

# Strategic Issues and Their Implications

## Global Polyolefins



### 1 Global Polyolefins demand continues to outpace GDP while uncertainty abounds

End use demand drivers increase with economic growth, mobility-enabled services (eg. Amazon) & greater affluence



### 2 Upcycle Integrated margins remain healthy through 2020

Supply/Demand balances controlled by ethylene and propylene availability



### 3 Price setting mechanisms operate within changing floor and ceiling boundaries

Inter-material substitution costs, import/export affordability, product performance, and new applications change price boundaries



### 4 Regional Feedstock competitiveness, CAPEX differentials & Demand influence location of supply

Regional cost competitiveness and trade flows affected by demand centers as well as low cost supply locations



### 5 Environmental considerations create uncertainty for the Supply/Demand balances

China: recycled plastic import ban versus Southeast Asia recycle development.  
West Europe: Circular Economics & single use packaging



### 6 Disruptive technologies for ethylene and propylene have potential to change competitive landscape

Polypropylene price dynamics change as by- and co-product production loses influence. Technologies emerge for more direct gas to polyolefins production



### 7 Large populations consume significantly less plastic per capita compared to fully developed regions

At what pace and degree will developing economies grow to levels of North America and West Europe?

## The global plastics and polymers market is complex.

Develop your strategy around these strategic issues with deep analysis and insight from IHS Markit. Our global integrated analysis adjusts outlooks to the rapidly changing market conditions.

## Don't be left behind, give your company a strategic advantage

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