Global Petrochemicals Market: Information by Type (Ethylene, Propylene, Butadiene, Benzene, Toluene, Xylene, Methanol), Application (Polymer, Paints and Coatings, Solvent), End-Use Industry (Packaging, Automotive, Construction), Region—Forecast till 2023

The global petrochemicals market is expected to register a CAGR of 8.06% to reach around USD 943.5 billion by the end of 2023. Petrochemicals is a complex industrial sector influencing almost every sphere of life. Petrochemicals are chemical derivatives of oil & gas. They are made either from naphtha fraction of crude oil or from steam cracking of paraffin present in natural gas. Petrochemicals are broadly classified into three main categories—olefins, aromatics, and methanol. As per MRFR analysis, the global petrochemicals market has been segmented based on type into ethylene, propylene, butadiene, benzene, xylene, toluene, methanol, and others. The increasing demand for polymers in the packaging and automotive industries is predominantly expected to drive the growth of the global petrochemicals market as petrochemicals are widely used in the manufacturing of a variety of monomers, which are used for making polymers. Likewise, the increasing demand for paints and coatings across the globe is also projected to boost the growth of the global petrochemicals market during the forecast period. Besides, the rising demand for methanol in various end-use industries is also expected to contribute to the growth of the product market. Furthermore, rapid industrialization in Asia-Pacific and the adoption of novel technologies are projected to create lucrative opportunities for the players operating in the global market during the forecast period. However, volatility in raw material prices is expected to be a major challenge for the manufacturers operating in the global market. However, the growing environmental concerns and shifting demand towards bio-based chemicals are factors likely to hamper the global market growth during the forecast period.

Market Dynamics

Petrochemicals are used as a raw material in the manufacturing of polymers in the packaging industry. Polyethylene that is produced from ethylene can be hard, soft, and pliable. Soft and pliable polyethylene is commonly used as a raw material for flexible packaging, which is often used to package and store a wide range of products. However, hard polyethylene is used for the manufacturing of rigid packaging. With the increase in demand for flexible and rigid packaging, the demand for polyethylene and thus ethylene is expected to increase in the coming years, which is projected to drive the growth of the global petrochemicals market.

In addition to this, many polymers are used in the manufacturing of various plastics components that find applications in the automotive industry. Some of the most common plastic components used in the automotive industry are carpet fibers, chemical tanks, bumpers, gas cans, cable insulation, hard plastic parts, foam insulation panels, elastomeric wheels and tires, cushions, flexible foam seating, electrical potting compounds, wires, and cables. The increase in the demand for automobiles across the globe and growing use of polymeric resin in the manufacturing of automotive components to reduce the weight of the vehicle are factors expected to boost the demand for polymers and in turn petrochemicals during the forecast period.
Global Petrochemicals Market, by Type, 2018 (USD Million)

Sources: MRFR Analysis

Segmentation

The global petrochemicals market has been segmented by type, application, end-use industry, and region.

Based on type, the ethylene segment accounted for the largest market share of around 26% in 2017 and is expected to register a remarkable CAGR during the forecast period.

By application, the polymers segment held the largest market share in 2017 and is expected to exhibit a CAGR of over 8% during the forecast period.

On the basis of end-use industry, the packaging segment accounted for the largest share of 32% in 2017 due to the increasing use of petrochemicals in the packaging industry across the globe.

Global Petrochemicals Market Share, by Region, 2017 (%)

Sources: MRFR Analysis

Regional Analysis

Geographically, the global petrochemicals market has been divided into Asia-Pacific, Europe, North America, Latin America, and the Middle East & Africa.

Asia-Pacific held the largest market share of around 51.5% in 2017 due to rapid industrialization in the region. The regional market is expected to register a significant CAGR during the forecast period. China and India are expected to be the major growth-centric countries in the regional market. North America and Europe are also the major markets for petrochemicals. The US petrochemicals market is expected to exhibit a remarkable CAGR of over 7% during the forecast period. Furthermore, Germany and Russia are expected to hold significant shares of the European petrochemicals market.

Key Players

Some of the key players operating in the global petrochemicals market are BASF SE (Germany), SABIC (Saudi Arabia), LyondellBasell Industries Holdings B.V. (The Netherlands), TOTAL (France), Indian Oil Corporation Limited (India), Chevron Phillips Chemical Company (US), BP PLC (UK),
Sumitomo Chemical Company (Japan), Reliance Industries Limited (India), China National Petroleum Corporation (China), DowDuPont (US), Royal Dutch Shell PLC (The Netherlands), and China Petroleum & Chemical Corporation (China).

The key players in the global petrochemicals market are focusing on growth strategies such as expansion, acquisitions, joint ventures, product launches, and technology transfer on a global level to enhance their market share and become leaders in the global market.

- On 7 January 2019, Shell started the production of the fourth alpha olefins (AO) at its Geismar, Louisiana, US, chemical manufacturing site. The production capacity is 425,000 tonnes/year, which brings total AO production to more than 1.3 million tons per annum at Geismar.
- On 9 January 2019, BP has planned to expand the production capacity of its petrochemicals unit at its joint venture Lotte BP Chemical Company Limited facility in Ulsan, South Korea. The production capacity will increase to over 1 million tonnes per annum.
- On 20 December 2018, BP planned to expand its petrochemicals facility, which is a joint venture with SOCAR, in Turkey. The facility will produce 1.3 million tonnes of purified terephthalic acid (PTA), 840,000 tonnes of paraxylene (PX), and 340,000 tonnes of benzene per year.

**Market Segmentation**

**Global Petrochemicals Market, By Type**
- Ethylene
- Propylene
- Butadiene
- Benzene
- Toluene
- Xylene
- Methanol
- Others

**Global Petrochemicals Market, By Application**
- Polymers
- Paints and Coatings
- Solvents
- Rubber
- Adhesives and Sealants
- Surfactants
- Dyes
- Others

**Global Petrochemicals Market, By End-Use Industry**
- Packaging
- Automotive & Transportation
- Construction
- Electrical & Electronics
- Healthcare
- Others

**Global Petrochemicals Market, By Region**
- North America
  - US
  - Canada
- Europe
  - Germany
  - UK
  - France
  - Spain
- Italy
- Russia
- Poland
- Rest of Europe
- Asia-Pacific
  - China
  - India
  - Japan
  - South Korea
  - Indonesia
  - Australia & New Zealand

Rest of Asia-Pacific
- Latin America
- Brazil
- Mexico
- Argentina
- Rest of Latin America

Middle East & Africa
- GCC
  - Turkey
  - North Africa
  - Rest of the Middle East & Africa

Available Additional Customizations
Pricing Analysis

Intended Audience
- Petrochemicals Manufacturers
- Suppliers and Traders
- Government, Associations, and Industrial Bodies
- Investors and Trade Experts
- Consulting in Chemical Experts
Infographic Summary:

Global Petrochemicals Market, by Type

Global Petrochemicals Market, by Region (%), 2017

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