. The existence of substantial international trade indicates that market boundaries are likely to encompass at least the nations participating in the trade. Moreover, the absence of significant existing trade does not necessarily indicate that providers are not in the same market—the potential for trade could serve to keep market prices in line, as in the absence of trade barriers, trade flows would develop if margins increased in one market. Also, if similar demand and supply conditions existed in both countries then there might be no opportunities for profitable trade, but the threat of imports would act as a constraint on pricing in both countries.
2. Unfortunately, published trade statistics do not correspond exactly to the product categories under consideration. Three main data sources are available:
 - (a) Eurostat data, reflecting the recorded imports to and exports from the EEA according to their customs categorization.
 - (b) US International Trade Administration (ITA) data, which records exports from the US, according to their customs categorization.
 - (c) PIERS data, collected by a private organization which maintains a database of import and export information on the cargoes moving through ports in the USA, Mexico, Latin America and Asia.

Methylamines

3. Trade in methylamines and their salts is captured by Eurostat. Table 1 shows imports to the EC within the CN codes 29211110 (acyclic monoamines and their derivatives; salts thereof: methylamine, di- or trimethylamine) and 29211190 (acyclic monoamines and their derivatives; salts thereof: salts of methylamine, di- or trimethylamine). The major source of imports is Turkey; Air Products told us that these are believed to be largely TMA hydrochloride, which is used in the production of CC. Other import quantities are very low. Total imports are less than 1 per cent of EEA production and under 4 per cent of merchant sales.

TABLE 1 Imports of methylamines to the EC, 2002 (quantity, tonnes)

<i>Imports from</i>	<i>Methylamines and their salts CN codes 29211110, and 29211190 (tonnes)</i>
USA	35
China	15
Japan	16
India	38
Turkey	1,968
Mexico	0.2
Total	2,072.2

Source: Eurostat.

DMF

4. Eurostat only records trade flows for a wider category of DMF and other similar compounds, CN code 29241900 (acyclic amides (including acyclic carbamates) and their derivatives; salts thereof: acyclic amides and their derivatives; salts thereof not specified elsewhere). Table 2 shows the reported imports into the EC in this category.

TABLE 2 Imports of DMF and similar compounds to the EC, 2002 (quantity, tonnes)

<i>Imports from</i>	<i>DMF and other similar compounds CN code 29241900 (tonnes)</i>	<i>% of total EEA sales (2003)</i>
USA	9,671	17.3
China	568	1.0
Japan	4709	8.4
Taiwan	27	0.0
South Korea	714	1.3
Russia	472	0.8
India	735	1.3
Turkey	856	1.5
Mexico	64	0.1
Brazil	157	0.3
Total	17,973	32.1

Source: Eurostat.

5. The US ITA data does disaggregate US exports into a narrower category, 2924.19.0000 (DMF) which includes only DMF, and states that 9,653 tonnes of DMF were exported from the USA to the EEA in 2003.
6. PIERS, the only other source of relevant trade data, may underestimate exports from the USA to the EEA as exporters are not required to register their trade with PIERS. Its export figures show much lower levels of exports of DMF to the EEA that suggested by the US ITA data. However, it does show much higher levels of exports from the USA to non-EEA countries.
7. We were told that Samsung and DuPont import into the EEA through distributors (and DuPont directly). Both Air Products and Taminco export to Asia, Taminco sells to US and Latin America.

AAAs

8. Trade in each of the three relevant AAAs is not well captured by either Eurostat or the US ITA, which commonly aggregate these compounds with other similar chemicals. However, the parties said that for these compounds the bulk of the imports to the EEA are from the USA. Table 3 presents the imports from the USA, based on the PIERS database over the past five years (as noted above this may underestimate total trade levels).

TABLE 3 Imports of AAAs from the USA, 2000 to 2004

Year	To the EEA (tonnes)	To non-EEA countries (tonnes)
MMEA		
2001	39	
MDEA		
2000	2,632	2,546
2001	1,406	1,877
2002	1,500	2,800
2003	733	3,354
2004 (year to May 15)	789	855
DMEA		
2000	10	374
2001	281	280
2002	0	137
2003	0	175
2004 (year to May 15)	0	99

Source: US port import export reporting service (PIERS).

9. Considering exports, Air Products exported [§] per cent of its AAA production to the USA. [§] noted that a substantial volume of AAAs was being imported into North America from Europe and Japan.

Choline Chloride

10. The volume of trade in choline chloride is poorly captured by both Eurostat and US ITA figures.¹ Trade data either aggregates it with other products when traded in pure form, or it is recorded as a pre-mix for animal feed where product weight includes a substantial amount of carrier material (for example, silica or animal feed). It is therefore very difficult to get an accurate figure for the actual choline chloride content in this trade.
11. Eurostat reports total imports to the EEA of the chemical code 29231000 (Choline and its salts) of 1,179 tonnes in 2003. In addition, total imports of the code 23099095 (pre-mixes for animal feeds) amounted to 7,891 tonnes. However, again EEA producers appear to be substantial exporters (see Table 5).

¹Choline chloride may be recorded as either a liquid, under the chemical code for choline and its salts, 29231000 (quaternary ammonium salts and hydroxides; lecithins and others phosphoaminolipids: choline and its salts) or more commonly on a carrier such as corn cobs, or silica, in which case it would be categorized with the group of pre-mixes for animal feed, CN code 23099095 (preparations of a kind used in animal feeding, containing by weight >=49% of choline chloride, on organic or inorganic base).

Party estimates of trade volumes

12. In the absence of a complete set of trade data, we asked the parties to provide their best estimates of the proportion of domestic use accounted for by imports, and the proportion of production exported, for the UK and the EEA. Taminco's estimates are shown in Tables 4 and 5 (based on the situation before the closure of the Billingham facility).

TABLE 4 Taminco estimates of proportion of UK and EEA use met by imports

	<i>per cent</i>	
	<i>Proportion of domestic use met by imports in the UK</i>	<i>Proportion of domestic use met by imports in the EEA</i>
Methylamines (merchant)	36	4
DMF	42	18
AAA	67	10
Choline chloride	86	20

Source: Taminco.

TABLE 5 Taminco estimates of proportion of UK and EEA production exported

	<i>per cent</i>	
	<i>Exports from the UK as a proportion of domestic production</i>	<i>Exports from the EEA as a proportion of EEA production</i>
Methylamines (merchant)	53	Negligible
DMF	87	66
AAA	Negligible	18
Choline chloride	97	40

Source: Taminco.

13. These estimates show negligible international trade outside the EEA region in methylamines. Taminco told us that it exported [X] per cent of its methylamine production outside the EEA but it considered that there was not a general pattern of trade in these products. [X]
14. In the other products, the EEA is believed to be a net exporter. For DMF and choline chloride, international trade is substantial. There is much less trade in AAAs. The sources of the imports to the EEA are primarily North America, some Eastern European and Turkish producers, and some Far Eastern producers (for example, Samsung of Korea). We were told by the parties that they would export to Japan, south-east Asia, the Middle East and Latin America.