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For Immediate release:

CMAI Completes 2010 World Paraxylene & Terephthalates Analysis

Houston, TX – [Chemical Market Associates, Inc. \(CMAI\)](#) announces the completion of the [2010 World Paraxylene & Terephthalates Analysis](#), an annual global study that covers past and future developments in supply, demand, production, capacity, trade, pricing and profitability of the [global paraxylene \(PX\), terephthalic acid \(TPA or PTA in its purified form\) and dimethyl terephthalate \(DMT\) industries](#) 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 global economic downturn in 2008 and 2009 saw [PX](#) and terephthalates markets heavily impacted with both product areas showing their first ever contraction in demand in 2008 and only a modest recovery in 2009. While demand of all polyesters fell from 2007 to 2009, per capita demand fell as global consumers, especially western consumers, limited their purchases of textiles and packaged beverages as both their real and perceived wealth declined. Capacity continued to expand rapidly in both PX and [purified terephthalic acid \(PTA\)](#) as China pushed toward self sufficiency and as the Middle East built its chemical industry. While there were no official short term rationalizations in other regions, significant capacity was idled in late 2008 and early 2009 as a result of poor economics. After a sharp decline in 2008 with the economic collapse, global PX profitability rebounded surprisingly well in 2009. Idling of some existing capacity in the first half of the year limited availability and helped short term operating rates and margins improve. PTA, despite being relatively long on capacity, benefited from the tightness in feedstock supply. Price spreads between PTA and PX in Asia improved to their highest level on average since 2005.

Market Outlook

Despite the current situation, the ultimate end uses for PX and terephthalates, polyester fibers and packaging, remain the preferred choice in the majority of the markets they serve. As global wealth rebounds and improves, textile needs will grow as well. PX and PTA/DMT markets are down significantly from 2007. Fortunately, modest growth in 2009 and further growth in 2010 will see both PX and PTA global demand surpass 2007 levels. Based on current announcements, nameplate global PX and PTA capacity is expected to grow over the next five years.

Exports from the U.S. Gulf will be hardest hit and are expected to fall as the region is replaced by the Middle East as the incremental exporter to the world. The Middle East will increasingly supply incremental needs in Asia and Europe for both products. The U.S. Gulf Coast will likely see increased business in PX to Brazil at the

expense of exports of PTA out of Mexico. Operating rates in PX are expected to fall in 2010 which will encourage rationalizations. Despite improving operating rates, the continued backward integration by polyester producers into PTA will likely keep margin improvement in check. Merchant PTA sellers will be in a constant battle to keep their customers competitive with integrated PTA/polyester producers.

To find out more about the current market issues and CMAI's outlook for the [PX and TPA/PTA/DMT](#) industry, order this analysis now at 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 Paraxylene & Terephthalates Analysis](#) visit CMAI's website at www.cmaiglobal.com or contact:

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