

OCTOBER 25, 1993

CARTEL MEETING IN IRVINE, CALIFORNIA

CARTEL MEMBERS ALLOCATE WORLDWIDE SALES VOLUMES

Segment 5 - October 25, 1993, Irvine, California - Video Tape

WHITACRE: Fourteen thousand tons.

ANDREAS: So we got fourteen thousand tons of growth.

YAMADA: Yeah.

ANDREAS: In one year.

YAMADA: Yeah.

ANDREAS: So the question is who gets that growth.

YAMADA: Yeah.

ANDREAS: That's for, it doesn't matter whether we believe each other or not, that that's how much growth there's gonna be. If it's, if the market's two thirty, it's gonna be thirteen thousand. If the market's two fifty, it's gonna be fourteen thousand. So it's, so it's one thousand tons difference.

WHITACRE: (ui).

ANDREAS: Right?

WHITACRE: It's peanuts if its two hundred and forty-five thousand ton.

ANDREAS: Yeah. So now KYOWA would like to have...

IKEDA: Well uh...

ANDREAS: How much of that growth would they like to have... compared to this year?

IKEDA: Uh, excuse me uh, o, only the figure they can agree will be...

YAMADA: Forty-six.

ANDREAS: Forty-six.

IKEDA: Forty-six.

WHITACRE: For ninety-four?

IKEDA: Yeah. Even ninety-four or ninety, even ninety-five.

ANDREAS: So...

WHITACRE: Well that's two thousand tons out of that, that's...

ANDREAS: So they want...

WHITACRE: two.

ANDREAS: two.

WHITACRE: They want two.

ANDREAS: KYOWA wants two.

IKEDA: Um (*using marker*).

WHITACRE: MIWON stay the same?

IKEDA: Uh, they say thirty-six thousand.

WHITACRE: So plus two (*marker being used*).

ANDREAS: MIWON wants two.

IKEDA: Um hum.

WHITACRE: CSA they told us twenty at Paris, which I...

IKEDA: CSA we gotta...

WHITACRE: I know their plant's not even that big.

IKEDA: I think we gotta disregard because uh they they say anything... but uh

ANDREAS: Let's give them two.

IKEDA: (*Laughs*) okay.

ANDREAS: I'll give 'em two and we won't believe 'em when they tell us.

IKEDA: Oh we just put...

WHITACRE: They put twenty down, twenty thousand tons...

ANDREAS: Yeah, I know.

WHITACRE: in Paris which they don't even have a plant that big (*laughs*).

IKEDA: (ui) uh but uh theoretically uh...

WHITACRE: Better put plus three.

IKEDA: Plus, plus one.

WHITACRE: Plus one?

IKEDA: Plus uh what uh okay, newcomers get better uh better treatment (ui).

WHITACRE: I...

ANDREAS: Well, why don't we give 'em, let's give 'em two.

IKEDA: Two, okay.

ANDREAS: They can, they, tell 'em they can't have any more than the other big guys

there.

IKEDA: And uh...

ANDREAS: So they each get two. Alright now so...

IKEDA: We have uh three.

ANDREAS: Well no you, we haven't decided what you've got yet. You're still at eighty-seven and we're still at sixty-eight.

WHITACRE: Yeah.

IKEDA: Oh uh you haven't...

ANDREAS: So now there's about...

WHITACRE: We got six.

YAMADA: About sixty not six.

WHITACRE: So that's six and there's...

YAMADA: We had...

WHITACRE: Another eight left.

YAMADA: six.

WHITACRE: There's another eight left.

ANDREAS: So there's eight left.

YAMADA: (ui) eight left.

ANDREAS: Is that right?

WHITACRE: Yeah.

ANDREAS: There's eight left.

IKEDA: This is uh forty-six...

WHITACRE: Thirty, f...

IKEDA: Is that right?

WHITACRE: Yeah, that's right. This is thirty-six.

IKEDA: Thirty-six (*using marker*) and this is uh thirteen.

WHITACRE: That's right.

IKEDA: (*Using marker*). And uh this is a four plus six is uh ninety?

ANDREAS: And our inventories have gone to zero so that...

ANDREAS: ...is another point.

WHITACRE: Yeah.

ANDREAS: They've gone down.

WHITACRE: We're zero. I mean we're, we got commitments we're not even meetin' right now, even at sixty-eight thousand tons. The flooding problems and so on.

ANDREAS: So that's really the question isn't it. Regardless of what our, I mean if, you question whether we're gonna sell that much. We know that we're gonna sell that much. We question whether you're gonna sell that much and you know you're gonna sell that much. It doesn't really make any difference. What we've got is a growth of about fourteen thousand tons.

YAMADA: Um.

ANDREAS: So the question is how do we share that growth.

YAMADA: Yeah.

WHITACRE: And that's without a threonine affect too. That's assumin'...

ANDREAS: Oh.

WHITACRE: not much threonine.

ANDREAS: Oh.

WHITACRE: It'd be more than that if we have threonine. We can deal with that later. Today we don't have much.

ANDREAS: So what would we be willing to accept out of that fourteen thousand tons and what would you be willing to accept? Isn't that the question?

WHITACRE: Well if there's six