



## Market Analytics: Olefins - 2022

**Market Analytics: Olefins - 2022** is one in a series of reports published as part of NexantECA's Markets & Profitability program.

Market Analytics: Olefins - 2022 report provides an in-depth analysis of the olefins industry including:

- Ethylene
- Propylene
- Butadiene

*Published: April 2022*

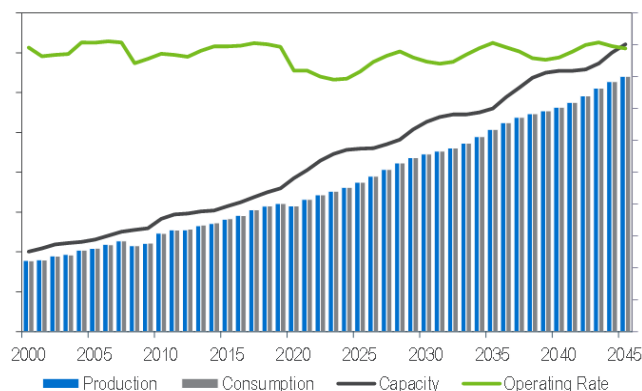
Along with the written report, NexantECA's Online Database includes supply, demand and trade analysis for 40 countries and global capacity listings updated on a monthly basis.

### Report Abstract:

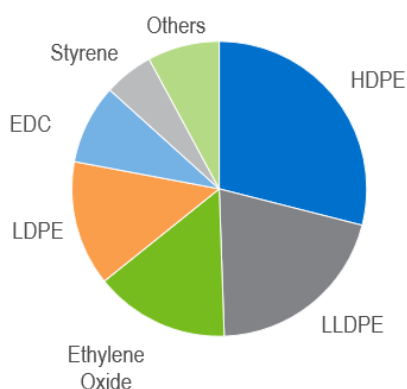
Global ethylene demand proved resilient in the face of unprecedented challenges in 2020, with 2021 supported by a rebound in most economies as confinement measures were relaxed. While some durable goods sectors remained weak due to supply chain issues and the impact of high oil prices on consumption, derivative demand growth was strong in most regions.

China was an important exception, posting an impressive 15 percent growth in polyethylene demand in 2020, but falling back to six percent growth in 2021. China's growth in ethylene demand was an impressive 20 percent in 2021 as a result of surging capacity for ethylene and derivatives, although this growth is expected to decline in 2022 as the derivative markets are highly contested. China was able to greatly decrease its net import of ethylene derivatives in 2021, including four million tons less polyethylene imports than in 2020.

**Global Olefins Supply, Demand and Trade**  
million tons



**Global Olefins Demand, 2022**



The collapse in crude oil prices in 2020 supported the economics of liquids-based ethylene production, mitigating the effect of the steam cracking capacity surge in Asia which is mostly refinery integrated. The subsequent climb in crude oil prices through 2021 however made the operating environment for Asian cracker operators much more challenging.

The oil price crash in early 2020 led to a spectacular drop in shale drilling activity in the United States. While the number of active drilling rigs remains far below pre-COVID levels, ethane production has continued to rise as a result of increased extraction. Output was around 20 percent higher than pre-COVID levels by the end of 2021. Ethylene production has however been held in check both by weather-related outages and the intense competition in derivative export markets. Middle Eastern producers were also

affected by the competition in derivative export markets, particularly due to their high level of exposure to China.

Aside from some brief winter weather effects, the increase in the price of naphtha mostly outstripped NGL values in 2021, motivating flexible feed cracker operators to shift to a lighter feedstock.

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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

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](#)

## Subscription Details:

Subscription to **Market Analytics: Olefins - 2022** 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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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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