

Global PVC Market: Trends, Competitiveness & Outlook

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SAVA 2025

Introduction— Jonathan Davies

13 years in Global PVC trading
Live in Liverpool, UK

Inovyn (8 years total)

2 years as EDC/VCM intermediate manager
6 years PVC export manager (Outside EU27 + UK)

Snetor (2 years)

Global Product Manager PVC

Vinmar International (3 years)

Head of global PVC sales

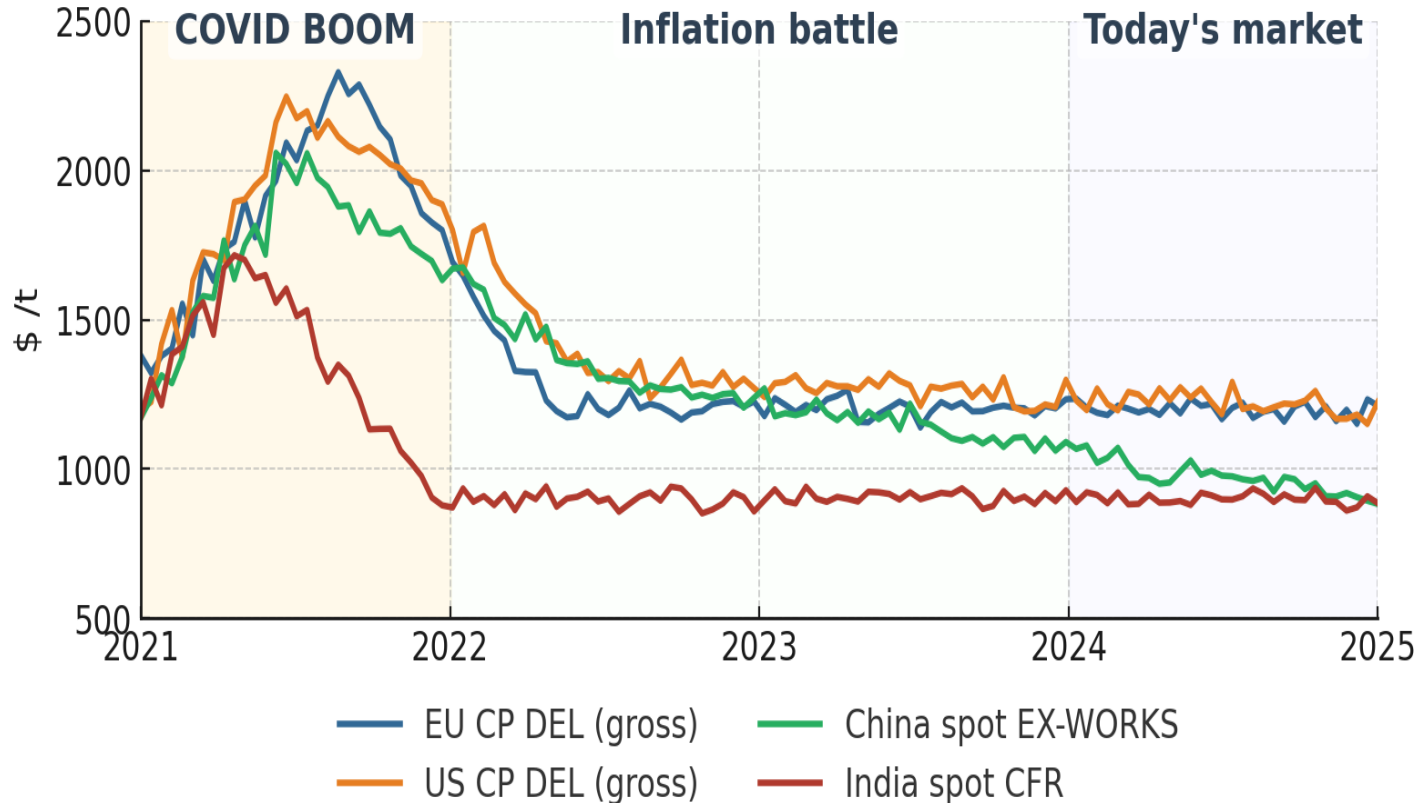


Presentation Pipeline

- Introduction & About Me
- PVC Market Context
- Major Trade Flow Change Post Covid:The rise of China
- EU Cost Competitiveness:The Tide is Out
- Growth Markets:Where and Why?
- Potential Major Market Changes Ahead
- New Product Developments in PVC
- Summary & Key Takeaways

PVC Market Context

Global PVC price comparison



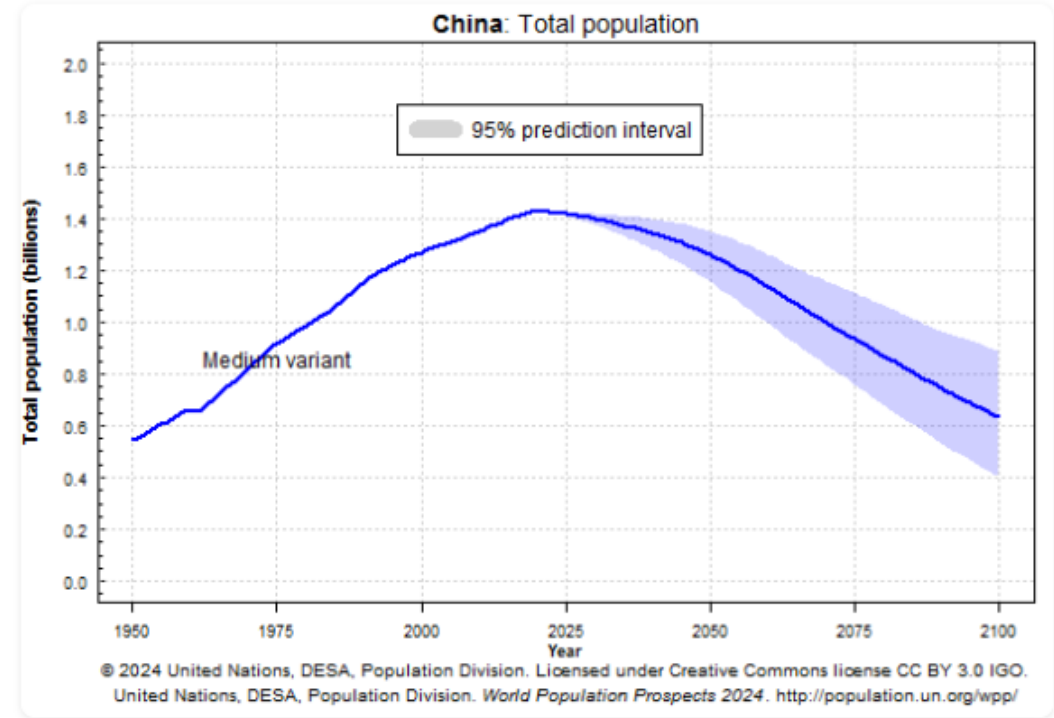
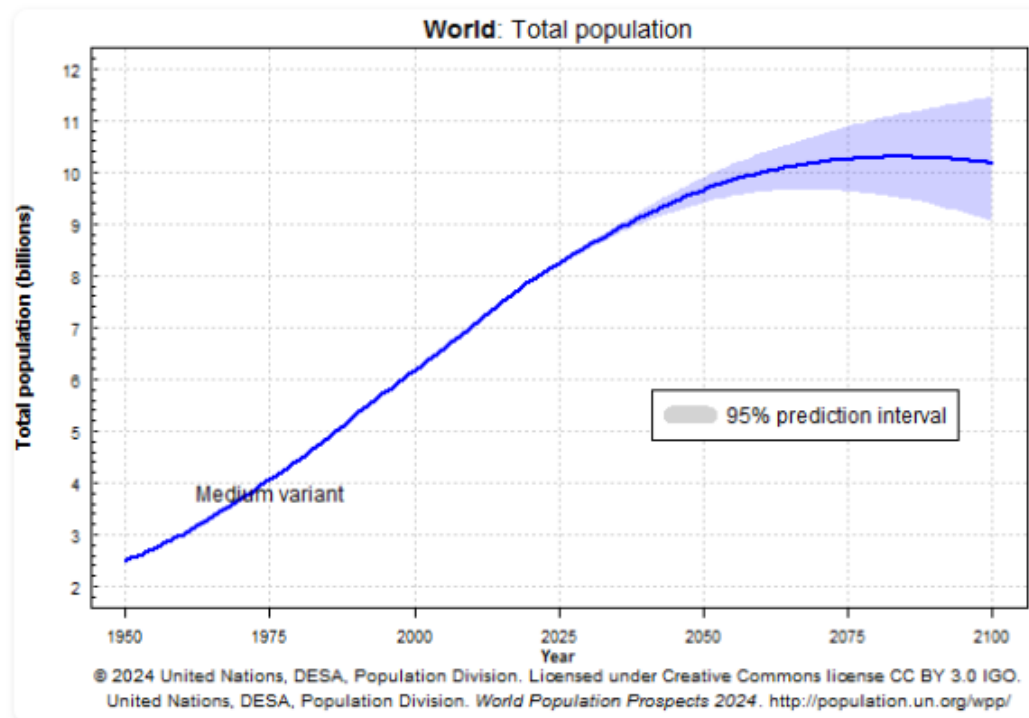
COVID Boom: Construction boom amidst lower interest rates sent chlorine demand and PVC prices to unseen levels.

Inflation: Subsequent central bank action to reduce inflation sent GDP, PVC demand and prices reeling.

Today's market: Continued low export prices and lower Asian PVC prices driven by China.

The race to find the least economic producing region is underway.

Population Changes



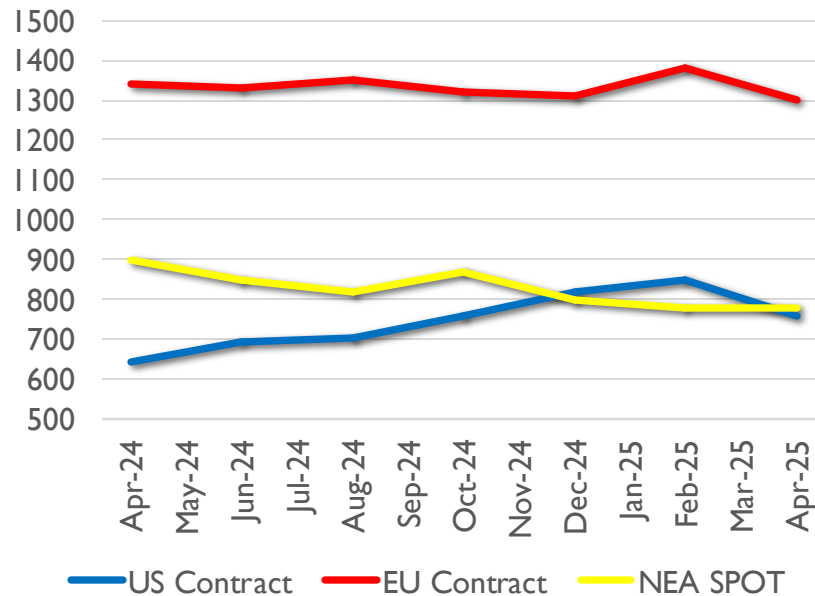


PVC Producers Basics

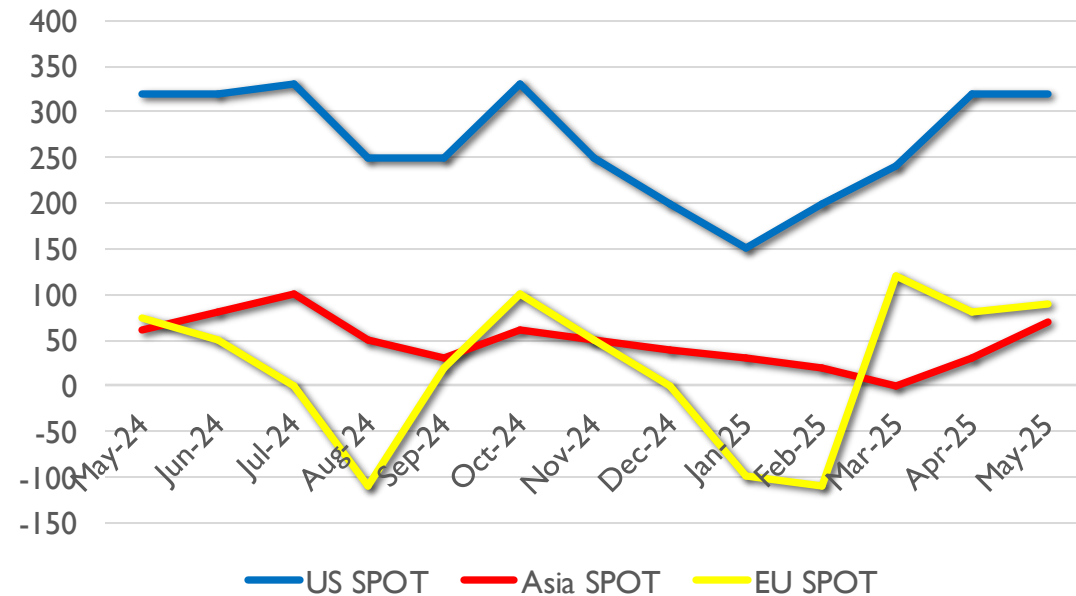
- PVC producers need a large domestic market to fully utilise assets and competitive production costs to manage margin and inventory.
- When local supply exceeds demand producers are forced to export excess capacity to regions where return are less.
- When **global** supply exceeds demand it perpetuates a race to the bottom. The least economically viable producers come under pressure because they struggle to manage inventory.
- Today, global supply exceeds demand and we're starting to see what happens to producers in regions that cannot manage their costs and inventory.

Global Margins - 3 Major Producing Regions

Ethylene Price Per Region



Chloralkali Margins (PVC & Caustic)

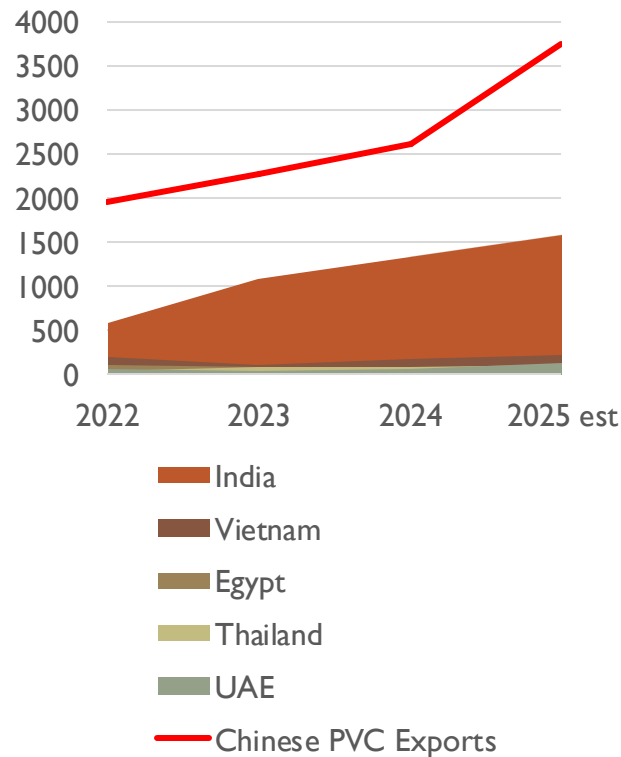


Data from Argus + ICIS

Major Trade Flow Change Post Covid: The rise of China

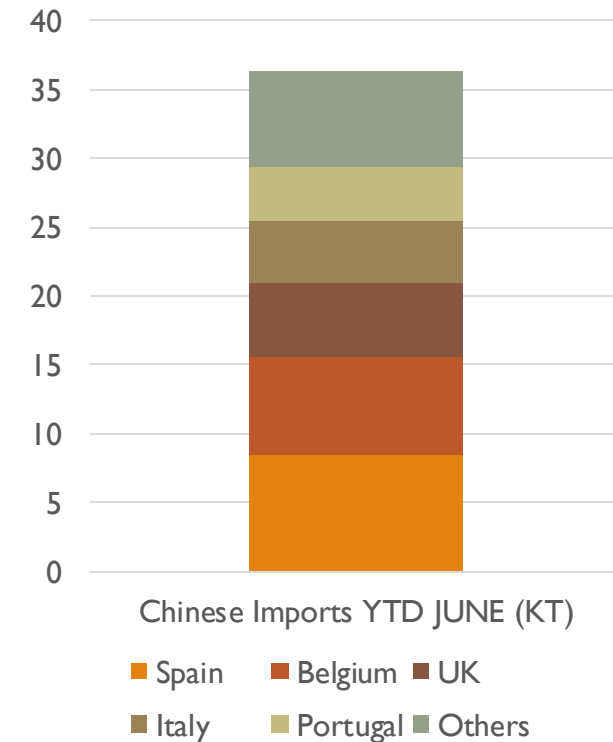


Chinese PVC Exports



- 2025 is the year China (3.5M+) will overtake the USA (2.6M) as the world's largest PVC exporter.
- This is due to an increasingly oversupplied domestic market.
- The EU, once able to export excess inventory, are no longer competitive outside EU + Türkiye.
- In fact, 2025 is the first year we have started to see Chinese imports penetrate the market in the EU. (36KTYTD)
- The US is limited in selling to the EU since Mid 2024 when ADD's were imposed.

China to EU PVC



EU Cost Competitiveness: The tide is out.....



*‘Only when the **tide** goes **out** do **you** discover **who’s** **been** **swimming** **naked**’*

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The EU's Chemical Industry Action Plan has missed the point entirely.

It's too little, too late. While the US and China back their industries with real action, Europe drags its feet, and it's costing us jobs, investment, and competitiveness.

At our Cologne site alone, we're hit with €240 million in extra costs every year just to operate, thanks to sky-high gas prices, expensive electricity, and soaring carbon charges.

This isn't a level playing field. More than 20 plants have already shut down in Europe. Without urgent action on energy and carbon costs, the chemical industry here won't survive.

We need action, now.

Find out more: <https://bit.ly/3GQ3XWt>

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Country	Industrial Electricity Price (pence/kWh)
UK	27.5
Germany	14–16
France	13–15
USA	6–8
China	5–7

Recent EU PVC-Related Asset Closures

Producer	Products	Capacity	Status
Fortischem	PVC	80KT	Closed
Petkim	VCM	150KT	Closed
Spolana	PVC	135KT	Closed
Dow	VCM	110KT (originally 330KT)	Closing Q4 2027 (220KT already closed)
Vynova	PVC	225KT	Closing November 2025

New PVC Capacities

Company	Country	Grade	Capacity ('000t/yr)	Timeline	Notes
Shintech	US	Suspension	+380	Started	
Westlake	US	Specialties	TBC	2026	Molecular-oriented PVC. 4 new lines.
Mexichem (Orbia)	Colombia	Various	+100	2025	
Taziz	UAE	Suspension	+360	2026	
Qatar Energy	Qatar	Suspension	+350	Q3 2025	Q4 start
AGC Vinythai	Thailand	Suspension	+400	Q3 2025	
Reliance	India	Various	+1,500	2026-2027	1.2mn t/yr of s-PVC, 0.3mn t/yr of c-PVC.
ADANI Group	India	Various	+1,000	2026-2027	Likely 2027 (coal based).
Wanhua	China	Suspension	+400	Q2 2025	Ethylene-based.
Qingdao Haiwan	China	Suspension	+200	4Q 2025	Ethylene-based.
Zhejiang Jiahua	China	Suspension	+300	2025	Ethylene-based.
Tianjin Bohai Chemical	China	Suspension	+400	Q4 2025	Ethylene-based. Delayed until Q4 2025
Jiantao Beihai New Material	China	Suspension	+400	2026	Ethylene-based.

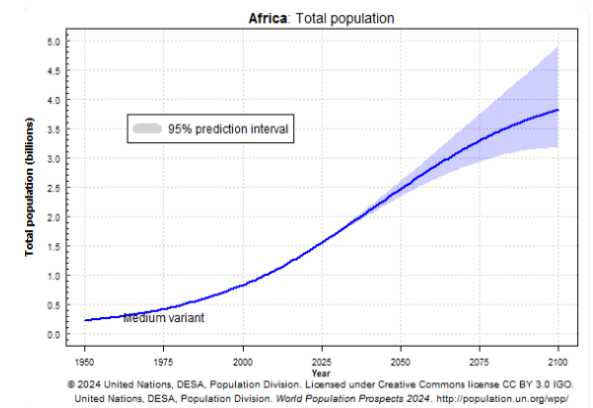
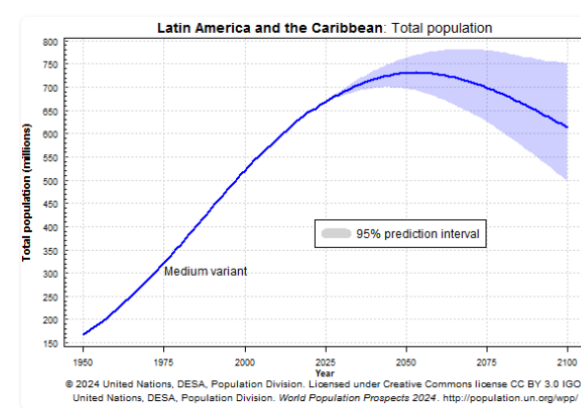
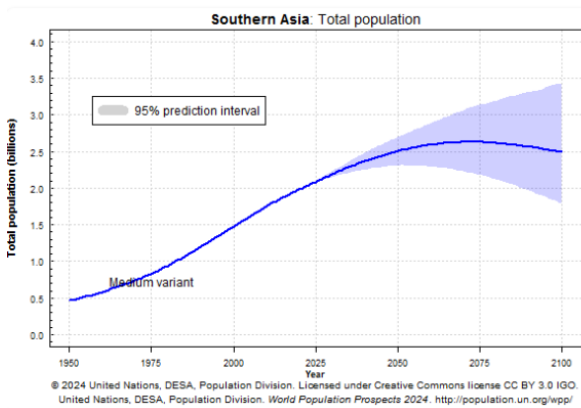
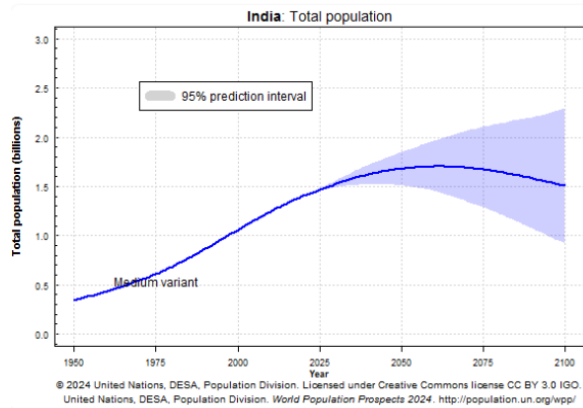
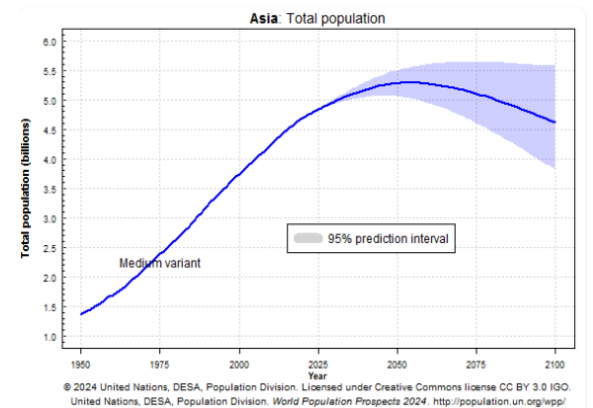
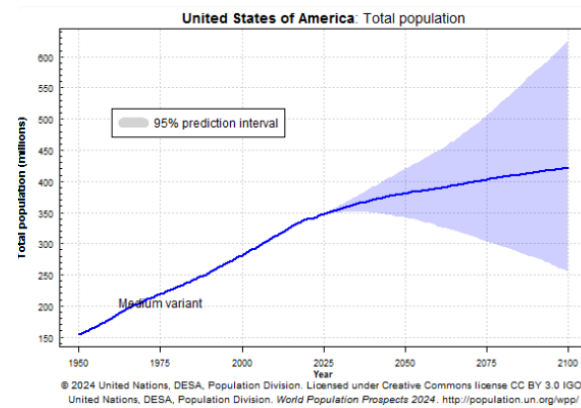
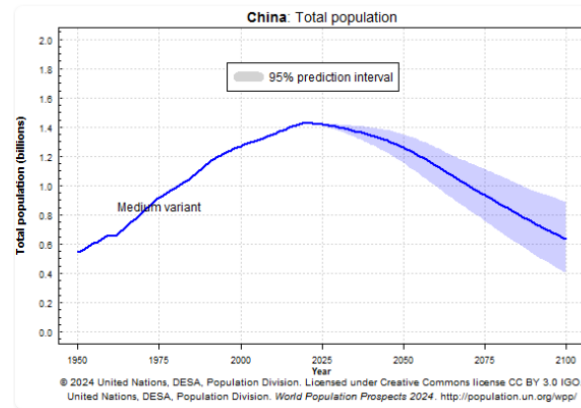
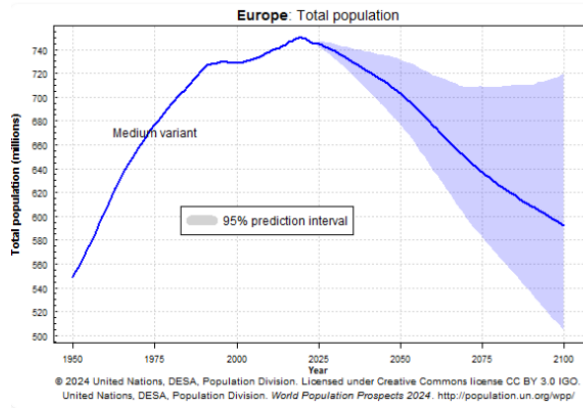
Data from Argus

Growth Markets

We expect to see demand for PVC grow in countries/regions that display certain characteristics:

- Population growth combined with urbanisation.
- GDP growth, typically above 2.5-3% world average.
- Expanding middle class.

Population – UN DATA



GDP – World Bank Data

Country	GDP Growth	Population Growth
Vietnam	7.1%	Positive
India	6.5%	Positive
USA	2.8%	Positive
South Asia	6.2%	Positive
Sub-Saharan Africa	3.2%	Positive
China	5%	Negative
EU	1%	Negative
World	2.9%	Positive



Potential Market Changes Ahead

- Increased Chinese exports as additional capacity requires exportation.
- A reduction in older production capacity in China. (Recent government announcements have hinted at this direction).
- EU further production closures on suspension PVC grades coupled with possible consolidation of players. (EU Commission permitting).
- EU to impose new anti-dumping duty measures on imported PVC. (A futile 'whack-a-mole' approach).
- India to impose duties or BIS on PVC to increase prices to support development of local production.
- Middle East to become a regular exporter to EU & Africa.

New Product Developments in PVC Resin

"In the middle of every difficulty lies opportunity." – Albert Einstein

- Bio based PVC
- Low-carbon PVC
- Recovered/recycled PVC (not new but being retested)
- PVC 'O'

Summary & Key Takeaways

- Global PVC demand will increase but mostly centered in South East Asia, Africa and the Middle East where we see areas that fit the key criteria for growth.
- Historically strong producing regions (CHINA and EU) are unlikely to see demand growth but the regions producers will take different paths.
- China: Worlds largest PVC exporter will continue to increase its global market share.
- US PVC producers will maintain a cost competitive base but unlikely to expand capacities or exports amidst trade barriers at home and abroad.
- The Middle East will enter the global trade of PVC providing more competition for EU producers.
- EU producers will undergo further rationalization of PVC assets. The EU will play a slow version 'ADD whack-a-mole' trying and failing to block competitive imports from Asia and Middle East as local demand and manufacturing strength decline.