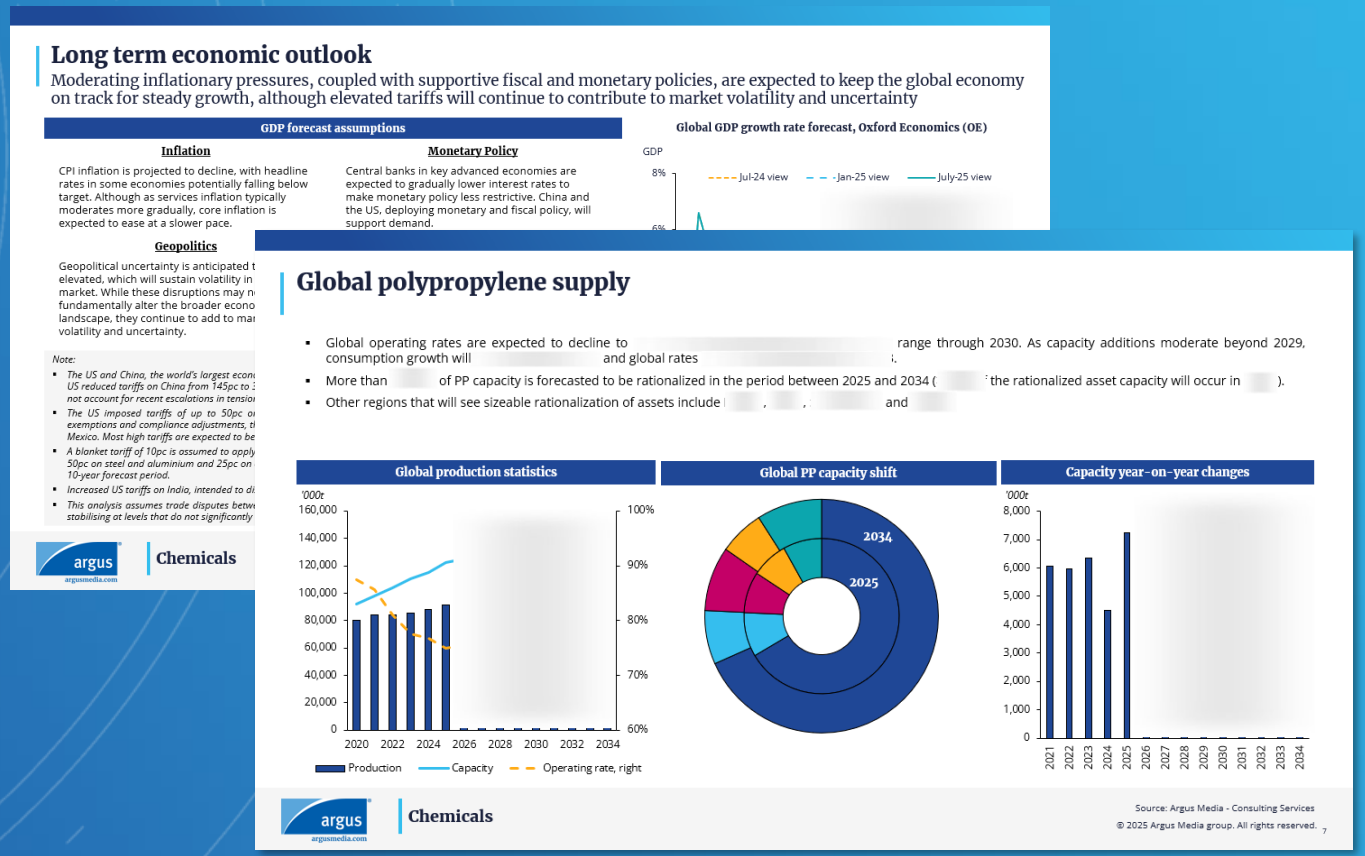
Argus report sample

Argus Polypropylene 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.

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.

Geopolitics

Geopolitical uncertainty is anticipated t
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Note:

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  US reduced tariffs on China from 145pc to 3
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- *Increased US tariffs on India, intended to di*
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Global GDP growth rate forecast, Oxford Economics (OE)

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Global polypropylene supply

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- More than of PP capacity is forecasted to be rationalized in the period between 2025 and 2034 (the rationalized asset capacity will occur in).
- Other regions that will see sizeable rationalization of assets include , , and

Global production statistics

Global PP capacity shift

Capacity year-on-year changes

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Chemicals

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About this report

The Argus Polypropylene Analytics service provides a comprehensive view of global supply and demand fundamentals, capacity developments, trade patterns and pricing outlooks for polypropylene markets. It includes a 10-year price forecast and a market balance on a country-by-country basis.

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.

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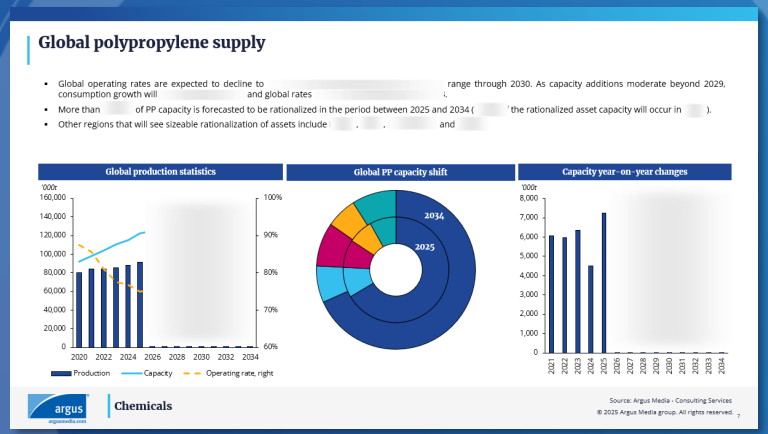
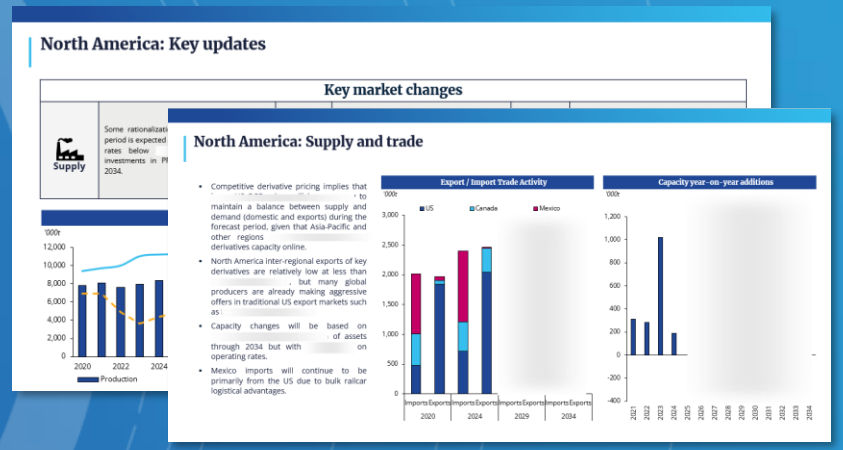
Click here to find out more and get in touch

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 polypropylene market dynamics, including operating rate behaviour, trade flows and cost drivers.

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

...and more

Click here to find out more and get in touch

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Executive Summary: Polypropylene Analytics

Global trade will shift as China increases exports

Key Regions

Northeast Asia
The second wave of capacity expansion is expected to take place in 2027-28 with a by 2029, mainly in China. The region is considering rationalization for production efficiency.

Western Europe
Smaller and older units will continue to come under pressure. Speculative capacity loss of a combined is expected by 2028. The only capacity addition is plant due online in 2027. Operating rates will stay below through 2032.

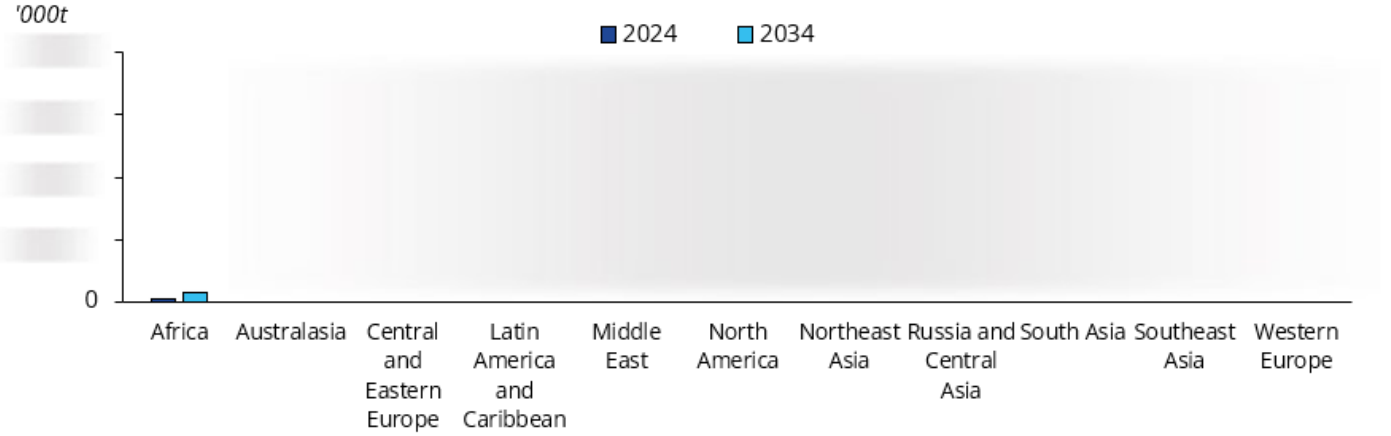
North America
Demand closely tied to GDP, and many market participants are concerned about the economy's underlying health. US and Mexico trade is likely to continue on an intra-regional basis due to logistical and financial benefits. Operating rates are expected to range from through the forecast period.

Middle East
Middle East polypropylene demand forecast to grow to by 2034. Turkey, Iran and Saudi Arabia are the top consumers, comprising of the market. Saudi Arabia is the dominant producer, accounting for of regional output. Turkey is the leading importer, constituting of total imports.

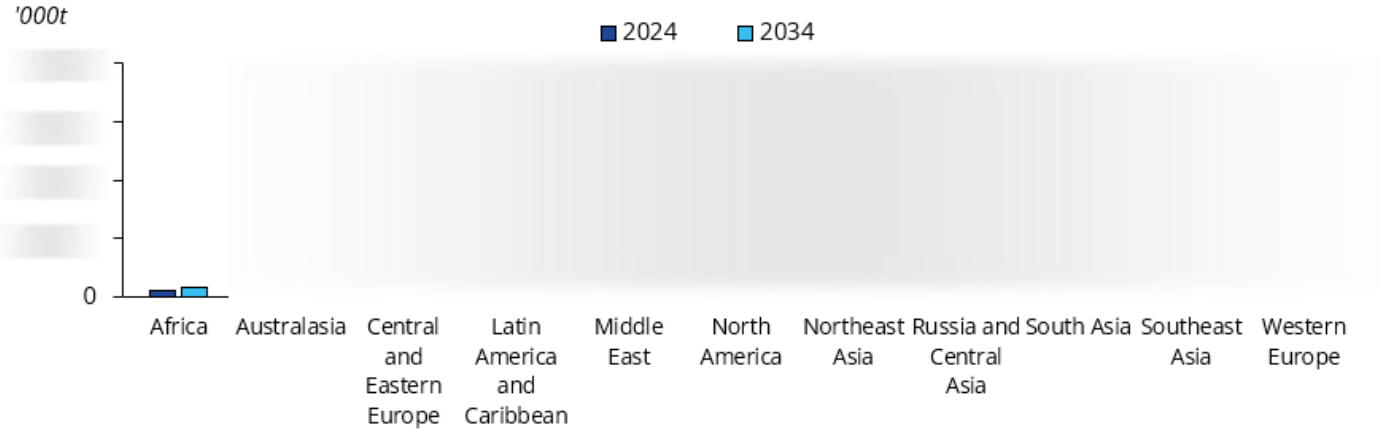
South Asia (India)
Rapid development in infrastructure, robust GDP growth and young population will keep domestic demand strong with a 10-year forecast CAGR of new capacity of is expected to come online by Operating rates are expected to bottom out at in 2028-29 recovering to towards the end of the forecast period as demand absorbs the new supply.

Southeast Asia
The expected rise in regional demand and low operating rate will cause southeast Asia to import more PP cargos from northeast Asia. The region is expected to continue be a net importer. Imports are forecasted to by to over by 2034.

PP production by region



PP consumption by region



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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.

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.

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.

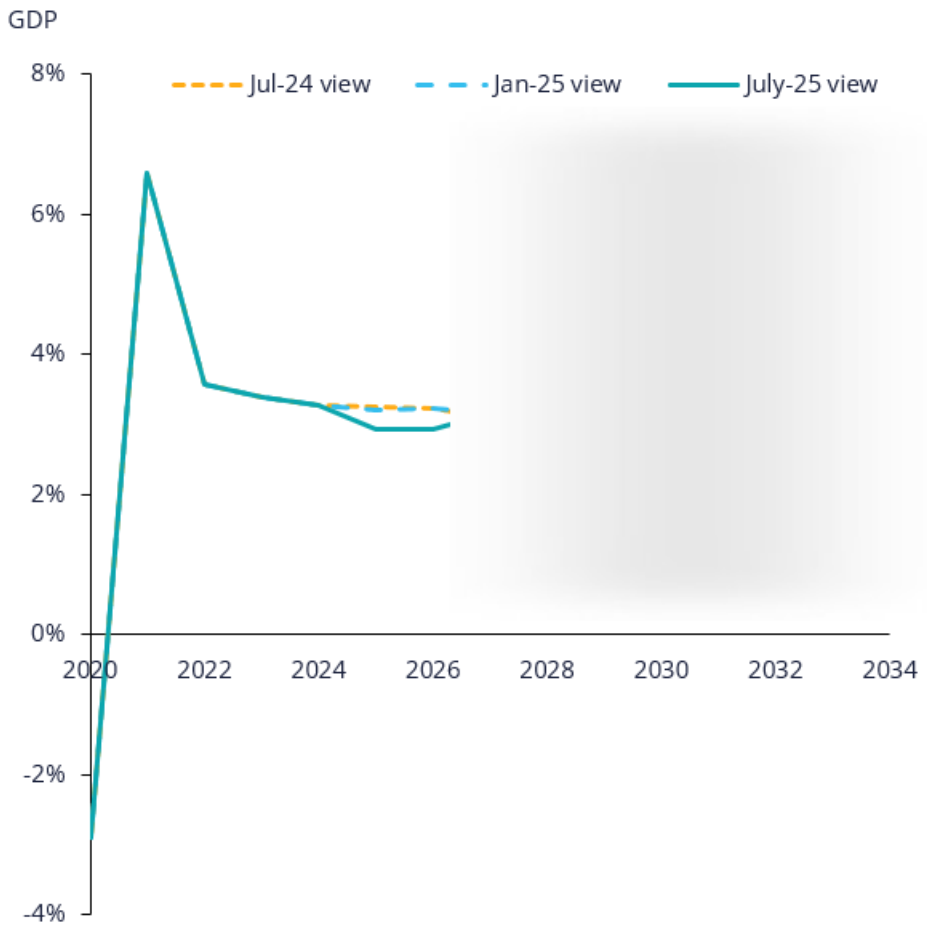
Globalization

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, aluminium 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 aluminium 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.*

Global GDP growth rate forecast, Oxford Economics (OE)



Source: Oxford Economics

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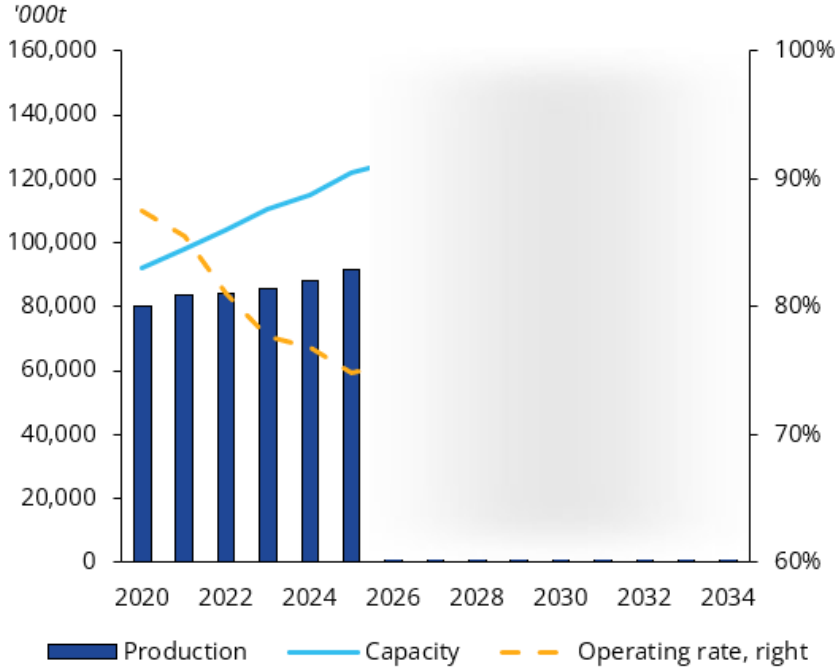
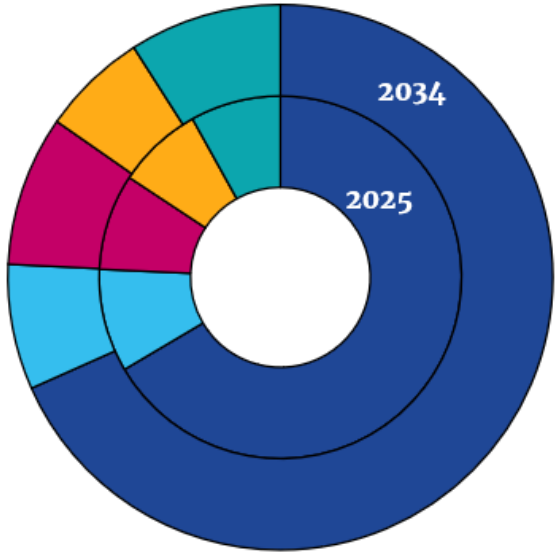
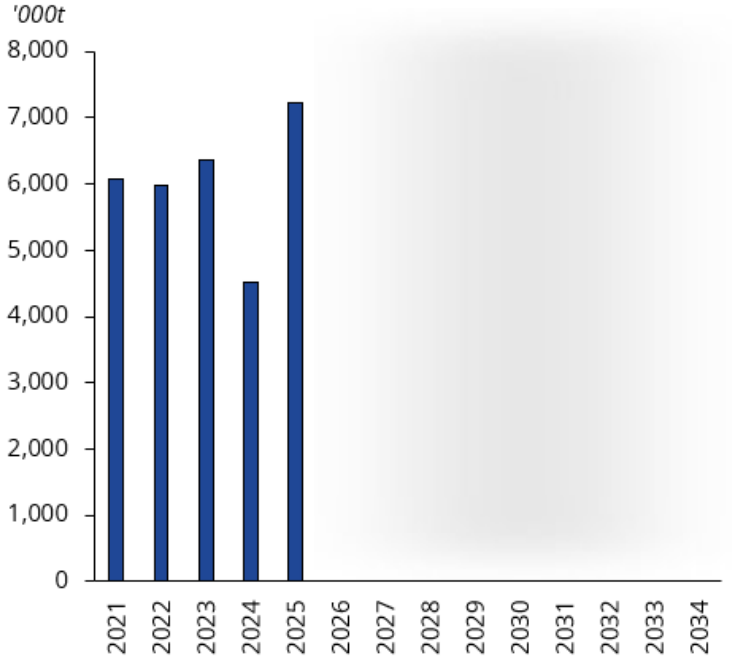


Global PP capacity shift



Capacity year-on-year changes



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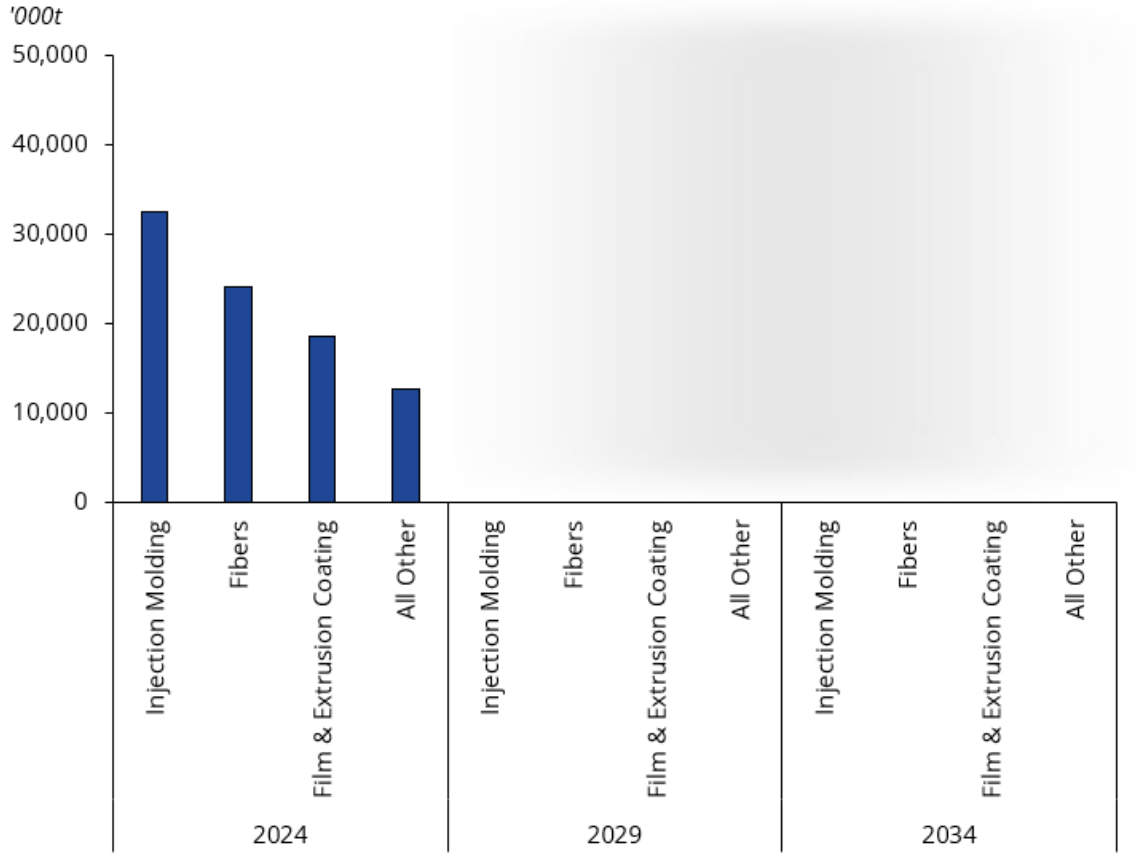
Global polypropylene demand by process

Global PP market demand grows 40pc from 2024-2034



% shows the demand growth rate between 2024 and 2034

Injection molding is the largest growth segment for PP in key markets including:

- Automotive: The growing demand for lightweight materials to improve fuel efficiency and reduce emissions, especially in electric vehicles, is boosting polypropylene use in vehicle parts.
- Packaging: Polypropylene's durability, low cost and moisture resistance make it ideal for flexible and rigid packaging in the food and beverage, pharmaceutical and e-commerce sectors.
- Sustainability: The market is increasingly focused on recycling and bio-based polypropylene, driven by stricter regulations and consumer awareness. Investments in chemical and mechanical recycling are also on the rise.
- Healthcare: Polypropylene is widely used for medical equipment and packaging due to its chemical resistance and sterilizability.

Source: Argus Media - Consulting Services, Townsend

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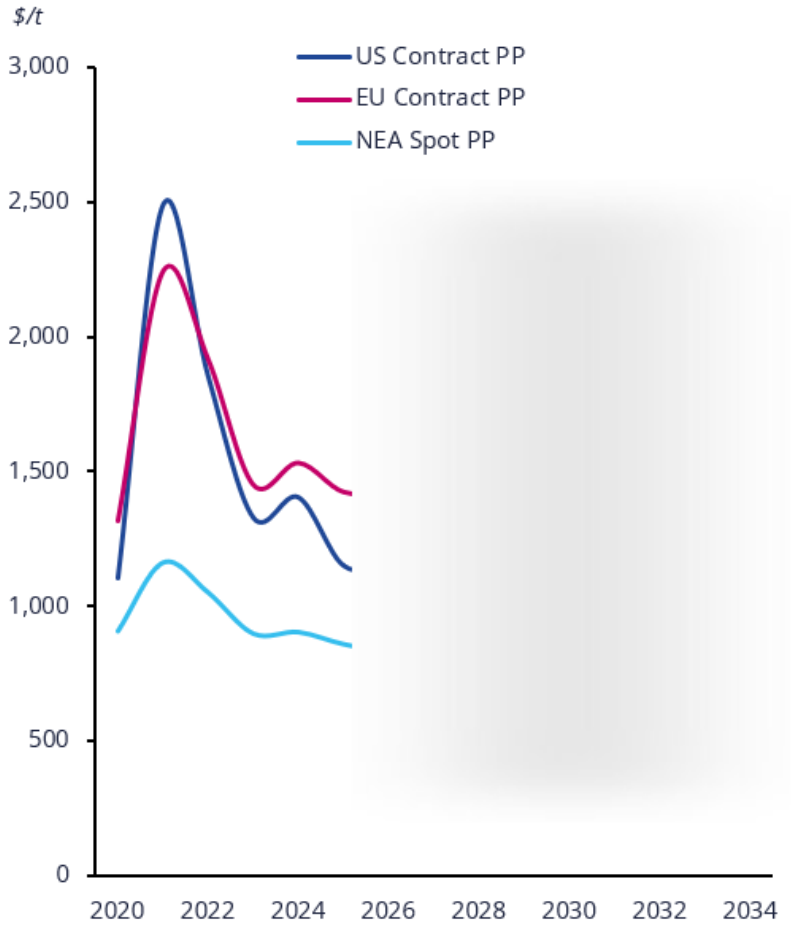
Polypropylene 10-year price outlook

North America	**Polypropylene prices tied on PGP / PDH operations through 2029** ▪ PP prices are forecast to [redacted]. A slight [redacted] is expected in 2027 as the market absorbs additional propylene capacity that will directly affect PP prices. Producers will struggle [redacted] 2029. ▪ The PGP-propane price spread is expected to average [redacted]. This spread is sufficient to cover PDH operators' cost and capital.
Western Europe	**Further PP closures necessary to offset unfavorable economics** ▪ Reduced propylene supply will follow recent and announced cracker closures, together with reduced refinery supplies. Europe will [redacted] — until a new PDH plant starts in the second quarter of 2026. ▪ PP margins may improve slightly as non-competitive assets exit the market owing to import pressures from newbuilds in Asia.
Northeast Asia	**Regional competition will be tied to logistics and stable feedstock supply** ▪ Northeast Asia prices and spreads come under pressure amid the expansion in 2025-28 but potential policies to optimize the petrochemical industries in South Korea, Japan and China are expected to boost demand to some extent. ▪ Non-integrated producers will find it [redacted] for the next five years, [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.

Global polypropylene prices



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North America: Key updates

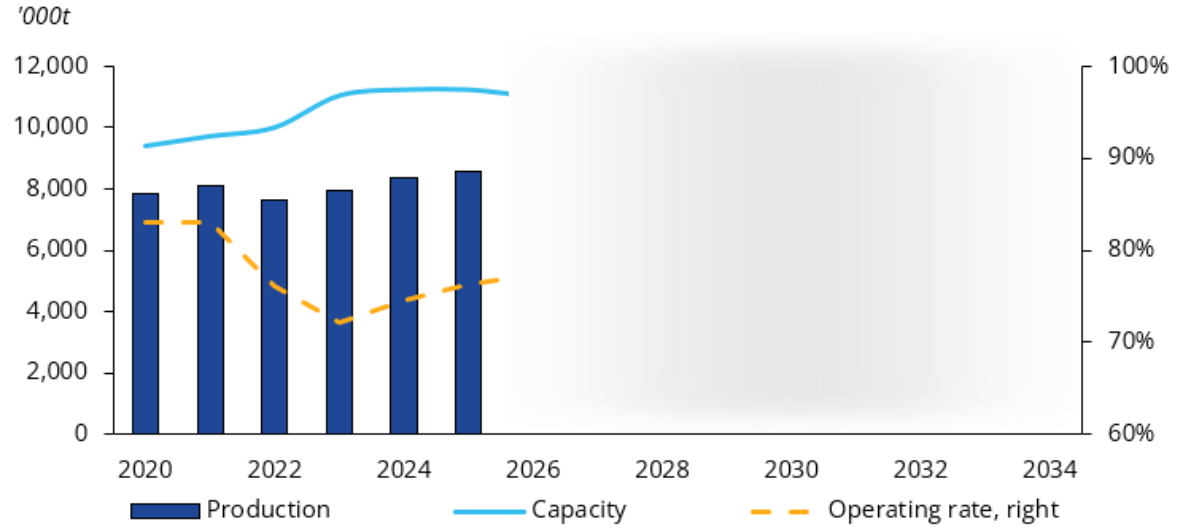
This sample highlights North American coverage.

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

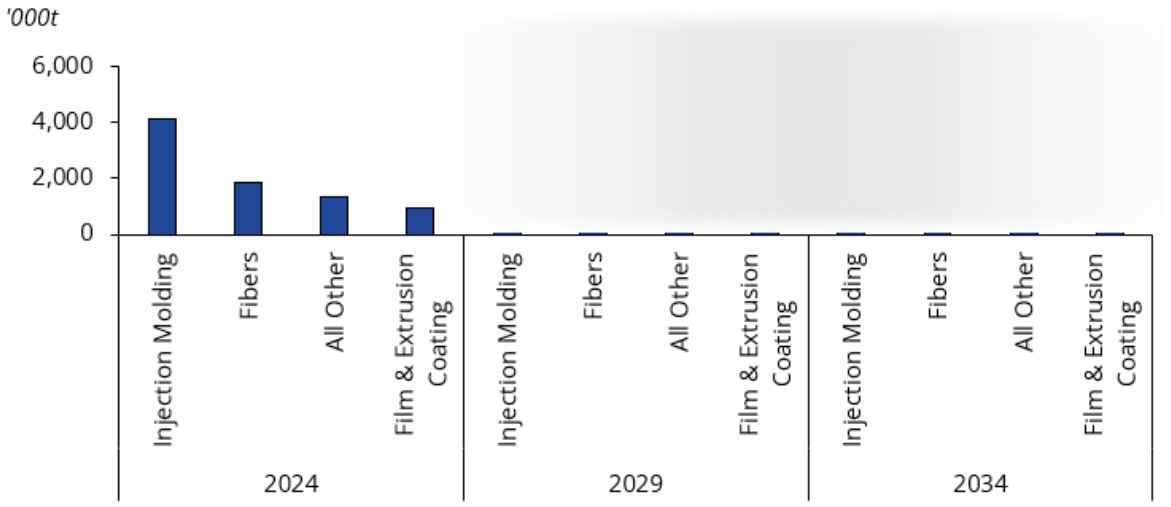
Key market changes

Supply	Some rationalization of assets in the 2026–29 period is expected as oversupply keeps operating rates below . No new investments in PP capacity expected through 2034.	Demand	Domestic demand will increase by an a 1.5pc AGR with the largest growth in injection molding, particularly in the automotive EV segments.	Trade	competitive. Imports will increase slightly (0.8pc AGR) but remain less than 10pc of PP demand in the North American market due to logistical bulk handing constraints with imported resin.

Production statistics



NA PP market demand grows 16pc from 2024 - 2034



% shows the growth rate between 2034 and 2024 demand

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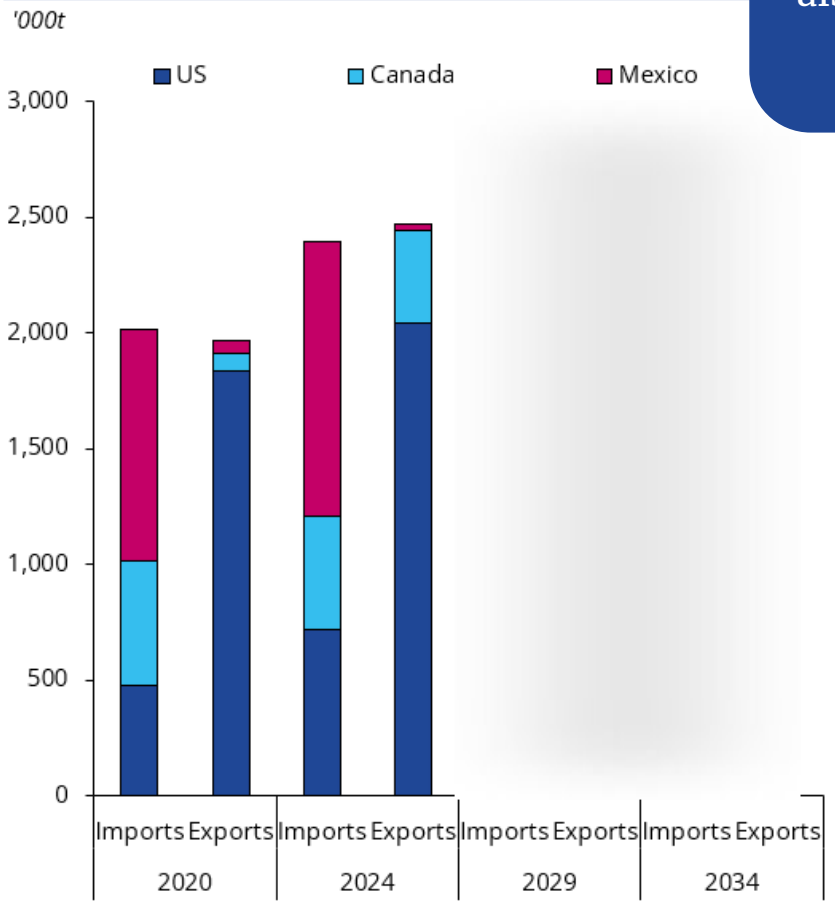
North America: Supply and trade

- Competitive derivative pricing implies that [illegible] to maintain a balance between supply and demand (domestic and exports) during the forecast period, given that Asia-Pacific and other regions [illegible] derivatives capacity online.
- North America inter-regional exports of key derivatives are relatively low at less than [illegible], but many global producers are already making aggressive offers in traditional US export markets such as [illegible]
- Capacity changes will be based on [illegible] of assets through 2034 but with [illegible] on operating rates.
- Mexico imports will continue to be primarily from the US due to bulk railcar logistical advantages.

Export / Import Trade Activity



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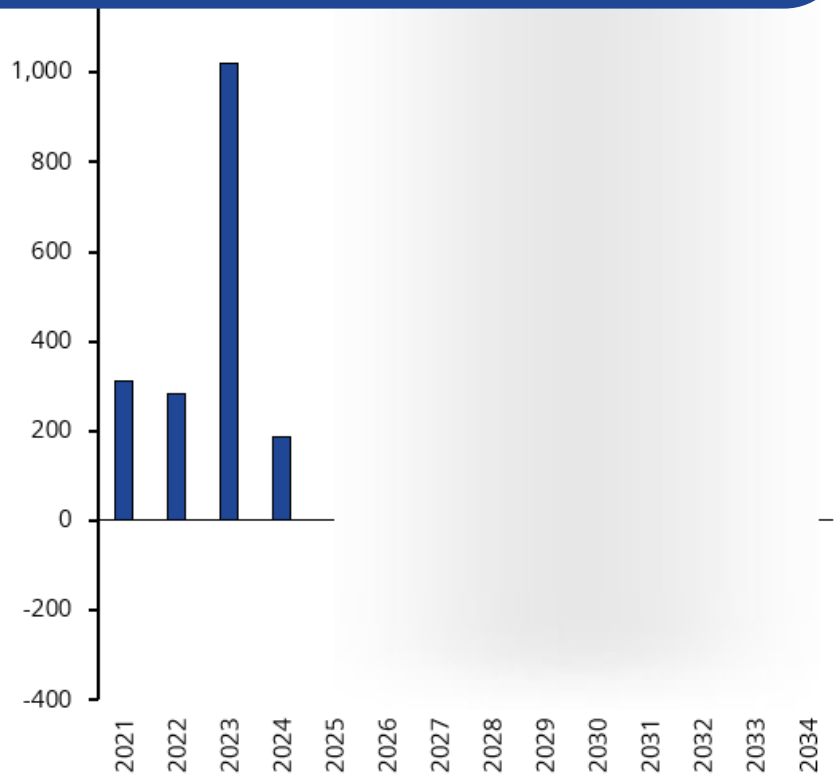

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Meet our team

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.

Simon Sheppard

Analyst, Petrochemicals

Simon is an analyst in the London consulting office focusing on hydrocarbon resins and olefins. He holds an MSc in Chemistry from the University of Manchester. Before joining *Argus*, he worked as a chemical emergency responder for the National Chemical Emergency Centre.

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.

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.

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.

Source: Oxford Economics

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