

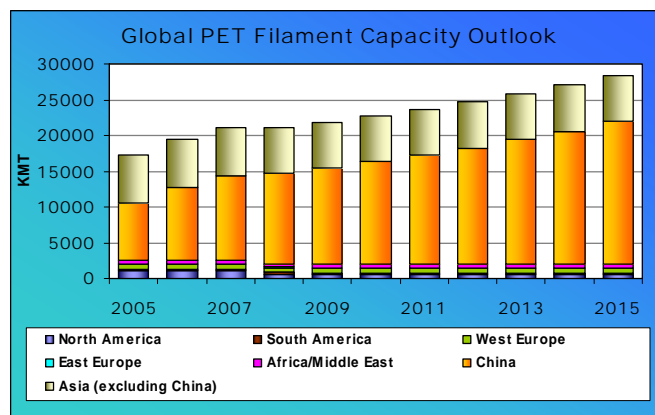
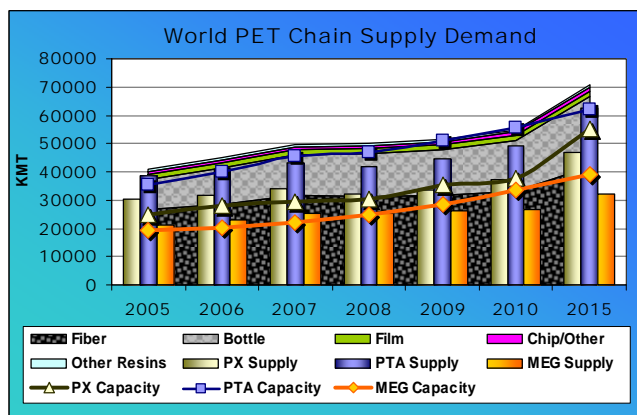
DeWitt Announces the Release of:

## PET-Chain Strategic Analysis 8<sup>th</sup> Edition 2005-2015

**DeWitt announces the completion of their PET-Chain Strategic Analysis:** The study looks at the entire polyester chain and links the markets through margin analysis, price forecasting, raw material requirements, operating rates, growth rates and complete regional balances from PX to PET resin/fibers, including MEG requirements.

The global polyester industry continues to face issues of oversupply. Capacity growth of 4.8% per year will outpace demand growth if fiber expansions remain muted through 2015. Capacity expansions are focused on Asia while western producers mature and focus on feedstock strategy, supply chain efficiencies and further advancement in niche high-tech application businesses. The short-term outlook for the global polyester industry points to a continuing PET capacity build-up in Asia while feedstock price pressure and a consequent margin squeeze seem inevitable for the entire global polyester industry in the timeframe of this study from 2005-2010. 2010-2015 offers brighter prospects for PET. The most notable capacity increases in PET fiber among the Asian countries will be coming from China.

The global polyester filament yarn (POY) capacity expansion pattern shows a striking similarity to the trend in PSF seen before. DeWitt expects the global POY capacity to grow at a compounded annual growth rate (CAGR) of 4.6% between 2005 and 2015. Further, echoing the PSF trend, the Asia-Pacific region's POY capacity share is expected to increase from 91% in 2005 to 93% in 2015. Other key regions will exhibit a flat to declining filament capacity during the same period. Consequently, a host of new POY capacities are expected to emerge from Asia with China consuming the lion's share of that increase.



The global PET resin outlook is set for strong growth over the lifespan of this study. The biggest challenges facing the PET resin market are capacity buildup due to scale considerations as projects are implemented. Builds in North America and South America, scaled at 350+ Ktons show the trend for future sites and the impact that new projects will have on Supply/Demand. These new world scale investments built at 350-380 Ktons have considerable flexibility to move world scale battery units in excess of 500-700 Ktons. This new mega-scale combined with a rapid build-up in emerging markets, like the Americas, China, Central Europe and perhaps the Middle East should continue to push conventional economics and also shift established import/export channels. Factoring into these challenges is the continuation of trade barriers via anti-dumping movements. With the emergence of integrated and increasingly more balanced Chinese capacity, traditional exporters in NEA will be searching for outlets as new capacity should swing import barriers inside of China. Shifts in trade channels driven by a new threshold for economic efficiency could also work to alter operating rates and may necessitate greater consumption in export based markets or consolidation or both.

Please contact Mr. Edgar Acosta of DeWitt & Company Incorporated for further information about the 8<sup>th</sup> Edition PET-Chain Strategic Analysis at 281.878.7218 or [ecosta@dewittworld.com](mailto:ecosta@dewittworld.com).

# PET Chain Strategic Analysis 8<sup>th</sup> Edition

## 2005-2015

### TABLE OF CONTENTS

<b>1.</b>	<b>Introduction</b> .....	<b>3</b>
<b>2.</b>	<b>Executive Summary</b> .....	<b>7</b>
<b>3.</b>	<b>Capacity &amp; Supply / Demand-Major Regions 2002-2012</b> .....	<b>19</b>
	<b>Polyester Fiber Market Analysis &amp; Capacities</b> .....	<b>19</b>
	World Total Polyester Staple Forecast.....	22
	World Total Polyester Filament Forecast.....	23
	World Total Polyester Fiber Forecast.....	23
	Polyester Staple Capacities.....	24
	Polyester Filament Capacities.....	30
	<b>PET Resin World / Regional Supply &amp; Demand</b> .....	<b>41</b>
	Projected World Balance.....	45
	Polyester PET Packaging Resin Capacities.....	48
	<b>World / Regional Production &amp; Raw Material Supply &amp; Demand</b> .....	<b>57</b>
	Polyester Production / Raw Materials Consumption by Region.....	57
	<b>DMT-PTA World / Regional Supply &amp; Demand</b> .....	<b>67</b>
	DMT-PTA Yearly Average Nameplate Capacities.....	71
	<b>Ethylene Glycol World / Regional Supply &amp; Demand</b> .....	<b>81</b>
	World Ethylene Glycol Capacities.....	82
	<b>Para-xylene World / Regional Supply &amp; Demand</b> .....	<b>91</b>
	World Para-xylene Capacities.....	93
<b>4.</b>	<b>World / Regional Price Forecasts</b> .....	<b>101</b>
	<b>Crude</b> .....	<b>101</b>
	<b>Mixed Xylenes</b> .....	<b>101</b>
	<b>Para-xylene</b> .....	<b>101</b>
	<b>Ethylene Glycol</b> .....	<b>102</b>
	<b>PTA</b> .....	<b>102</b>
	<b>PET Filament-150 POY</b> .....	<b>102</b>
	<b>PET Bottle Resin</b> .....	<b>102</b>
	<b>PET Staple-1.5 Denier</b> .....	<b>102</b>
<b>5.</b>	<b>Global Competitive Manufacturing Economics &amp; Chain Margins</b> .....	<b>105</b>
	<b>United States</b> .....	<b>119</b>
	Para-xylene.....	119
	Purified Terephthalic Acid (PTA).....	125
	Dimethyl Terephthalic (DMT).....	126
	PET Bottle Resin.....	127
	PET Filament Fiber.....	128
	PET Staple Fiber.....	129



<b>Mexico</b>	<b>133</b>
Para-xylene	133
Purified Terephthalic Acid (PTA)	135
PET Bottle Resin	136
PET Filament Fiber	137
PET Staple Fiber	138
<b>Brazil</b>	<b>141</b>
Para-xylene	141
Purified Terephthalic Acid (PTA)	143
PET Bottle Resin	144
PET Filament Fiber	145
PET Staple Fiber	146
<b>Western Europe</b>	<b>149</b>
Para-xylene	149
Purified Terephthalic Acid (PTA)	151
Dimethyl Terephthalic (DMT)	152
PET Bottle Resin	153
PET Filament Fiber	154
PET Staple Fiber	155
<b>Japan</b>	<b>159</b>
Para-xylene	159
Purified Terephthalic Acid (PTA)	161
PET Bottle Resin	162
PET Filament Fiber	163
PET Staple Fiber	164
<b>South Korea</b>	<b>167</b>
Para-xylene	167
Purified Terephthalic Acid (PTA)	170
PET Bottle Resin	171
PET Filament Fiber	172
PET Staple Fiber	173
<b>Taiwan</b>	<b>177</b>
Para-xylene	177
Purified Terephthalic Acid (PTA)	179
PET Bottle Resin	180
PET Filament Fiber	181
PET Staple Fiber	182
<b>Singapore</b>	<b>185</b>
Para-xylene	185
<b>Saudi Arabia</b>	<b>189</b>
PET Bottle Resin	189
PET Filament Fiber	190
PET Staple Fiber	191
<b>India</b>	<b>195</b>
Para-xylene	195
Purified Terephthalic Acid (PTA)	197
PET Bottle Resin	198
PET Filament Fiber	199
PET Staple Fiber	200



<b>Indonesia</b>	<b>203</b>
Para-xylene	203
Purified Terephthalic Acid (PTA)	204
PET Bottle Resin	205
PET Filament Fiber	206
PET Staple Fiber	207
<b>Thailand</b>	<b>211</b>
Para-xylene	211
Purified Terephthalic Acid (PTA)	212
PET Bottle Resin	213
PET Filament Fiber	214
PET Staple Fiber	215
<b>China</b>	<b>219</b>
Para-xylene	219
Purified Terephthalic Acid (PTA)	221
PET Bottle Resin	222
PET Filament Fiber	223
PET Staple Fiber	224
<b>Russia</b>	<b>227</b>
Para-xylene	227
Purified Terephthalic Acid (PTA)	229
Dimethyl Terephthalic (DMT)	230
PET Bottle Resin	231
PET Filament Fiber	232
PET Staple Fiber	233
<b>6. PET Raw Materials Cash Chain Margins</b>	<b>237</b>
<b>United States</b>	<b>238</b>
PX-PTA-PET Staple Fiber	239
PX-PTA-PET Filament	240
PX-PTA-PET Bottle Resin	240
<b>Mexico</b>	<b>241</b>
PX-PTA-PET Staple Fiber	242
PX-PTA-PET Filament	243
PX-PTA-PET Bottle Resin	243
<b>Brazil</b>	<b>244</b>
PX-PTA-PET Staple Fiber	245
PX-PTA-PET Filament	246
PX-PTA-PET Bottle Resin	246
<b>Western Europe</b>	<b>247</b>
PX-PTA-PET Staple Fiber	248
PX-PTA-PET Filament	249
PX-PTA-PET Bottle Resin	249
<b>South Korea</b>	<b>250</b>
PX-PTA-PET Staple Fiber	251
PX-PTA-PET Filament	252
PX-PTA-PET Bottle Resin	252



<b>Taiwan</b> .....	<b>253</b>
PX-PTA-PET Staple Fiber.....	254
PX-PTA-PET Filament.....	255
PX-PTA-PET Bottle Resin.....	255
<b>China</b> .....	<b>256</b>
PX-PTA-PET Staple Fiber.....	257
PX-PTA-PET Filament.....	258
PX-PTA-PET Bottle Resin.....	258
<b>Russia</b> .....	<b>259</b>
PX-PTA-PET Staple Fiber.....	260
PX-PTA-PET Filament.....	261
PX-PTA-PET Bottle Resin.....	261
<b>7. Appendix</b> .....	<b>265</b>
<b>PET Chain Strategic Analysis Manufacturing Cost Methodology</b> .....	<b>265</b>
<b>Factors for Manufacturing Cost Models, Tables A-1 through A-5</b> .....	<b>268</b>

