

Large supply of propylene to come in China could favor the Asian ACN and Acrylic industry

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Petrochemical glut

Propylene price falls on weak demand, excessive output in China

TOKYO -- The Asian price of a key petrochemical material, propylene, has slipped amid tepid demand and overproduction in China.

The East Asian spot price of the main feedstock for polypropylene stood at around \$880 a ton, down 16% from a recent high in May.

Propylene output in China was up about 9% in the January-May period compared with the same period a year earlier. Due to cost reasons, more facilities turned to propane, instead of naphtha, as a feedstock.

The price of propylene has slid below that of ethylene, another key material. The price difference with their feedstock naphtha remained at around \$600 a ton for ethylene but was only about \$400 for propylene.

Propylene production capacity is expected to keep growing in China, reaching 36.9 million tons a year in 2019, up about 90% from 2013, according to an estimate by Japan's Economy, Trade and Industry Ministry.

(Nikkei)