

Distribution of volume of customer purchases and prices

Distribution of customers by size of purchases

1. In the case of some products, producers may have a small number of major customers. These are typically large chemical companies such as Ciba, often with a global presence. These companies can account for a significant percentage of sales; Ciba accounts for [REDACTED] per cent of the UK demand for DMAE and for more than [REDACTED] per cent of Air Products' sales in the UK. Taminco said that it had quite a fragmented customer portfolio; Air Products' data showed that it had a much greater proportion of output accounted for by large customers.
2. Table 1 presents the distribution of sales quantities accounted for by Taminco's customers in the given size ranges. These figures are based on monthly invoiced totals for August 2003 to July 2004. These show that a small number of customers account for a significant share of purchases. This is much more marked for Air Products, where Air Products' top five customers account for [REDACTED] per cent of revenues, and the top ten customers [REDACTED] per cent of sales revenues. The five largest customers account for a high proportion (over [REDACTED] per cent) of Air Products' sales for each of the three AAAs.

TABLE 1 Taminco's customer distribution, by volume of purchases

	Customer quantity (tonnes)	Number of customers	Quantity for given customer size (tonnes)	% of total quantity
MMA				
DMA				
TMA				
DMF				
MMEA			✂	
MDEA				
DMAE				
Choline chloride				

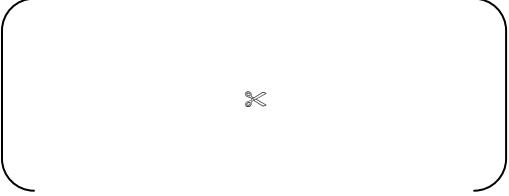
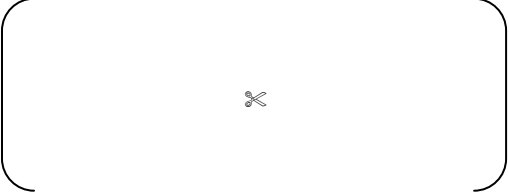
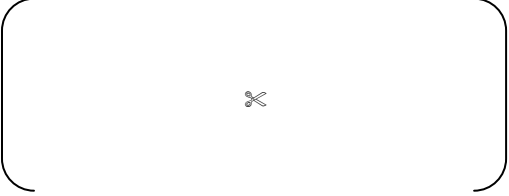
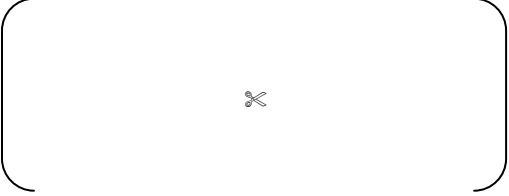
Source: Taminco.

Range of invoiced prices

- Table 2 shows the range of invoiced prices for Taminco's sales of products between August 2003 and July 2004. It is based on sales of greater than 10 tonnes in order to exclude very small, and hence possibly high-priced, deals. Taminco stressed that interpretation should take account of differences in contracts, for example spot purchases versus long-term contracts with locked-in prices, and different delivery options. However, the data shows a wide range of realized prices, with maximum

prices being two to three times minimum prices. Taminco provided pricing grouped by size of contract, which showed that minimum, maximum and average prices per order tended to fall as order sizes increased, for all products.

TABLE 2 Range of invoiced priced for Taminco sales, 2003/04

	<i>€ per tonne</i>			
	<i>Maximum</i>	<i>Minimum</i>	<i>Mean</i>	<i>Standard deviation</i>
MMA				
DMA				
TMA				
DMF				
MMEA				
MDEA				
DMAE				
Choline chloride				

Source: Taminco.