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**For Immediate release:**

## **CMAI Completes 2010 World Methanol Cost Study**

Houston, TX – [Chemical Market Associates, Inc. \(CMAI\)](#) announces the completion of the [2010 World Methanol Cost Study](#), a detailed analysis of methanol production facilities throughout the world, revealing the relative average methanol plant production costs of the nearly 250 facilities in operation across the major regions and countries.

This study demonstrates how methanol production costs are affected by plant size, technology, and variations in feedstock costs. The study also addresses logistical costs to allow clients to understand why certain plants are more cost competitive than others in supplying methanol to major consuming regions of the world. In addition, there are supporting chapters on methanol pricing, methanol production technology, including coal-based production, regional import duties, ocean transportation (which is extremely important in the case of methanol), and possible industry rationalization. Key strategic issues including increasing methanol demand into the fuels market, impact of LNG pricing on the methanol industry and China's growing role in the methanol industry are addressed.

### **Current Market Situation**

The global methanol industry is in the midst of the greatest capacity buildup in its history. Global methanol capacity is projected to double over a five year period starting in 2007. Methanol plant size is increasing as new technologies have emerged, significantly impacting economies of scale. While natural gas based capacity will still dominate the industry, coal based methanol production is becoming increasingly significant as China invests heavily in this technology. China is also emerging as the epicenter for major new methanol end-uses, including methanol demand into fuel and the first methanol-to-olefins units. While China has historically been home to many, typically smaller methanol plants, the largest methanol plant in the world will be coming onstream in China in 2010. Feedstock costs in the Americas, greater Europe, Asia and the Middle East escalate at different trajectories which result in changing regional cost-competitiveness. Feedstock availability and alternate value also play a key role in methanol industry dynamics. The impact of these and other issues are addressed in assessing the delivered cost structure of methanol over the next planning cycle. More than 240 individual methanol units were modeled to develop the 2009 industry production cash cost curve; another 20+ new facilities which are forecast to come onstream over the next five years were modeled to develop the outlook for 2014.

### **Market Outlook**

Complicating the near term issues even more is the fact that at least for the time being, while global methanol demand growth has slowed, there is potential for an upward turning point in demand and movement up the marginal cost curve as fuels blending pulls demand for relatively economically priced methanol. Any person, company or government even remotely interested in producing (or purchasing) methanol in the future, should be aware of the competitive positions as compared to other existing and potential methanol producers. This study is

meant to identify those producers who have the highest and lowest delivered costs and where they are positioned on the overall global methanol production cost curve...today and into the future.

To find out more about the current market issues and CMAI's outlook for the [Methanol](#) industry contact Dewey Johnson, Global Business Director – Syngas Chemicals, at 1-281-752-3213 or email [djohnson@cmaiglobal.com](mailto:djohnson@cmaiglobal.com). Order this analysis now at [www.cmaiglobal.com](http://www.cmaiglobal.com); the analysis is available in electronic format.

[CMAI](#) is the premier provider of Market, Planning and Business Advisory Services offering a unique combination of consulting analytics and expertise for the global chemical, plastics, fibers and chlor-alkali industries. With offices in Houston, New York, London, Dubai, Düsseldorf, Singapore and Shanghai, CMAI has provided expert business advisory services to a broad base of companies across multiple value chains and geographies since 1979. Clients to CMAI services include chemical and oil companies, technology & EPC companies, banking and financial institutions, consumer product companies, textile & apparel manufacturers, brand-owners, grocers/retailers, government agencies and trading companies.

For more information on the [2010 World Methanol Cost Study](#) visit CMAI's website at [www.cmaiglobal.com](http://www.cmaiglobal.com) or contact:

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