

# Coal-to-Olefins Technology in China Could Soon Flood Global Polyethylene Markets

Among Findings of the Quarterly "Platts Shale to Polyethylene Report - Global Outlook to 2023"

PR Newswire  
NEW YORK

NEW YORK, March 24, 2014 /[PRNewswire](#)/ -- If China's development of coal-to-olefins (CTO) technology continues as planned across the next five years, the global polyethylene (PE) market is likely to be saturated with material through 2019, according to the just-released quarterly: "[Platts Shale to Polyethylene Report - Global Outlook to 2023](#)."

Polyethylene, also called polythene, is the world's most widely used plastic, primarily used to make films used in packaging and plastic bags. Polyethylenes consume more than half of the world's supply of ethylene, derived from various petrochemical olefins.

"At Platts, we are tracking more than three dozen coal-to-olefins and methanol-to-olefins projects in China, all of which are likely to come on stream by 2020," said Jim Foster, editorial director of petrochemical analysis at [Platts](#), a leading global information provider of energy, petrochemicals, metals and agriculture information. "Those new plants are expected to add more than 10 million metric tons of ethylene to the Chinese market."

The *Platts Shale to Polyethylene Report* showed that the amount of ethylene produced from coal-to-olefins in China is expected to match the amount of ethylene produced from new steam cracker projects tied to shale gas developments in North America.

"We hear a lot of talk about how shale gas is a 'game changer' in the petrochemical industry," Foster said. "And it certainly is. But coal-to-olefins has the potential to have an even greater impact than shale gas, if China moves forward as planned."

Report data showed that not only is China adding ethylene production capacity, it is adding more than 14 million metric tons of additional polyethylene capacity between 2014 and 2021, much of which is being fed by the coal-to-olefins-produced ethylene.

The Report, in its look at new ethylene and polyethylene production developments worldwide, made clear that new Asian capacity - most of which is in China - will hit the global markets ahead of the new production planned for North America. The largest capacity gains in the Americas are projected to occur in 2017 and 2020, when new shale-based production comes on-stream.

"Each of those two years will see increases of little more than two-million metric tons," said Foster, "but in 2015 and 2016 alone, Asian PE capacity could climb more than seven million metric tons."

The Report showed the influx of Asian material will likely increase global polyethylene surpluses by more than 50% between 2013 and 2015. Global surpluses of the plastic are projected to climb to more than seven million metric tons between 2016 and 2018.

For more information on the Report's findings, listen to the Platts podcast: <http://plts.co/1eupgG>.

The *Platts Shale to Polyethylene Report*, a quarterly report available by subscription, includes:

a summary of findings; comprehensive region-by-region data on ethylene and polyethylene production, supply and demand, cracker projects, plant capacity and trade flows; as well as 10-year price forecasts from Platts' oil and natural gas analytics unit Bentek Energy\* for crude oil and five natural gas liquids (NGLs): ethane, butane, isobutane, propane and natural gasoline

Each quarter's 60-page report will feature updated content, data forecasts and commentary from Platts petrochemicals analysts Hetain Mistry, Max Yong and Jim Foster.

The next *Platts Shale to Polyethylene Report* is scheduled to be released in June 2014.

For more information on the [Platts Shale to Polyethylene Report](#) and/or additional information on petrochemicals, visit the Platts website [www.platts.com](http://www.platts.com).

Monthly information on the spot physical market prices of olefins and aromatics, the building blocks to polyethylene and other plastics, synthetics and rubbers, is available via the Platts Global Petrochemicals Index ([PGPI](#)) press release. [Platts petrochemicals experts](#) and analysts are available for media interviews.

\*Bentek Energy, a specialist unit in oil and natural gas analytics, was acquired by Platts in 2011.

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