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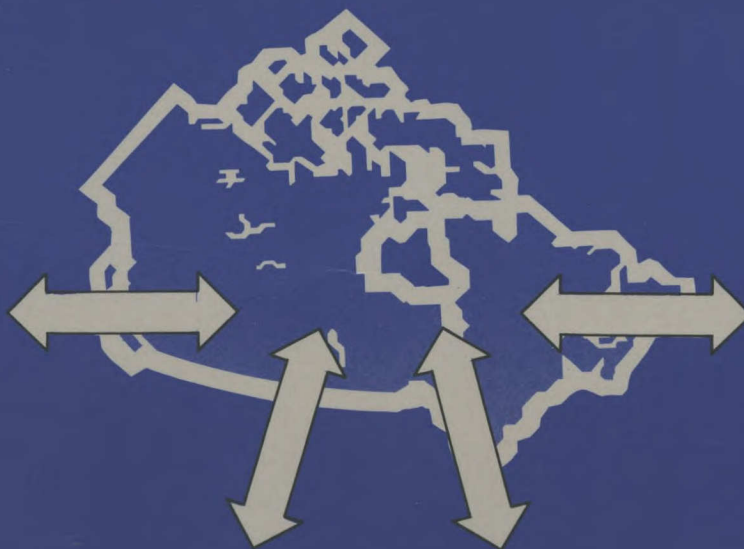
Industrie, Sciences et
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MARKET INTELLIGENCE

SODIUM HYDROXIDE (CAUSTIC SODA)

Pub. No.: 90023-IP

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Canada



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REFERENCE SOURCES

Industry, Science and Technology Canada
Statistics Canada Tel.: (613) 951-9647
Revenue Canada Tel.: (613) 954-6904
U.S. Department of Commerce,
Bureau of the Census
Tel.: (301) 763-7754

TARIFFS

Enquiries concerning **Canadian** tariffs
should be directed to the nearest Customs
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Tariff Programs
Revenue Canada
Customs and Excise
Ottawa, Ontario
K1A 0L5 Tel.: (613) 954-6904

Enquiries concerning tariffs and other
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countries should be directed to:

Info Export
External Affairs
Ottawa, Ontario
K1A 0G2
Tel.: (613) 993-6435 OR
1-800-267-8376

EXPLANATORY NOTES

Commodity Classification

Canadian Trade statistics are classified and published according to the International Convention on the Harmonized Commodity and Description Coding System (H.S.), as defined by the Canadian Customs Tariff and Statistical Nomenclature.

Valuation

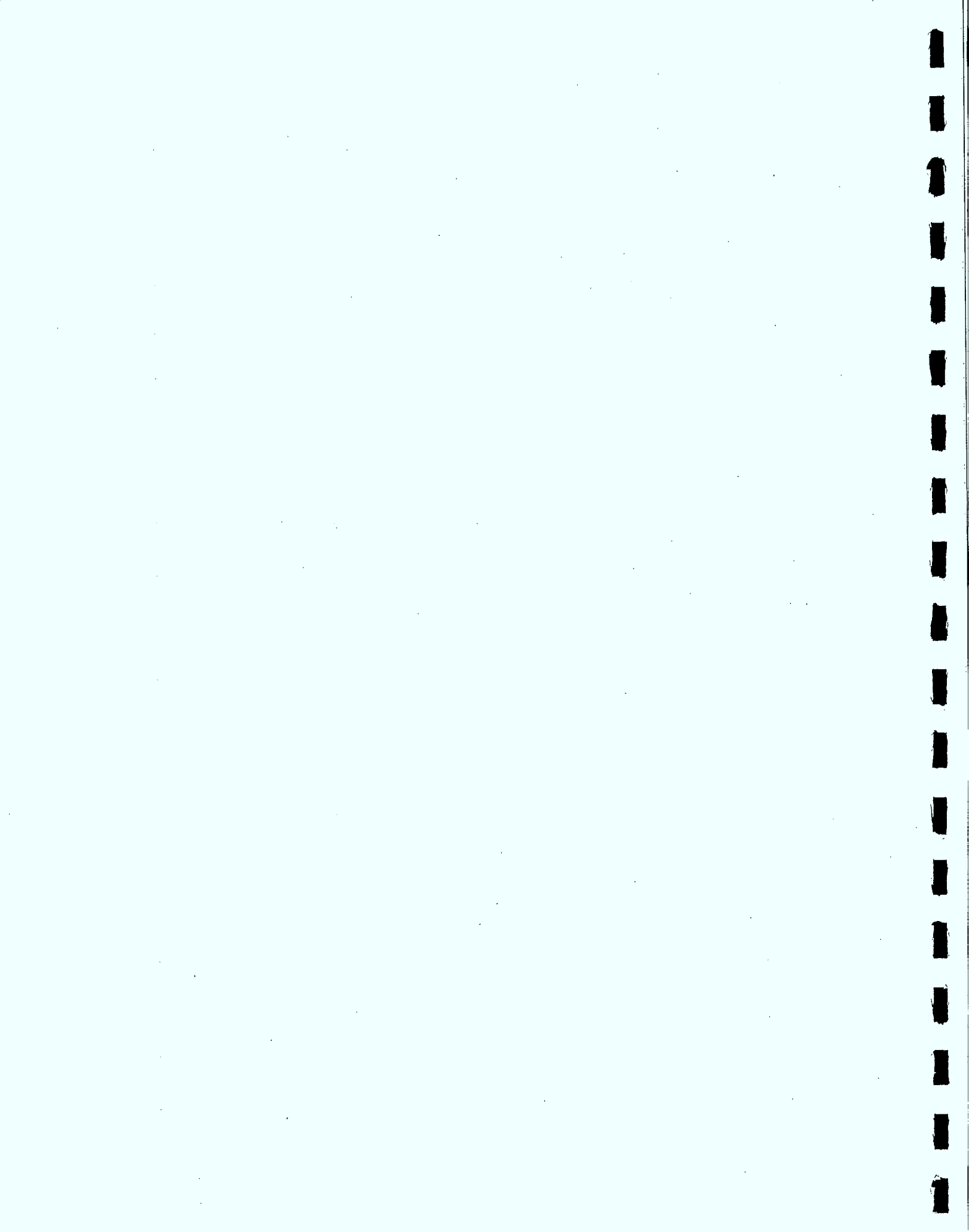
Dollar values shown in this report are based on selling price F.O.B. plant, in Canadian dollars. This selling price represents the value paid by the importer, excluding all freight, packing and insurance costs when specified. All trade discounts, when applicable, are also deducted from the selling price.

Rounding

Figures may not add due to rounding.

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SODIUM HYDROXIDE (CAUSTIC SODA)

INTRODUCTION

This report is part of a continuing series designed to increase business awareness of the potential existing for production in Canada. It is important, however, to emphasize that this report does not attempt any assessment as to the feasibility of competing in a particular market.

This profile is based on data from several sources, including some which are not (readily) available publicly, for the following Harmonized System (H.S.), import commodity codes:

CANADIAN IMPORTS

<u>Description and Commodity Code</u>	<u>Total Imports</u>			<u>Major Country of Origin</u>	
	<u>1988</u>	<u>1989</u>	<u>1990</u> 3 mos.	<u>% of Total Value</u> <u>1988</u>	<u>1989</u>
Sodium hydroxide (caustic soda)					
- Solid					
2815.11					
Quantity (tonnes)	23 361	18 083	5 348	U.S.A.	U.S.A.
Value (\$000)	9 602	9 515	3 087	62	71
Sodium hydroxide (caustic soda)					
- In aqueous solution					
2815.12					
Quantity (tonnes)	266 391	319 711	59 240	U.S.A.	U.S.A.
Value (\$000)	64 274	69 697	11 916	86	97
TOTAL					
Quantity (tonnes)	289 752	337 794	64 588		
Value (\$000)	73 876	79 212	15 003		

Lists of 1988 Canadian importers and 1989 foreign exporters to Canada are given on pages 12 and 14 respectively.

SODIUM HYDROXIDE (CAUSTIC SODA)

CANADIAN IMPORTS BY MAJOR FOREIGN COUNTRY OF ORIGIN

SODIUM HYDROXIDE - SOLID (2815.11)

Foreign Country of Origin	1988				1989			
	Quantity (tonnes)	Value (\$000)	Import Market Share (% based on value)	Average Unit Price (\$/tonne)	Quantity (tonnes)	Value (\$000)	Import Market Share (% based on value)	Average Unit Price (\$/tonne)
United States	14 997	5 925	62	395	13 212	6 803	71	515
Netherlands	1 623	844	9	520	1 970	1 174	12	596
United Kingdom	4 332	1 631	17	377	1 815	932	10	513
Belgium	234	99	1	423	640	320	3	500
Germany, Fed.								
Rep.	1 753	845	9	456	-	-	-	-
Other	422	258	3	611	446	286	3	641
TOTAL	23 361	9 602	100	411	18 083	9 515	100	526

SODIUM HYDROXIDE - IN AQUEOUS SOLUTION (2815.12)

Foreign Country of Origin	1988				1989			
	Quantity (tonnes)	Value (\$000)	Import Market Share (% based on value)	Average Unit Price (\$/tonne)	Quantity (tonnes)	Value (\$000)	Import Market Share (% based on value)	Average Unit Price (\$/tonne)
United States	247 732	55 134	86	223	311 868	67 876	97	218
Italy	3 102	1 496	2	482	4 369	1 133	2	259
United Kingdom	5 566	3 140	5	564	3 340	649	1	194
Germany, Fed.								
Rep.	6 597	2 614	4	396	-	-	-	-
Spain	2 144	1 130	2	527	-	-	-	-
Netherlands	1 215	736	1	606	-	-	-	-
Other	35	24	0	686	135	38	0	281
TOTAL	266 391	64 274	100	241	319 711	69 697	100	218

SODIUM HYDROXIDE (CAUSTIC SODA)

CANADIAN PRODUCTION

There are at least 15 Canadian manufacturers of sodium hydroxide. Statistics Canada reports production of this product as follows:

Canadian Production

<u>Commodity Description</u>	<u>1988</u> (tonnes)	<u>1989</u> (tonnes)	<u>Jan.-April 1990</u> (tonnes)	<u>% Change 1989/1988</u>
Sodium hydroxide (Caustic soda)	1 719 658	1 541 804	584 996	-10.3

CANADIAN EXPORTS

Statistics Canada reports Canadian exports of sodium hydroxide as follows:

<u>Description and Commodity Code</u>	<u>Total Exports</u> <u>1988</u>	<u>1989</u>	<u>Major Country of Export</u> <u>% of Total Value</u>	
			<u>1988</u>	<u>1989</u>
Sodium hydroxide				
- Solid				
2815.11				
Quantity (tonnes)	44 081	34 345	U.S.A.	U.S.A.
Value (\$000)	8 560	7 885	99.6	87.8
Average Unit Price (\$/tonne)	194	230		
Sodium hydroxide				
- In aqueous solution				
2815.12				
Quantity (tonnes)	422 322	469 001	U.S.A.	U.S.A.
Value	72 378	99 557	89.9	78.2
Average Unit Price (\$/tonne)	171	212		
TOTAL				
Quantity (tonnes)	466 403	503 346		
Value (\$000)	80 938	107 442		

SODIUM HYDROXIDE (CAUSTIC SODA)

UNITED STATES' IMPORTS

The United States Department of Commerce reports U.S. imports as follows:

U.S. IMPORTS - 1989

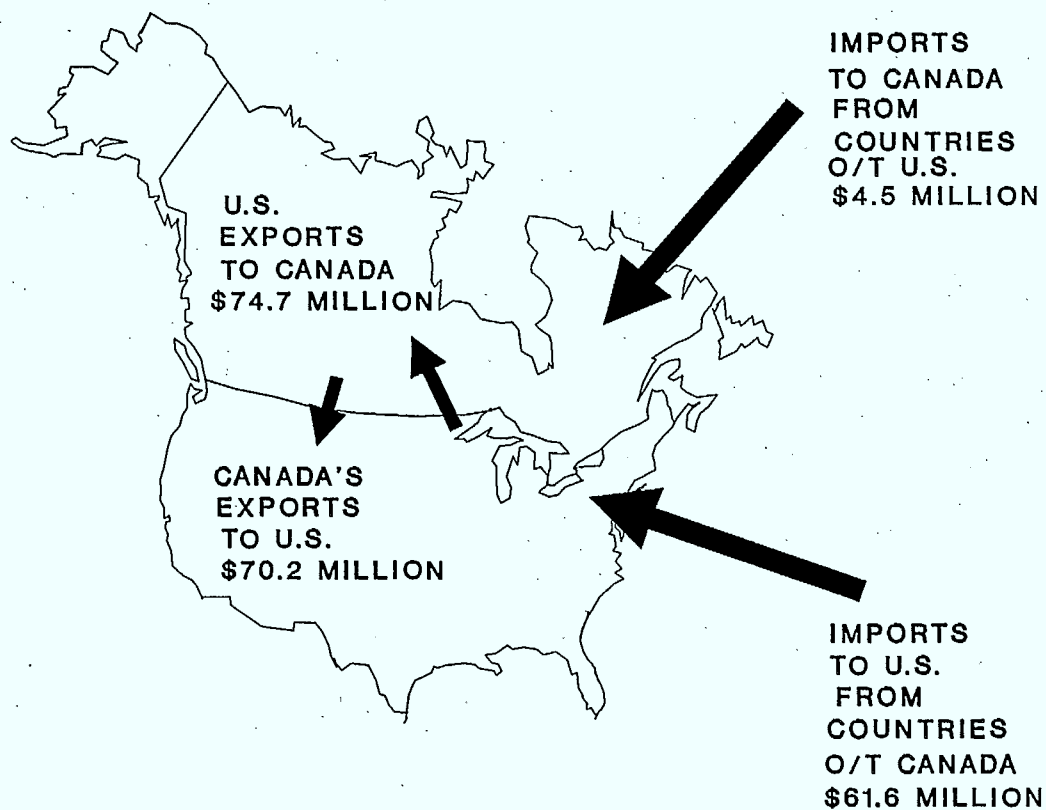
<u>Commodity*</u> <u>Code</u>	<u>Description</u>	<u>Total Imports</u>		<u>Major Country of Export to U.S.</u>		
		<u>Quantity</u> (tonnes)	<u>Value</u> (\$000)	<u>Country</u>	<u>Value</u> (\$000)	<u>% of Total</u>
2815.11	Sodium hydroxide (caustic soda) - Solid	70 731	18 814	Canada	6 702	36
2815.12	Sodium hydroxide (caustic soda) - In aqueous solution	<u>480 462</u>	<u>113 007</u>	Canada	<u>63 471</u>	<u>56</u>
	TOTAL	<u>551 193</u>	<u>131 821</u>		<u>70 173</u>	<u>53</u>

* Prior to 1989, commodity coding was based on the Tariff Schedule of the United States (TSUSA). Starting in January 1989, the Harmonized Commodity Description and Coding System (H.S.) was adopted by the United States. Commencing January 1990, Canada and the United States have been exchanging import data. The above discrepancy between what Canada reports as exports to the United States and what the United States reports as imports from Canada will no longer exist for trade from January 1, 1990.

SODIUM HYDROXIDE (CAUSTIC SODA)

NORTH AMERICAN IMPORTS*

1989



North America Imports - \$66.1 Million*

* Excludes Canada - U.S. Bilateral Trade; Excludes Mexico

**SODIUM HYDROXIDE
(CAUSTIC SODA)**

NORTH AMERICAN IMPORTS*

	<u>1989</u> <u>Value</u> <u>(\$000)</u>
CANADA'S IMPORTS	
From the United States	74 679
From Other Countries	4 533
U.S. IMPORTS	
From Canada	70 173
From Other Countries	61 648
NORTH AMERICA'S IMPORTS*	66 181

* Excludes Canada - U.S. Bilateral Trade; Excludes Mexico

SODIUM HYDROXIDE (CAUSTIC SODA)

MARKET SUMMARY

Canada - 1988

	<u>Sodium Hydroxide End Use as Per Cent of Total</u>	<u>Tonnes (000)</u>	<u>Forecast Per Cent Growth/Year Through 1993</u>
Pulp and Paper	63	920	1.8
Chemicals	12	177	0.8
Mining and Metallurgy	8	115	0.8
Soaps, Detergents and Cleaners	5	77	2.0
All Other	<u>12</u>	<u>173</u>	<u>1.5</u>
TOTAL	100	1 462	1.8

For the pulp and paper sector, use is split about 55 per cent for the bleaching of pulp and 45 per cent for the pulping process itself. Low growth is expected in pulping as the trend to thermal mechanical pulping, not requiring sodium hydroxide, continues, but higher growth is expected in the bleaching application. These estimates, of course, are dependent on continued high export performance of the pulp and paper sector.

Exports of sodium hydroxide are expected to remain at about 25 per cent of production in the 1990-1995 period. Imports are expected to continue at about 18-20 per cent of domestic market.

Market Outlook

Sodium hydroxide and chlorine are co-produced in a 1.1 to 1 ratio by weight by the electrolysis of salt. Each product serves different markets, and the major challenge for producers is to sell out the entire production of both products. When this is not possible, operations have to be restricted to the level set by storage capacity for the product which is in oversupply.

Canadian caustic soda plants are near capacity, and are expected to stay near capacity in the period to 1993. However, the demand for co-produced chlorine is in decline as its partial replacement in pulp bleaching continues.

As a result, users able to do so are substituting purchased soda ash. As well, U.S. soda ash producers are developing plants to produce caustic soda from soda ash on site so as to avoid the linkage to chlorine production.

SODIUM HYDROXIDE (CAUSTIC SODA)

CANADIAN IMPORTERS - 1988

SODIUM HYDROXIDE - SOLID

The principal 25 importers of solid sodium hydroxide accounted for 97 per cent of the total import value during 1988.

<u>Principal Importers (No.)</u>	<u>Cumulative Value (\$000)</u>	<u>Per Cent of Total Value</u>
5	6 748	70
10	8 044	84
15	8 700	91
25	9 279	97
All Importers (69)	9 602	100

The principal 25 importers are listed below in alphabetical order.

<u>Name</u>	<u>Address</u>	<u>Name</u>	<u>Address</u>
Baroid of Canada Ltd.	Calgary, Alta.	Kingsley & Keith (Canada) Inc.	Etobicoke, Ont.
BCL Canada, Div. of Intl. Paints (Canada) Ltd.	Cornwall, Ont.	LCP Chemical, Div. of Hamlin Group Inc.	Montréal, Qué.
Canada Colors & Chemicals Ltd.	Don Mills, Ont.	Lubrizol of Canada Ltd.	Niagara Falls, Ont.
Chemarketing Industries Inc.	Etobicoke, Ont.	MacDermid Chemicals Inc.	Mississauga, Ont.
CIL Inc.	Willowdale, Ont.	Mallinckrodt Canada Inc.	Poite-Claire, Qué.
CIP Inc.	Vancouver, B.C.	Multichem Inc.	Anjou, Qué.
Circo Craft Co. Inc.	Kirkland, Qué.	Pennwalt Inc.	Oakville, Ont.
Crown Forest Industries Ltd.	New Westminster, B.C.	Prairie Industrial Chemicals Inc.	Saskatoon, Sask.
Dow Chemical Canada Inc.	Sarnia, Ont.	Produits Chimiques Handy Ltée.	La-Prairie, Qué.
Harrisons & Crosfield (Canada) Ltd.	Willowdale, Ont.	Quadra Chemicals Ltd.	St-Laurent, Qué.
Hollimex Products Ltd.	Edmonton, Alta	Rolland Inc.	St-Jérôme, Qué.
Kaiser Aluminum & Chemical of Canada Ltd.	Scarborough, Ont.	Sodrox Chemicals Limited	Guelph, Ont.
		Van Waters & Rogers Ltd.	Richmond, B.C.

SODIUM HYDROXIDE (CAUSTIC SODA)

CANADIAN IMPORTERS - 1988

SODIUM HYDROXIDE - IN AQUEOUS SOLUTION

The principal 25 importers of sodium hydroxide in aqueous solution accounted for 99 per cent of the total import value during 1988.

<u>Principal Importers (No.)</u>	<u>Cumulative Value (\$000)</u>	<u>Per Cent of Total Value</u>
5	51 488	80
10	58 122	90
15	61 919	96
25	63 726	99
All Importers (102)	64 274	100

The principal 25 importers are listed below in alphabetical order.

<u>Name</u>	<u>Address</u>	<u>Name</u>	<u>Address</u>
Abitibi Price Inc.	Toronto, Ont.	Crown Forest Industries Ltd.	New Westminster, B.C.
Aluminium Company of Canada Ltd.	Montréal, Qué.	Dow Chemical Canada Inc.	Sarnia, Ont.
BC Forest Products Ltd.	Vancouver, B.C.	Ford Motor Company of Canada Ltd.	Oakville, Ont.
Bowaters Mersey Paper Company Ltd.	Liverpool, N.S.	Harrisons & Crosfield Pacific Ltd.	New Westminster, B.C.
Canada Colors & Chemicals Ltd.	Don Mills, Ont.	Kingsley & Keith (Canada) Inc.	Etobicoke, Ont.
Chatterton Petro Chemical Corporation	Delta, B.C.	Lamoureux International Inc.	Montréal, Qué.
Chemarketing Industries Inc.	Etobicoke, Ont.	MacMillan Bloedel Limited	Vancouver, B.C.
CIL Inc.	Willowdale, Ont.	National Silicates Limited	Toronto, Ont.
CIP Inc.	Vancouver, B.C.	Occidental Chemical Corp.	Pottstown, PA, USA*
	Montréal, Qué.	Procter & Gamble Inc.	Toronto, Ont.
Compagnie de Papier QNS Ltée., La	Baie Comeau, Qué.	Sentinel Lubricants Corp.	Montréal, Qué.
		Sodrox Chemicals Limited	Guelph, Ont.
		Stelco Inc.	Hamilton, Ont.
		Uniroyal Chemical Ltd.	Elmira, Ont.
		Weyerhaeuser Canada Ltd.	Kamloops, B.C.

* Non resident importer

SODIUM HYDROXIDE (CAUSTIC SODA)

FOREIGN EXPORTERS TO CANADA

JANUARY - SEPTEMBER 1989

Major exporters to Canada of sodium hydroxide are listed by major country of origin in descending order of dollar value. These exporters accounted for 96 per cent of the total value of Canadian imports during the period January to September 1989.

A) SODIUM HYDROXIDE - SOLID

<u>Country</u>	<u>Exporter Name</u>	<u>Value of Exports to Canada Jan.-Sept. 1989 (\$000)</u>
United States	Occidental Chemical Corp.	2 144
	PPG Industries Inc.	1 205
	Pennwalt Corp.	1 126
	Vulcan Chemicals	1 127*
	LCP Chemicals	
Netherlands	Akzo Chemie BV	1 024*
	Molen Chemie BV	
	NPBI	

B) SODIUM HYDROXIDE - IN AQUEOUS SOLUTION

United States	Dow Chemical International	32 418
	Occidental Chemical Corp.	4 601
	Pennwalt Corp.	3 246
	Weyerhaeuser Co.	3 207
	PPG Industries Inc.	2 224
	LCP Chemicals	2 169
	Olin Corp.	1 853
	Holtra Chemical Georgia Pacific Corp.	2 775*

* Aggregated to preserve confidentiality of Canadian importers.

