Production capacities, production and UK demand for white salt

1. This appendix sets out our analysis of:

   (a) the production capacities of UK vacuum salt producers, and major European producers that export to the UK, and capacity utilization; and

   (b) UK demand for white salt.

Production capacities and actual production (capacity utilization)

2. Table 1 shows the maximum production capacities of the three UK vacuum salt producers and the three major European producers that export to the UK. Production capacities are provided for vacuum salt, rock salt and solar salt. Where possible, vacuum salt is analysed further into UV, PDV, compacted and pharmaceutical salt production capacities. For the three European producers, information on capacity and capacity utilization was more limited and so these were analysed only to the extent that such information was available.

3. Analysis of production capacities by type of vacuum salt are complicated by the different configurations of each producer's plant. [✂]. Other producers have facilities that have been configured with evaporation, drying and bagging resources for a range of product mixes. Changes in volumes of one product (for example, PDV) may therefore impact on the capacity to produce another product (for example, compacted). In terms of the main constraints on capacity, PDV salt production is primarily constrained by drying capacity and compacted salt production by the ability to compact and bag the salt. We have assumed that each UV producer is able to produce its entire capacity in UV salt. Whilst this affects capacity figures for UV salt, it does not affect capacity figures for PDV and compacted salt. Given the different plant configurations, the overall vacuum capacity is therefore the most reliable since, with the exception of NCSW when producing pharmaceutical salt, it is largely unaffected by the product mix.

TABLE 1 **Maximum production capacities**

'000 tonnes

	UV	*PDV*	*Compacted*	*Pharma*	*Overall vacuum*	*Rock*	*Solar*
British Salt	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]
Salt Union	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]
NCSW	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]
Akzo	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ESCO	[✂]	[✂]	N/A	N/A	[✂]	[✂]	[✂]
Salins du Midi	N/A	N/A	N/A	N/A	[✂]	[✂]	[✂]
Total	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]	[✂]

Source: CC analysis of British Salt, Salt Union, NCSW, Akzo, ESCO and Salins du Midi data.

Notes:
1. British Salt is capable of drying all its UV production into PDV salt. We have therefore presented the maximum UV and PDV capacity, although clearly it could not produce these volumes at the same time.
2. In the event that NCSW were to produce pharmaceutical salt to its full capacity of [✂] tonnes per annum, its overall production capacity would be reduced to 74,000 tonnes per annum.
3. [✂].
4. N/A = not available.

4. Table 2 shows 2004 production figures for each of these producers and Tables 3 and 4 give the volume and percentage of maximum production capacity available (ie maximum spare capacity) after taking account of 2004 production.

TABLE 2 **Production, 2004**

'000 tonnes

	UV	*PDV*	*Compacted*	*Pharma*	*Overall vacuum*
British Salt	[✂]	[✂]	[✂]	[✂]	[✂]
Salt Union	[✂]	[✂]	[✂]	[✂]	[✂]
NCSW	[✂]	[✂]	[✂]	[✂]	[✂]
Akzo	N/A	N/A	N/A	N/A	N/A
ESCO	[✂]	[✂]	N/A	N/A	[✂]
Salins du Midi	N/A	N/A	N/A	N/A	[✂]
TOTAL	[✂]	[✂]	[✂]	[✂]	[✂]

Source: CC analysis of British Salt, Salt Union, NCSW, Akzo, ESCO and Salins du Midi data.

Notes:
1. Not all production figures are known. [✂].
2. N/A = not available.
3. Rows may not sum due to rounding.

TABLE 3 **Maximum spare capacity, 2004**

'000 tonnes

	UV	*PDV*	*Compacted*	*Pharma*	*Overall vacuum*
British Salt	[✂]	[✂]	[✂]	[✂]	[✂]
Salt Union	[✂]	[✂]	[✂]	[✂]	[✂]
NCSW	[✂]	[✂]	[✂]	[✂]	[✂]
Akzo	N/A	N/A	N/A	N/A	N/A
ESCO	[✂]	[✂]	N/A	N/A	[✂]
Salins du Midi	N/A	N/A	N/A	N/A	[✂]
Total	[✂]	[✂]	[✂]	[✂]	[✂]

Source: CC analysis of British Salt, Salt Union, NCSW, Akzo Nobel, ESCO and Salins du Midi data.

Note: N/A = not available. Rows may not sum due to rounding.

TABLE 4 **Maximum spare capacity, 2004**

per cent

	UV	*PDV*	*Compacted*	*Pharma*	*Overall vacuum*
British Salt	[✂]	[✂]	[✂]	[✂]	[✂]
Salt Union	[✂]	[✂]	[✂]	[✂]	[✂]
NCSW	[✂]	[✂]	[✂]	[✂]	[✂]
Akzo	N/A	N/A	N/A	N/A	N/A
ESCO	[✂]	[✂]	N/A	N/A	[✂]
Salins du Midi	N/A	N/A	N/A	N/A	[✂]
Total	[✂]	[✂]	[✂]	[✂]	[✂]

Source: CC analysis of British Salt, Salt Union, NCSW, Akzo Nobel, ESCO and Salins du Midi data.

Notes:
1. N/A = not available.
2. Rows may not sum due to rounding..

UK white salt demand

5. Figure 1 shows total UK white salt demand for the UK and main European producers for 2000 to 2004. The chart shows that demand for white salt has fallen from nearly 1.2 million tonnes in 2000 to just over 900,000 tonnes in 2004.

FIGURE 1

UK demand for white salt, 2000 to 2004

[✂]

Source: CC analysis of British Salt, Salt Union, NCSW, Akzo, ESCO and Salins du Midi capacity data.
Note: Numbers are based on a combination of actual UK sales for 2002 to 2004 and British Salt estimates for 2000 to 2001.

6. Figure 2 shows total sales volumes of PDV and compacted product for each of the producers from which we have obtained data for 2000 to 2004. The chart shows that UK demand for PDV and compacted salt fell from 750,000 tonnes to 660,000 tonnes from 2000 to 2002, but has remained relatively stable at that level from 2002 to 2004.

FIGURE 2

UK demand for PDV and compacted salt, 2000 to 2004

[✂]

Source: CC analysis of British Salt, Salt Union, NCSW, Akzo, ESCO and Salins du Midi capacity data.