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For Immediate release:

CMAI completes 2012 World Vinyls Analysis

Houston, TX – [Chemical Market Associates, Inc. \(CMAI\)](#), acquired by IHS Inc. (NYSE: IHS - www.ihs.com), announces the completion of the [2012 World Vinyls Analysis](#). The annual global market study covers past developments and future projections for supply, demand, production, capacity, trade, pricing and profitability in the global vinyls industry for the period 2006 to 2016. Included with each analysis is 12 months access to CMAI's online capacity and supply/demand databases with a mid-term supply/demand update incorporating CMAI's latest market outlook. The analysis is a necessary resource for business managers and planning professionals who need to make strategic business decisions in a rapidly changing global economic and market environment.

Current Situation

The pace of the expansion in the global PVC market has been moderating since the end of 2010 as government stimulus programs expired and public spending decreased. The adoption of austerity measures, particularly in Europe, further reduced activity in the construction sector. In many emerging market economies, the growing threat of overheating in real estate and construction led to the imposition of restrictive policy measures and tighter monetary policy. Even the buoyant Chinese PVC market is cooling somewhat.

The rapid recovery in PVC consumption moderated the adverse impact on producers, resulting in fewer closures of vinyls facilities over the past 12 months. The current wave of new Chinese PVC capacity will likely exceed last year's estimates and lower global utilization rates in 2011. Excess vinyls capacity and the resulting low utilization rates continue to exert downward pressure on cash margins. While prices have increased in response to rising energy and raw material costs, regional PVC margins remain close to or even below their respective 2009 levels.

PVC Supply/Demand Outlook

The current wide output gap in the global vinyls market is forecast to persist through 2013 and narrow only gradually thereafter. The prolonged global oversupply situation is creating a more competitive international market environment that will force producers to become more cost efficient or exit the market. Profitability even for integrated vinyls producers is projected to remain at historically low levels, while cash margins for non-integrated producers will likely be marginal or even negative. Participation in the international market, consequently, will be limited to cost advantaged producers.

Economic development and the associated rising living standards and industrialization will remain the main drivers of vinyls consumption, with vinyls demand closely tied to residential, non-residential and public construction as well as infrastructure projects. Therefore, the potential for future PVC demand growth is greatest in emerging market economies with large population bases, such as China, India, Brazil and Indonesia. In

contrast, consumption in most developed countries will likely rise only gradually from the still depressed levels in the aftermath of the global recession.

Global vinyls trade is firmly on the road to recovery aided by growing price differentials between regions. The trend toward greater integration and declines in the number of stand-alone vinyls units is not expected to be a limiting factor. Rather the lack of competitive local production together with strong demand growth in the emerging market economies will ensure a steady increase in exports of EDC and VCM.

To find out more about the current market issues and CMAI's outlook for this industry, order the **2012 World Vinyls 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 Vinyls Analysis](#), visit CMAI's website at www.cmaiglobal.com or contact:

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