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**For Immediate release:**

## **CMAI Completes 2010 World Benzene Analysis**

Houston, TX – [Chemical Market Associates, Inc. \(CMAI\)](#) announces the completion of the [2010 World Benzene Analysis](#), an annual global study that covers past and future developments in supply, demand, production, capacity, trade, pricing and profitability of the global [benzene](#) industry for the period 2004 to 2014. Included with each analysis is 12 months of access to CMAI's online capacity and supply/demand databases with a mid-term supply/demand update incorporating the latest economic and market outlook. New for 2010 editions is access to the key graphics contained in the Analysis in both Microsoft Excel and PowerPoint. The Analysis is a necessary resource for business managers and planning professionals who need to make strategic business decisions in a rapidly changing global economic and market environment.

### **Current Market Situation**

The collapse of the global economy in late 2008 was followed by a collapse in crude oil prices. The industry reacted by shutting down derivative production to work off high cost inventory. With demand collapsing, benzene prices dropped even faster than feedstock prices. Inventory eventually reached acceptable levels and some stability returned as derivative demand tentatively resumed, and normal trade flows began to re-establish themselves. As downstream production slowly returned, benzene demand and prices also began to rise. However, market conditions have not fully recovered yet, particularly benzene supply.

Refinery profitability dropped sharply in 2009 and the tight market conditions that had prevailed mid decade suddenly changed into an oversupply situation pulling operating rates to unsustainably low levels. Lower gasoline demand in the developed regions also caused refineries and reformers to reduce throughput. Refinery operations in emerging market economies, such as China and India, are continuing to grow based on a more optimistic outlook for their economies. However, overall low refinery operating rates are constraining the availability of refinery reformat streams and, as a result, extracted benzene from reformat has declined.

### **Market Outlook**

The deep sense of foreboding in the benzene market resulting from the rapid deterioration of market conditions has faded. Supply and demand is becoming more balanced as the recession induced demand contraction has been met with a similar reduction in supply. From a supply balance standpoint, the current situation does not appear much different than before the recession. North America continues to be a large net importer, led by exports of benzene derivatives.

The outlook is currently for more balanced market conditions with benzene production capacity continuing to shift towards Asia. There are a number of factors pulling in different directions on the benzene supply/demand equation. Overall, however, the various factors appear to be cancelling each other out leaving the global benzene market in relative balance. In many cases, benzene is not the driving force but merely affected by external factors.

To find out more about the current market issues and CMAI's outlook for the benzene industry, order this analysis now at [www.cmaiglobal.com](http://www.cmaiglobal.com). The analysis is available in electronic format along with access to CMAI's Online Capacity and Supply/Demand databases on CMAI'S website. With updates to the Capacity database as changes in the marketplace occur, and an annual mid-year update to the Supply/Demand database, clients can rely on these databases as a necessary tool for their strategic business decisions.

**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, plastic converters, textile & apparel manufacturers, brand-owners, grocers/retailers, government agencies and trading companies.

For more information on the [\*2010 World Benzene Analysis\*](#) visit CMAI's website at [www.cmaiglobal.com](http://www.cmaiglobal.com) or contact:

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