Linear alpha-Olefins

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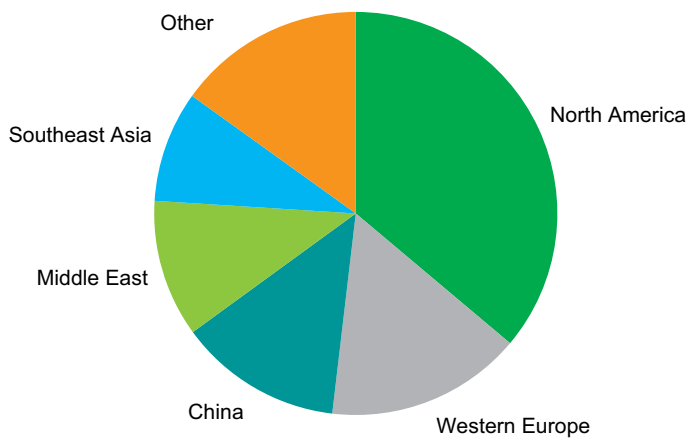
Abstract

World consumption of linear alpha-olefins (LAO) is forecast to grow at an average annual rate of about 4.0% during 2019–24, driven mostly by North America (which has a low-cost ethylene feedstock advantage) and China (which plans to supply its polyethylene and polyalphaolefin demand with more domestically produced product, as it tries to lessen its dependence on imports). Forecasts of growth rates vary significantly by region and by LAO cut. Polyethylene comonomer (LLDPE, HDPE, and plastomers/elastomers) is the major LAO consuming market, followed by polyalphaolefins and detergent alcohols. Companies have invested in both full-range LAO plants (where a broad range of even-numbered carbon chain–length LAOs rather than a single product are produced) and in on-purpose technology (where production focuses on one or two specific monomers) in recent years. Given the diverse markets that linear alpha-olefins serve and their importance in the global economy, world capacity is forecast to grow at an average annual rate of nearly 4% during 2019–24.

The following pie chart shows world consumption of linear alpha-olefins by major region:

World consumption of linear alpha-olefins—2019



Source: IHS Markit

Global consumption of LAO, driven by polyethylene comonomers, detergent-range alcohols (based on linear alpha- and internal olefins), polyalphaolefins, oil field chemicals, and surfactants, grew at a lower average annual of rate during 2016–19 compared with 2012–16, in part because of a slowdown in the global economy, particularly in countries like China and emerging regions.

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In 2019, North America accounted for approximately 40% of the world production of LAO, followed by the Middle East (19%), Western Europe (11%), China (11%), the rest of Asia, Africa, and Central and South America. Western Europe's production as a percent of the world total has decreased since 2016 because of the closure of a major producer's plant in 2018. The world's two largest producers of LAOs have a combined capacity share of 51% (excluding butene-1 from raffinate). By 2024, these two producers will likely hold on to the top spots, but there will be some reshuffling of the other top five as one current player adds a new plant and a new player enters the market, both in the United States, by 2024.

This report provides an excellent insight into the global market for linear alpha-olefins as well as their major derivatives. It has been compiled using primary industry research and brings together elements of other IHS Markit reports in the Chemical Economics Handbook (CEH) and Specialty Chemicals Update Program (SCUP) suite of surfactant-related reports.

For more detailed information, see the table of contents, shown below.

IHS Markit's Chemical Economics Handbook – ***Linear alpha-Olefins*** is the comprehensive and trusted guide for anyone seeking information on this industry. This latest report details global and regional information, including


Global summary; regional coverage


Producers with annual capacities and plant sites


Production figures and trends


Consumption and forecasts by end use application


Manufacturing processes and environmental issues


Trade – imports and exports

Key benefits

IHS Markit's Chemical Economics Handbook – ***Linear alpha-Olefins*** has been compiled using primary interviews with key suppliers and organizations, and leading representatives from the industry in combination with IHS Markit's unparalleled access to upstream and downstream market intelligence and expert insights into industry dynamics, trade, and economics.

This report can help you

- Identify trends and driving forces influencing chemical markets
- Forecast and plan for future demand
- Understand the impact of competing materials
- Identify and evaluate potential customers and competitors
- Evaluate producers
- Track changing prices and trade movements
- Analyze the impact of feedstocks, regulations, and other factors on chemical profitability

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