

COLIN A. HOUSTON & ASSOCIATES  
20 Milltown Road, Suite 206  
Brewster, NY 10509  
Fax: 845-279-7751  
E-mail: CAHA1@colinhouston.com

Contact:  
Joel H. Houston  
845-279-7891

November 16, 2007

For Immediate Release

LINEAR ALKYL BENZENE (LAB) GROWTH TO  
AVERAGE 2.5 PERCENT PER YEAR

Demand for linear alkylbenzene (LAB) will grow at 2.5 percent per year between 2006 and 2016, despite increasing competition from other surfactant materials, according to Colin A. Houston & Associates (CAHA), a chemical consulting firm based in Brewster, NY. Competitors like methyl ester sulfonates and alcohol derivatives are also forecast to grow at a combined annual rate of 5 percent, but LAB will hold its own, especially in the burgeoning markets for surfactants in Asia, and in East Europe, the Middle East and Africa (Other Regions). Branched alkylbenzene (BAB) use is less than 3 percent of total alkylate consumption and will continue to decline. These are some findings included in a new report by CAHA entitled, *Detergent Alkylates - World Markets, 2006-2016*.

MORE

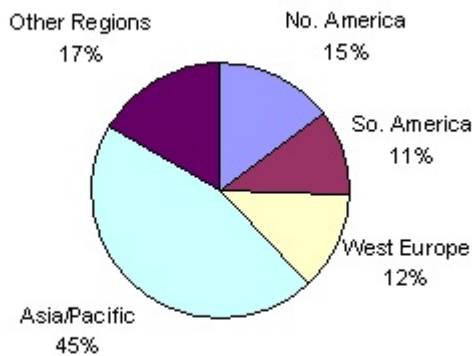
MORE

MORE

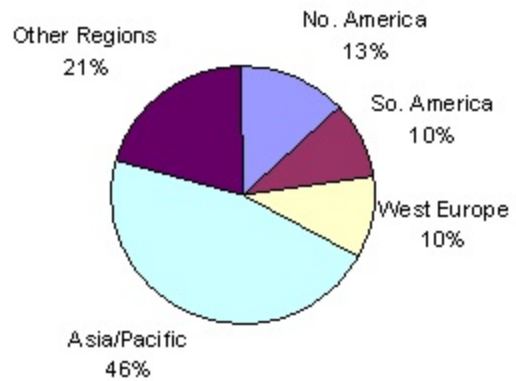
MORE

MORE

## LINEAR ALKYL BENEZENE CONSUMPTION BY REGION, 2006 AND 2016



2006 TOTAL = 2.9 MILLION TONS



2016 TOTAL = 3.7 MILLION TONS

The world capacity for detergent alkylate stands at 3.8 million tons, but capacity utilization in 2006 was only 76 percent, partly due to feedstock supply and cost issues. Shortfalls in the output of n-paraffins have limited LAB production. In addition, a number of operators ran for only a partial year. Several producers entered the market while several others took leave. The idling of two large LAB plants in 2007 in North America and West Europe will contribute to higher operating rates.

Announced new capacities totaling 250,000 tons/year will be adequate to carry the market through 2010. This may prove to be conservative if the number of closures and idlings of older capacity increases.

CAHA's new study found significant regional differences in the outlook for LAB use. The Other Regions LAB market is forecast to experience 4.4 growth from 2006 to 2016, the largest of any regional sector. Other Regions accounted for 17 percent of global LAB use in 2006. The Asia/Pacific region will remain the largest regional market for LAB over the 2006-2016 period, currently consuming 45 percent of

the world's LAB. North America, which includes Mexico in this study, is expected to grow at 1.5 percent annually until 2016. This is mostly attributed to Mexico's continuing growth in LAB consumption. Latin America, which has nearly completed the transition away from detergent based on BAB, is projected to show 1.3 percent grow in LAB use over the forecast period. Central and West Europe is a mature LAB market and is forecast to grow at 0.4 percent through 2016.

“Oleo-based surfactants are suffering from rising fats and oil prices,” says CAHA's President, Joel Houston. “The price increases have disrupted the launch of nearly a million tons of new alcohol capacity, originally due for start-up in the 2006-2007 period. Hindrances such as these have shifted detergent alkylates into a more favorable competitive position.” Other competing surfactants such as MES could pose a greater threat to LAB, if the basis for competition were to change. However, a lack of available capacity and customer experience currently restrains its consumption in detergents.

Further details of CAHA's study are available on CAHA's website at [www.colin-houston.com](http://www.colin-houston.com) or from Colin A. Houston & Associates, Inc., 20 Milltown Road, Suite 206, Brewster, NY 10509; Phone: 845-279-7891; Fax: 845-279-7751.