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**For Immediate release:**

## **CMAI Releases its 2012 World Polyolefins Analysis**

**HOUSTON**— [Chemical Market Associates, Inc. \(CMAI\)](#), acquired by IHS Inc. (NYSE: IHS - [www.ihs.com](http://www.ihs.com)), has released its new, [2012 World Polyolefins Analysis](#), an annual global market study that covers historical developments and future projections for supply, demand, capacity, and trade in the global, high-density polyethylene, low-density polyethylene, linear, low-density polyethylene and polypropylene markets for the period 2006 to 2016. Polyolefins represent almost two-thirds of the major commodity thermoplastics used worldwide, and have numerous applications ranging from automotive parts to carpet fibers, household and food containers, toys, stretch film/shrink film, diapers and trash bags. The global polyolefin market is changing dramatically in response to the quickly advancing industrialization process in emerging markets, as well as improvements in global communications and trade liberalization.

According to the CMAI analysis, increases in consumption will continue to be driven by novel applications where plastics can deliver cost advantages, performance enhancements, or both. Investments in polyolefin production capacity are increasingly concentrated in regions with affordable supplies of feedstocks or high-demand growth areas, such as the Middle East and the Asia Pacific region.

The same trend, particularly in Western Europe, is driving industry consolidation, operations optimization, and a shift toward the production of higher-value, higher-performance products. In North America, low-cost feedstock from shale gas is revitalizing the polyethylene (PE) business, making PE exports highly competitive globally. In response, several producers have announced new capital projects that are currently scheduled to come on-stream in the second half of the decade.

One of the most challenging issues facing the polyolefin industry during the last decade has been the loss of its pricing power. Wedged between the demands of upstream oil and gas corporations and major retail chains like Walmart on the downstream side, the polyolefin production chain has been caught in the middle. While energy and raw material prices increased in response to tighter global market conditions, prices for finished goods remained at the same level or even declined, as imports from low labor cost countries flooded the market. As a result, profits in the polyolefin industry had all but disappeared.

Although the recession of 2008-2009 only exacerbated the already unfavorable market conditions for polyolefins, producers of the product are making strategic moves to protect against further margin erosion. Instead of engaging in competition for market shares, producers have been controlling production and inventories to keep the market balance tight.

The development of “green” sources for the production of plastics is advancing steadily and is generating the first tangible results. In September 2010, Braskem started operations at a Brazilian facility that produces conventional polyethylene from sugar cane. Braskem’s customers include major consumer-product corporations that will be using the sugar-cane-based polyethylene resins for packaging of cosmetics and container closures. A second

project for the production of bio-polymer, also in Brazil, was recently announced jointly by Dow and Mitsui & Co.

To order the *2012 World Polyolefins Analysis* and learn more about the current market issues and CMAI's outlook for this industry, please visit [www.cmaiglobal.com](http://www.cmaiglobal.com). The analysis is available in paper and CD-ROM format, and offers access to CMAI's Online Capacity and Supply/Demand databases, which are updated frequently to reflect changing market conditions.

[CMAI](#) is the premier provider of market, planning and business advisory services 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 range of companies across multiple value chains and geographies since 1979. Clients to CMAI services include companies in the following industries: chemical & oil, technology & EPC; banking and financial institutions; plastic converters; textile & apparel manufacturers; brand-owners; grocers/retailers, government agencies; trading.

[IHS](#) (NYSE: IHS) is the leading source of information and insight in critical areas that shape today's business landscape, including energy and power; design and supply chain; defense, risk and security; environmental, health and safety (EHS) and sustainability; country and industry forecasting; and commodities, pricing and cost. Businesses and governments in more than 165 countries around the globe rely on the comprehensive content, expert independent analysis and flexible delivery methods of IHS to make high-impact decisions and develop strategies with speed and confidence. IHS has been in business since 1959 and became a publicly traded company on the New York Stock Exchange in 2005. Headquartered in Englewood, Colorado, USA, IHS employs approximately 5,100 people in more than 30 countries around the world.

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