

MARKETS AND PROFITABILITY

Market Analytics: Vinyls - 2021

Global



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Summary

- Key developments in the last 12 months

Demand

- Global PVC demand is estimated to resume growth with a four percent increase in 2021 after remaining stable during 2020 due to pandemic outbreak. (At the time of writing) most governments have now eased lockdown measures, with economies starting to recover in 2021.
 - EDC demand recovered by five percent from 2020, bolstered by growth in Asia Pacific.
 - Global VCM demand increased by 5.2 percent from 2020, supported by the recovery in PVC market despite no contraction in 2020.
- South America and Western Europe are expected to support strong PVC demand rebounding in 2021 after demand slumped in 2020.

Supply

- A series of natural disasters caused supply disruptions in the United States during late-2020 to mid-2021, resulted in lower export volumes by North America, and consequently switched Asia's net trade position to a net PVC exporter.
- Delay in capacity addition during 2020 helped maintain operating rates despite the impact of the COVID-19 pandemic.

Supply, Demand and Trade

- Average global operating rate is estimated to reach 87 percent in 2021 and this is expected to be the highest over the next five years as severe supply shortage together with strong demand rebound are considered as one-time event
- As a result of supply disruptions in the United States, China became the second largest net PVC exporter in 2021 after the United States while India, Turkey, and Vietnam have remained as the top PVC importing countries in the world.

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