

Leuco dye market globally jolted by China plant closure

OAKLAND, CA, Sept. 28, 2017 (RISI) - A specialty chemicals plant in China that has a large share of global leuco dye demand was recently closed by the government of China for a minimum of three months, contacts said. The shut has jolted thermal paper producers, with reports that one of the largest thermal paper producers recently shut at least one coater.

The Connect Chemical plant was shut as part of an anti-pollution campaign by the government of China on industrial manufacturers. In another anti-pollution effort, the government in China plans to ban “unsorted” recyclables including recovered paper and since late May has not release import licenses for recovered paper. The China government filed a report to the World Trade Organization about the ban in August.

For coated thermal paper products, contacts said the Connect Chemical's share of the global leuco dye market is about 35% to 40%. The world thermal paper market is about one million tons/yr, with about two-thirds of that tonnage for receipt paper, based on estimates.

Leuco dye is a key ingredient in coating for thermal and carbonless paper, and for barrier coating for packaging grades, contacts said.