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For Immediate release:

CMAI Releases its 2012 World Polystyrene/EPS Analysis

Houston, TX – [Chemical Market Associates, Inc. \(CMAI\)](#), acquired by IHS Inc. (NYSE: IHS - www.ihs.com), has released its new [2012 World Polystyrene/EPS Analysis](#). The annual global market study covers past developments and future projections for supply, demand, production, capacity, trade, pricing and profitability in the global polystyrene and expandable polystyrene (EPS) markets for the period 2006 to 2016.

The global polystyrene business continues to evolve. Just by surviving over the past decade, it has now moved into a more secure position from a cost/property relationship as other materials, especially polypropylene (PP), have experienced major cost escalations. Through consolidations and rationalization, global capacity has been shrinking the past several years.

However, that trend is reversing in 2011 with a jump in capacity of about 400,000 metric tons; followed by more capacity in 2012-2014. The mature regions, North America and West Europe, have reduced capacity dramatically over the past 10 years and as such, have improved operating rates to more acceptable levels. The businesses have also acted to survive in the current business climate by controlling supply and inventories. In essence, they have altered their focus to margins rather than volumes with some encouraging results.

The EPS market continues to be a two-speed market, in terms of end-uses. EPS demand into packaging is not growing as fast as construction. Despite a sharp slowdown in new construction in some regions and more stringent regulatory standards for insulation in China, the forecast for construction and associated insulation demand in China continues to be strong.

In packaging, EPS has lost business to other materials including, non petroleum based materials such as paper (cardboard), due to its high price, and the perception that paper is more environmentally friendly. Although EPS is a star among the styrenics derivatives, it has hit some road bumps this year. The outlook for EPS demand growth at the end of 2010 among producers was extremely bullish but the reality in 2011 was much more disappointing as the industry dealt with one setback after another. Even so, global EPS demand is still forecast to grow in 2011.

Industry consolidation has taken place in the mature PS markets, such as the markets in North America, West Europe, and Japan. These markets have evolved and consolidated in response to challenging growth and profitability conditions. Well known polystyrene market leaders are pursuing joint ventures or exiting the business and in the process ushering a new era as the founders of the industry, Dow and BASF, effectively exit the styrenics business and new companies such as Trinseo and Styrolution are born. While the industry is consolidating in the mature regions, new players are looking to get into the polystyrene business in the emerging markets.

Globally the world is awash in EPS capacity with most of it in China however that hasn't dampened the enthusiasm for EPS. The industry was already on its way to amassing a large excess of installed capacity when the 2008-2009 recession hit. The recession-induced reduction in demand made the supply demand balances worse but it also put an end to some plans for future capacity additions.

A sharp recovery in demand in 2010 brought back the pre-recession EPS euphoria and has re-invigorated some plans to expand EPS capacity in China even as operating rates languish in China at around 50 percent. By contrast, operating rates in the mature regions are forecasted to remain high. EPS competes with other foamed materials and with non-petroleum based materials such as mineral wool and cardboard but overall EPS is among one of the lower cost materials with a good blend of cost and properties. Among the styrenic derivatives, EPS along with ABS are forecasted to have the strongest growth rates over the next five years.

To find out more about the current market issues and CMAI's outlook for this industry, order the **2012 World Polystyrene/EPS Analysis** now at www.cmaiglobal.com. The analysis is available in book and CD-ROM format, with access to CMAI's Online Capacity and Supply/Demand databases. With updates to the Capacity database as changes in the marketplace occur, and a bi-annual update to the Supply/Demand database, clients benefit from up-to-date market information necessary for strategic business decisions.

CMAI is the premier provider of [Market, Planning and Business Advisory services](#) offering a unique combination of consulting analytics and expertise for the global chemical, plastics, fibers and chlor-alkali industries. With offices in Houston, New York, London, Dubai, Düsseldorf, Bangkok, Singapore and Shanghai, CMAI has provided expert business advisory services to a broad range of companies across multiple value chains and geographies since 1979. Clients to CMAI services include companies in the following industries: chemical & oil, technology & EPC; banking and financial institutions; plastic converters; textile & apparel manufacturers; brand-owners; grocers/retailers, government agencies; trading.

IHS (NYSE: IHS) is the leading source of information and insight in critical areas that shape today's business landscape, including energy and power; design and supply chain; defense, risk and security; environmental, health and safety (EHS) and sustainability; country and industry forecasting; and commodities, pricing and cost. Businesses and governments in more than 165 countries around the globe rely on the comprehensive content, expert independent analysis and flexible delivery methods of IHS to make high-impact decisions and develop strategies with speed and confidence. IHS has been in business since 1959 and became a publicly traded company on the New York Stock Exchange in 2005. Headquartered in Englewood, Colorado, USA, IHS employs approximately 5,100 people in more than 30 countries around the world.

For more information on the [2012 World Polystyrene/EPS Analysis](#), visit CMAI's website at www.cmaiglobal.com or contact:

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