

PX/PTA

The darkest hour before the dawn?

APIC 2025

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“

It is always darkest before the day dawneth.

”

Thomas Fuller – English Theologian and Historian



Agenda

Derivative demand remains firm

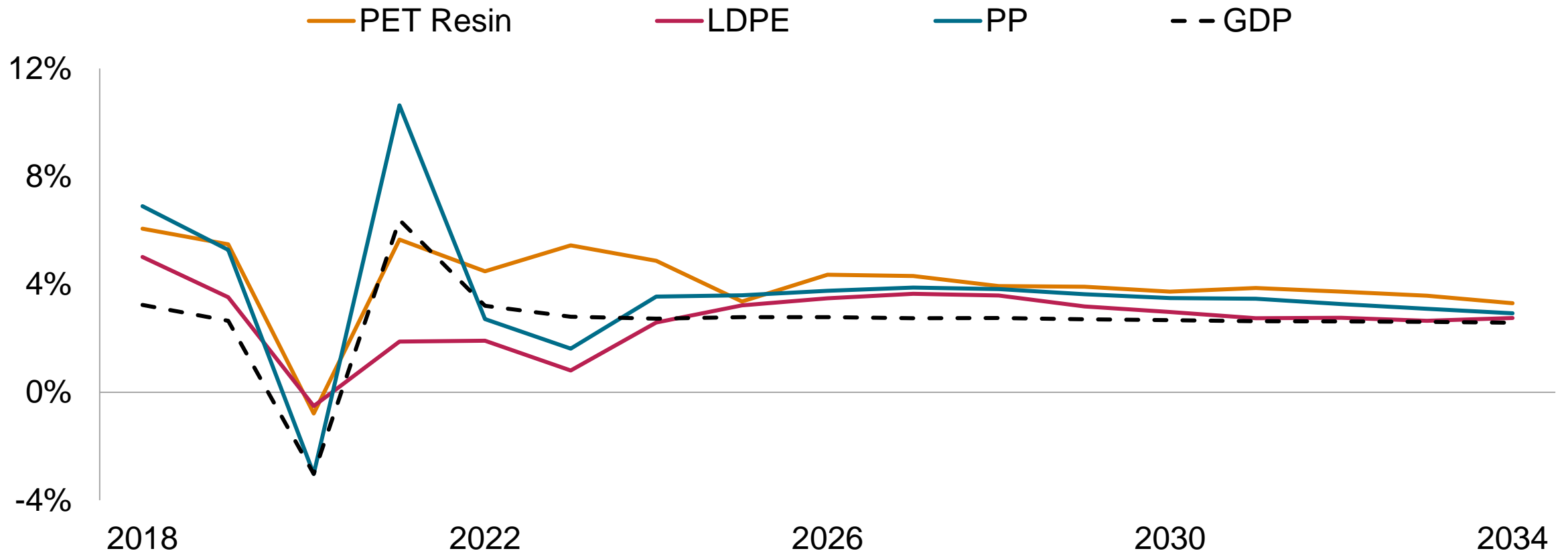
Capacity overhang continues

How long could the dark hour last?



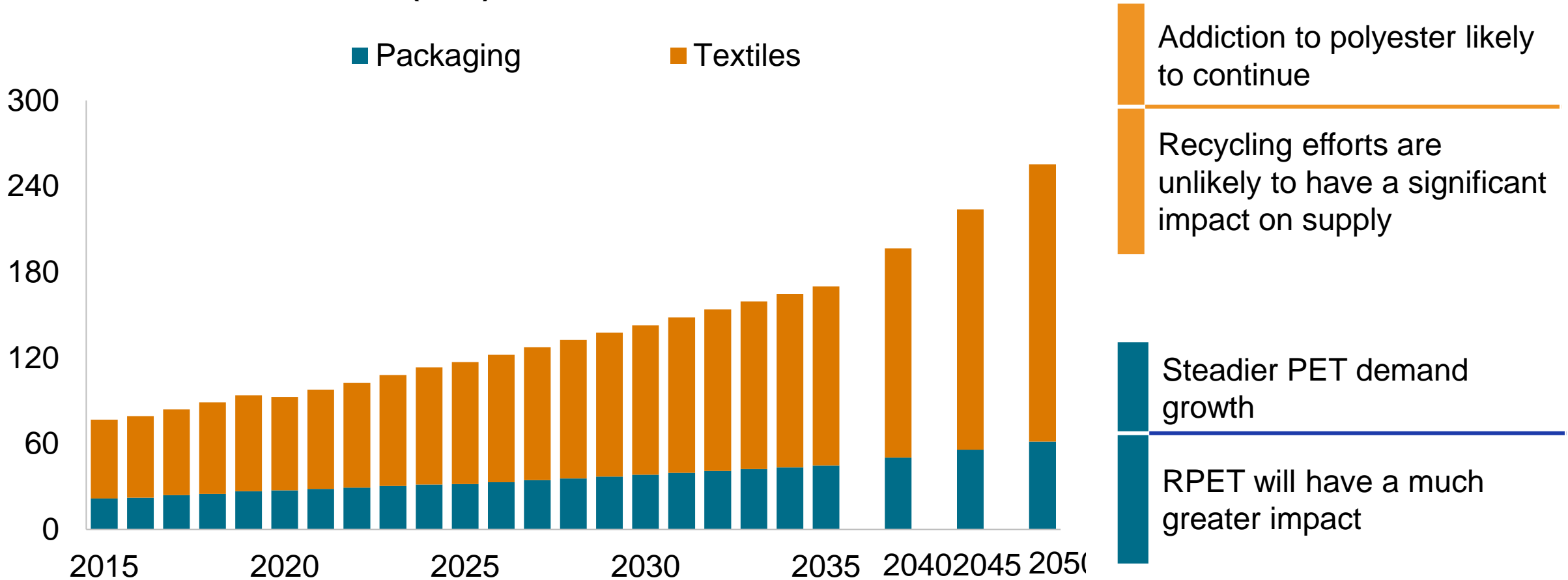
PET resin demand outlook is better than many other polymers

Global polymers annual demand changes



Global PET resin demand growth is being driven by textiles

Global PET Resin demand (MMt)

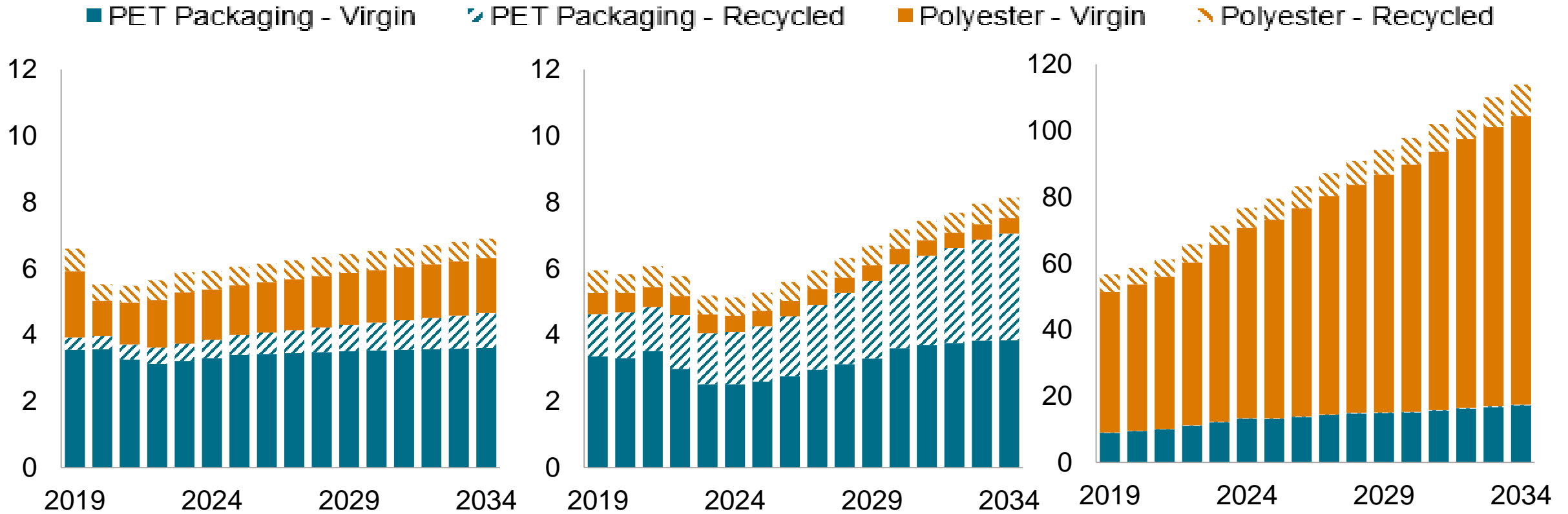


How much PET resin demand will be supplied by mechanically recycled material?

N. American PET resin supply (MMt)

European PET resin supply (MMt)

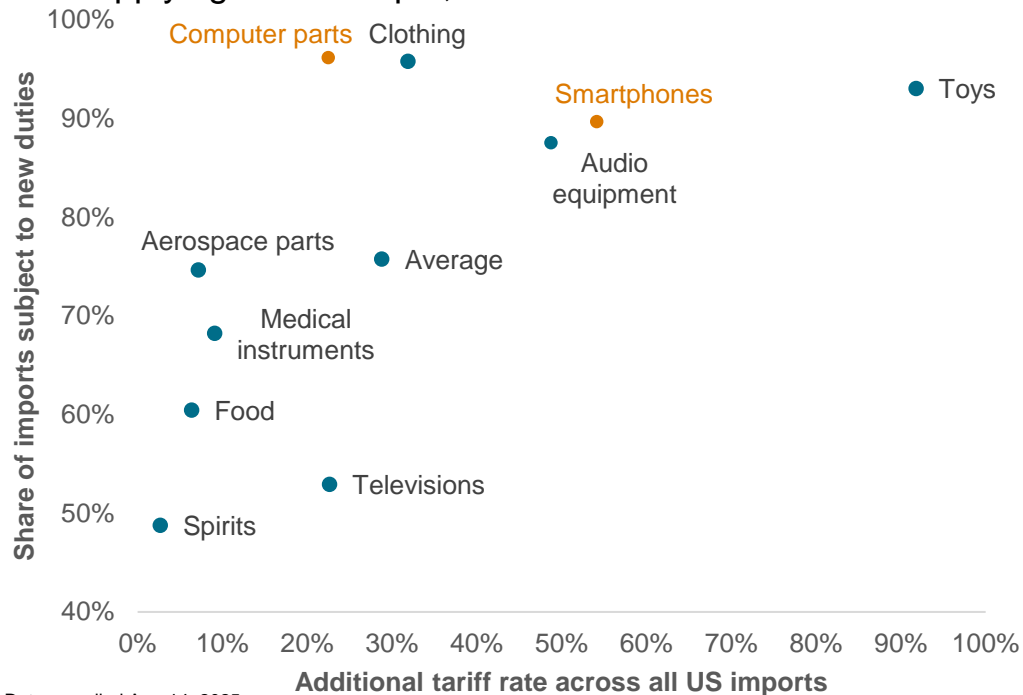
China PET resin supply (MMt)



US tariffs could have a significant impact on consumer goods trade flows

Consumer goods face largest tariff rate increases

Change in average US import duty rates due to reciprocal tariff rates applying from 14 April, 2025



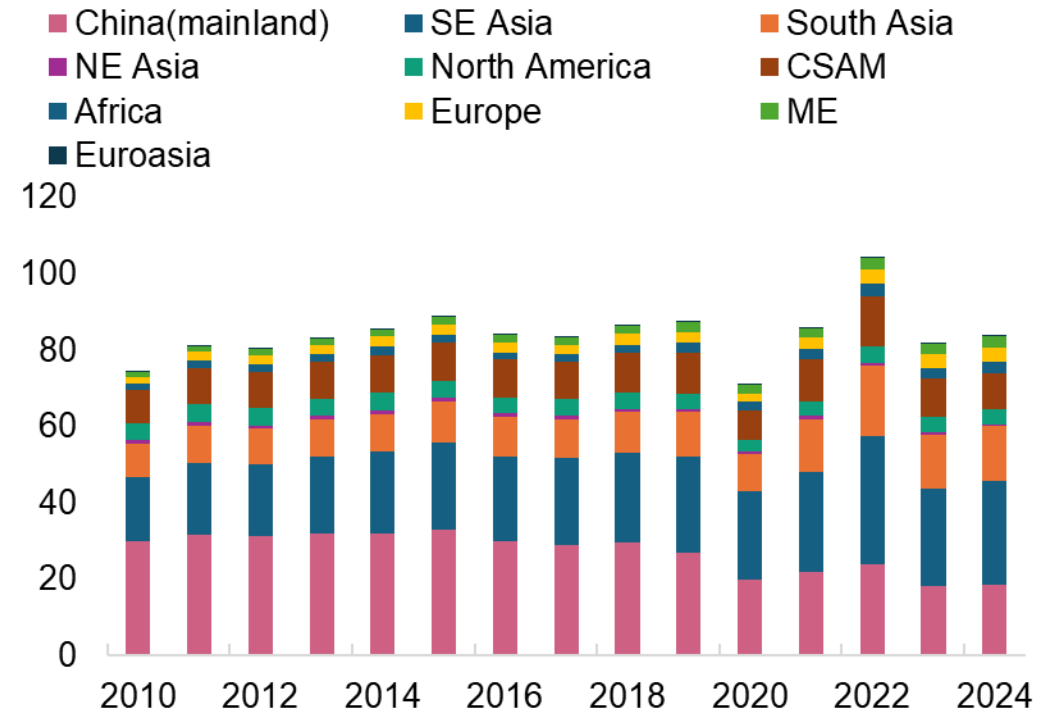
Data compiled Apr. 14, 2025.

Source: S&P Global Market Intelligence

Smart phones and computer parts exempted on Apr. 12, 2025.

US wearing and apparel imports by region

2024 US\$ billion

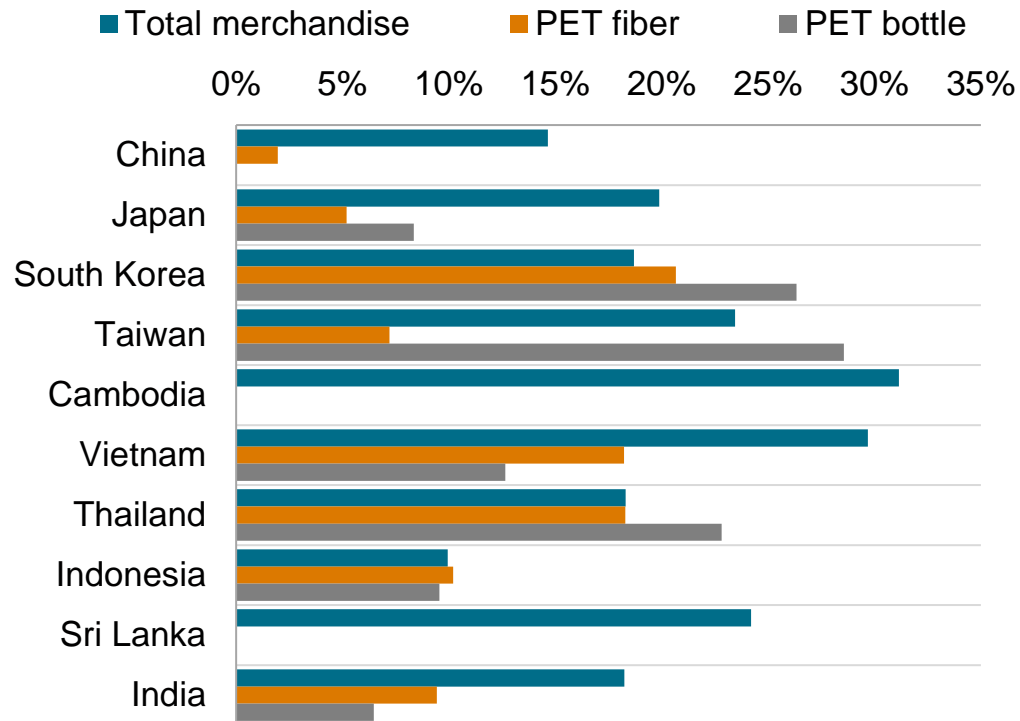


Data compiled April, 2025.

Source: S&P Global [Division].

Asia is a major supplier to the US for apparel and polyester; difficult to diversify

Share of national export values heading to US (2024 data)



Data compiled April, 2025.
Source: S&P Global Market Intelligence.

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Data compiled April, 2025.
Source: S&P Global Market Intelligence.

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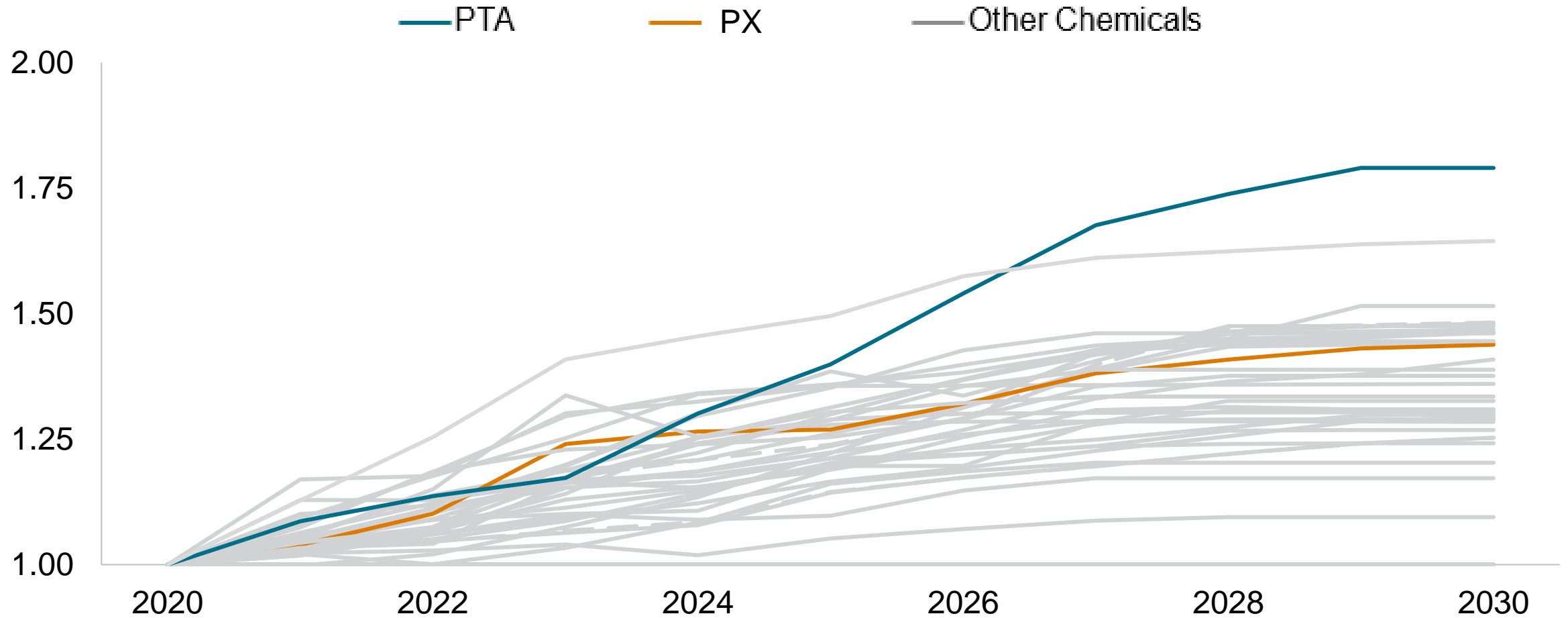
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How long could the dark hour last?

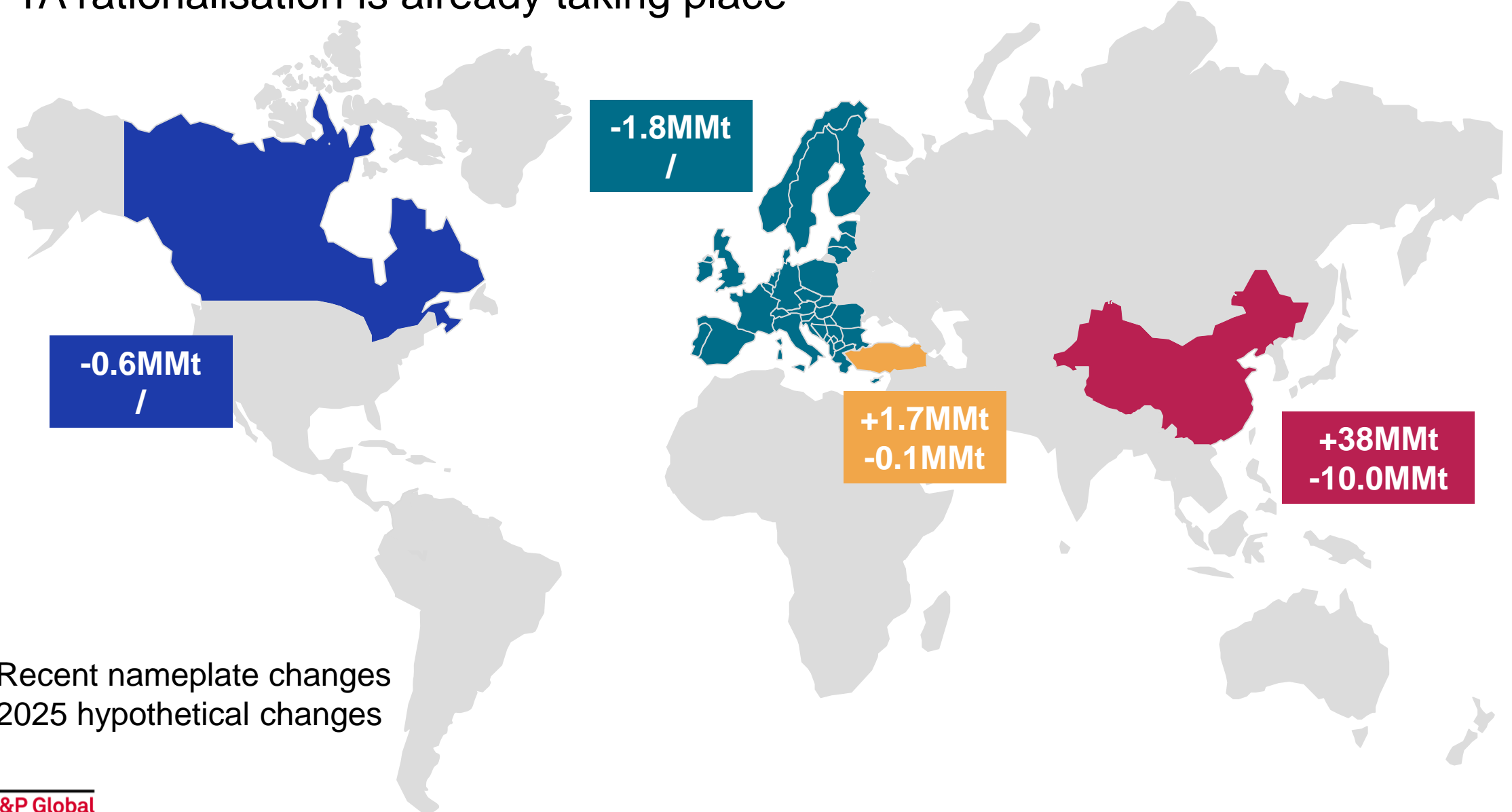


PTA capacity additions have been far higher than other chemicals

Nameplate capacity changes indexed to 2020



PTA rationalisation is already taking place

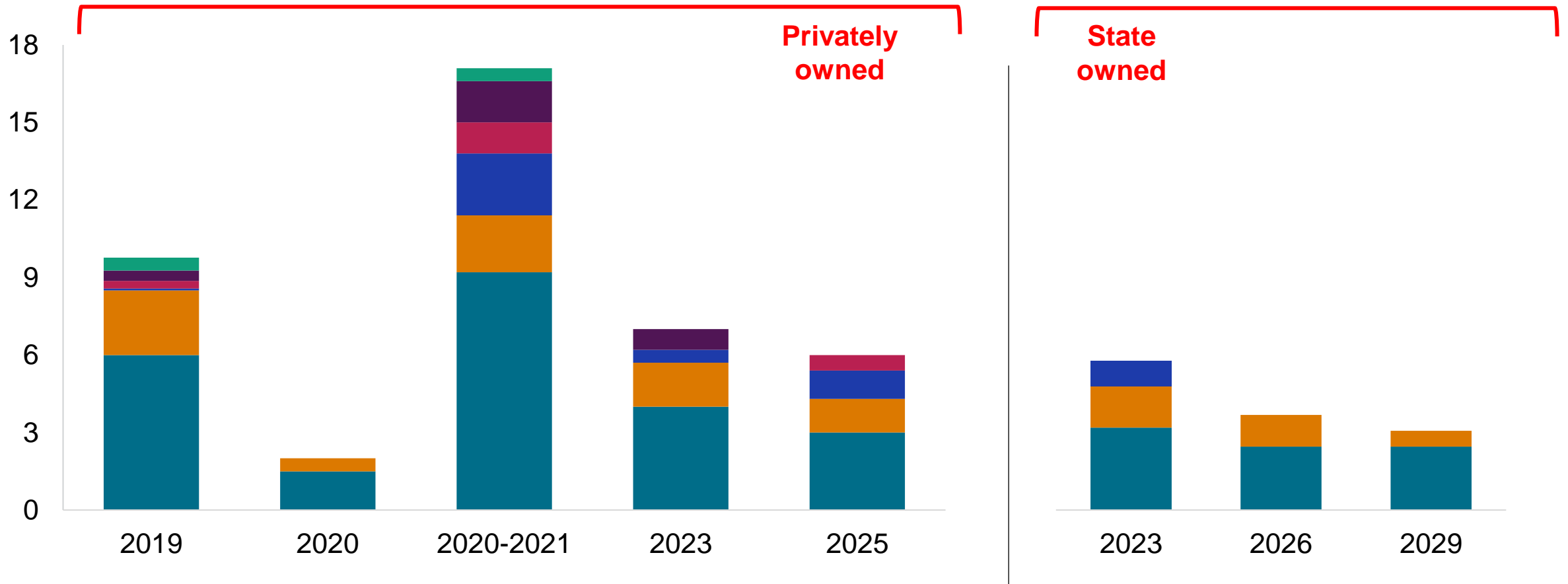


Recent nameplate changes
2025 hypothetical changes

The China PX-driven crude to chemicals complexes wave is about to pause

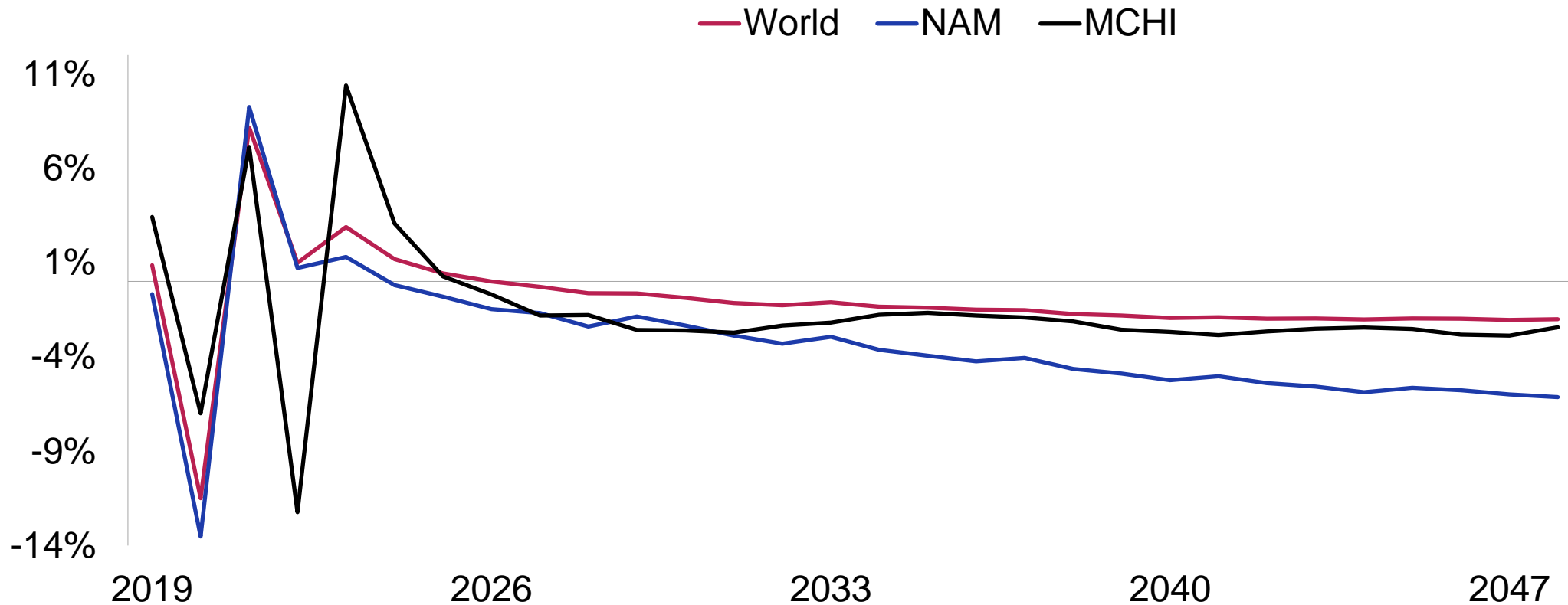
Capacity (MMT)

■ PX
 ■ BZ
 ■ SM
 ■ ABS
 ■ Phenol
 ■ Bisphenol A



The energy transition will cause gasoline demand to decline which will impact aromatics sources in the longer-term

Gasoline consumption change



Data compiled Feb. 10, 2025.
Source: S&P Global Commodity Insights.

Agenda

Derivative demand remains firm

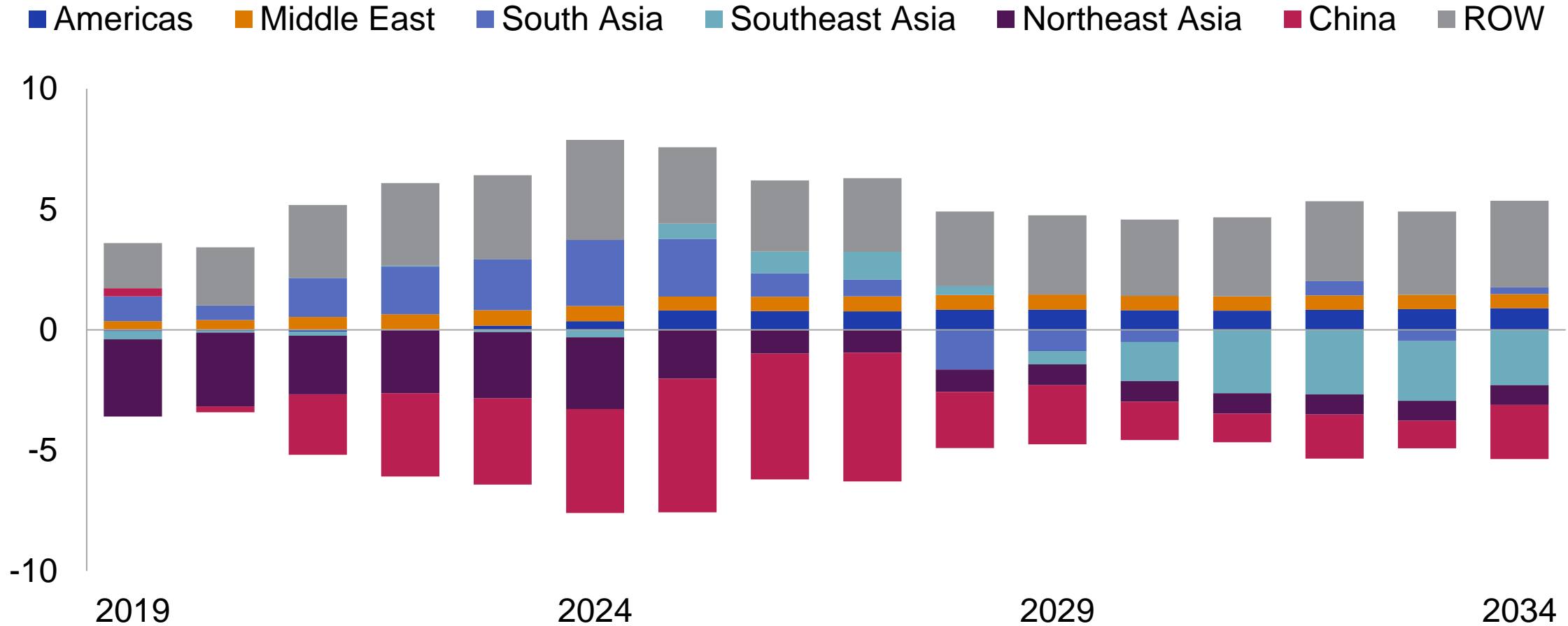
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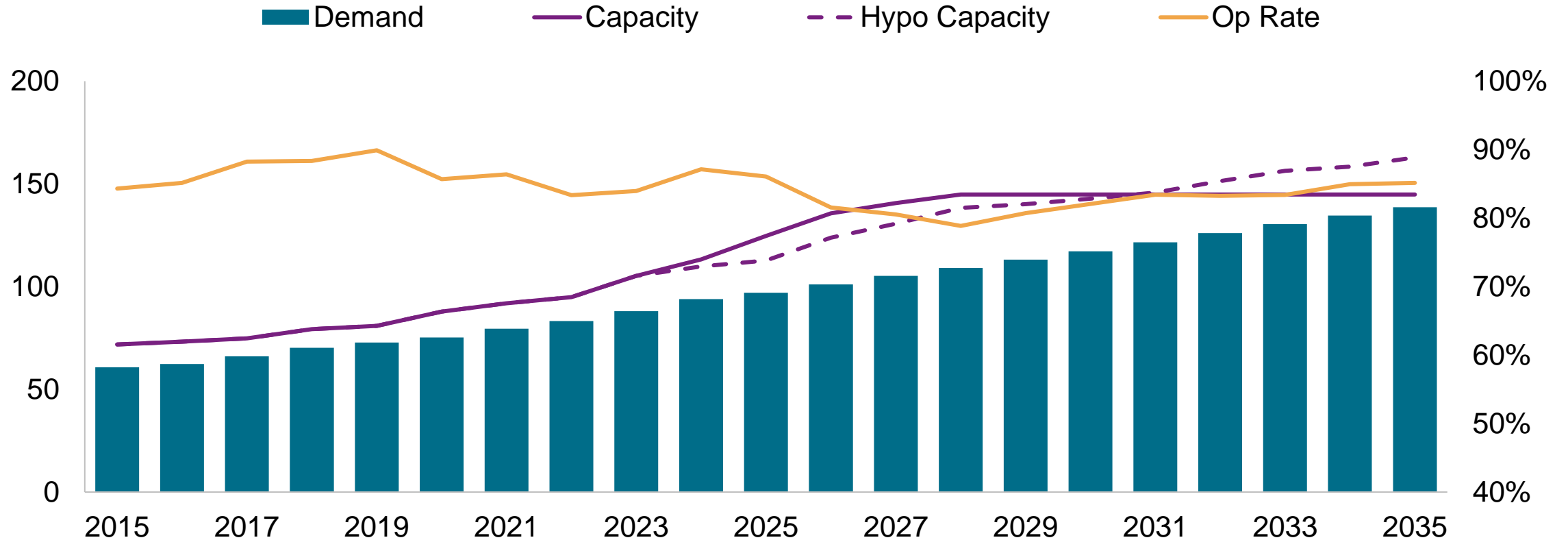
Global PTA trade is expected to contract

Global PTA net imports (MMt)



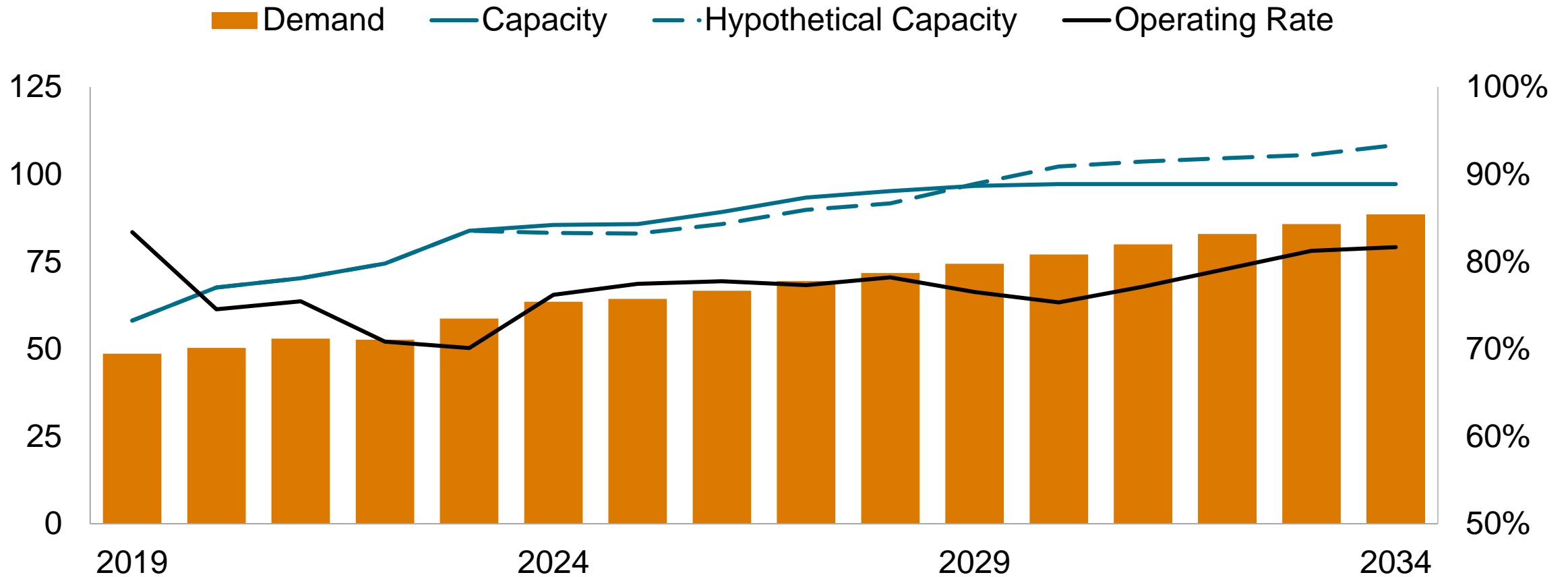
Global PTA run rates are yet to reach a trough

Global PTA outlook (MMt)



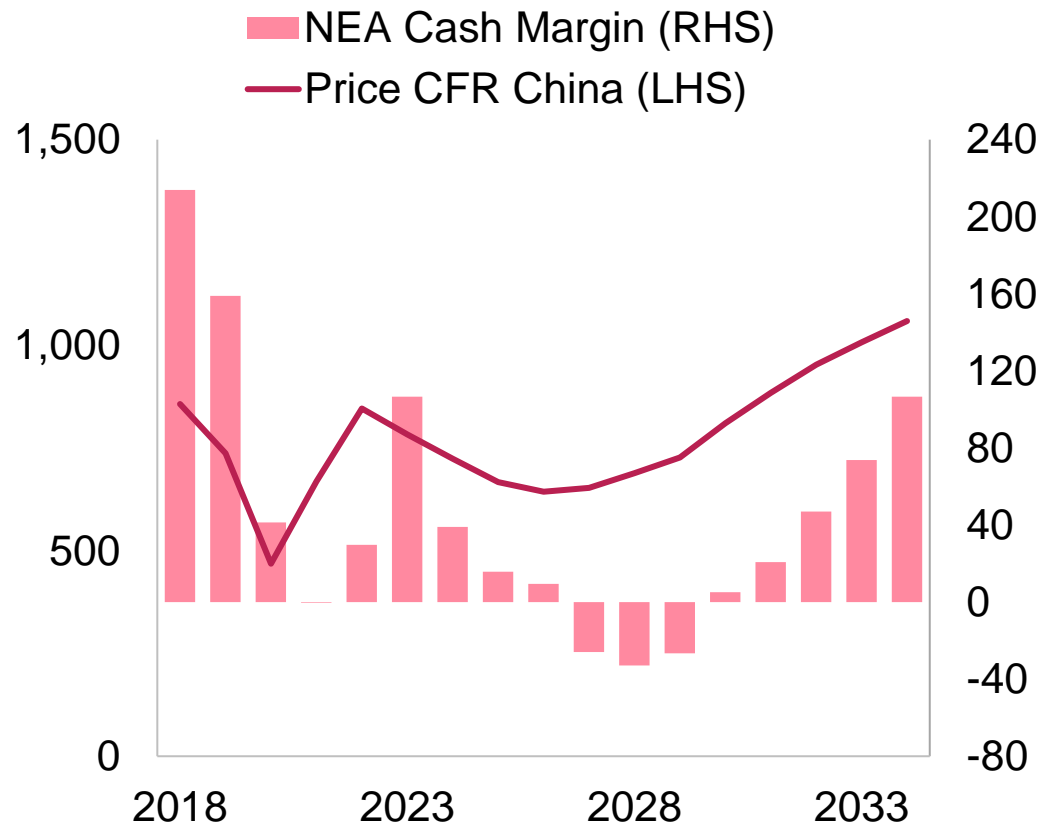
Continued PX demand growth set to drive slow operating rate recovery

Global PX market outlook (MMt)

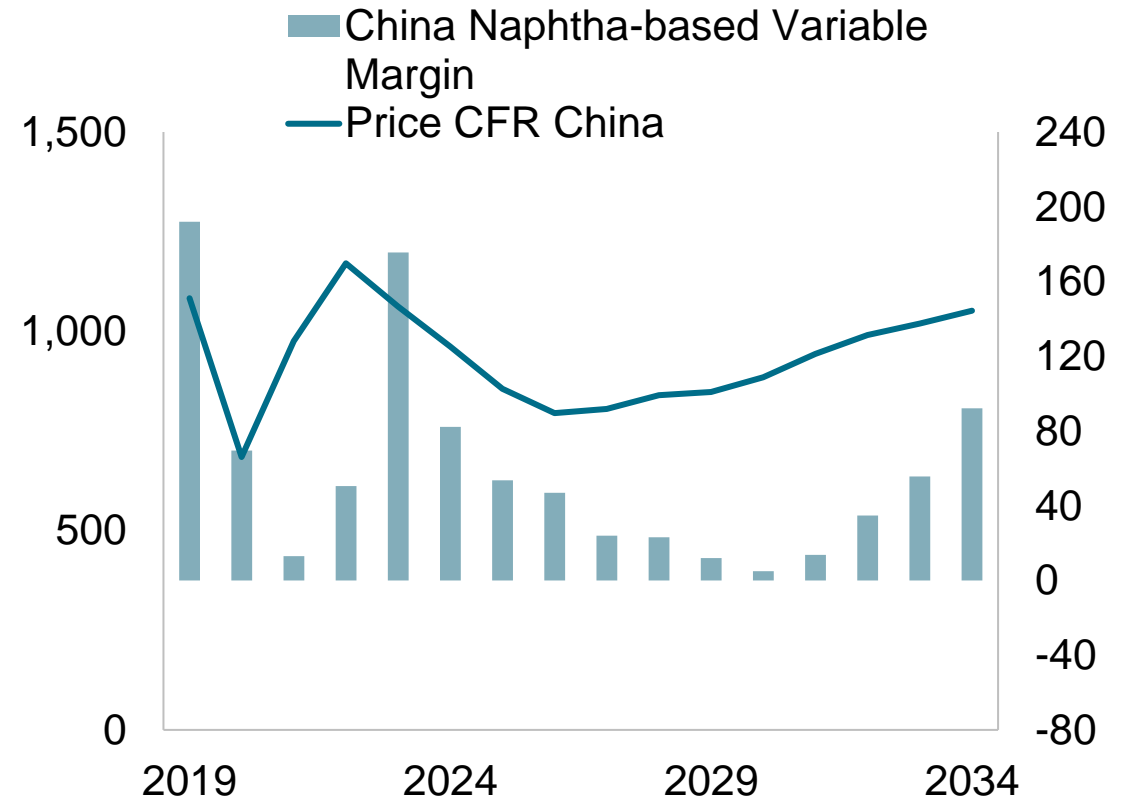


Margins to follow operating rates, especially with gasoline no longer a factor

PTA price outlook (US\$/t)



PX margin outlook (Constant US\$/t)





Conclusions

Polyester demand growth remains firm

Energy transition impacts limited over the next five years

Further capacity still to come

PX Margins set to face further pressure before improvement

Margins will be made at other parts of value chain.... and that's ok for integrated players