



Market Analytics: Methanol and Derivatives - 2018

Market Analytics: Methanol and Derivatives - 2018 is one in a series of reports published as part of Nexant's **Markets & Profitability** program.

Market Analytics: Methanol and Derivatives - 2018 report provides an in-depth analysis of the methanol industry including:

- Methanol
- Formaldehyde
- MTBE
- Acetic Acid

Published: June 2018

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

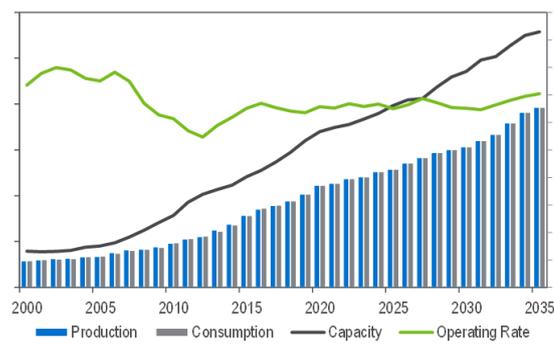
Report Abstract:

The methanol industry has undergone a phenomenal transformation with double digit demand growth as new applications have penetrated the market. The scale of a 'world-scale' unit has been constantly increasing, but operating rates have been consistently tightening as incremental demand has outstripped incremental supply.

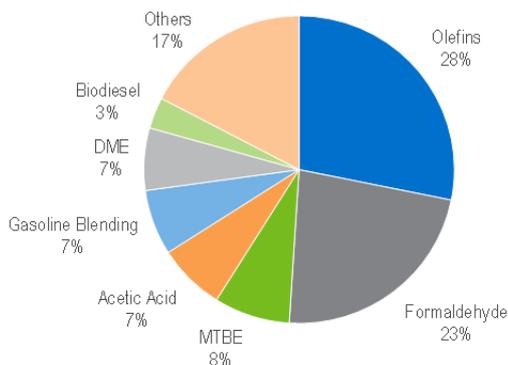
However, the next three years will see a reversing of this trend; world scale capacity additions in the United States, Iran, the Caribbean and China will keep pace and exceed demand growth and will keep the global operating rate broadly flat in 2018 and 2019. Demand growth into olefins will remain stable; non-integrated MTO units have been the focus of demand, but the next two years will result in more CTO units, where methanol is captively used.

An emerging application for methanol with great potential is use as a bunker fuel. Interest is gathering as a global cap on sulphur in marine fuel of 0.5% will come into force in 2020. Alternatives to current marine fuels are being explored, whether it being low sulphur fuel oil, methanol or LNG. Although methanol has a higher cost of production compared to LNG, methanol brings logistic cost advantages over natural gas which requires costly LNG compression trains, shipping and regasification units.

Global Methanol Supply, Demand and Trade
million tons



Global Methanol Demand, 2017-e



Methanol for both MTO and CTO is captured in Nexant's analysis, as any outages in the CTO process, or imbalances in when respective units commence production can create spot price volatility, as was evident through the end of 2016 and during 2017.

The changing nature of the supply base in China has supported operating rates; new plants being completed in China are world-scale, replacing older, smaller capacity units, and will be able to achieve higher operating rates. Operating rates dipped in 2012, as methanol projects in China which were completed to allow methanol blending into gasoline, saw reduced demand, due to a delay in implementing a national M15 blending standard. Completion of methanol to olefins projects, both integrated and non-integrated to methanol, have supported demand growth and

recovery in operating rates. The uptake of a national M15 standard continues to be delayed, and is not expected to be introduced in the near term.

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



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Chapters 3 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 2035 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 analysis on vinyl acetate monomer, please refer to our new report:

Market Insights: Vinyl Acetate Monomer – 2018

Subscription Details:

Subscription to **Market Analytics: Methanol and Derivatives - 2018** includes:

- 12 month access via the Nexant 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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Nexant Subscriptions and reports provide clients with comprehensive analytics, forecasts and insights for the chemicals, polymers, energy and cleantech industries. Using a combination of business and technical expertise, with deep and broad understanding of markets, technologies and economics, Nexant provides solutions that our clients have relied upon for over 50 years.

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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