

Caprolactam Market Review

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Understanding how megatrends will shape the global caprolactam (capro) market can help us predict the demand outlook for sulphur/sulphuric acid and the availability of ammonium sulphate (AS).

With huge swathes of new capro capacity coming on stream in China, and a shift in fibre production base to Asia, global consolidation has been viewed as necessary for at least the past decade. However, global megatrends may mean the situation has changed.

China environmental legislation has had a significant impact on availability in the past few years as regulatory inspectors have enforced mass-scale closures throughout the chain. In this presentation, we'll examine how continued China environmental policy tightening may contribute to increased global price volatility and ongoing supply shortages.

Nylon is the third most used plastic in automobiles, behind polypropylene and polyurethane, and it is the automotive sector that is expected to drive the majority of future sector growth because of vehicle lightweighting. Increased electrification of vehicles will likely fuel further weight reductions. Demographic shifts and technological innovation, meanwhile, could see fewer drivers on the roads and a push for low-cost efficient vehicles. We'll detail the major shift this could cause in caprolactam supply and demand, and what it means for the sulphur/sulphuric acid industry.