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**For Immediate release:**

## **CMAI completes 2011 World Benzene Analysis**

Houston, TX – [Chemical Market Associates, Inc. \(CMAI\)](#) announces the completion of the [2011 World Benzene Analysis](#), an annual global study that covers historical trends and future projections for supply, demand, production, capacity, trade, pricing and profitability of the global [benzene](#) industries for the period 2005 to 2015. Included with each analysis is 12 months access to CMAI's online capacity and supply/demand databases with a mid-term supply/demand update, incorporating CMAI's latest market outlook. 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 benzene market is currently sitting on excess capacity as new capacity starts up and demand continues to recover from a severe contraction brought on by the global financial crisis. From 2007 to 2010, capacity continued to grow while demand contracted. The combination increased spare capacity by 8.5 million metric tons from 2007 to 2010. Nonetheless, despite the excess benzene capacity, supply has been constrained due to the by-product nature of benzene production. Particularly, production from olefins plants has dropped as a result of a temporary reduction in demand and the shift, where possible, to lighter feedstocks.

While demand continues to slowly stabilize, benzene supply projects that were planned before the recession also continue to be finished and started up. Most of these are in the emerging world, particularly in China, where supply additions continue to be dominated by new refining capacity, naphtha crackers and paraxylene (PX) capacity. It is in fact the drive toward self sufficiency for fuel, olefins and paraxylene that has China adding integrated aromatic complexes with the resulting benzene co-product. This is also the case with other emerging countries although it is not at the same scale as China.

### **Market Outlook**

North America's position as the largest importing region is forecast to remain intact as loss of benzene demand is being more than offset by reduced benzene production. North American production cuts are the result of lower gasoline demand and reduced pygas recovery due to the shift from heavy to light cracker feedslates. For similar reasons, Europe will also be a significant importer of benzene.

The outlook is currently more balanced with benzene production capability continuing to shift towards Asia. There are a number of factors pulling in different directions on the benzene supply demand equation. Overall, the various factors appear to be cancelling each other out leaving the world in relative balance but supply is not located in the right places. In many cases, benzene is not the driving force but is merely going along for the ride.

To find out more about the market issues and CMAI's outlook for this industry, order the **2011 World Benzene Analysis** now at [www.cmaiglobal.com](http://www.cmaiglobal.com). The analysis is presented in book and CD-ROM format, along with access to CMAI's online capacity and supply/demand databases. Updates to the capacity database are available to clients throughout the year as they occur, and a bi-annual update to the supply/demand database provides a fresh view as the markets develop. Clients benefit from the up-to-date market information which is necessary for 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, Bangkok, 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, law firms, banking and financial institutions, plastic converters, textile & apparel manufacturers, brand-owners, grocers/retailers, government agencies and trading companies.

For more information on the **2011 World Benzene Analysis**, visit CMAI's website at [www.cmaiglobal.com](http://www.cmaiglobal.com) or contact:

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