



## Market Analytics: Methanol and Derivatives - 2020

**Market Analytics: Methanol and Derivatives - 2020** is one in a series of reports published as part of Nexant's Markets & Profitability program.

Market Analytics: Methanol and Derivatives - 2020 report provides an in-depth analysis of the methanol industry including:

- Methanol
- Formaldehyde
- MTBE
- Acetic Acid

Published: May 2020

Along with the written report, Nexant's Online Database includes supply, demand and trade analysis for 40 countries and global capacity listings updated on a monthly basis.

### Report Abstract:

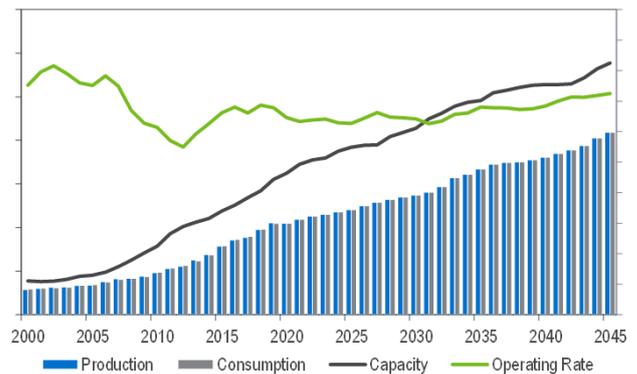
At the end of 2019, the methanol industry was at a point of oversupply from standard economic market forces; it was in the middle of a five year period where annual incremental capacity increases were larger than annual incremental demand increases

The effect of the Covid-19 pandemic will result in a flat market through 2020, with no growth. This is remarkable given that methanol has averaged at 8.8 percent growth per year since 2015.

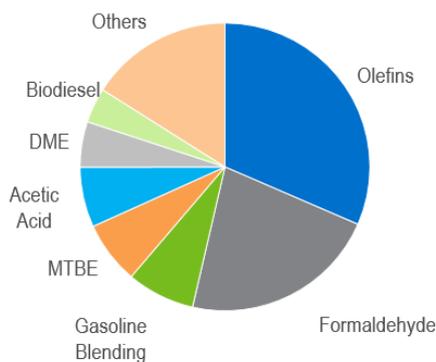
The pandemic created an immediate reduction in demand for oil and gas as there have been measures to reduce the movement and interaction of people in a bid to slow the spread of the virus. For the methanol market, demand into fuel applications has fallen sharply in the first half of 2020.

For chemical applications the situation varies; those into the construction such as formaldehyde have suffered. Certain olefin applications into polyethylene and single use plastics have increased as greater hygiene levels have increased.

**Global Methanol Supply, Demand and Trade**  
million tons



**Global Methanol Demand, 2019-e**



Not only will Covid-19 affect methanol demand over the next couple of years especially, but also methanol supply. Restrictions will affect construction progress of near term firm capacity additions, and cash availability may delay the final investment decisions for future methanol projects, especially those looking to export to methanol to olefin producers.

The scale of a 'world-scale' unit has been constantly increasing, but operating rates were consistently tightening as incremental demand outstripped incremental supply. Commercial scale capacity are either using coal, such as in China, or natural gas as feedstock. New world scale capacity is now 1.8 million tons. By relying on larger methanol units, there will now be increasing demands on the merchant market should a coal to methanol unit suffer an unexpected outage.

At the same time of ever increasing world-scale capacity, there is now a trend for small scale, modular supply, located in isolated areas and close to demand centre. Renewable methanol and 'green' methanol technologies are also gaining increasing attention and investment in Europe.

**For more information contact us at [Markets@nexant.com](mailto:Markets@nexant.com) or [www.NexantSubscriptions.com](http://www.NexantSubscriptions.com)**



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Chapters 3 to 6 are segmented by key region:

- North America
- South America
- Western Europe
- Central Europe
- Eastern Europe
- Middle East
- Africa
- Asia Pacific

### Subscription Details:

Subscription to **Market Analytics: Methanol and Derivatives - 2020** includes:

- 12 month access via the Nexant website, to:
  - Unlimited downloads of PDF reports
  - Downloadable data in Excel from the Online Database
- Webinar
- Consultation time with the project team

Customized subscriptions are also available.

Each region/country is further segmented by:

- **Consumption:** Assesses historic and forecast consumption; forecasts are based on projections of end use and economic activity.
- **Supply:** Includes a list of all producers, their production capacity, location, etc., and discussion of the status of new projects.
- **Supply, Demand and Trade:** Provides historical analysis and forecasts to 2045 of consumption, production, imports/exports, inventory build-up/decline, capacity and capacity utilization.

This analysis will identify the issues shaping the industry, as well as provide an independent appraisal of the market.

For related analysis, please refer to:

**Market Insights: Vinyl Acetate Monomer - 2018 Profitability and Price Forecasts: Methanol and Derivatives - 2019**

### Contact Us:

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The **Markets and Profitability** program comprises of the well-known Petroleum and Petrochemical Economics (PPE), PolyOlefins Planning Service (POPS), Strategic Business Analysis (SBA) and World Gas Analytics (WGAS).

Markets and Profitability tracks over 60 feedstocks, petrochemicals, polymers, chemical intermediates and fertilizers on an ongoing basis and provides regularly updated reports covering all commercial aspects of these global industries. The accompanying database, provides global analysis and forecasts in two major inter-related areas: **Markets and Profitability**.

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