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**For Immediate release:**

## **CMAI completes 2011 World Toluene & Mixed Xylenes Analysis**

Houston, TX – [Chemical Market Associates, Inc. \(CMAI\)](#) announces the completion of the [2011 World Toluene & Mixed Xylenes Analysis](#), an annual global study that covers historical trends and future projections for supply, demand, production, capacity, trade, pricing and profitability of the global [toluene, mixed xylenes, metaxylene and orthoxylene](#) 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**

Toluene, like most petrochemicals, enjoyed a rebound in demand in 2010 following two years of decline. In some ways this was not too surprising, considering that about half of all toluene that is sold into petrochemicals is used to make on purpose benzene, mixed xylenes and paraxylene. Mixed xylenes also enjoyed good growth, piloted by a sharp rebound in paraxylene production. In all cases, the economic recovery had a positive effect on demand growth, pulled largely by the strength in Asia. The improvement in demand was expected, but frankly, it was better than most had anticipated. Demand for aromatics into the gasoline pool increased as well, despite the continuing oversupply of octane. In some cases, the gasoline pool provided a nice outlet for toluene and xylenes, while in other cases it was driven by incentives to reduce RVP.

Toluene capacity additions since 2008 have been extensive, at a time when demand began to suffer. Irrespective of the recent sharp increase in demand, the market continues to be weighed down by overcapacity due to the extensive capacity additions over the past two years. So far, demand and economic incentives have been insufficient to run this capacity efficiently, resulting in low operating rates. The same holds true for mixed xylenes. It is worth noting that capacity additions have mostly taken place in the Middle East and Asia, while both North America and West Europe have experienced some capacity rationalization.

### **Market Outlook**

As for virtually all petrochemicals, Northeast Asia will be the driving force for toluene demand growth. On a global basis, toluene demand is forecast to grow at around three percent per annum. Compared to many other petrochemicals, this rate is rather low, but still solid in light of the weak demand growth prospects for toluene from HDA, STDP and solvents. Furthermore, conversion of toluene into xylenes will likely increase in the coming years, although within these segments, transalkylation production will expand, while TDP is forecast to grow at a slower pace than the global average.

The Asian market, with a high concentration and rapid growth of the polyester industry, is solidifying its position as the center of influence in the global mixed xylenes market. A significant amount of the new mixed xylenes capacity will be part of integrated paraxylene complexes, which include naphtha reforming, aromatics extraction and transalkylation or toluene disproportionation units. This is due to the fact that most existing refineries cannot provide sufficient mixed xylenes to feed a world-scale paraxylene unit. Although more than sufficient nameplate capacity will be installed, the question remains whether the economic incentives will be sufficient to operate the units.

To find out more about the market issues and CMAI's outlook for this industry, order the **2011 World Toluene & Mixed Xylenes 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 Toluene & Mixed Xylenes Analysis**, visit CMAI's website at [www.cmaiglobal.com](http://www.cmaiglobal.com) or contact:

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