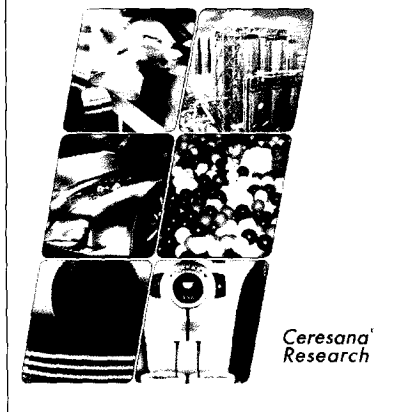


Strong growth in PP market

Market Study: Polypropylene



POLYPROPYLENE, one of the most versatile of plastics, is being used in an increasing amount of applications. Whether used in ice-trays, drinking straws, washing machines, furniture, sporting goods, luggage, diapers, or syringes; polypropylene is everywhere.

As a light, easily recyclable material, it saves weight and is often environmentally friendly. PP is increasingly being used as a substitute for other, relatively expensive plastics.

Asia-Pacific is growing rapidly

Especially in China and India, new factories are constantly being developed. Within the next five years, manufacturing capacities in both countries will be expanded by more than 7.5 million tons. Despite rising prices, the strong demand from the packing and automotive industries, as well as from other growing sectors, such as the construction industry, has led to a continuous increase in the consumption of PP.

The Middle East becoming a major supplier

Saudi Arabia and the other Gulf States want to become suppliers of more than just raw materials. Large PP production facilities are being constructed in order to provide high-priced end products. PP manufacturing capacities will more than double within the next five years. Although domestic demand within the Arab nations continues to remain low, export values

will be superior. The Middle East is progressing to become one of the most important suppliers of PP.

Challenges for North America and Western Europe

Throughout Canada, the United States, and Western Europe, small PP factories with capacities of less than 200,000 tons will continue to be closed. As a result of this, over the next few years the importance of these countries as PP exporting nations will continue to diminish. Since market prices are high as compared to China or Saudi Arabia, for example, traditional PP manufacturers are faced with significant challenges. In order to develop innovative products, they need to improve the efficiency of production through better manufacturing methods, expanded distribution networks, a greater range of services for customers, and closer cooperation with the manufacturing industry.

Worldwide growth

As the newest study from Ceresana Research shows; in recent years, the worldwide PP market carried a volume of 45 million tons and a value of approximately \$65 billion. During the next few years, there will be a considerable increase in PP capacities and an improved supply of the preliminary product, propylene. However, cost pressures are rising as a result of higher prices for raw materials, energy, and transportation. The market research company is expecting that PP revenues will more than double by 2016, on account of higher prices and greater sales volumes.

The polypropylene market study provides 900 pages of essential data on this rapidly growing market. It offers 100 company profiles for current and future manufacturers around the world, and development within 64 nations is clearly detailed in specific country profiles. Additionally, it provides information about technical characteristics and application areas with regard to the different varieties of PP, and also gives an overview of relevant laws and environmental regulations. The market report is now available in English or German, exclusively from Ceresana Research.

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