



## PPE: Vinyls Market Dynamics

**Vinyls 2013 is one in a series of reports published annually as part of the Petroleum and Petrochemical Economics program.**

**This report provides an in-depth analysis of the vinyls chain including:**

- **Ethylene Dichloride (EDC)**
- **Vinyl Chloride Monomer (VCM)**
- **Polyvinyl Chloride (PVC)**

**Published: November 2013**

### **Abstract:**

Global PVC consumption had underperformed since 2011, with average growth of less than three percent in comparison with more than four percent before the global financial crisis. Demand growth has been dampened mainly by a rapid slowdown in construction activities in China and India, as well as continuing contraction of the PVC market in Western Europe. Fast-growing, emerging markets in South America, Eastern Europe and the Middle East were also adversely affected by the gloomy economic environment, particularly in 2012. Nonetheless, there have subsequently been positive signs for some recovery in 2013, owing to rising construction activities in the United States and some developing economies. In contrast, the market in both Western and Central Europe remained depressed, despite some recovery in certain countries in these regions. Overall consumption growth in 2013 is estimated to improve modestly from 2012, but remaining substantially below historical average.

On the supply side, the PVC industry witnessed an unprecedented slate of new capacity, primarily in China. China accounted for more than 90 percent of global additions between 2000 and 2013. The new plant start-ups in 2012 and 2013 were also offset by around two million tons per year capacity closures in China, as a result of oversupply. There have also been several new developments from a smaller base in South America, Eastern Europe, the Middle East and other Asian countries in 2011 and 2012. The affect from oversupply is largely felt by China, with limited export opportunity for VCM and PVC. North American players currently enjoy high margins in export markets, while the profitability of Western and Central European players remains subdued, stimulating recent industry restructuring and consolidation.

### **Table of Contents:**

1. Executive Summary
2. The Vinyls Industry
  - 2.1. Global Overview
  - 2.2. Current Performance
3. Ethylene Dichloride (EDC)
4. Vinyl Chloride Monomer (VCM)
5. Polyvinyl Chloride (PVC)
- Appendix
  - A. Methodology
  - B. Vinyls – Technology

Each product chapter is segmented by key region and further segmented into three principle areas:

- **Consumption:** Assesses historic and forecast consumption; forecasts are based on projections of end-use and economic activity in each region.
- **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 2030 of consumption, production, imports/exports, inventory build-up/decline, capacity and capacity utilisation for each region.

This analysis will identify the issues shaping the industry, as well as provide an independent appraisal of the market.

### **Subscription Details:**

Customised subscriptions are available by product and/or geography. Geographic segmentation includes:

- North America
- South America
- Western Europe
- Central and Eastern Europe
- Middle East and Africa
- Asia Pacific

Subscription to Vinyls 2013 includes:

- One hard copy of the report
- 12 month access via the NexantThinking website, to:
  - Unlimited downloads of soft copies
  - Downloadable data in excel
- Consultation time with the project team
- Webinar presentation highlighting key developments in the industry

# Nexant Thinking™

The future of energy and chemicals

**NexantThinking™** is a suite of advisory services and products with *exclusive focus* on the energy, chemicals and related industries. This includes a portfolio of multiclient programs, formerly known as ChemSystems®, which provides comprehensive reports, analysis and planning tools to support decision making with a focus on markets, economics and technology.

Global in scope, Nexant serves its clients from over 30 offices located throughout the Americas, Europe, the Middle East, Africa, and Asia.

**Subscribe to our thought leadership today and explore our products and services at:**

[www.nexant.com/nexant-thinking](http://www.nexant.com/nexant-thinking)

## Contact Us:

Anna Ibbotson  
Global Manager, Petroleum & Petrochemical Economics  
Tel: +44 (0)20 7950 1528  
Fax: +44 (0)20 7950 1550  
E-mail: [aibbotson@nexant.com](mailto:aibbotson@nexant.com)

Heidi Junker Coleman  
Global Programs Support Manager  
Tel: +1 914 609 0381  
Fax: +1 914 609 0399  
E-mail: [hcoleman@nexant.com](mailto:hcoleman@nexant.com)

 **Nexant**