

Argus report sample

Argus Polyethylene Analytics

Spring 2026

Long term economic outlook

Moderating inflationary pressures, coupled with supportive fiscal and monetary policies, are expected to keep the global economy on track for steady growth, although elevated tariffs will continue to contribute to market volatility and uncertainty

GDP forecast assumptions

Inflation

CPI inflation is projected to decline, with headline rates in some economies potentially falling below target. Although as services inflation typically moderates more gradually, core inflation is expected to ease at a slower pace.

Geopolitics

Geopolitical uncertainty is anticipated to remain elevated, which will sustain volatility in the oil market. While these disruptions may not fundamentally alter the broader economic landscape, they continue to add to market volatility and uncertainty.

Note:

- The US and China, the world's largest economies, announce US reduced tariffs on China from 145pc to 30pc, while China not account for recent escalations in tensions.
- The US imposed tariffs of up to 50pc on steel, aluminium exemptions and compliance adjustments, the effective oil Mexico. Most high tariffs are expected to be removed following.
- A blanket tariff of 10pc is assumed to apply to the rest of 50pc on steel and aluminum and 25pc on autos and other 10-year forecast period.
- Increased US tariffs on India, intended to dissuade purchases.
- This analysis assumes trade disputes between major economies stabilising at levels that do not significantly disrupt efficiency.

Monetary Policy

Central banks in key advanced economies are expected to gradually lower interest rates to make monetary policy less restrictive. China and the US, deploying monetary and fiscal policy, will support demand.

Globalisation

No significant changes are expected in the global

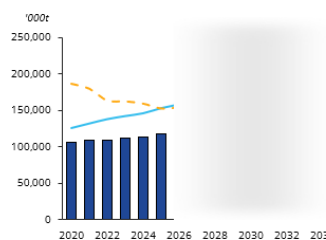
Global GDP growth rate forecast, Oxford Economics (OE)



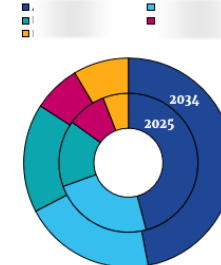
Global polyethylene supply

- Global capacity stands at around 100m t/yr, with a further 10m t/yr of capacity expected to come on line by 2034. Asia-Pacific remains the largest source of PE capacity, with China increasing its share of global PE capacity from 40% in 2025 to 50% in 2034.
- Global operating rates are expected to bottom out at 78pc by 2028, with over 18mn t/yr net capacity added over 2027-28.
- By 2030 we expect global polyethylene operating rates to rise to 85pc, driven by rationalisation of around 10m t/yr, over the forecast period.
- Argus forecasts North America and the Middle East to see significant growth, driven by 5m t/yr. In the near term, western Europe and northeast Asia (excluding China) are expected to see significant growth, driven by 5m t/yr. Northeast Asia average operating rate is expected to be 80pc.

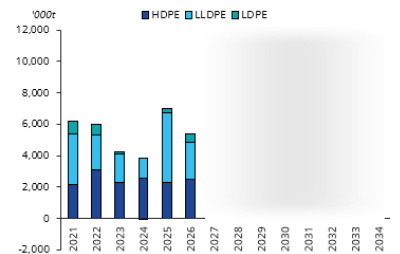
Global production statistics



Shifts in regional share of PE capacity



Global capacity year-on-year changes by grade



Chemicals



Chemicals

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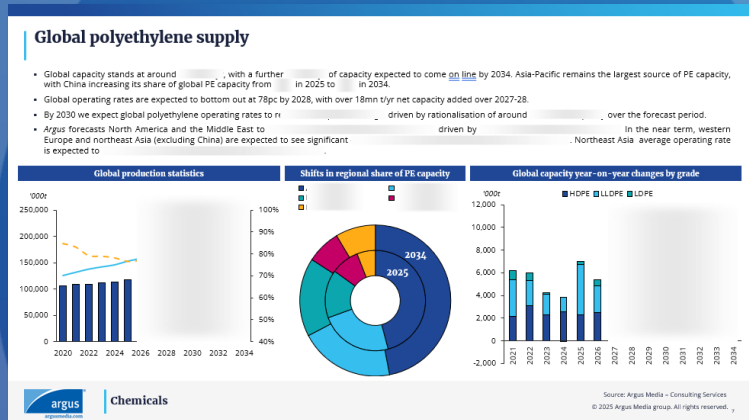
About this report

The Argus Polyethylene Analytics service provides a comprehensive view of global supply and demand fundamentals, capacity developments, trade flows and pricing outlooks for polyethylene markets. It includes a 10-year price forecast and market balances on a country and regional basis, covering LDPE, LLDPE and HDPE.

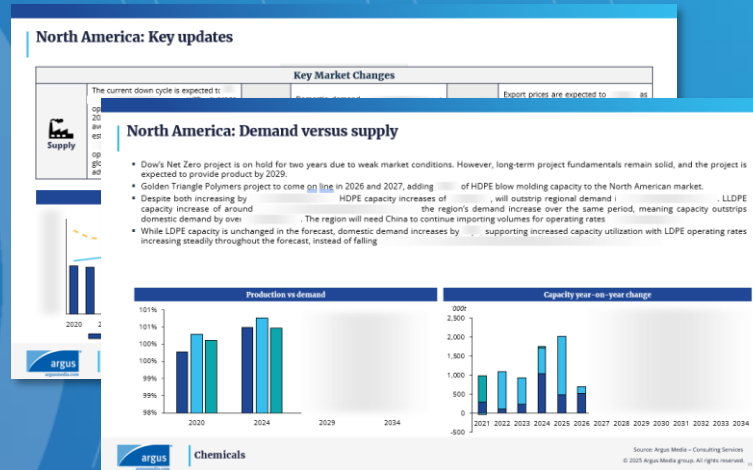
Subscribers receive detailed data downloads on capacity, balances and forecasts, along with access to analysis and supporting resources through Argus Direct®, a live, interactive platform with the latest news, price assessments, analytics and data tools available in one place.

This is a short sample of the 40+ slide report only.

The full report includes:



10-year forecast and a five-year history
Covering capacities, supply and demand, trade, and feedstock forecasts for leading derivatives, by country and region, issued twice a year.



Regional insight
Analysis of regional polyethylene market dynamics, including operating rate behaviour, trade flows and cost drivers.

Argus direct

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Polymers price page

Region	Product	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Europe	Spot Ethylene €/t	390	893	618	452	519	507									
US	HDPE 100 film spot Houston bagged \$/t	770	1589	1227	923	890	833									
US	HDPE 100 film spot Houston bagged \$/t	852	1547	1203	962	999	908									
US	LLDPE butene film spot Houston bagged \$/t	788	1528	1294	928	985	838									
US	LDPE linear film spot Houston bagged \$/t	977	1776	1528	974	1016	1054									
Europe	Contract Ethylene €/t	908	1296	1490	1304	1316	1213									
Europe	LLDPE EU spot €/t	1017	1878	1702	1311	1325	1143									
Europe	HDPE blow molding contract €/t	1060	1866	1648	1288	1340	1295									
Europe	LLDPE contract €/t	1075	1814	1650	1426	1415	1304									
Europe	LLDPE contract €/t	1227	2147	1950	1543	1531	1454									
Europe	LDPE contract €/t	1191	2119	2064	1558	1562	1470									
Via-Pacific	NEA Spot Ethylene \$/t	746	1044	1022	850	881	833									
Via-Pacific	HDPE film spot \$/t	876	1094	1060	979	948	876									
Via-Pacific	HDPE film spot \$/t	820	1054	1005	922	884	838									
Via-Pacific	LLDPE NEA spot \$/t	946	1104	1060	948	996	877									
Via-Pacific	LDPE spot \$/t	1009	1412	1290	988	1107	1055									
Market Assumptions																
US	Crude WTI Midland \$/bbl	40	68	96	75	77	60									
US	Natural Gas Henry Hub \$/mmbtu	2.80	3.88	6.38	2.53	2.19	3.44									
Europe	Naphtha ARA \$/t	355	635	770	644	657	574									
Via-Pacific	Naphtha off Japan \$/t	380	646	785	641	674	597									
Europe	Exchange rate \$/€	1.18	1.18	1.05	1.08	1.08	1.13									

Downloadable data files
With data on supply, demand, capacities, operating rates and trade balances, by country and region.

...and more

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Latin America
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Middle East

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South Asia

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Executive Summary: Polyethylene Analytics

Global economic growth hindered for the next two years, before a recovery starts in 2029

Key Regions

Northeast Asia

Around new PE capacity is set to come online from 2025-2029, mostly in China. But the region is considering rationalisation to remain competitive and protect margins. Imports of high-end grades from the US and Middle East expected to steadily rise to meet China's demand growth.

Western Europe

Market conditions continue to deteriorate for domestic producers. Further rationalisation will be key to supporting regional operating rates. Production is forecast to remain below . Imports will be steady at around European buyers continue to balance local supply against competitive imports.

North America

Plant operating rates forecast in the . As recessionary pressures grow and demand continues to stagnate, US PE producers will be challenged with low rates and weak margins that may . Nevertheless, regional operating rates will be one of the highest globally given ethane cost advantage.

Middle East

to be a cost-advantage for PE productions. The region continues to invest heavily in expanding its production capacity for export, while remaining a global leader for operating rates. Operating rates will .

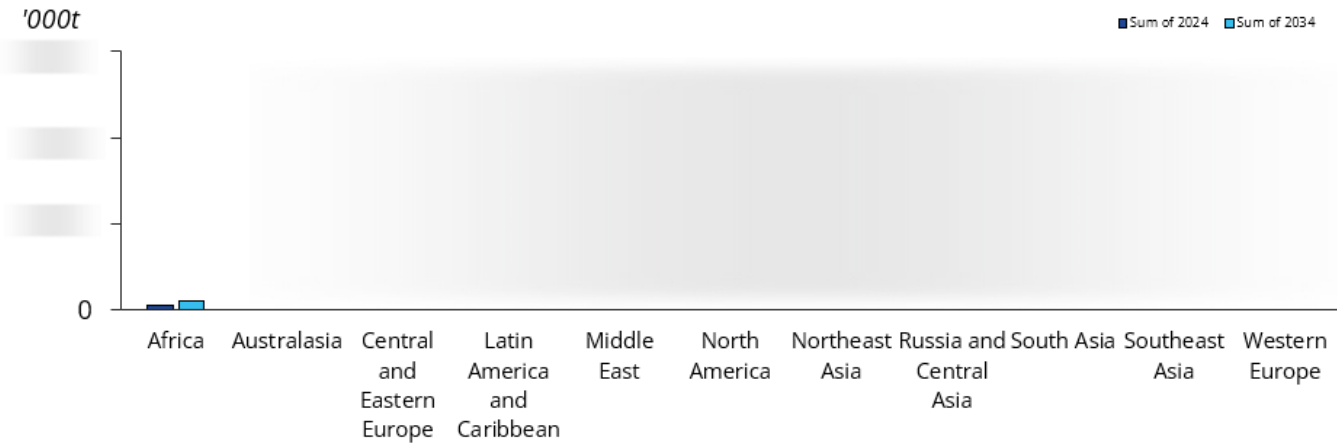
South Asia (India)

Rapid development in infrastructure, robust GDP growth and a young population will keep domestic demand strong. Capacity additions completing in 2027, 2029 and 2032, totaling by 2032, will restrict operating rates recovery, with an average .

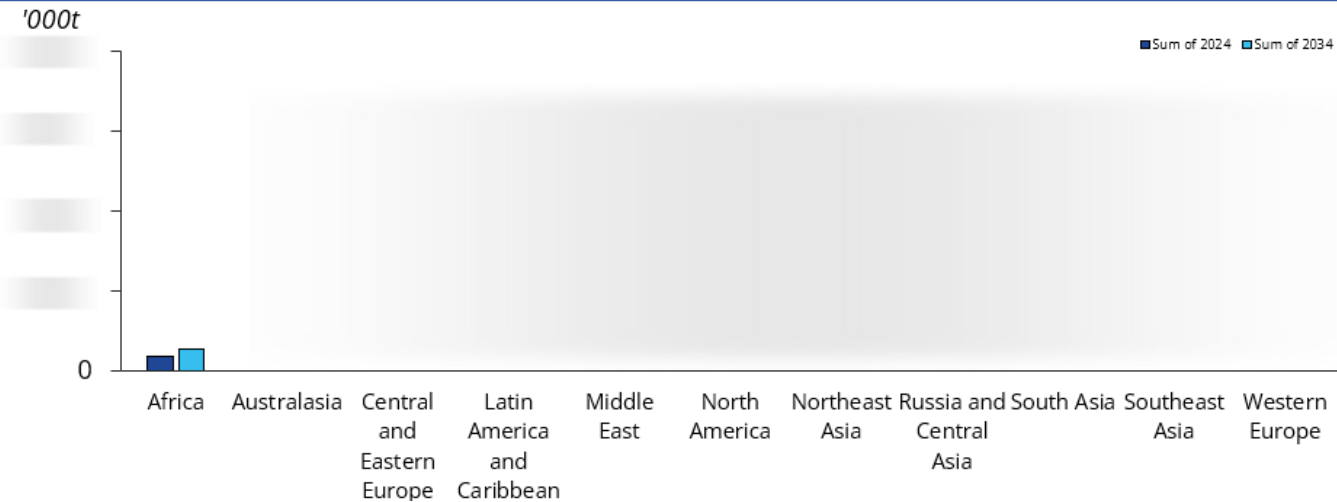
Southeast Asia

Global oversupply and economic uncertainty will continue pressure domestic producer margins. Southeast Asia exports will from China for imports. US tariffs may also impact exports from southeast Asia to the US.

PE production by region



PE consumption by region



Long term economic outlook

Moderating inflationary pressures, coupled with supportive fiscal and monetary policies, are expected to keep the global economy on track for steady growth, although elevated tariffs will continue to contribute to market volatility and uncertainty

GDP forecast assumptions

Inflation

CPI inflation is projected to decline, with headline rates in some economies potentially falling below target. Although as services inflation typically moderates more gradually, core inflation is expected to ease at a slower pace.

Geopolitics

Geopolitical uncertainty is anticipated to remain elevated, which will sustain volatility in the oil market. While these disruptions may not fundamentally alter the broader economic landscape, they continue to add to market volatility and uncertainty.

Monetary Policy

Central banks in key advanced economies are expected to gradually lower interest rates to make monetary policy less restrictive. China and the US, deploying monetary and fiscal policy, will support demand.

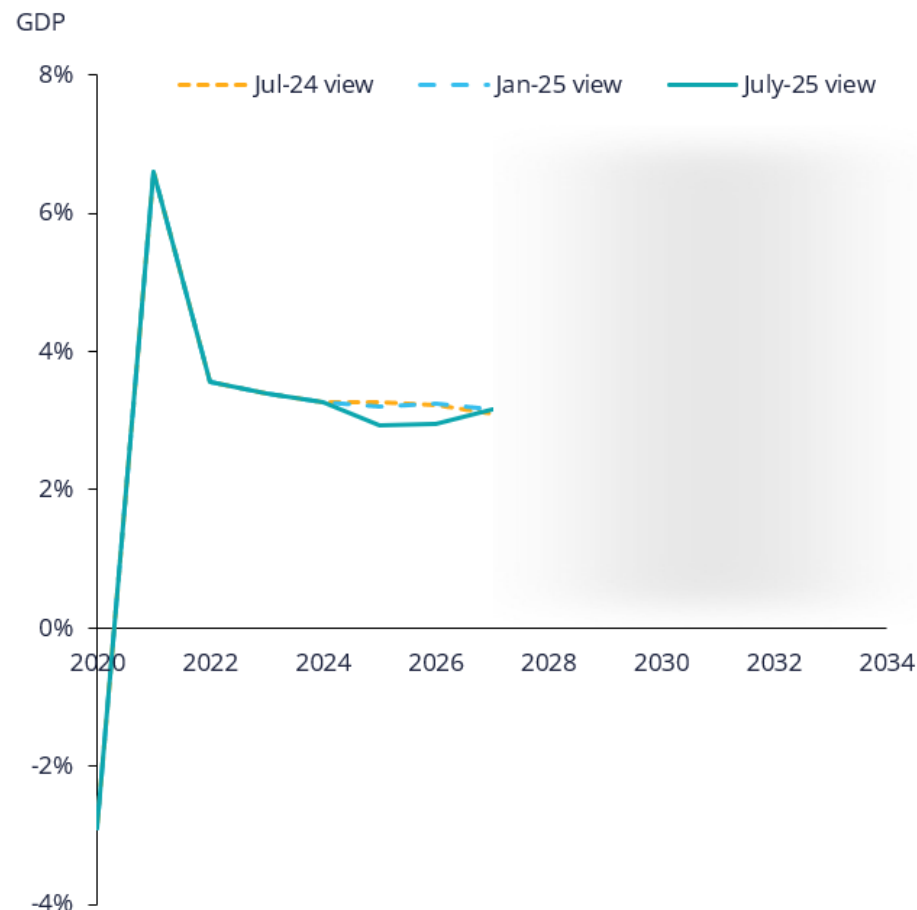
Globalisation

No significant changes are expected in the global trading system or in US-China relations. The US is likely to maintain higher tariffs on China, while the rest of the world will continue to face smaller tariffs. The forecast assumes a gradual decline in global trade as a share of GDP.

Note:

- The US and China, the world's largest economies, announced a trade war truce lasting until November 2025, under which the US reduced tariffs on China from 145pc to 30pc, while China lowered its tariffs on US goods to around 30pc. This analysis does not account for recent escalations in tensions.
- The US imposed tariffs of up to 50pc on steel, aluminum, and copper imports from Canada and Mexico. But due to exemptions and compliance adjustments, the effective average rates are lower — approximately 6pc for Canada and 8.5pc for Mexico. Most high tariffs are expected to be removed following trade negotiations in 2026.
- A blanket tariff of 10pc is assumed to apply to the rest of the world, along with universal tariffs on certain products — such as 50pc on steel and aluminum and 25pc on autos and auto parts. These tariffs are expected to remain in place throughout the 10-year forecast period.
- Increased US tariffs on India, intended to dissuade purchases of Russian oil, were not factored into the GDP forecast.
- This analysis assumes trade disputes between major economies will be short-lived, with tariffs eventually resolved and trade stabilising at levels that do not significantly disrupt efficient global trade.

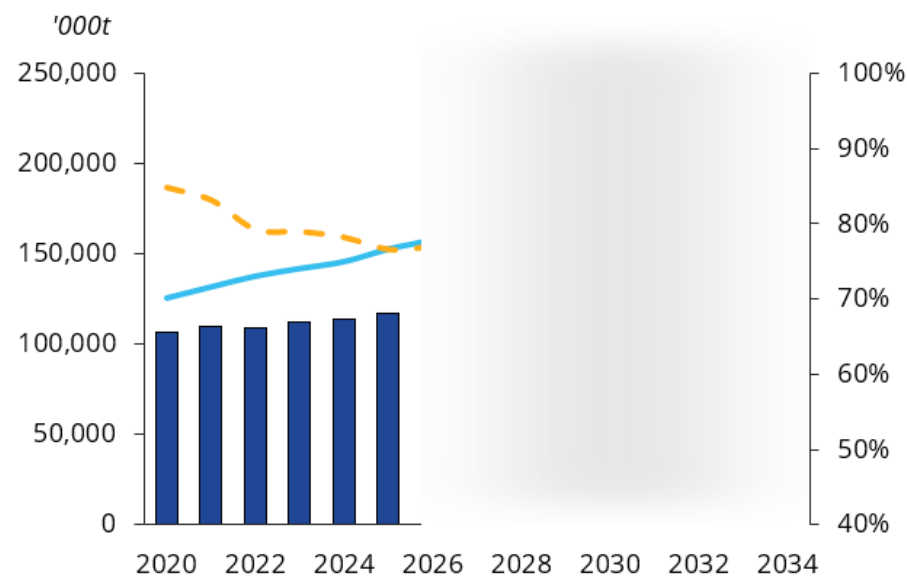
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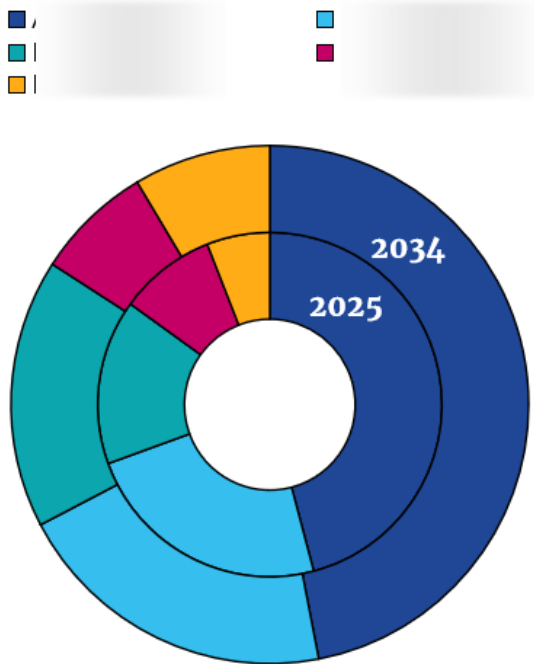
Global polyethylene supply

- Global capacity stands at around 120mn t/yr, with a further 18mn t/yr of capacity expected to come on line by 2034. Asia-Pacific remains the largest source of PE capacity, with China increasing its share of global PE capacity from 35% in 2025 to 45% in 2034.
- Global operating rates are expected to bottom out at 78pc by 2028, with over 18mn t/yr net capacity added over 2027-28.
- By 2030 we expect global polyethylene operating rates to reach 85pc, driven by rationalisation of around 15mn t/yr over the forecast period.
- Argus forecasts North America and the Middle East to see significant capacity additions, driven by new entrants. In the near term, western Europe and northeast Asia (excluding China) are expected to see significant capacity reductions. Northeast Asia average operating rate is expected to decline to 75pc by 2034.

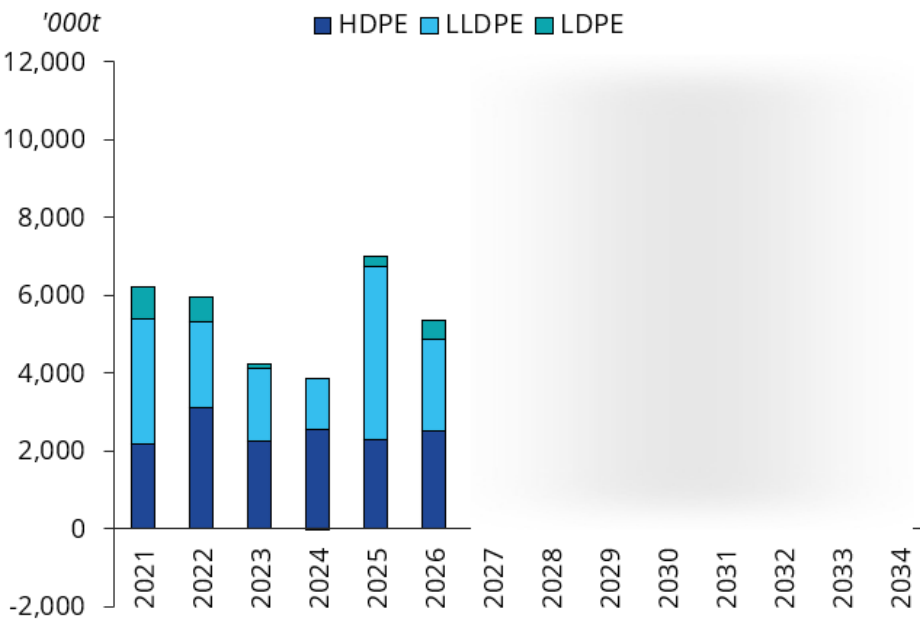
Global production statistics



Shifts in regional share of PE capacity



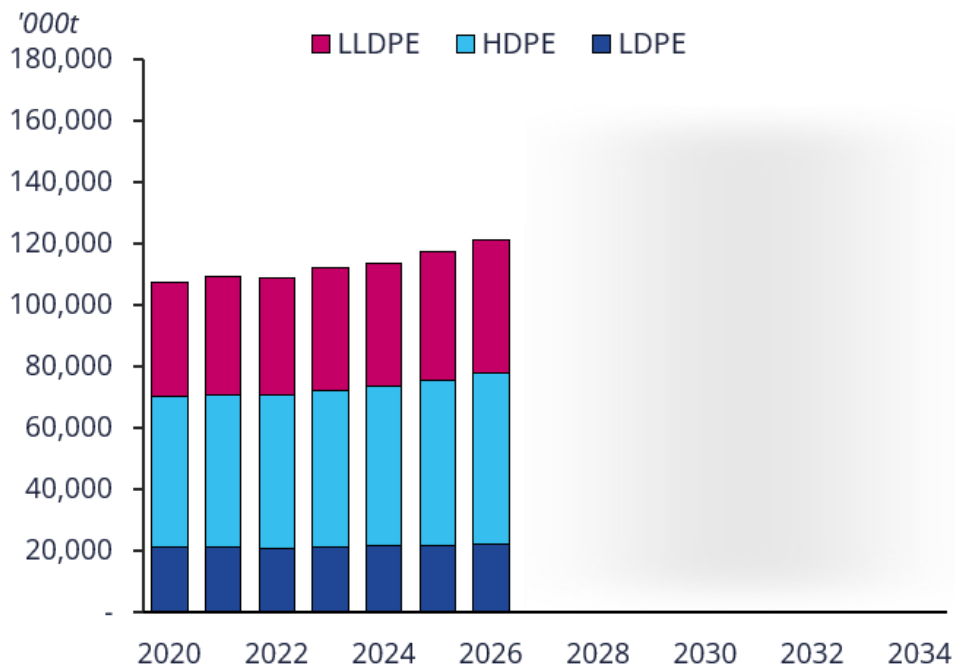
Global capacity year-on-year changes by grade



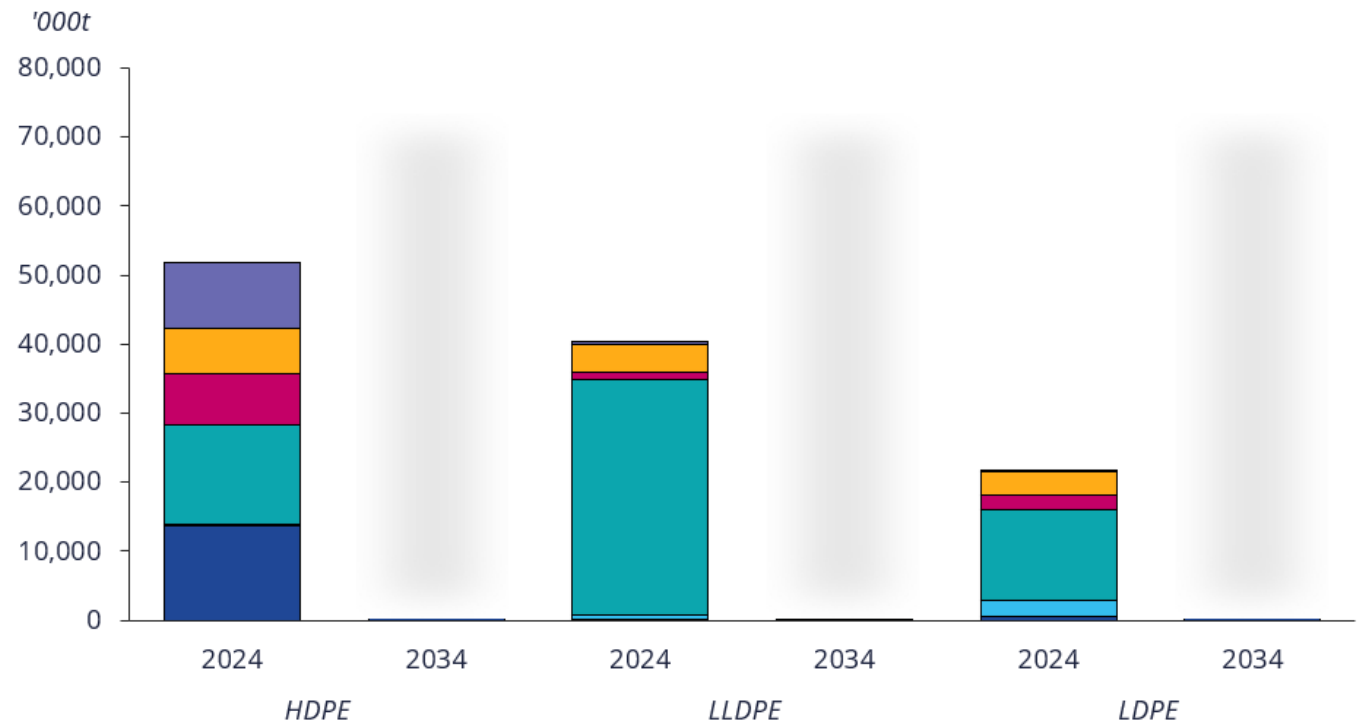
Global polyethylene demand

- HDPE and LLDPE are expected to drive most of the production growth,
- Growth to be driven by China, as the country production increases
- US consumption forecast to grow at a moderate pace as demand volumes
- remain high of demand throughout the forecast. Blow molding and injection molding account for 70%

Global demand by resin



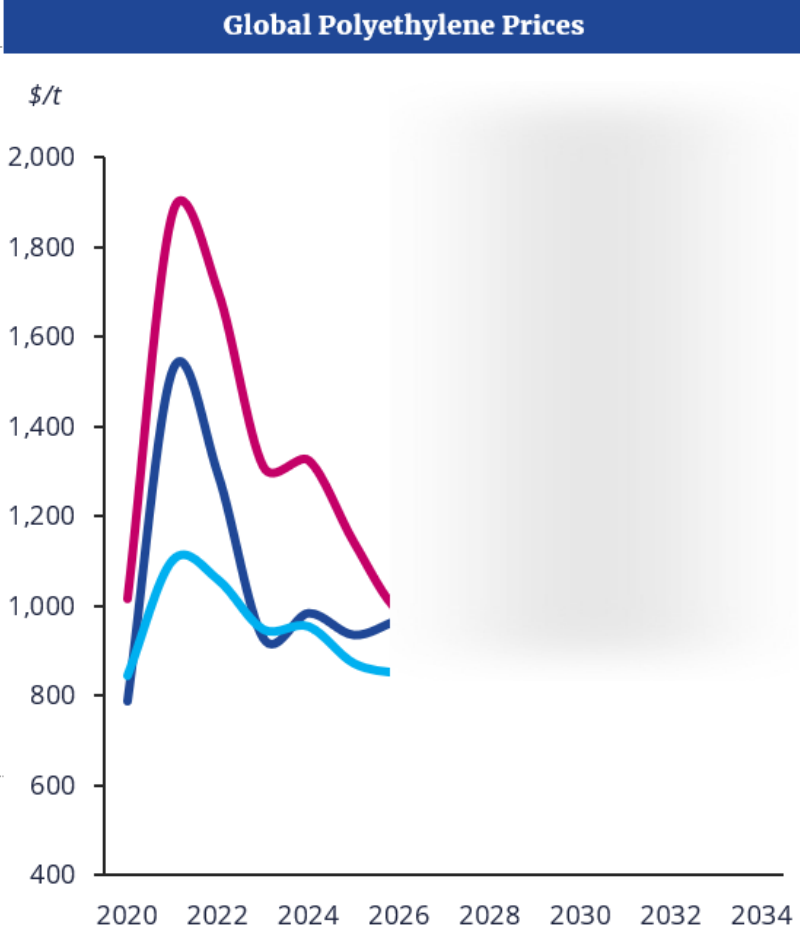
World Demand by Grade and Process



Polyethylene 10-year price outlook

Prices to follow feedstock costs as supply exceeds demand through 2032. Tariffs remain the biggest variable in global trade

North America	<ul style="list-style-type: none">PE exports over [redacted], with export volumes exceeding [redacted]This trend will position the US polyethylene market as a powerful price-setter due to its cost-advantaged production and substantial export capacity.New ethylene export capacity will come <u>on line</u> and likely increase ethylene trade, thus providing an important market outlet for domestic spot ethylene production. This may narrow the spread between ethane versus naphtha-based ethylene.Historic 'down cycles' last 1–2 years. The current down cycle is expected to [redacted]The US will need China to continue importing volumes for operating rates to return near 87pc.
Western Europe	<ul style="list-style-type: none">Political support is growing to help the industry make the investments needed to meet EU carbon reduction targets in 2030 in the face of growing global competition, as European politicians wake up to the increasing risk of de-industrialisation in the continent.Imports from the US and Middle East [redacted], as lower cost imports compete with local production, which is facing higher energy and feedstock costs.Higher energy costs (four times greater than in the US) will impact long-term competitiveness of domestic production compared with other regions. Operating rates forecasted to average [redacted]
Northeast Asia	<ul style="list-style-type: none">Northeast Asian capacity is expected to reach [redacted] by 2029. China leads the expansion by adding an average of [redacted]Most new capacities are integrated based on <u>naphtha</u>, and [redacted] cannot compete with the US and Middle East on feedstock cost competitiveness. Ethane imports will improve flex cracker margins, but the government is asking producers not to commit to a single source (US) feedstock.Demand will grow [redacted] Uncertainty over tariffs and geopolitical tensions will [redacted] even though [redacted] Operating rates are expected to [redacted], with a gradual increase to [redacted]



Note: 10-year price forecasts in analytics are based on an energy forecast derived at the start of September 2025. Many of these markets are subject to extensive short-term price volatility and the elapsed time since the energy forecast was produced may have seen real changes in market prices. But our assumptions around spreads – raw material to product – and inter-regional comparisons should remain valid.

North America: Key updates

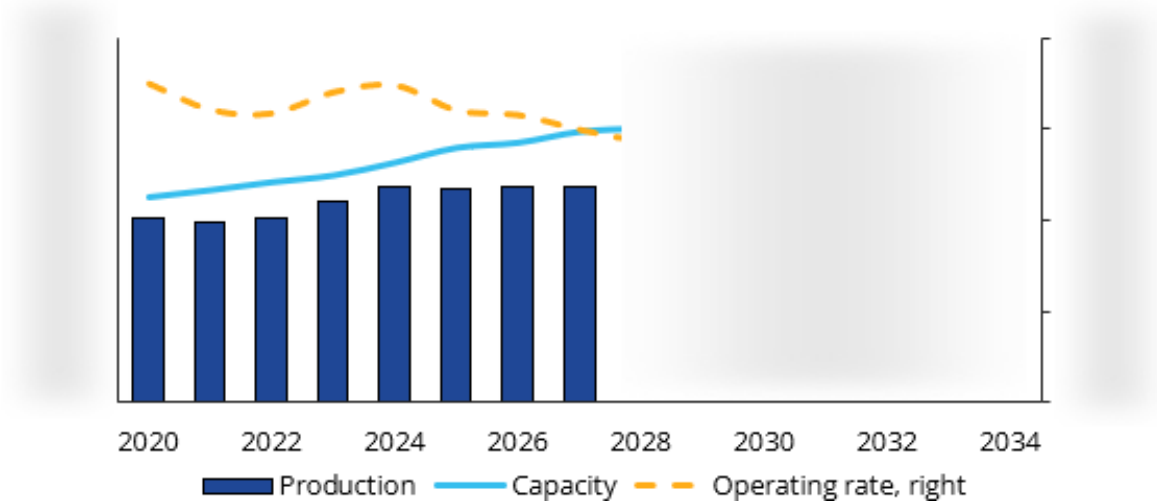
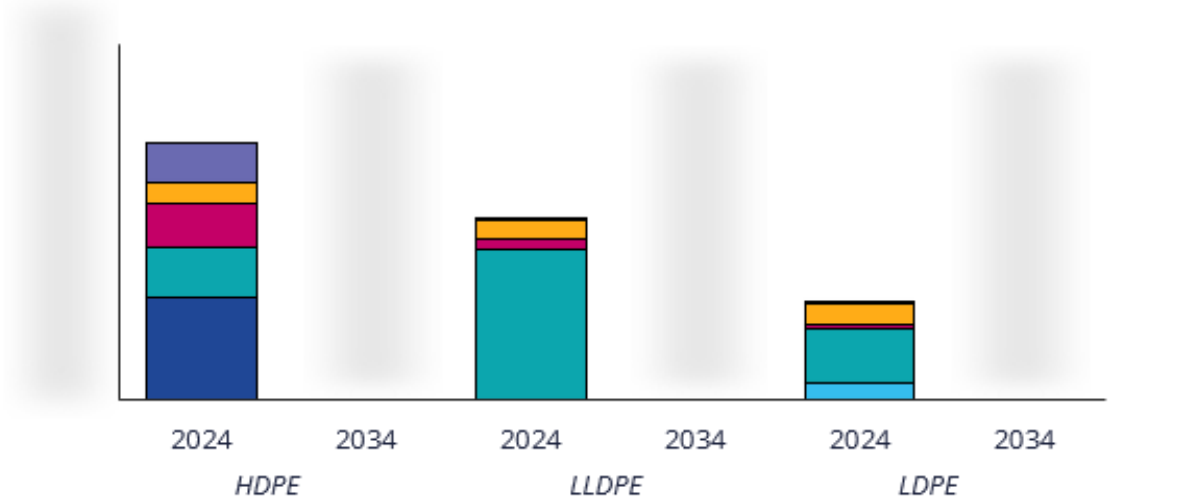
This sample highlights North American coverage.

The full Argus Polyethylene Analytics service also includes Latin America and the Caribbean, Western Europe, the Middle East, and Northeast and Southeast Asia.

Key Market Changes					
 Supply	The current down cycle is expected to [redacted] with average operating rates of [redacted] expected over 2026-2030, [redacted] the 2020-2025 average of 87pc. Operating rates are estimated to reach the [redacted]. Nevertheless, regional operating rates will be [redacted] globally given the ethane feedstock cost advantage.		 Demand	Domestic demand [redacted] with recessionary pressures, average [redacted]. While LDPE 5-year CAGR slows by [redacted] pc to [redacted] pc in 2024-2029 compared to the 5-years prior, there is some pickup in LLDPE demand, from a CAGR of 0.2pc in 2020-24 to [redacted] pc for 2024-2029.	
 Trade	Production in Alberta and Texas will moderate price increases. Blow molding markets will be particularly vulnerable to the two new 1mn t plants to be started in 2026 and 2027. US exports of production and ethane feedstock costs [redacted].		 Supply	The current down cycle is expected to [redacted] with average operating rates of [redacted] expected over 2026-2030, [redacted] the 2020-2025 average of 87pc. Operating rates are estimated to reach the [redacted]. Nevertheless, regional operating rates will be [redacted] globally given the ethane feedstock cost advantage.	

Production statistics

Domestic demand by grade and process



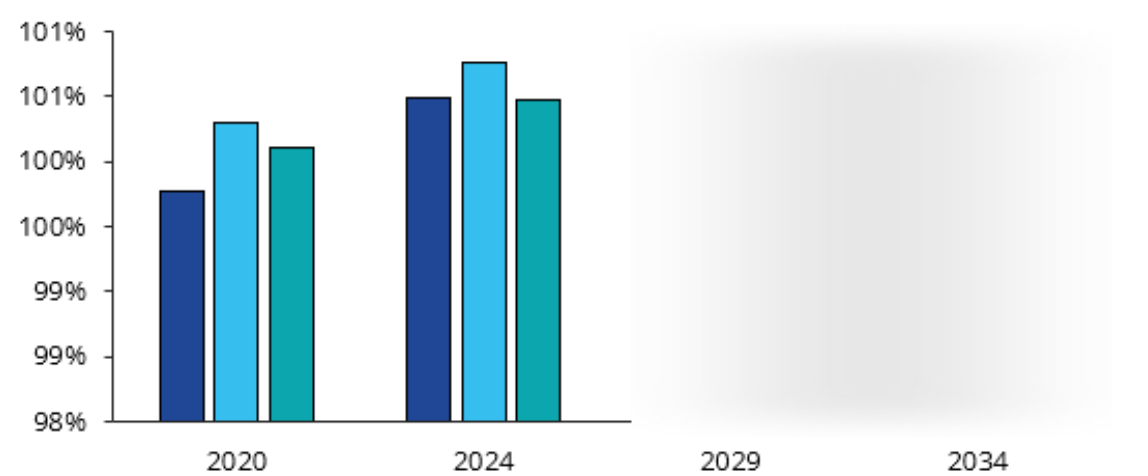
North America: Demand versus supply

- Dow's Net Zero project is on hold for two years due to weak market conditions. However, long-term expected to provide product by 2029.
- Golden Triangle Polymers project to come on line in 2026 and 2027, adding ████████ of HDPE blow molding capacity.
- Despite both increasing by ████████ HDPE capacity increases of ████████, will outpace the region's demand increase of ████████. The region will need China to continue importing volumes for operating rates ████████.
- While LDPE capacity is unchanged in the forecast, domestic demand increases by ████████ supporting increased capacity utilization with LDPE operating rates increasing steadily throughout the forecast, instead of falling ████████.

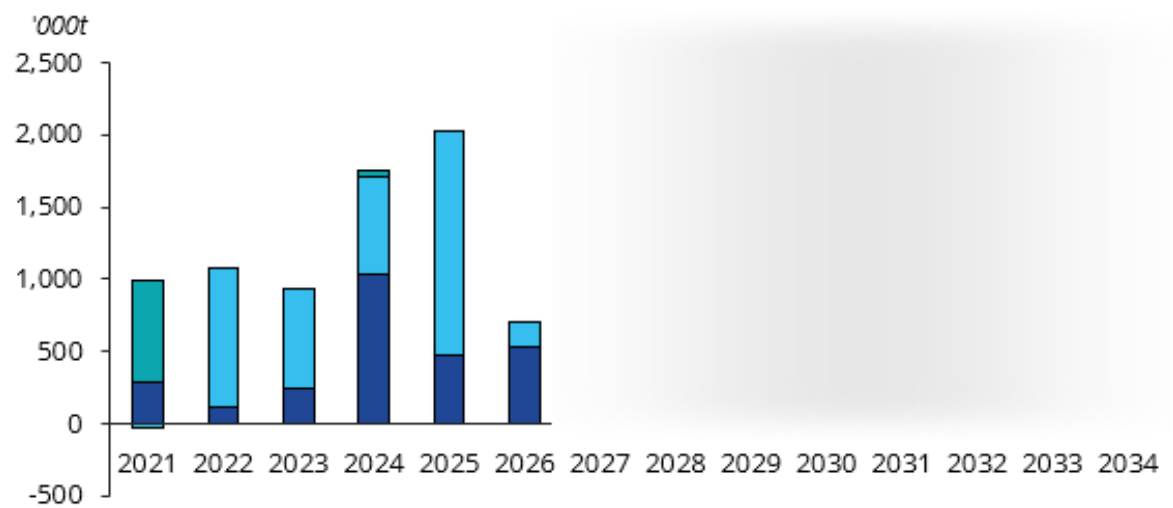
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Production vs demand



Capacity year-on-year change



Meet our team



Terry Glass
Vice President Polymers

Terry is responsible for the expansion of Polymer Report services in strategic regions. He has over 40 years' experience relating to the plastics industry, working with converters, brand owners, and resin producers. Before joining Argus, Terry worked at Dow Chemical, Braskem, and Sasol. He holds a Chemistry degree from the University of Houston and 26 patents across a variety of market applications.



Sarah Rae
Vice-President Olefins and Derivatives

Sarah Rae is Argus' propylene consultant focusing primarily on Europe and the Middle East. For 17 years prior to joining Argus, Sarah held senior strategic purchasing management positions at Ineos, Tessenderlo Chemie and Rhodia, responsible for a wide range of materials including olefins, fertilizers and commodity raw materials. Before this, Sarah held various management and project roles covering most aspects of the chemical business, including business management, sales, planning and logistics. She graduated with a degree in geology from Leicester University.



Craig Barry
Lead Consultant Ethylene and Derivatives

Craig leads the global ethylene team focused on integrated global forecasts. He has over 30 years experience in the olefins industry including with Dow Chemical and ExxonMobil. Throughout his career Craig has worked across the world with major olefins and derivative producers. His experience also includes olefins feedstocks and refinery integration with the petrochemical industry. He holds a chemical engineering degree from The Ohio State University and an MBA from Rice University.



Utkarsh Mishra
Lead Olefins Consultant - Asia

Utkarsh is working as lead consultant for Olefins-Asia focusing on olefins & polymers based out in Argus Mumbai Office. He is a chemical engineer with around 14 years of enriching & diverse experience in Market Analytics, Business development, Operations, Technology, Process Design & Technical Services across Refinery & Petrochemicals value chain during his previous roles at Reliance Industries Limited & Honeywell UOP.



Dhanish Kalayarasu
Manager – Chemicals

Dhanish is a Manager in the London Consulting office, mainly focusing on olefins, polyolefins and chlor alkali. He got his degree in chemical engineering from the University of Newcastle and an MSc in Finance Analytics from King's College London. His experience includes roles working in power generation, project management, agriculture and analytics. He also spent time at an edible oil refinery managing operations and projects with high-pressure biomass boilers, steam turbines, water treatment, and fuel management.



Josie Jiang
Senior Analyst, Olefins and Polyolefins

Josie is an analyst in Shanghai focused on olefins and polyolefins markets. Her experience includes working at Pacific Gas as a market analyst in the strategic department, focusing on LPG, ethane, shipping and financial markets. Josie is a chartered financial analyst and holds a bachelor's degree in economics, and a master's in finance and investment from the University of Bristol.



Elizabeth Zhang
Analyst, Polymers

Elizabeth is an analyst in the Shanghai office focusing on the polymer market. Her experience includes working at Ernst & Young as a business consultant, focusing on commercial bank markets. Elizabeth holds a BA in business economics, and a master's in quantitative economics from the University of California - Los Angeles.

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