



Market Insights: Ethylene Glycols - 2018

Market Insights: Ethylene Glycols - 2018 is one in a series of reports published as part of Nexant's Markets & Profitability program.

Nexant's new Market Insights report provides a comprehensive review of global market for mono ethylene glycol diethylene glycol and triethylene glycol and includes:

- Discussion regarding key market drivers and constraints for each region
- Supply, demand trade for nine regions: North America, South America, Western Europe, Central Europe, Eastern Europe, Middle East, Africa, Asia Pacific, and China
- Forecast period: 5 years history and 5 years forecast
- Competitiveness analysis, including competitive landscape, who's who of suppliers and cost competitiveness
- Pricing snapshot with commentary regarding latest trends

Along with the written report, data is provided in Excel including global capacity listings.

Published: December 2018

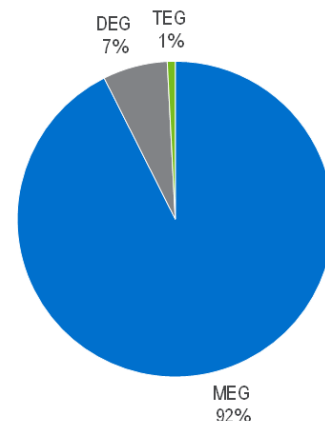
Report Abstract:

Ethylene glycols are a group of commodity chemicals, conventionally made either by the hydrolysis of ethylene oxide, or directly from coal via dimethyl oxalate (DMO). In 2018 ethylene glycols accounted for around 74 percent of ethylene oxide demand.

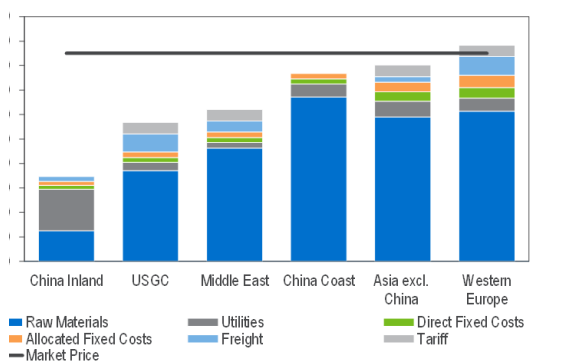
MEG is the largest volume glycol, accounting for over 90 percent of glycols production. This is followed by DEG and TEG. Actual production ratios between these three materials vary by technology and from plant to plant. MEG is the largest commodity chemical of the three, and so producers generally optimize their processes to maximize its production. Additionally, coal based technologies, which are extensively used in China, use a different synthetic route which does not yield higher glycols like DEG or TEG..

MEG, DEG and TEG have very different end uses, covering a wide variety of applications. Overall, polyethylene terephthalate (PET) is the largest end use for glycols, as it is the main application for MEG. Because of this, PET production drives demand and capacity development for glycols.

Ethylene Glycol Global Demand, 2018



MEG Delivered Cost to China



China currently has the largest glycols capacity. This represents a recent change, as the Middle East used to be the largest producer.

Coal-based Chinese MEG production is the most competitive in the Chinese market, due to the low variable costs. Ethylene based MEG production is still competitive here, but less so than USGC or Middle Eastern sources. Due to the high cost of ethylene in the region, other Asian suppliers, while still able to make a gross profit in the Chinese market, were less competitive. Finally, Western European producers were not competitive, due to the regions high variable and fixed costs, as well as the added freight and tariff burdens.



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- A. Global Capacity Listings

Each region section in Chapter 3 includes:

- Market Overview
- Market Drivers
- Market Constraints
- Competitive Landscape
- Supply and Demand
- Imports and Exports

For detailed analysis on polyester, please refer to our new reports:

Market Analytics: Polyester and Intermediates - 2018

Profitability and Price Forecasts: Polyester and Intermediates - 2018

Report License Details:

Access to **Market Insights: Ethylene Glycols - 2018** is via a report license agreement and includes:

- 12 month access to the PDF report via Nexant website, with unlimited downloads of PDF reports
- Excel file
- Consultation time with the project team

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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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