North America Propylene Supply Study

A deep dive into eleven propylene trade areas in North America

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Contents

Introduction .............................................................................................................. 3
Study scope .............................................................................................................. 5
Deliverables ............................................................................................................. 6
Table of contents .................................................................................................... 7
Methodology ........................................................................................................... 12
Project Team ........................................................................................................... 13
About IHS Markit .................................................................................................... 14
Contact information ............................................................................................... 16
Introduction

As the Shale Gale has shaped the petrochemicals global market, North America has responded by leveraging its new raw material advantage. However, in a world with lower crude oil expectations, the plan has not gone exactly as predicted and North America’s propylene market dynamics continued to evolve. As the factors influencing the propylene market continue to develop, the North America Propylene Supply Study can provide insight into these changes and key strategic issues that will impact the North American propylene market forward.

During recent years, increased natural gas production brought an excess of natural gas liquids such as ethane and propane. Ethane’s emergence as a cost advantaged feed for ethylene production has led to reduced propylene availability from steam cracking. At the same time, propane availability has driven both North American investment in on-purpose propylene production via PDH and expansion of propane export capability which has supported PDH investments in Asia.

In addition, availability of propylene originating within refineries as a by-product of gasoline production and alkylation of refinery grade propylene will be affected by future changes in refinery operations and fuel demand. Evolving propylene market dynamics are expected to influence infrastructure changes, derivative investments, and movement of propylene within the region and globally.

The North America Propylene Supply Study provides in-depth discussion of key strategic questions facing the propylene industry such as:

‒ What is the effect of shale gas and tight oil development on propylene supply?
‒ What is the effect of changes in oil fundamentals on propylene supply?
‒ What is the impact of propane dehydrogenation (PDH) in North America?
‒ What is the North American impact of propylene production in China?
‒ What is the impact of changes in North American logistic infrastructure for propylene?

The study will include in-depth analysis of eleven North America propylene trade areas (PTAs). For each PTA, IHS Markit will provide:

‒ Capacity by propylene grade and technology type
‒ Pipeline, rail, terminal capabilities
‒ Demand by propylene grade
‒ Inter-PTA and offshore trade flow snapshots
The propylene trade areas within North America are defined as follows:
Study Scope

This special report provides a detailed look at North America’s propylene trade areas (PTAs) with coverage of the following topics:

**Strategic Issues**
- Shale Gas/Tight Oil Impact on Propylene
- Impact of Changes in Oil Fundamentals
- PDH in North America
- Significant Propylene Investment in China
- Changes to Propylene Logistic Infrastructure

**North America Producer Profiles**

**Prices**
- Mechanisms
- Energy Forecast through 2028
- Propylene Price Forecast through 2028

**Propylene Technology Review**
- Description of Major Technologies Including Process Flow Diagrams
- Economic Snapshots for Major Technologies for Propylene Production

**Supply-Demand**
- Discussion of Key Supply-Demand Trends
- Supply-Demand Balances 2000-28 for North America, Canada, Mexico, and U.S.

**Distribution**
- Definition of Propylene Trade Areas (PTA)
- Inter-PTA trade grids, PTA production and consumption, PTA supply and demand
- Polymer-Grade, Chemical-Grade, and Refinery-Grade propylene integration by PTA
- Steam Cracker and PDH Propylene Producers’ Capacity and Logistics Capabilities
- Refinery Propylene Producers’ Capacity and Logistics Capabilities
- Propylene Export Terminals

**Trade**
- Discussion of Propylene Trade
- Tables of Net Equivalent Trade, Imports, Exports
  - North America, Canada, Mexico, United States

**Appendices**
- Production Location Maps
- Capacity Tables
- PG/CG Integration Tables
- RGP Integration Tables
Deliverables

The final Report in narrative form (PDF) will be delivered via IHS Markit’s Connect platform with detailed market analysis and insight on topics listed in the study scope.

The study also includes:

- On-line access to Excel files containing propylene supply/demand tables and graphs, capacity tables, and trade grids as developed for the study
Table of Contents

Introduction
  Team Profiles and Contact List

Explanatory Notes
  Study Preface
  Data Sources
  Supply/Demand Balances
  Derivatives
  Conversion Factors
  Study Methodology
  Production
  Operating Rates
  Demand
  Abbreviations in this Study

Executive Overview
  Global Outlook
    Supply and Demand
    Capacity Additions
    Global Net Trade
  North America Overview
    Supply and Demand
    Trade
    Regional Dynamics
    Primary Conclusions

Strategic Issues
  The Effect of Shale and Tight Oil on Propylene Supply
    Background
    Decreased Propylene Co-Production
  Effect of Changes in Oil Fundamentals on Propylene Supply
    Background
    Fluidized Catalytic Cracking Propylene Output Flattens
    IMO 2020 Rolls In
    Attractive Alkylation Economics
Propane Dehydrogenation in North America
   Need for On-Purpose Propylene Production
   North American PDH Units

Propylene Capacity Investment in China
   Background
   Steam Cracking
   Refinery-based Production
   Propane Dehydrogenation (PDH)
   Coal to Olefins/Propylene (CTO/CTP)
   Methanol to Olefins (MTO)
   The Big Picture

Changes to Logistics Infrastructure
   Background
   Enterprise North Dean Pipeline
   Enterprise Lou-Tex Pipeline
   Enterprise Propylene Terminal Expansion
   Future Infrastructure Changes

Competitive Analysis: Propylene Cost & Margin Economics
   Competitive Cost & Margin Analytics Model Development
   Propylene Feedstocks
   Propylene Cash Costs: Steam Crackers
   Propylene Cash Costs: Refinery Based
   Propylene Cash Costs: On-purpose Units
   North America Propylene Competitive Cost Position
   Propylene Market Developments

Merchant Market Size and Composition
   North America Market Participants
   United States
   Canada
   Mexico
Profiles of Key Propylene Players in North America

BASF
BP
Braskem
Chevron
Chevron Phillips
CITGO
CKPC
Delek Group
DowDuPont
Eastman
Energy Transfer
Enterprise
ExxonMobil
Flint Hills Resources
Formosa Plastics Corporation, USA
Huntsman
Husky Energy
Indelpro
Ineos
Inter Pipeline
LyondellBasell (Equistar Houston Refining)
Marathon Petroleum
Motiva
Nova Chemical
PBF Energy (Chalmette, Toledo Refining, Paulsboro Refining)
PEMEX
Philadelphia Energy
Phillips 66
Shell
Total
Valero
Westlake

Propylene Price Mechanisms

Price Definitions
Price Forecast Methodology
Energy
Propylene Price Forecast
Technology Review

Introduction
Steam cracking
Refinery-based propylene production
Splitting
Oil sands upgrading
PDH
Metathesis
Olefin cracking and interconversion
HS-FCC
MTO/MTP
CTO/CTP

Production Economic Snapshots (2018 and 2023)

Steam Cracker: Purity Ethane
Propane; Butane; Light Naphtha; and Gas Oil
Propylene Via Metathesis: C4C2 – Butylene Stream at Raffinate 2 Valuation; C2 Dimerization; and C4C2 – Butylene Stream at Butane Valuation
Propylene Alkylation: HF Acid Process; and Sulfuric Acid Process
Propylene Polymer Gasoline
Propylene Splitter Purification
Propane Dehydrogenation: UOP Oleflex Process
Fluid Catalytic Cracking: FCC with Standard Catalyst; and FCC with ZSM-5 Additive

Supply and Demand in North America

North America
United States
Canada
Mexico
Supply and Demand Tables by Country, 2008–2028

Propylene Distribution in North America (by PTA)

Definition of Propylene Trade Areas (PTAs)
Supply and Demand by Propylene Trade Area (PTA)

PTA 1: Louisiana Mississippi River Area
PTA 2: Rest of Louisiana and Eastern Texas
PTA 3: Texas Gulf Coast
PTA 4: Rest of Texas
PTA 5: Eastern United States
PTA 6: Mid-Continent United States
PTA 7: Mountain States of the United States
PTA 8: West Coast United States
PTA 9: Western Canada
PTA 10: Eastern Canada
PTA 11: Mexico

Supply and Demand Snapshot for PTAs 1–11, 2018, 2022, and 2028
Supply and Demand Tables for PTAs 1–11, 2007–28
Capacity Integration Table for PTAs 1–11, 2018

**Propylene Trade in North America**
Country-Level Trade, 2008–2028
  Polymer Grade Trade
  Chemical Grade Trade
  Refinery Grade Trade

Inter-PTA Trade
  Polymer Grade Trade
  Chemical Grade Trade
  Refinery Grade Trade

North America Net Equivalent Trade
  United States
  Canada
  Mexico

Inter-PTA Trade Maps for Total, PG, CG, and RG Propylene: 2018, 2023, 2028
Inter-PTA Trade Grids for Total, PG, CG, and RG Propylene: 2018, 2023, 2028

Propylene Terminals in North America
Steam Cracker Capacity and Logistics, 2017
Refinery FCC/Coker Capacity and Logistics, 2017

**Appendix**
Production Locations Maps
North America PG and CG Capacity by PTA, 2008-2028
North America RG Capacity by PTA, 2008-2028
North America FCC Capacity by PTA, 2008-2028
North America Coker Capacity by PTA, 2008-2028
North America PG, CG Capacity Integration by PTA, 2008-2028
North America RG Capacity Integration by PTA, 2008-2028
Methodology

IHS Markit has earned a reputation within the petrochemical industry for its ability to build upon its extensive models and databases and to provide meaningful forecasting and strategic planning services to its clients. Looking past the “numbers” has allowed IHS Markit to not only provide clients with short-term solutions, but to also become a valuable partner in longer-term strategic planning with an eye to the global petrochemical picture.

Over three decades in the business of petrochemical consulting, IHS Markit has developed the most comprehensive databases of supply/demand that are available to the industry, providing a solid base of information from which to build.
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- Energy Technical: Exploration-Production, Geoscience, Engineering, Commercial Development
- Product Design: Engineering Design, Research and Development
- Supply Chain: Procurement, Logistics, Operations, Manufacturing
- Environmental Health, Safety & Sustainability: Sustainability, Regulatory, Environment Health and Safety

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