



Market Analytics: Olefins - 2021

Market Analytics: Olefins - 2021 is one in a series of reports published as part of NexantECA's Markets & Profitability program.

Market Analytics: Olefins - 2021 report provides an in-depth analysis of the methanol industry including:

- Ethylene
- Propylene
- Butadiene

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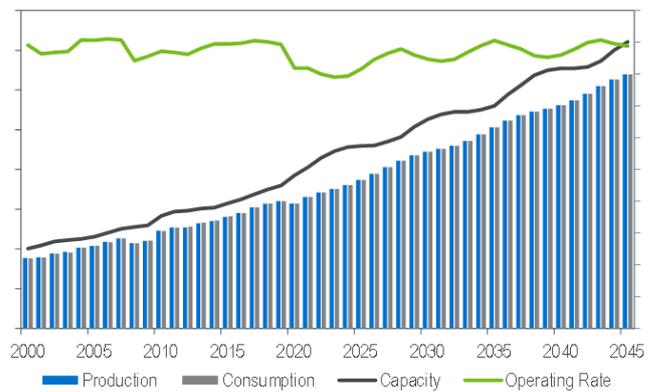
Along with the written report, NexantECA's Online Database includes supply, demand and trade analysis for 40 countries and global capacity listings updated on a monthly basis.

Report Abstract:

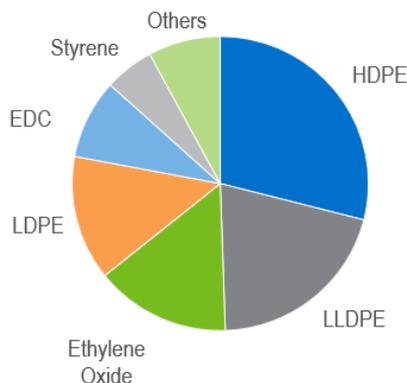
The global olefins market was already sliding into crisis in late 2019, before the world had even heard of coronavirus. The long period of high olefins margins globally had the expected effect of generating a major global capacity build, which already shifted the olefins and polyolefins markets strongly into oversupply in late 2019. Asian integrated ethylene/HDPE cash cost margins went negative in quarter four for the first time since 2012.

The government support offered to protect economies due to the pandemic is unprecedented, and likely to run into trillions of dollars in both Europe and the United States. While this provided for some recovery in consumption the latter stages of 2020, olefins consumption contracted globally in 2020, and there will be some future demand loss from the inevitable fiscal austerity that will be required to reduce government debt after the crisis.

Global Olefins Supply, Demand and Trade
million tons



Global Olefins Demand, 2020



As to the longer term behavioural changes that may result from this crisis, little can be said with certainty. More home working, less air travel and private vehicle use all seem likely, but would not dramatically affect the consumption of olefins and their derivatives. While the crisis may bring a greater focus on sustainable development, the effect on recycling has been strongly negative. Recycle volumes have declined and collection programs suspended due to virus contamination risk for workers and the drastic effect of low oil prices on recycling economics. Anti-plastics sentiment has dropped from the fever pitch that was maintained during 2019. Governments faced with the economic crisis resulting from coronavirus may be less willing to pursue recycling targets and taxes on virgin polymers that place an additional financial burden on their electorates..

Globally, olefins expansion plans are being reduced and delayed, with global oil majors in particular announcing sweeping reductions in capital expenditure in 2020. State-backed investment in oil exporting countries will also suffer. Many projects are however so far advanced that they are unlikely to be delayed and global operating rates are thus expected to continue a steep decline over the next three years, bottoming out at around 80 percent.

For more information contact us at Markets@NexantECA.com or www.NexantECA.com



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- A. Methodology
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Chapters 3 to 5 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: Olefins - 2021** 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.

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 Analytics: Polyolefins](#)

[Profitability and Price Forecasts: Olefins](#)

[Profitability and Price Forecasts: Polyolefins](#)

[Market Analytics: Refined Products and Feedstocks](#)

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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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