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**For Immediate release:**

## **CMAI Completes 2010 World Ethylene Oxide/Monoethylene Glycol Analysis**

Houston, TX – [Chemical Market Associates, Inc. \(CMAI\)](#) announces the completion of the [2010 World Ethylene Oxide/Monoethylene Glycol Analysis](#), an annual global study that covers past and future developments in supply, demand, production, capacity, trade, pricing and profitability of the [global ethylene oxide/monoethylene glycol 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**

By mid 2008, there was increasing expectation that the period of peak-cycle margin performance in the MEG industry was coming to an end. Industry concerns were based on the anticipation of a significant level of oversupply due to a wave of new capacity under construction in the Middle East and in Asia. It was pretty clear that a supply-driven cyclical trough was in the offing. CMAI's latest analysis reveals that the recent global recession has severely impacted [EO and EG demand growth](#), in conjunction with the start up of significant quantities of new capacity that would have caused a "trough" in the petrochemical margin cycle, even in the absence of the global economic recession.

### **Market Outlook**

Through the establishment of large, low cost production capacity in the Middle East and Western Canada, [MEG](#) became a global commodity. Though the merchant markets are still driven by differing regional dynamics, those markets are becoming more and more interrelated. [EO](#) derivatives markets have remained much more regionally differentiated, but those markets are also globalizing. International trade in those products is increasing, and the nations and companies with lower cost raw materials are increasingly looking to integrate further downstream, leading to changes in the cost and supply chain structures of the [EO derivatives](#) markets.

The Middle East will leverage its low cost MEG production, and its capacity will surge higher in 2009-2011. This capacity coupled with the expected new capacity in Asia in 2010 will push operating rates down to the mid 70 percent range, as capacity has come on too quickly for the weakened demand to consume it. Even with reasonable demand growth, it will take this industry until 2016-2017 to reach the EO and MEG demand levels previously forecast for 2014, prior to the economic collapse.

To find out more about the current market issues and CMAI's outlook for the EO-MEG 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, consumer product companies, textile & apparel manufacturers, brand-owners, grocers/retailers, government agencies and trading companies.

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

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