



ICIS Methanol Methodology Consultation

Response 6

Q1 - *Do you think the current China price reflects market situation?*

No. Current ICIS CFR China price is too high to China customer after converting into RMB price plus importing tax (5.5%) and VAT (17%).

Q2 - *Do you think the price range is wide?*

No. Wide or not is not the key point, any price reflecting market deals conclusion should be quoted.

Q3 - *We will keep the original CFR China (all origins) quotation. Do you agree to publishing a parallel price quotation that reflects only Iran or non-Iranian cargoes selling in China?*

No. CFR China means methanol loaded from overseas countries and terminals shifting to China ports, including vessel freight rate, shifting time, loading and discharging port agents, when vessel arrives at China, customers have to pay agent fees, importing tax, VAT, storage fees no matter what origin of the methanol. For Middle East origin methanol, Saudi, Qatar, Oman, Iran, the importing tax and VAT from above origins are same, Iranian methanol vessel's freight rate is even double higher expensive than other Middle East origin's methanol.

China methanol importing volume in year 2010, 2011, 2012 are respectively 5.19, 5.73, 5.0 million tons, among them, Iranian origin methanol are 2.15, 2.31, 1.9 million tons, Iranian cargo quantity is 40% of China annual totally importing volume. Such high quantity from one origin of course reflect China methanol market situation and Iranian methanol price also is the main price in China market.

Although US and EU have sanction to Iran, but that is their own decision not world people decision. If a price publication unilaterally distinguish Iran from other Middle East countries, that is an extreme act of racial discrimination. Customers in China won't use this price.

Q4 - *If you support 3), the sub price quotation might be illiquid (i.e. Thinly traded, few or no deals), do you agree to participate in fixed numbered spot trades that will support the assessment accuracy?*

No.

Q5 - *What is the preferred time for launching the new price quote?*

Don't agree launch, otherwise, we will choose other price publications, CMAI, Argus or Platts.

Q6 - *We intend to add the wording (Singapore/ West Malaysia) to the CFR SE Asia major ports to better reflect ports assessed. Method of assessment remains unchanged, we have only been assessing these markets in SE Asia. Do you agree?*

Agree.