Dow To Shutdown Texas Plants

FREEPORT, Texas — The Dow Chemical Company (NYSE: DOW) announced today that it will close styrene monomer and ethylbenzene production units at its Dow Texas Operations site in Freeport, Texas by the end of the year.

The closures are part of a broad restructuring plan the Company announced at the end of June 2009, which is designed to right-size Dow's manufacturing footprint and reduce exposure to its capital intensive Basics portfolio.

"Closing these assets will help align Dow's styrene supply with U.S. demand and is another outcome of our plan to optimize our ethylene and styrene envelopes," said Brian Ames, global business director, Olefins, Aromatics and Aromatic Derivatives. "This decision also aligns with Dow's asset light strategy and improves our competitive position in North America."

Dow has secured a long-term contract for reliable styrene supply in the marketplace to meet the styrene demand of its derivative businesses.

In the second quarter of 2009, Dow announced a restructuring plan which included actions to fully integrate ethylene production with internal demand — reducing the Company's ethylene demand on the U.S. Gulf Coast by approximately 30 percent. As a result, Dow expects to eliminate its purchase of ethylene from the merchant market (approximately three billion pounds annually) while improving the Company's cost position.

Dow remains committed to the North American market and to the Dow Texas Operations site in Freeport. Dow Texas Operations is the Company's largest integrated manufacturing site in the world, with approximately 70 production units on site.

Source URL (retrieved on *03/07/2014 - 11:59am*):
http://www.chem.info/news/2009/09/dow-shutdown-texas-plants