INTRODUCTION

Throughout the 1990s, the demand for aromatic petrochemicals has been growing at rates significantly above that of the global gross domestic products. In the recent past, the demand for styrenics and phenolics has increased at 5 to 6% annually. Polyester has experienced annual demand growth rates in the 8 to 10% ranges. This robust growth in demand has triggered a surge in capacity expansions for the primary aromatic building blocks: benzene and para-xylene.

As has been well documented elsewhere, this expansion has resulted in low operating rates and depressed product prices due to current production capacity exceeding demand. This situation has been complicated further by the recent economic problems in Asia, where much of the increase in demand has been focused.

Fortunately, the present difficulties being experienced by the aromatics petrochemical industry are not expected to be long lasting. The underlying drivers for the consumption of end products remain strong, and the current capacity overhang should be absorbed within 1 to 2 years by continuing demand growth. Fig.1 and 2 show the expected growth in the demand for benzene and para-xylene, respectively, from 1997 to 2007. These projections anticipate an increase in benzene consumption over a 10 years period of about 15 million metric tons per annum (MM MTA) and an increase in para-xylene consumption by 13.8 MM MTA during the same time frame. New benzene production comes from a variety of coproduct sources such as reformate extraction. Most of the new para-xylene capacity will come from aromatics complexes based on the reforming of naphtha.

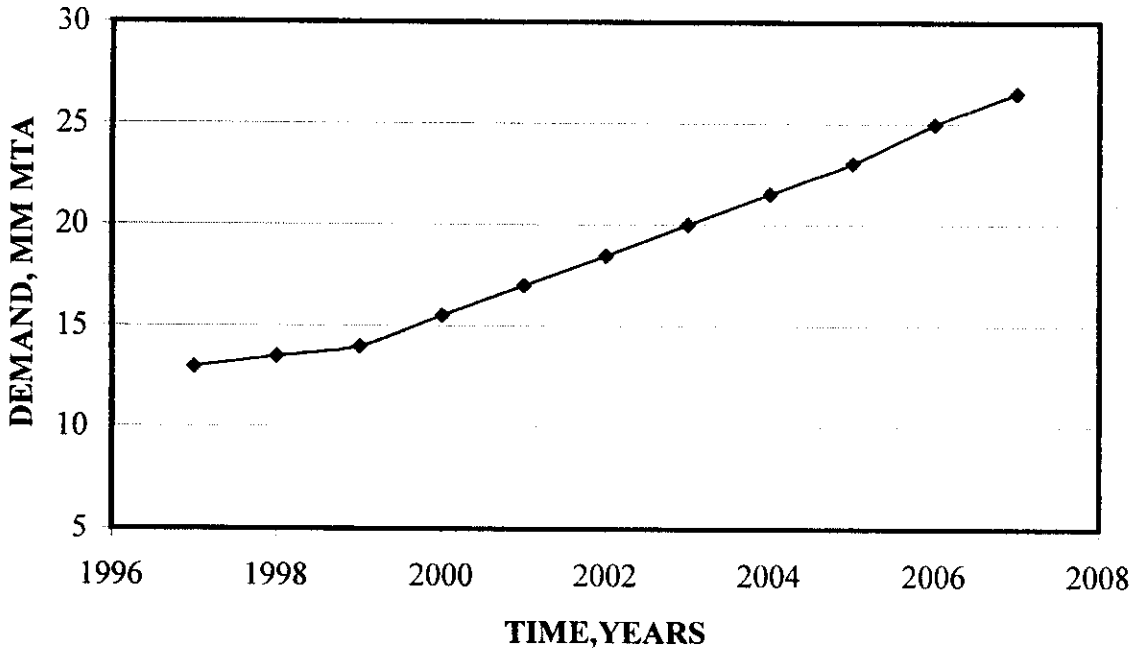


Fig.1 GROWTH OF GLOBAL P-XYLENE DEMAND

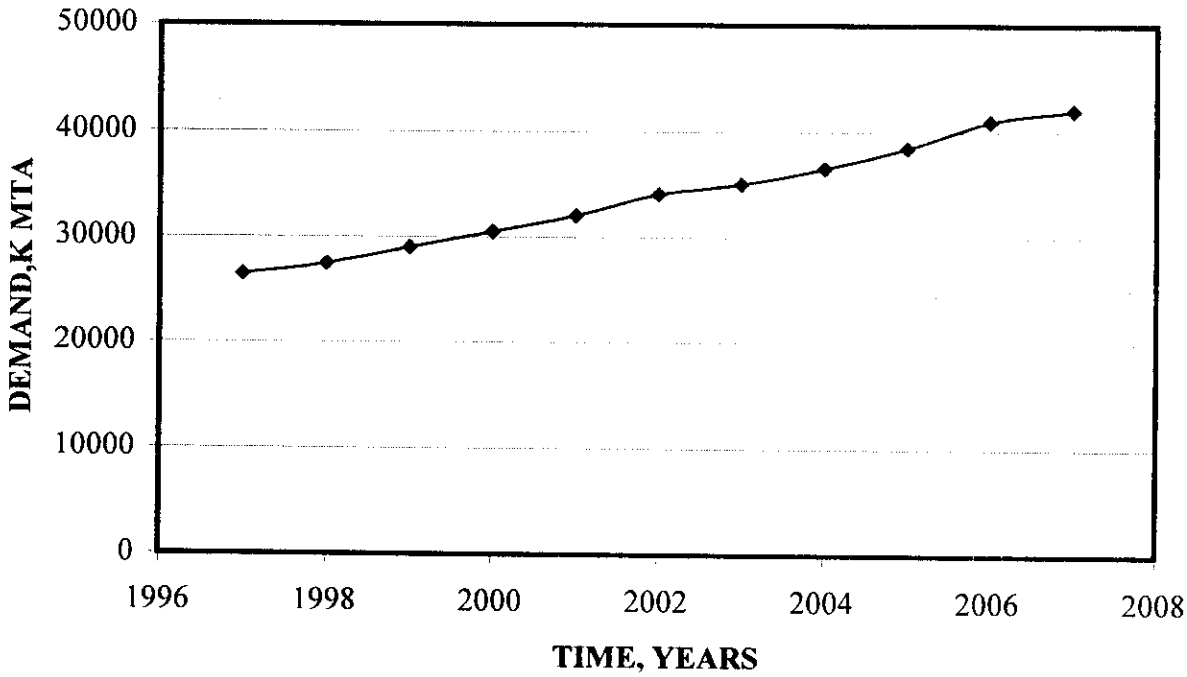
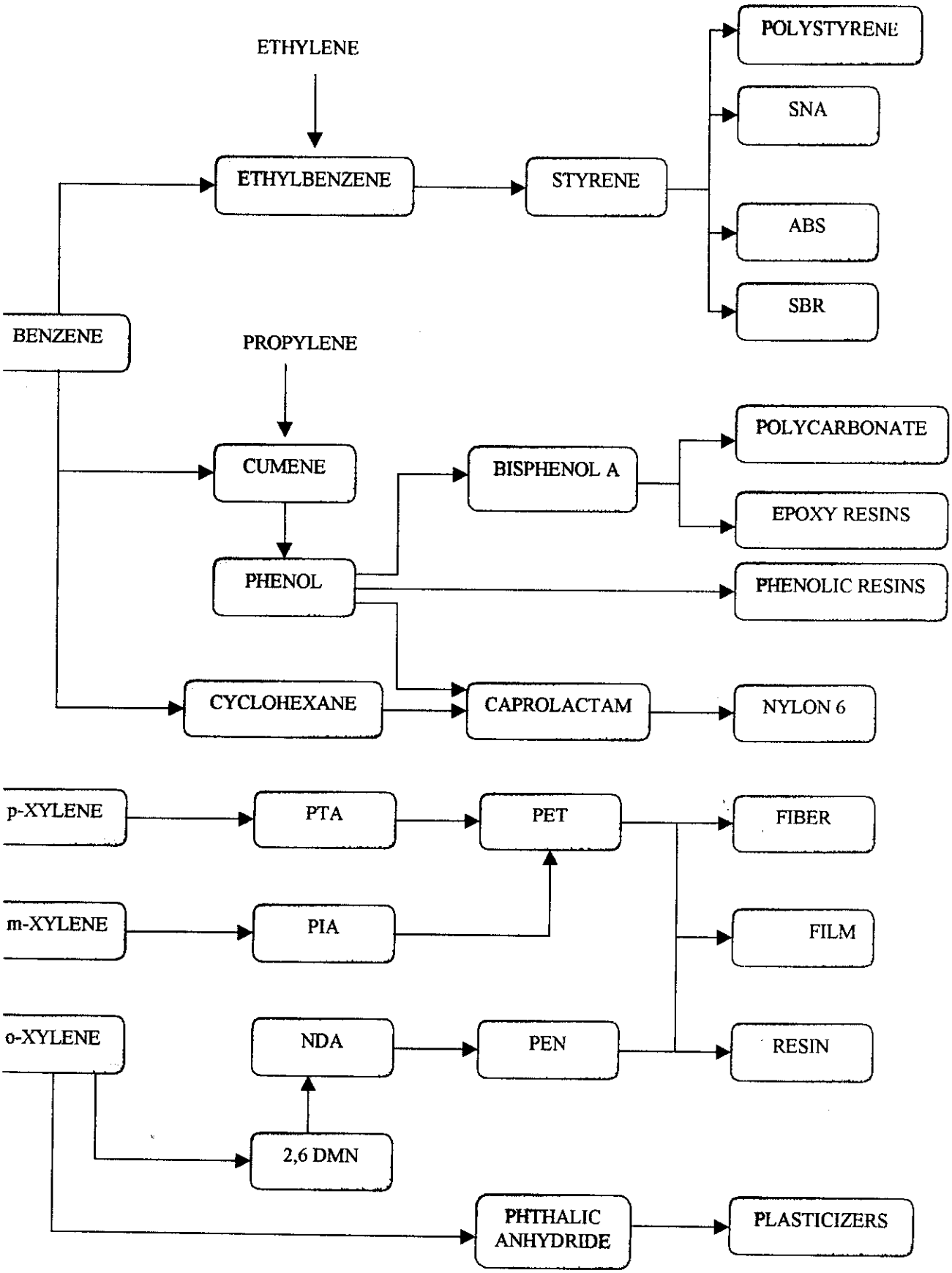


Fig.2 GROWTH OF GLOBAL BENZENE DEMAND



SCHEAM.1 AROMATICS AND DERIVATIVES