

Combining the latest trade data and expert insight from IHS Markit.

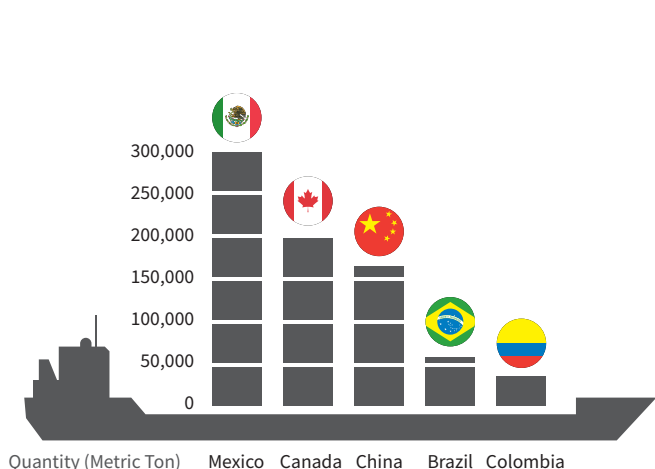
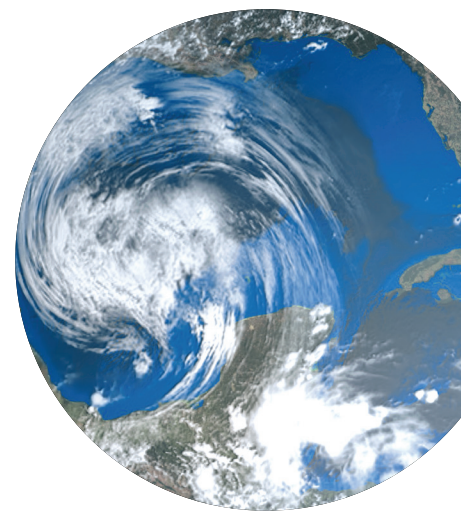
Global Polyethylene (PE) Imports and Exports of Low-density Polyethylene (LDPE) and High-density Polyethylene (HDPE)



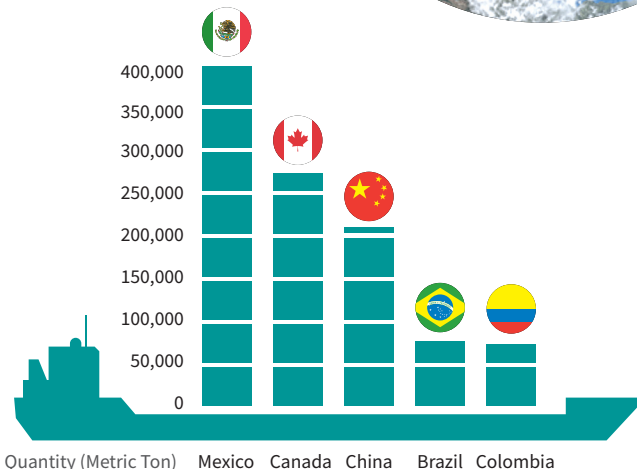
US Polyethylene export decline in 2017 and the impact of Hurricane Harvey

North American 2017 production was adversely affected by a series of large planned and unplanned outages throughout the industry as well as Hurricane Harvey which devastated the Houston area in late August 2017. At this time US production has not fully recovered from Harvey. According to the American Chemistry Council, production for 2017 was down 0.1% even though capacity increased 6.1%. As a result of less production available to the overall market and with the domestic market growing, exports took the big hit in 2017 and were down an estimated 7%.

Joel Morales Jr,
Research & Analysis Director Market Advisory Services, IHS Markit Chemical



US export data of **LDPE** 2017 (Jan-Sep)

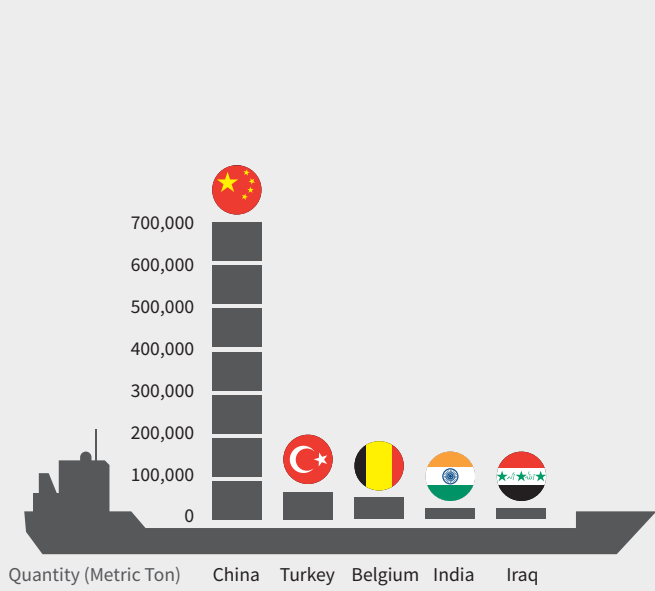


US export data of **HDPE** 2017 (Jan-Sep)

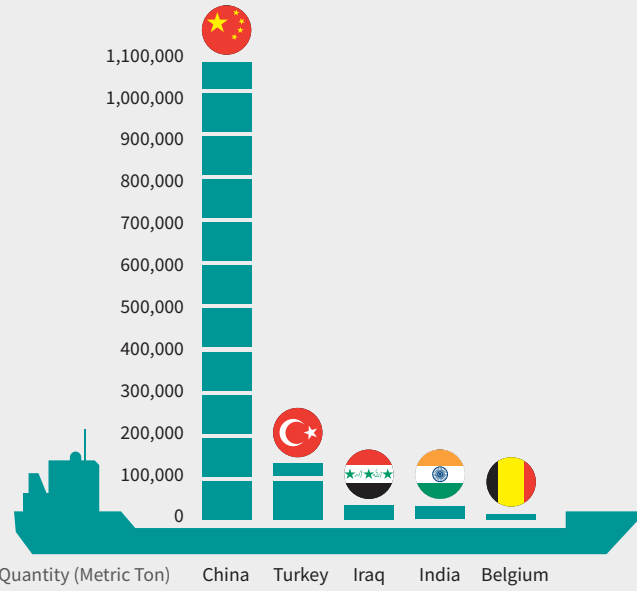
Lifting Iranian sanctions and the impact on the Polyethylene market

Iran is emerging from the shadows of sanctions, steadily. In 2017 Iranian polyethylene exports were up 20% over 2016. Operating rates climbed almost 7/8% to 85% as plant maintenance, technology and process support and supply of catalyst and additives eased post sanction withdrawal. Of course not everything can be ascribed to sanctions. Iran has also embarked on heavy investment upstream especially in fractionation that will make available more feedstock for derivative units. In 2017 we saw a partial effect of such investment, and in 2018 more optimization will happen. On trade, Iran has been consolidating their base in China, becoming a major player there due to high bilateral trade and investment. Other regions like Europe has seen moderate increase in volume of export from Iran but not significant.

Mitra Kaushik,
Research & Analysis Director Market Advisory Services, IHS Markit Chemical



Iranian export data of **LDPE** 2017 (Jan-Sep)



Iranian export data of **HDPE** 2017 (Jan-Sep)

Will Chinese demand continue to grow in 2018?

China is by far the largest polyethylene consuming region in the world and new assets being built in North America will rely on China for 50% of North American exports by the end of 2018. Going forward China will eclipse all other exporting regions in volume and any change in China demand will most likely have a ripple effect on global markets and lead for volatility to North American export volumes.

Joel Morales Jr,
Research & Analysis Director Market Advisory Services, IHS Markit Chemical



For more information on the outlook for polyethylene trade or the wider chemical shipping industry, visit www.ihsmarkit.com/mtforchem