

Furfural

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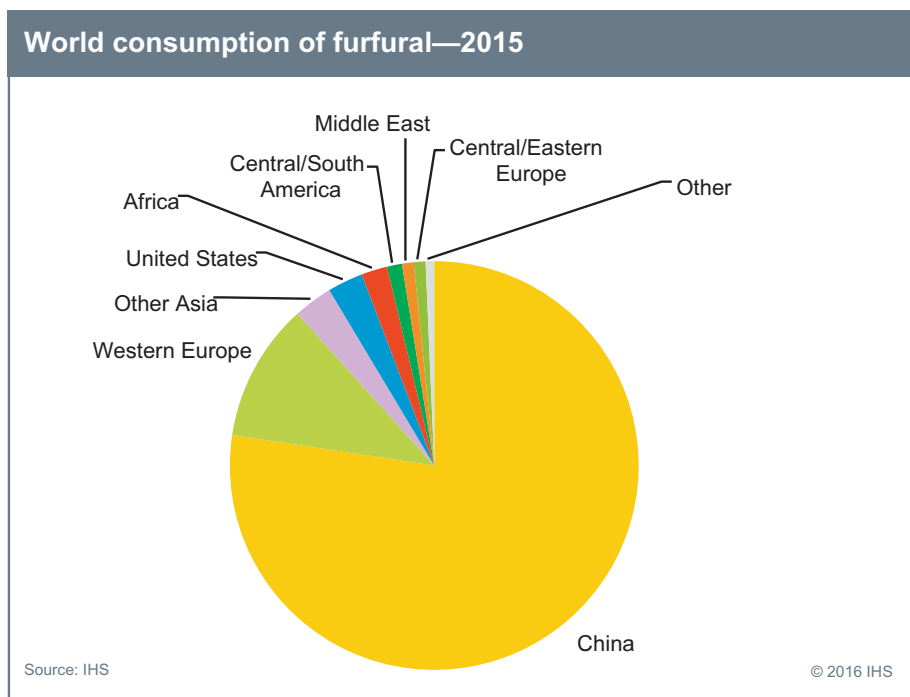
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Abstract

China is the dominant player in the world furfural market. With 85% of global capacity and 75% of world consumption, China will continue to drive the overall market. Strong annual growth of over 4% globally is expected in the next five years as China's consumption of furfural continues to grow as a result of strong demand for furfuryl alcohol to produce furan resins and increased furfuryl alcohol exports.

The furfural industry has grown rapidly in China in the last 20 years, forcing out all production in the United States and most in Europe. In the 1990s, the Chinese industry was composed of many small-scale furfural plants, but since the mid-1990s, the industry has tended toward an increase in the size of its plants and has pursued value-added capacity for making furfuryl alcohol. China is by far the leading global producer of metal castings, where furfuryl alcohol is used to make furan foundry binder resins. China is also a leading exporter of furfural and furfuryl alcohol.

The following pie chart shows world consumption of furfural:



Contacts

Koon-Ling Ring

Koon-Ling.ring@ihs.com

Maria deGuzman

Maria.deguzman@ihs.com

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Other regions that may experience growth, albeit from smaller volumes, include Africa, Central and Eastern Europe, and Oceania. Only minimal growth is expected in Central and South America and the Middle East. Asian countries other than China, including Japan, are expected to experience flat growth or slight declines in furfural use.

Furfural is produced from agricultural wastes that contain pentosans that are then hydrolyzed to furfural and other by-products. The most common raw materials for furfural production include corncobs, bagasse from sugarcane processing, and by-product streams from tanning and cellulosic fiber production.

Furfuryl alcohol is the dominant end use for furfural, accounting for nearly 90% of total consumption, followed by solvent applications in lubricating oils and butadiene extraction (4%), with the remainder in other applications such as chemical, pharmaceutical, and flavoring intermediates.

Outside of China, demand for furfural is relatively small, with little change expected. In the United States, there has been some downturn in furfuryl alcohol use in castings because of the downturn in the oil and gas business. In Western Europe, demand for furfuryl alcohol is expected to increase only slightly in the near future.

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IHS Customer Care:

Americas: +1 800 IHS CARE (+1 800 447 2273); CustomerCare@ihs.com
Europe, Middle East, and Africa: +44 (0) 1344 328 300; Customer.Support@ihs.com
Asia and the Pacific Rim: +604 291 3600; SupportAPAC@ihs.com

