



Market Analytics: Propylene Oxide & Derivatives - 2023

Market Analytics: Propylene Oxide & Derivatives- 2023 is one in a series of reports published as part of NexantECA's Markets & Profitability program.

Market Analytics: Propylene Oxide & Derivatives - 2023 report provides an in-depth analysis of the propylene oxide industry including:

- Propylene Oxide
- Polyether Polyols

Published: August 2023

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.

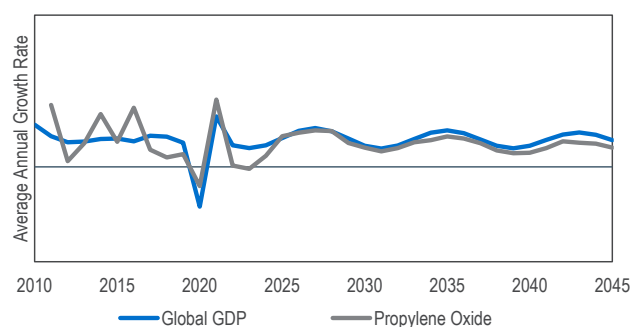
Report Abstract:

Traditionally two routes to propylene oxide production were used: chlorohydrination or combined propylene oxide/styrene monomer (POSM). More recent routes include propylene oxide/tertiary butyl alcohol (PO/TBA), the Sumitomo's cumene oxidation, and direct oxidation processes.

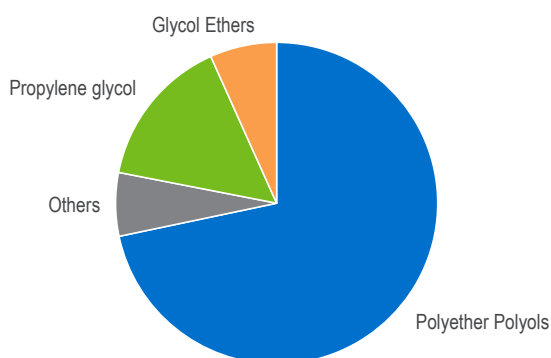
In 2022, the chlorohydrin process accounted for 40 percent of global capacity but the share of the chlorohydrin process has been declining due to more stringent environmental regulation. Capacity development implementing this process is not expected in the near term.

Capacity employing the Chinese-based direct oxidation process and POSM technologies are under development and expected to start operation in the near term

Global Propylene Oxide Consumption Growth
million tons



Global Propylene Oxide Demand, 2023



Propylene oxide is largely used in the production of polyether polyols and propylene glycol. Polyether polyols are principally used as a raw material in the production of polyurethanes which are consumed in construction, automotive, comfort foam and CASE sectors.

Pent-up demand at the start of 2022, caused by freight shortages and a backlog in orders saw strong first quarters before demand fell as the Ukraine war developed. The invasion by Russia led to oil and gas price volatility which in turn spurred cost inflation across the globe. With the price of everyday goods going up, consumer spending on items considered luxury such as automobiles, appliances, furniture and bedding has fallen and restricted demand growth through the year. Furthermore, there has been little

impact on demand from flexible working in 2022 with practices now established across the globe.

The construction sector has been impacted by rising raw material prices and falling demand due to growing interest rates. This has been especially true in China where new legislation targeting debt exposure in construction companies led to a fall in construction output, although this impact is expected to only impact growth until 2024. The Ukraine war may positively impact decarbonization efforts through energy efficiency in Europe with insulation being a cost-effective method of reducing energy consumption.

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



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Chapters 5 to 6 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:

[Profitability and Price Forecasts: Propylene Oxide Quarterly Business Analysis](#)

Subscription Details:

Subscription to **Market Analytics: Propylene Oxide & Derivatives – 2023** 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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