



## Market Analytics: Butadiene and Derivatives - 2020

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

Market Analytics: Butadiene and Derivatives - 2020 report provides an in-depth analysis of the butadiene and derivatives industry including:

- Butadiene
- Butadiene rubber (BR)
- Acrylonitrile butadiene styrene (ABS)
- Styrene butadiene rubber (SBR)

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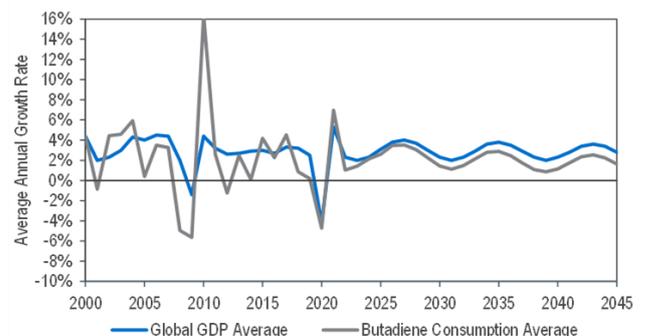
Along with the written report, NexantECA Online Database includes supply, demand and trade analysis for 40 countries and global capacity listings updated on a monthly basis.

### Report Abstract:

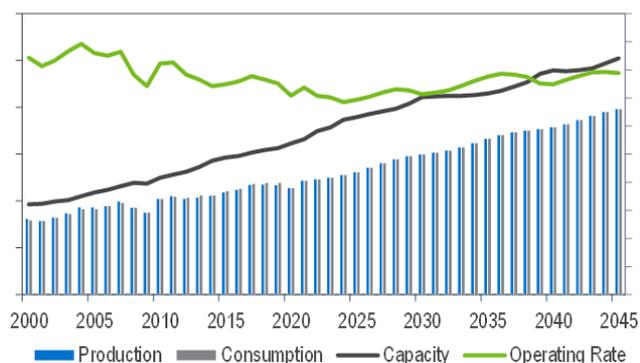
Global butadiene demand growth fell close to zero in 2019, and is expected to decline by around five percent in 2020. Growth peaked at close to five percent in 2010 and 2017 but has since declined. The interaction of butadiene derivatives with the natural rubber market has been at least partly responsible for some recent butadiene demand peaks, but low oil prices greatly enhance the competitiveness of butadiene derivatives such as BR and SBR in those applications where there is scope for substitution.

The impact of the coronavirus pandemic on demand for butadiene was immediate and profound, starting with the closure of tyre and vehicle manufacturing plants, and progressively undermining the outlook for new vehicle sales and replacement tyres. Private vehicle demand is frequently hit hard in economic downturns as consumer confidence declines and buyers defer purchases due to fears of job losses etc. Home working and travel restrictions have drastically cut vehicle miles during the confinement period, which translates into lower requirement for replacement tyres. With many individuals and companies having discovered the ability to work from home effectively, the loss of some transport activity may be permanent. Nitrile rubber has been the standout performer through the crisis, with plants hitting maximum rates due to its use in gloves and other personal protective equipment (PPE).

**Global GDP and Butadiene Demand Growth**



**Global Butadiene Supply and Demand 2000-2045**



Butadiene supply was largely stable in 2019, kept in check by weaker demand and constrained ethylene production in some predominantly liquids cracking regions such as Western Europe. Logistical bottlenecks again left excess supply of propane and butane in the United States, dropping prices and leading to increased consumption in steam crackers, and in turn better availability of crude C<sub>4</sub>s for butadiene extraction. While this left less requirement for imported crude C<sub>4</sub>s, the demand side did not justify higher production of butadiene. In Western Europe, high ethane imports and lower overall ethylene production undermined butadiene production in 2019. Supply grew in almost all other areas, with another year of growth in the key Asian cracking industry, and no significant further shift towards lighter feedstock there.



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

Chapters 3 to 6 are segmented by key region:

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

Each region/country is further segmented by:

- **Consumption:** Assesses historic and forecast consumption (2000 to 2045); 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.

## Subscription Details:

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

- 12 month access via the NexantECA 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.

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