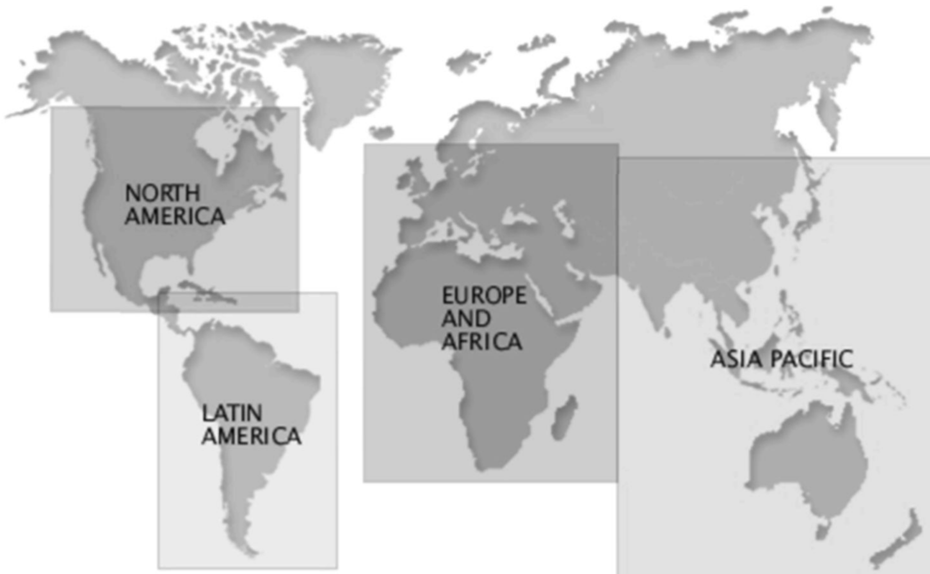

NYLON CHAIN REPORT - 2006 -

A Global Statistical Compendium

Published by YarnsandFibers

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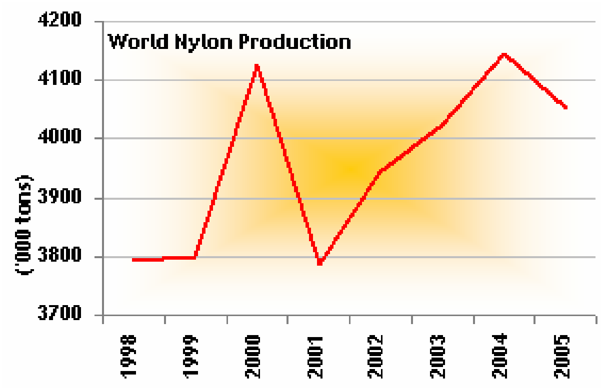
NYLON

PREFACE

The "Nylon Chain Report: 2006" contains 97pages packed with up-to-date statistics covering the entire value chain starting from benzene, followed by the intermediate (Caprolactum), down to nylon yarn and fibers. The Report consists of tabulations and graphical presentation of trends, statistics of demand and supply in the nylon chain across countries along with an objective analysis of the behaviour of individual segments of the value chain. Major investments and capacity shut down have also been briefly captured. In addition to the above, the report also covers times series on production, imports, exports and apparent consumption for the period 2000 to 2005. Processes description, end use and derivatives along with the latest producer-wise capacity are added feature of this report

HIGHLIGHTS

In 2005, the US$ 15 billion plus nylon fiber/yarn industry declined 2% in terms of volume. During the year, global production of nylon touched 4,054 thousand tons. Nylon accounts for 12% of all chemical fibres produced in the world. This share has fallen drastically from 23% in early 1980s. During the last 5-year period ended 2005, nylon production declined at a rate of 0.35% per annum.



Global nylon production capacity in 2005 was at 5130 thousand tons. Of this, around 43% is located in Asia while North America accounts for nearly 30% of global production capacity. West Europe accounts for 13% of global production while the Middle East accounts for nearly 3% of the same. Other production regions were Central and East Europe along with South and Central America. USA continues to dominate the nylon world, with a share of 25% in 2005 in terms of capacity and27% in terms of production. However, the share has fallen steadily from 32% in 1990s. In staple fibre, USA controls almost 66% of the World's supplies. West Europe, which in early 1990s accounted for 18% of all nylon production, saw its share dwindle to 13% in 2005. West Europe largely produces filament yarns.

In 2005, energy prices surged to all time highs leading to rise in global commodity prices. Prices of feedstock and intermediates followed suit. Caprolactum prices rose 18% in USA and by 22% in Asia in 2005, largely reflecting the surging benzene values. The price rise in raw materials was absorbed by nylon which also rose 25% in USA and 19% in Asia.

With regard to the new capacities being set up in near future, about 110,000 tons of nylon capacity is underway, including 50,000 of nylon 6, and 59,000 tons of nylon 6,6. The largest project of 48,000 tons of nylon 6,6 is proposed in Korea while in case of nylon 6, a 49,000 ton plant is being set up in China. Other projects coming up are in Thailand, India, Canada and Spain.

The Nylon Chain 2005

('000 Tons)

	Benzene	Caprolactum	Nylon
Capacity	43,906	4,340	5,199
Production	38,691	4,037	2,711
Consumption	38,363	3,525	4,400