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For Immediate release:

CMAI completes 2010 World Cumene/Phenol & Acetone Analysis; Phenol demand recovery will take years.

Houston, TX – [Chemical Market Associates, Inc. \(CMAI\)](#) announces the completion of the [2010 World Cumene/Phenol & Acetone Analysis](#), an annual global study that covers past and future developments of supply, demand, production, capacity, trade, pricing and profitability of the global [Cumene](#), [Phenol](#) and [Acetone](#) industry for the period 2004 to 2014. New for this edition is the coverage of acetone, as this co-product has grown in significance in industry profitability and will clearly assume greater importance in the future phenol/acetone market. Please note that polycarbonate is now included in the new CMAI World PC/ABS Analysis.

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 the latest economic and market outlook. The analysis is a necessary resource for business managers and planning professionals who need to make strategic business decisions in an environment characterized by the recent unpredictability in the global financial markets and fluctuations in energy prices.

Market Outlook

The major phenol derivatives have sound application markets, and market demand will return with economic growth and improved consumer confidence. The relevant question is when will the recovery begin and will be its duration? CMAI forecasts suggest the recovery will take years, which will induce the industry to make difficult decisions, changing the landscape of the industry. Part of the change is that Asia is expected to be the driver for renewed growth, since Northeast Asia and China will be largely responsible for future global demand growth along the value chain.

Phenol producers are particularly vulnerable to their propylene supply, which places companies with strategic or cost-advantaged propylene supplies to be advantaged. Access to refinery grade propylene has proven to be an advantage over the more expensive chemical or polymer grade propylene.

About 95 percent of the world's acetone production is a result of by-product phenol production. Therefore, many of the issues facing the phenol industry also apply to acetone. Furthermore, the slowdown in phenol demand has tightened the acetone market, as demand for acetone fell less than for phenol. This has impacted the price ratio of acetone to propylene and phenol profitability.

CMAI predicts that the improvement in acetone demand, particularly for bisphenol A, will cause phenol producers to treat acetone more like a co-product than a by-product. However, acetone will have to continue to make positive contributions to the product chain.

To find out more about the current market issues and CMAI's outlook for this industry, you may order this analysis now at www.cmaiglobal.com. The analysis is available in book and CD-ROM format, with access to CMAI's Online Capacity and Supply/Demand databases. With updates to the Capacity database as changes in the marketplace occur, and an annual mid-year update to the Supply/Demand database, clients find this database access to be 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 Cumene/Phenol & Acetone Analysis*](#), visit CMAI's website at www.cmaiglobal.com or contact:

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