

Argus report sample

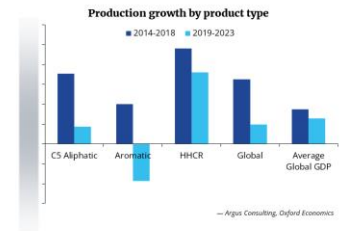
Hydrocarbon Resin Analytics

August 2024

Executive summary

2023-2024 business overview

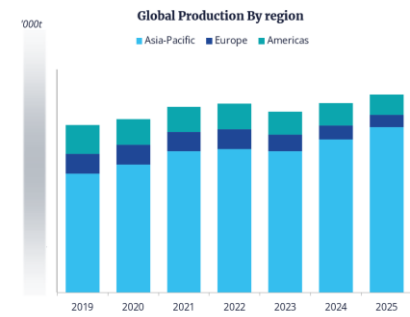
- Tackifying resin markets are heavily influenced by the current state of the overall economy and will tend to grow at a slightly higher rate than that of gross domestic product (GDP).
- The period of 2017 through to the present has seen a rebalancing in the HCR market with the increased availability of HHCRs.
- The Covid-19 pandemic period was characterized by strong demand growth for HCRs. HCR demand growth exceeded that of global GDP during 2020 and 2021, growing at 15.1% and 14.5% respectively.
- Demand in 2022 weakened noticeably in the second half of the year and this carried through all of 2023 for HCR markets as the global economy started to slow. HCR demand growth during 2023 was estimated at 10.1%. Overall 2024 HCR demand growth is expected to return to positive territory at 11.5%.
- Demand growth for HHCRs is expected to track to its more traditional organic level of double the rate of GDP growth in the future now that substitution of HHCR for C5, C9 and even rosin based tackifiers is reaching close to full penetration of the market.
- Growth rates for C5 HCRs are expected to slightly exceed those of GDP levels. C9 HCR demand growth is expected to trend lower than GDP with replacement of Chinese resin in HCR production mostly rosinate and a lack of growth in the rest of the world.



Status of hydrocarbon resin business

Production by region

- Overall HCR production shrank by 1.1% in 2023 versus the previous year but is expected to increase by 1.1% in 2024 with some improvement in demand. Demand (production) is expected to grow further by 1.1% in 2025, returning to growth at slightly more than GDP like numbers.
- Production in the Americas decreased by 1.1% in 2023, with weaker demand, some smaller weather-related outages and reduced domestic feedstock production. Production is expected to decrease further during 2024 with weak exports to Europe and the shutdown of a C5 HCR unit at mid-year.
- The US continued to be a net exporter of both C5 HCR and HHCR during 2023, while remaining an importer of C9 HCR. We expect some rebalancing of the market once the US-China trade war is over. We also expect the US to become closer to balanced on C5 HCR production versus demand given the reduced capacity that will be on-line after mid-2024.
- European HCR production was lower from 2022 to 2023 by 1.1% with reduced production from several producers. We saw the permanent shutdown of a German HHCR unit at the end of March 2023, the end of an extended shutdown at an HHCR unit in Germany carrying through much of the first quarter, and weaker production in both Estonia and France.



Argus Hydrocarbon Resin Analytics 2024

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About this report

Argus Hydrocarbon Resins Analytics is a data-driven evaluation of supply-demand fundamentals forecasts for hydrocarbon resins markets, published once a year.

The service includes a 2-year forecast and four-year history covering balances and capacities, organized by region.

In this sample, we share an update from our August 2024 Analytics.

Subscribers receive a PowerPoint PDF written by our experts plus the accompanying Excel data files.

To find out more, [click here to get in touch.](#)

Key features



Two-year forecast and a four-year history

Covering capacities, trade flows, by country region, published once a year.



Detailed report

In an easy-to-read PowerPoint format focussing on new plant capacities, growth rates in relevant markets, and regulatory developments.



Regional insight

Covering capacities and operating rates based on global trade and economics.



Downloadable datasets

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



Access to specialists

Speak to the experts behind Argus' long-term analytics forecast services.

Associated Data

Global Capacity and trade data for hydrocarbon resins

Subscription includes detailed Excel downloads

Capacity list for hydrocarbon resins, '000t					
Region	Country	Location	Type	Operating Company	
Americas	US	Baton Rouge, LA	C5	ExxonMobil	
Americas	US	Beaumont, TX	C5	Resin Solutions	
Americas	US	Jefferson, PA	C5	Synthomer	
Asia-Pacific	China	Daqing	C5	Daqing Huake	
Asia-Pacific	China	Dushanzi City	C5	Xinjiang Tianli	
Asia-Pacific	China	Fushun	C5	Fushun Huaxing	
Asia-Pacific	China	Heze City	C5	Shandong Yuhuang	
Asia-Pacific	China	Huizhou	C5	Ecoisco	
Asia-Pacific	China	Lanzhou	C5	Lanzhou Hui Feng	
Asia-Pacific	China	Maoming	C5	Sunion	
Asia-Pacific	China	Nanjing	C5	Anhui Tongxin	
Asia-Pacific	China	Nanjing Yuangang	C5	Henghe	
Asia-Pacific	China	Ningbo	C5	Jinhai Chenguang	
Asia-Pacific	China	Ningbo	C5	Henghe	
Asia-Pacific	China	Ningbo Yonghua	C5	Henghe	
Asia-Pacific	China	Puyang	C5	Puyang Binder	
Asia-Pacific	China	Puyang	C5	Puyang Xinyu	
Asia-Pacific	China	Shandong province (puyang)	C5	Shandong RuiSen	
Asia-Pacific	China	Shanghai	C5	Shanghai Jingsen	
Asia-Pacific	China	Sichuan (Chengdu)	C5	LangYing	
Asia-Pacific	China	Wuhan	C5	Luhua	
Asia-Pacific	China	Zhangzhou	C5	Luhua	
Asia-Pacific	China	Zhoustan	C5	Zhejiang Derong	
Asia-Pacific	China	Zibo	C5	Luhua	
Asia-Pacific	China	Zibo	C5	Zibo Kaixin	
Asia-Pacific	Japan	Chiba	C5	Eneos	
Asia-Pacific	Japan	Mizushima	C5	Zeon	
Asia-Pacific	Japan	Yokkaichi	C5	Toho	
Asia-Pacific	South Korea	Ulsan	C5	Kolon	
Asia-Pacific	Thailand	Rayong	C5	Zeon	
Europe	France	Notre-Dame-de-Gravenchon	C5	ExxonMobil	
Europe	Netherlands	Middelburg	C5	Synthomer	
Americas	Brazil	Sao Paulo	C9	Braskem	
Americas	US	Hattiesburg, MS	C9	Resinall	
Americas	US	Jefferson, PA	C9	Synthomer	
Americas	US	Neville Island, PA	C9	Neville	
Asia-Pacific	China	Beijing	C9	Beijing Xinlan	
Asia-Pacific	China	Daqing	C9	Daqing Huake	
Asia-Pacific	China	Dingcheng	C9	Anhui Dingcheng	
Asia-Pacific	China	Dushanzi City	C9	Xinjiang Tianli	
Asia-Pacific	China				
Asia-Pacific	China				
Asia-Pacific	China				

Country import data for hydrocarbon resins, '000t				
Region	Country	2019	2020	2021
Africa	Algeria			
Africa	Angola			
Africa	Benin			
Africa	Botswana			
Africa	Burkina Faso			
Africa	Burundi			
Africa	Cameroon			
Africa	Comoros			
Africa	Congo			
Africa	Congo (Dem. Rep. of)			
Africa	Egypt			
Africa	Eswatini (former Swaziland)			
Africa	Ethiopia			
Africa	Gambia			
Africa	Ghana			
Africa	Guinea-Bissau			
Africa	Guyana			
Africa	Ivory Coast			
Africa	Kenya			
Africa	Lesotho			
Africa	Libyan Arab Jamahiriya			
Africa	Madagascar			
Africa	Malawi			
Africa	Mali			
Africa	Mauritania			
Africa	Mauritius			
Africa	Morocco			
Africa	Mozambique			
Africa	Namibia			
Africa	Nigeria			
Africa	Rwanda			
Africa	Senegal			
Africa	Seychelles			
Africa	Sierra Leone			
Africa	South Africa			
Africa	Sudan			
Africa	Tanzania (United Rep. of)			
Africa	Togo			
Africa	Tunisia			

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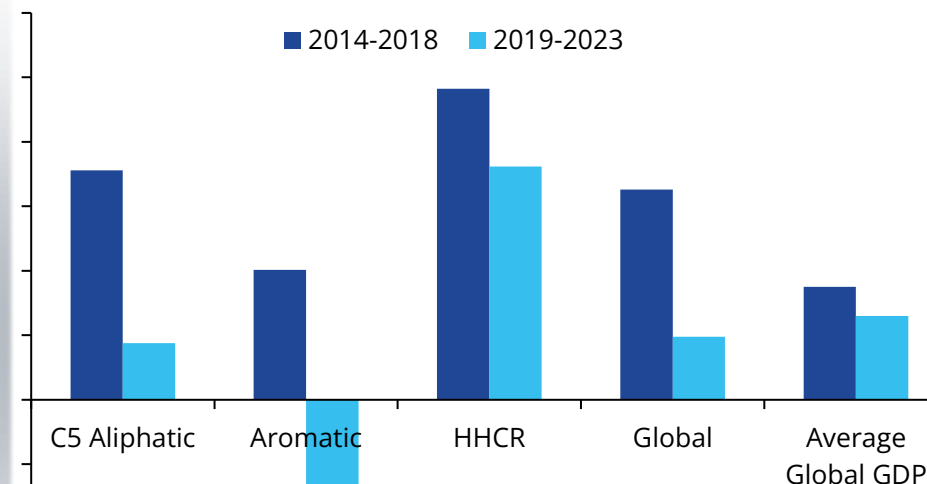


Executive summary

2023-2024 business overview

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- The period of 2017 through to the present has seen a rebalancing in the HCR market with the increased availability of HHCRs.
- The Covid-19 pandemic period was characterized by strong demand growth for HCRs. HCR demand growth exceeded that of global GDP during 2020 and 2021, growing at pc and pc respectively.
- Demand in 2022 weakened noticeably in the second half of the year and this carried through all of 2023 for HCR markets as the global economy started to slow. HCR demand growth during 2023 was estimated at pc . Overall, 2024 HCR demand growth is expected to return to positive territory at pc .
- Demand growth for HHCR is expected to track to its more traditional organic level of double the rate of GDP growth in the future now that substitution of HHCR for C5, C9 and even rosin based tackifiers is reaching close to full penetration of the market.
- Growth rates for C5 HCRs are expected to slightly exceed those of GDP levels. C9 HCR demand growth is expected to trend lower than GDP with replacement of Chinese gum rosin (CGR) production mostly complete and a lack of growth in the inks sector. Improving demand into the tapes and label sectors should help the C5 HCR demand, and increased demand in the tire applications segment should help both the C5 and C9 HCR growth picture. We see large potential for growth within the tire segment for HCR which has been slow in developing.
- The accompanying graphic highlights the production growth by resin type for the previous eight years broken down into two periods. The GDP rate of growth for the 2019-23 period was obviously impacted by the global GDP growth rate of pc in 2020 and pc in 2021, as are the rates of growth for each of the types of HCR.

Production growth by product type

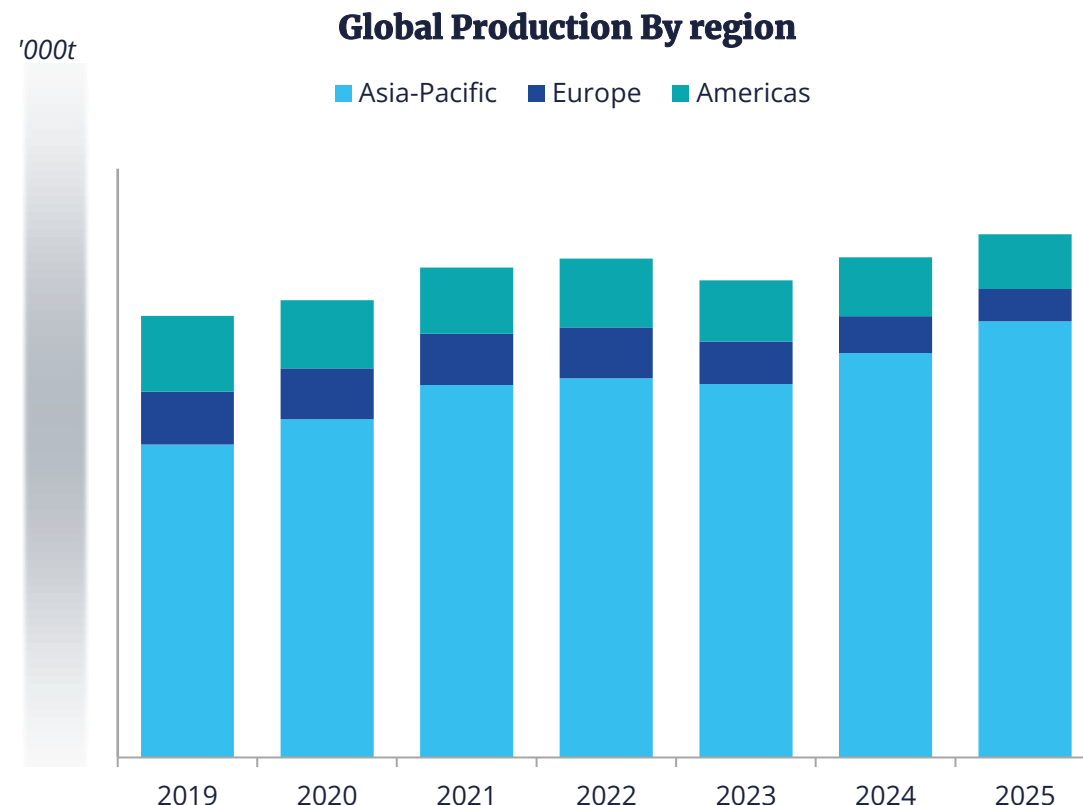


— Argus Consulting, Oxford Economics

Status of hydrocarbon resin business

Production by region

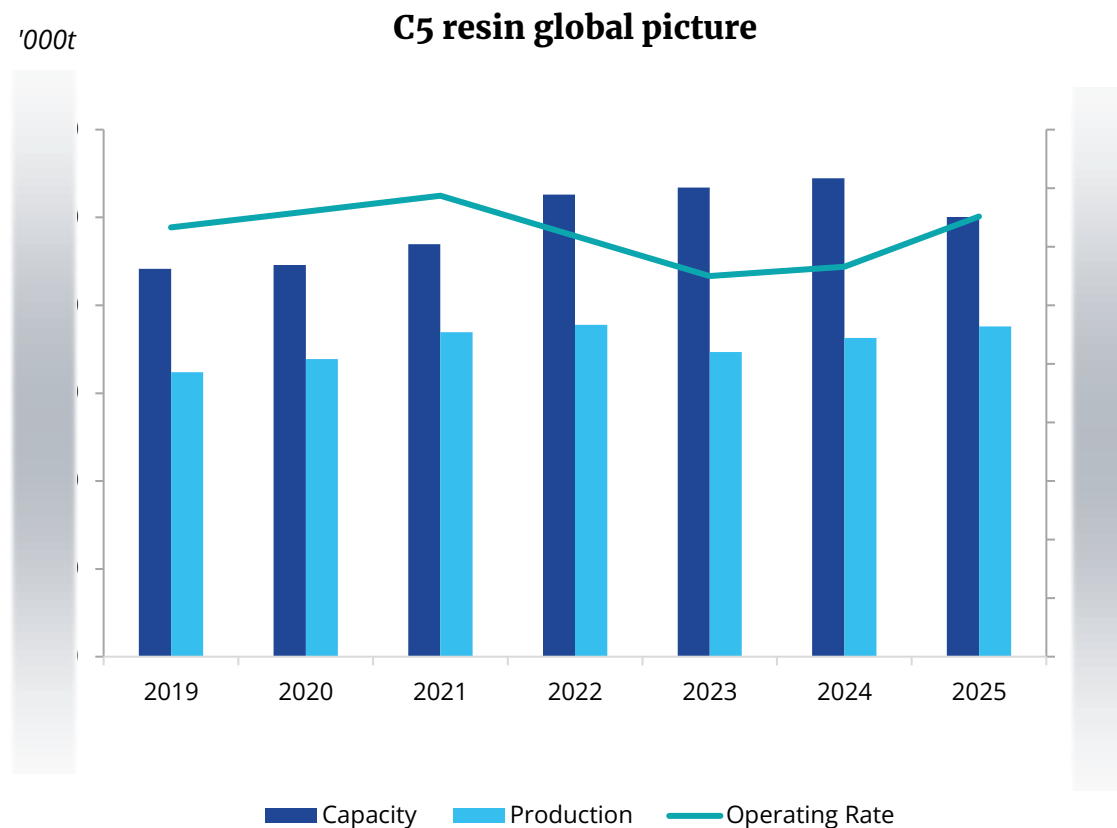
- Overall HCR production shrank by █ pc in 2023 versus the previous year but is expected to increase by █ pc in 2024 with some improvement in demand. Demand (production) is expected to grow further by █ pc in 2025, returning to growth at slightly more than GDP like numbers.
- Production in the Americas decreased by █ pc in 2023, with weaker demand, some smaller weather-related outages and reduced domestic feedstock production. Production is expected to decrease further during 2024 with weak exports to Europe and the shutdown of a C5 HCR unit at mid-year.
- The US continued to be a net exporter of both C5 HCR and HHCR during 2023, while remaining an importer of C9 HCR. We expect some rebalancing of the market once the US-China trade war is over. We also expect the US to become closer to balanced on C5 HCR production versus demand given the reduced capacity that will be on-line after mid-2024.
- European HCR production was lower from 2022 to 2023 by █ pc with reduced production from several producers. We saw the permanent shutdown of a German HHCR unit at the end of March 2023, the end of an extended shutdown at an HHCR unit in Germany carrying through much of the first quarter, and weaker production in both Estonia and France.



Tackifier production - C5 aliphatic resins

Global overview

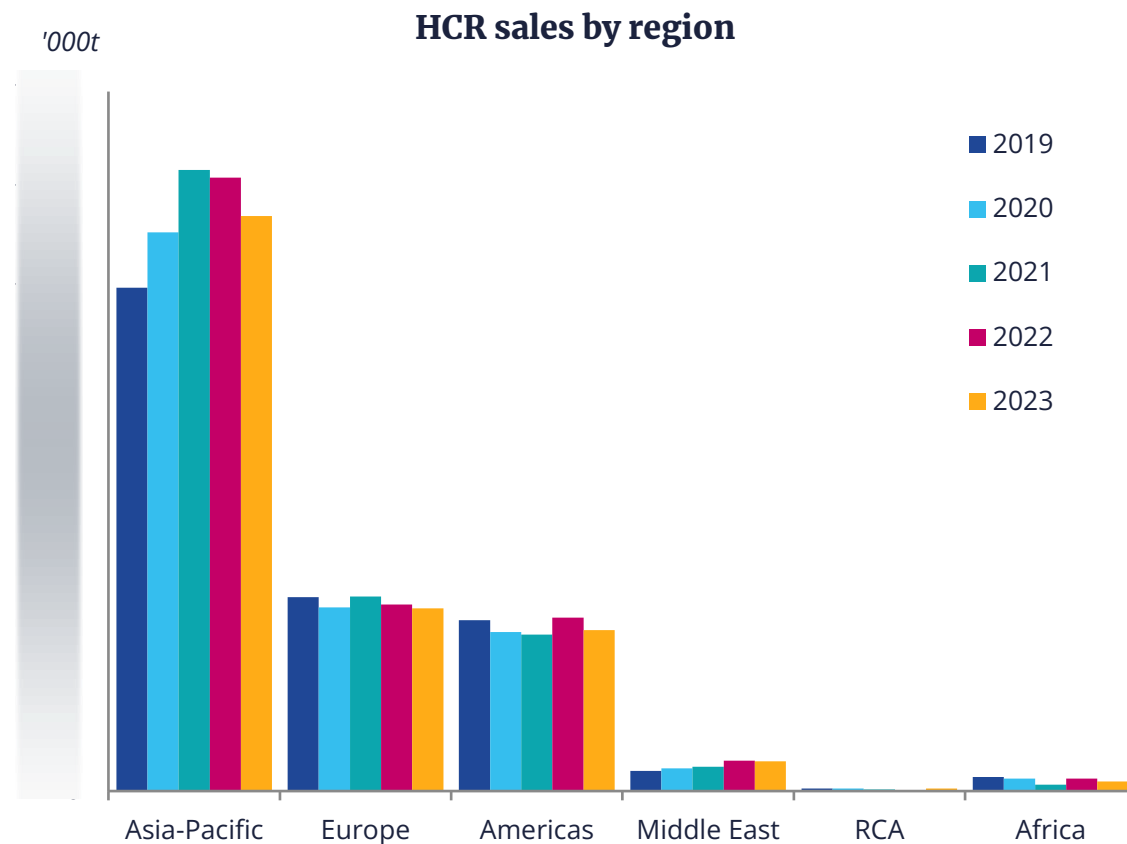
- The accompanying graphic shows an integrated global picture of capacity, production and capacity utilization for C5 tackifying resins.
- Production in 2023 dropped by █ pc from 2022. The demand growth rate is expected to increase by █ pc in 2024 before returning to more typical growth of █ pc in 2025.
- The driving (lack of) growth dynamics for 2023 included the end of the Covid-19 pandemic and its higher demand for goods, weaker demand in tapes and labels applications with less goods and package movements, and weaker use into tire applications with weaker replacement tire demand. The weaker demand conditions persisted throughout the entire year.
- Demand for tapes and labels has improved slightly YTD in 2024, as has demand into most other segments. We expect any substitution from C5 HCR to HHCR to moderate further in 2024 and beyond as HHCR has more fully penetrated the HCR market inclusive of traditional C5 HCR sectors.



Worldwide HCR sales – sales overview

Sales by region

- The accompanying figure shows regional HCR sales trends over the last five years.
- All types of hydrocarbon tackifying resins are included in the enclosed analysis. Historical data have been adjusted to include changes based on *Argus'* calculations or any available revisions in trade data.
- Asia-Pacific regional sales have continued to increase and dominate globally through the period, consistent with the *Argus* view that HCRs are increasingly used to supplement diminishing Chinese gum rosin supply, and that Asia-Pacific exports to the west are supporting demand growth in those regions, particularly for Europe.
- Most new HCR production capacity, with few exceptions, is being built in Asia-Pacific. Asia-Pacific HCR sales volumes were notably higher in 2021 than in 2020, helping support the strong demand growth observed for both HHCR and C5 HCR during that time frame. Sales growth for the region was less dramatic for 2022 with a weaker economy approaching year end, and the trend continued into 2023 as sales volumes decreased in the region. Both the Americas and Europe saw little to no overall sales growth during the 2019 to 2023 period.



We hope you found this sample report for Hydrocarbon Resin Analytics valuable.

The Argus Hydrocarbon Resins Analytics service is for anyone engaged in the hydrocarbon resins market and seeking insight into the fundamentals driving key trends, including global supply, demand growth, exports, operating rates, etc.

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