

# Ethylene-Propylene Elastomers

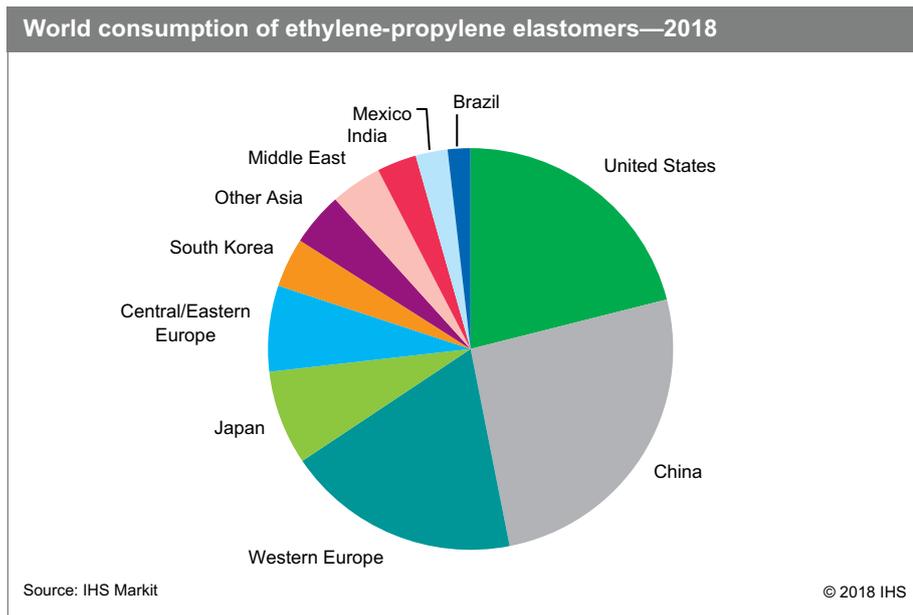
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## Abstract

The ethylene-propylene elastomer market is forecast to grow at an average annual rate of more than 2.5%, driven primarily by the automotive and construction industries. The largest market will continue to be automotive components but with relatively slower growth than before because of the maturity of the automotive industry. Consumption in automotive applications accounts for approximately 60% of global demand (including use in oil additives, as well as most polymer modification uses). The major drivers of this market continue to be polymer modification and the construction industry.

Ethylene-propylene elastomers are one of the largest synthetic rubbers consumed worldwide, characterized by their outstanding resistance to ozone, aging, weather, and high temperatures. Apart from that, they possess good low-temperature flexibility and have excellent electrical properties. These combined characteristics make EP elastomers particularly useful in certain automotive parts/components, single-ply roofing, appliance parts, polymer modification, wire and cable sheathing, viscosity index improvers for lubricating oils, hoses, sports fields and tracks, and other miscellaneous applications.

The following pie chart shows world consumption of ethylene-propylene elastomers:



In 2017, China became the largest consumer of EP elastomers, accounting for about a quarter of the total demand. This was driven by steady growth in the Chinese automotive industry in previous years. The world consumption situation for

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EP elastomers will be similar by 2023, as China will still dominate the market. Central and Eastern Europe is expected to exceed Japan since automobile production will grow more steadily compared with Japan.

Future consumption of EP elastomers will depend on several important key factors—continuing competition between EP elastomers and other polymers/copolymers; automobile production levels; the level of new building construction, along with competition among single-ply roofing materials and reroofing rates; and regional GDP growth.

Some potential investments in EPDM have been reported in previous years in China, but may not materialize. However, if all the planned projects come onstream in China, the total capacity for EP elastomers will exceed 550,000 metric tons by 2023. This additional capacity will move China closer to self-sufficiency, with demand for EP elastomers being supplied primarily by domestic producers instead of imports, which will enhance competition in the global market.

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