



## Market Analytics: Propylene Oxide - 2020

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

Market Analytics: Propylene Oxide - 2020 report provides an in-depth analysis of the propylene oxide industry including and is segmented by key derivative polyether polyols, propylene glycol, glycol ethers and others.

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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.

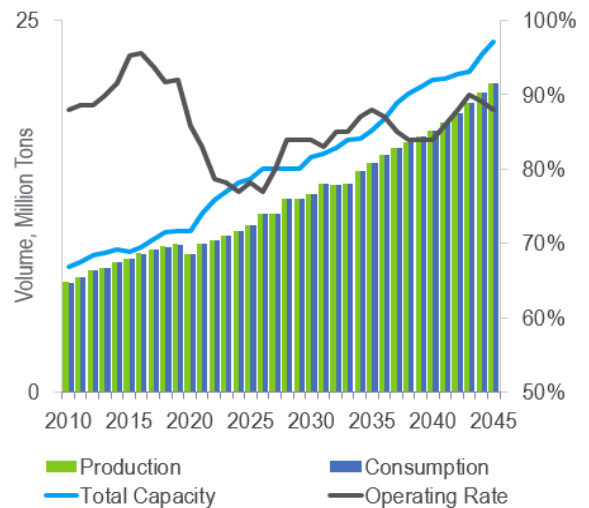
### Report Abstract:

Propylene oxide is a chemical intermediate predominantly used in the production of polyether polyols and propylene glycol.

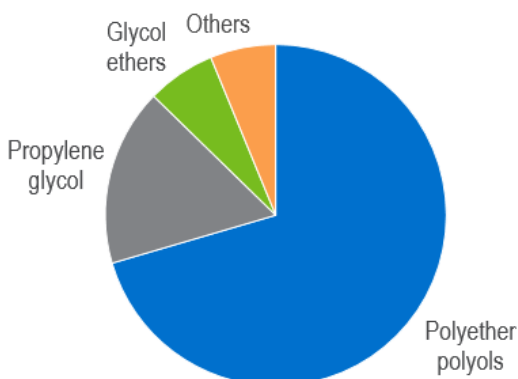
Global propylene oxide demand is expected to contract in 2020, due to the impact from the Covid-19 pandemic, before growing at similar rates to GDP growth rates for the following four years. Apart from the postponement of several downstream capacity additions in 2020, particularly in Asia Pacific, nearly all global manufacturing sectors are expected to significantly contract. This is due to minimal capacity addition anticipated for all derivatives and domestic consumption of all derivatives projected to fall globally in 2020.

Growth in propylene oxide consumption is mainly driven by the polyether polyols market, which in turn depends on the construction, automotive and consumer goods such as bedding, furniture and appliances.

**Global Propylene Oxide Supply and Demand**  
Million Tons



**Global Propylene Oxide Demand, 2019**



Growth of polyether polyols is typically more volatile than GDP growth since demand depends heavily on durable consumer goods, which are more elastic than GDP. Therefore, around peak and trough periods in the GDP cycle, demand for propylene oxide tends to fluctuate by a greater degree than the underlying economic activity.

Propylene oxide process technology has undergone dramatic changes over the last few years. Beginning in 1974, the propylene oxide process that was generally considered the low-cost method was propylene oxide–styrene monomer (POSM) process. Within the process, 2.3 tons of styrene is produced for each ton of propylene oxide. Therefore, POSM technology users are in the styrene business whether they want to be or not. Similarly, propylene oxide–tertiary butyl alcohol (PO/TBA) technology users are in the methyl tertiary butyl ether (MTBE) business.

In the near term, firm capacity will be added in China, Thailand, India, the United States, and Central Europe. Major developments in Western Europe are not expected due to weak demand growth as well as the lack of competitive advantage.



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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: Olefins - 2020**

**Profitability and Price Forecasts: Propylene Oxide - 2020**

### Subscription Details:

Subscription to **Market Analytics: Propylene Oxide - 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.

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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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