



Market Analytics: Olefins - 2024

Market Analytics: Olefins - 2024 is one in a series of reports published as part of NexantECA's Markets & Profitability program.

Market Analytics: Olefins - 2024 report provides an in-depth analysis of the olefins industry including:

- Ethylene
- Propylene
- Butadiene

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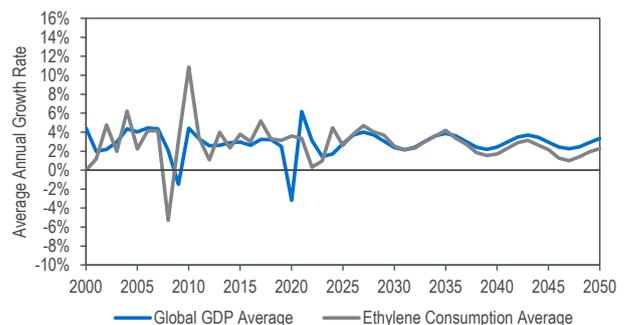
Along with the written report, NexantECA's Online Database includes supply, demand and trade analysis for 40 countries and global capacity listings updated on a monthly basis.

Report Abstract:

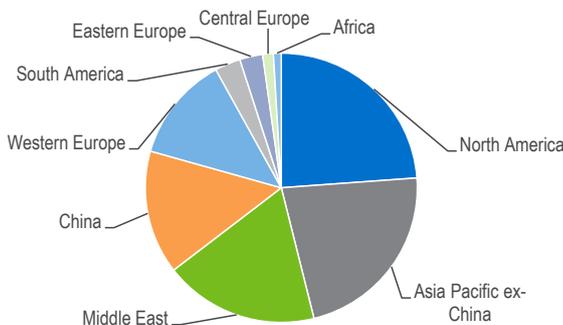
Olefins are the basic building blocks for most of the petrochemical industry. The most commercially important olefins are ethylene, propylene and butadiene. Olefins are mainly produced by steam cracking hydrocarbon feedstocks, with additional production from oil refinery upgrading processes and by catalytic dehydrogenation of paraffins. Availability of alternative feedstocks such as coal and methane has also driven supply development by alternative routes.

A prolonged period of high olefins margins encouraged an unprecedented wave of capacity addition in Asia which is now around its peak. Soaring volumes of olefin derivative imports into China further incentivized capacity growth, and China's displacement of derivative imports such as polyethylene and polypropylene has pushed much of the global industry into crisis. Olefins operating rates have dropped to record lows, and many producers are making unsustainable losses. The higher cost export-based operators are most exposed, although some smaller operators serving local markets are also under threat. Most export-based capacity growth in recent years has been in the United States and to a lesser extent South Korea. The competitive differential between the advantaged gas-based producers in the US and Middle East versus the mainly liquids-based producers in Asia has seldom been higher. Advantaged exports therefore continue, and Asian exporters suffer most from the oversupply.

Global Ethylene Consumption Growth
million tons



Global Ethylene Demand, 2024



All feedstocks for steam cracking produce ethylene. Heavier feedstocks however produce more propylene, butadiene and benzene. As liquids-based crackers are forced to cut rates, availability of these heavier co-products is also affected.

High US construction costs deter new crackers and motivate shipping more US NGLs to crackers in other regions. The current extreme market conditions will require re-investment both for decarbonisation and to achieve cost advantage. Despite a slow demand recovery now underway, bankruptcies and increased asset sales are expected over 2024-2025 as companies run out of cash.

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



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- A. Methodology
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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:

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

Subscription Details:

Subscription to **Market Analytics: Olefins - 2024** 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**.

NexantECA serves its clients from over 10 offices located throughout the Americas, Europe, the Middle East, Africa and Asia.

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