

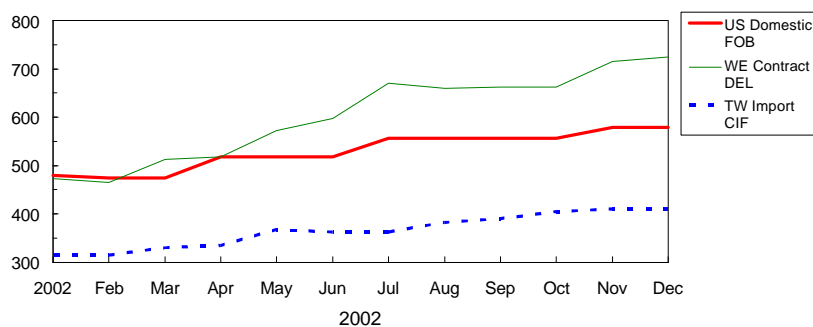
Increased raw material costs and unplanned outages have prompted rising prices globally. For Q4, producers nominated a 2c/lb increase in the US. The volume of acetic acid business in Europe is good and the market continues on the tight side of balanced. For Q4 producers indicated that they wished a price increase of Euro60/ton from 1 October. There is increasing activity from local Chinese producers: this shows them selling again following their various planned and un-planned outages. The November price hike went well for them and prices were in the 4500-4700 RMB range for November. Celanese Chemicals announced on 4 November that it is fully resuming supplies of acetic acid and derivative products from its Singapore plant to Asian customers. Negotiations for the Q3 contract price have been finally concluded recently by Japanese suppliers and their customers. Acetic acid producers claim that the price was settled at an increase of \$25-30/ton over the Q2 price.

Demand in the VAM market in the US is still satisfactory. Producers nominated a 3c/lb increase for Q4. Typically VAM consumers in the US have seen an increase of about 2c/lb. There were mixed views of possible price movements for Q1 in Q4. Some thought prices would be stable on the basis that there would be no real changes on the supply/demand balance or on raw material costs. For others there appeared to be the prospect that producers would seek another increase in Q1. Consumers were rejecting this idea in December. European business is in good shape. Prices moved up in response to producers' announcements of a Euro70 increase for 1 October. Both sides of the market are now looking ahead to Q1. Domestic VAM consumption in Japan remains depressed due to decreases in demand for PVOH and PVAc emulsion. VAM export prices are weakening.

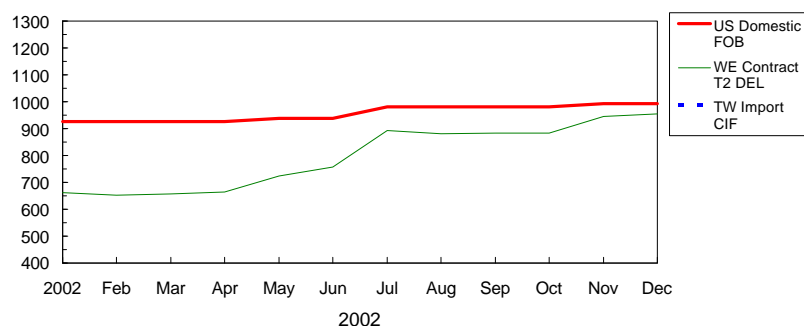
		Nov-02	Dec-02		Dec-02
<b>US PRICES</b>		€/pound	€/pound		\$/ton
Acetic Acid	Domestic	22.5-30.0.	22.5-30.0	FOB	496-661
	Export	16.0-17.0	16.0-17.0	FOB	353-375
VAM	Domestic	41.0-49.0	41.0-49.0	FOB	904-1080
	Export	28.5-35.0	28.5-35.0	FOB	628-772
<b>EUROPEAN PRICES</b>		€/ton	€/ton		\$/ton
Acetic Acid	Contract T <sub>2</sub>	690-740	690-740	DEL	697-747
VAM	Contract T <sub>2</sub>	905-980	905-980	DEL	913-989
	Spot T <sub>1</sub> Rotterdam	788-808	748-768	FOB	755-775
<b>ASIAN PRICES</b>		\$/ton	\$/ton		
Acetic Acid	Taiwan Import	400-420	N.A.	CFR	
	South Korea Import	N.A.	N.A.	CIF	
VAM	Taiwan Import	N.A.	N.A.	CRF	
	South Korea Import	700	700	CIF	

Prices are determined on a monthly basis, normally at the start of the month indicated in the table.

**US, WEST EUROPEAN and TAIWANESE ACETIC ACID PRICES**



**US, WEST EUROPEAN and TAIWANESE VAM PRICES**



**US, WEST EUROPEAN and TAIWANESE VAM MARGINS over 0.76 x ACETIC ACID**

