

Questions specific to global acetic acid pricing reports**5. Should ICIS expand the range of customer sizes covered by European acetic acid contract price assessment to 10,000-60,000 tonnes/year from the current 15,000-30,000 tonnes/year to better reflect the current market structure?**

What really matters in this price assessment is a good read of how pricing is evolving during freely negotiated discussions between suppliers and customers who are under contract. While we welcome ICIS' idea to expand the range to include customers with smaller volume size, we do not think size should be a limiting factor while determining the extent of change in market price movement. Our reasons are as follows:

- European customers with annual volume requirements of 10,000 tonnes+ typically do not transact large volumes on a freely negotiated basis. Their preference is to link themselves to an index such as ICIS or a raw material based formula. Pricing for such mechanisms should not be included in ICIS reported values as they do not reflect realtime outcome of negotiated market pricing.
- We are concerned that very few data points fit the existing definition of customers covered by the European acetic acid contract price assessment given pricing dynamics in the region. Lowering the low end of the range to 10,000 tonnes / year will help but will still not give ICIS enough data points to assess true changes to contract price moves based on negotiations. By expanding the range to include even smaller customers who purchase based on quarterly freely negotiated contracts, ICIS will have more data points on contract market pricing and will therefore be able to reflect market price movements in its ranges more accurately.
- Given pricing dynamics and the limited number of freely negotiated commerce that happens in the region under contract, we recommend that ICIS not limit its assessment of price change under this index category by size of customers. If however, you absolutely have to do so in line with your methodology, we recommend that you lower the low end of the range of customer sizes covered by European acetic acid contract price assessment to 3,000 tonnes/year.
- Additionally, we request that if the change in methodology yields a different range, ICIS identifies the change in price range as a non market adjustment and provides an accurate value that describes the change in market pricing for the quarter when such a change will take effect. This will enable market participants using ICIS in their formulas to apply the market adjustment in their price calculations.



6. Should ICIS redefine the Acetic Acid (US Gulf) “Spot FOB Export” price assessment as “Spot”? Yes/No

Yes.

Additionally, we request that if the change in methodology yields a different range, ICIS identifies the change in price range as a non market adjustment and provides an accurate value that describes the change in market pricing for the week when such a change will take effect. This will enable market participants using ICIS in their formulas to apply the market adjustment in their price calculations.