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**GLOBAL VINYL ESTER**

**RESIN MARKET**

**FORECAST & OPPORTUNITIES, 2030**

Text

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**PUBLISHED: September 2021**

**MARKET INTELLIGENCE. CONSULTING**

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**Executive Summary**

**Brief insight about the company and project:**

****

**Established - 1973 Turnover (Consolidated) - INR 5,39,238 Crore (FY Year 2020-21)**

* 1. **Overview of the Company:**
* India based Reliance Industries Limited, one of the well-known MNCs which manufacture and sale diverse range of products including polymers, aromatics, elastomers etc. globally.
* The company caters customers and various industries viz., healthcare, automotive, packaging etc across over 70 countries worldwide.
* The company’s total production capacity of PE, PP and PVC is 2.3, 2.9 and 0.7 million MT per annum, respectively as of 2019.
* The company exported 1.1 million MT of polymers globally in 2019.
* The company has 6 state-of-the-art manufacturing facilities to produce polymers.

**1.2 Brief Profile of Board of Directors:**

**Mukesh Ambani:** Mr. Mukesh D. Ambani (DIN 00001695) is a Chemical Engineer from the Institute of Chemical Technology, Mumbai (erstwhile the University Department of Chemical Technology, University of Mumbai). He pursued an MBA from Stanford University in the US. He has been on the Board of Reliance since 1977.

**Nita M. Ambani:** Mrs. Nita M. Ambani (DIN 03115198) is a Commerce Graduate from Mumbai University and a diploma holder in Early Childhood Education.

**Hital R. Meswani:** Mr. Hital R. Meswani (DIN 00001623) is a Management & Technology graduate from the University of Pennsylvania (UPenn) in the USA.

**Nikhil R. Meswani:** Nikhil Meswani is an Executive Director on the Board of Reliance. A chemical engineer from the University Institute of Chemical Technology (UICT) Mumbai, he joined Reliance in 1986.

**P.M.S. Prasad:** PMS Prasad is an Executive Director at Reliance and one of the longest serving members on the Board and the company.

**P.K. Kapil:** PK Kapil is an Executive Director on the Board of Reliance. With experience spanning four decades, he is a driving force in the HSE, Technology, Reliability and Operations of all manufacturing sites.

**R.A. Mashelkar:** R.A. Mashelkar is an independent Director on the Board of Reliance. An eminent scientist and champion of the Innovation Movement in India, he is the Chairman of Reliance Innovation Council.

**Adil Zainulbhai:** Adil Zainulbhai is an independent Director on the Board of Reliance. One of the world’s foremost consultants, he is a mechanical engineering graduate from IIT and holds an MBA from Harvard.

**Mansingh L. Bhakta:** Mansingh Bhakta is an independent Director on the Board of Reliance. An advocate par excellence, he has almost six decades of experience.

**Dipak C. Jain:** Dipak Jain is an independent Director on the Board of Reliance. One of the world’s top educationalists, he is a former Dean of Kellogg School of Management and INSEAD.

**Dharam Vir Kapur:** Dharam Vir Kapur is an independent Director on the Board of Reliance. A technology, industrial development, and project implementation expert, he has a long and illustrious career in the Indian government.

**Mahesh P. Modi:** Mahesh Modi is an independent Director on the Board of Reliance. He has in-depth management experience in the petrochemical, telecommunications, energy, and insurance industries.

**Yogendra P. Trivedi:** Yogendra Trivedi is an independent Director on the Board of Reliance. He is an expert in the fields of economics, politics, education, sports, and social and professional services.

**Ashok Misra:** Ashok Misra is an independent Director on the Board of Reliance. An IIT Director from 2000-2008, Misra was the driving force behind its transformation into a leading research and development institute.

**1.3 Brief Project Summary:**

Vinyl ester resins (VERs) are high-performance unsaturated resins derived by the addition reaction of various epoxide resins with unsaturated carboxylic acids. These resins have been classified under unsaturated polyester resins & comes with different grades such as Bisphenol-A Epoxy Resin, Low styrene Monomer Bisphenol-A Resin, Novolac Based Epoxy Resin, Brominated Epoxy Resin, and multifunctional epoxy resins.

Vinyl ester resin are easy to manufacture as process is simple and all raw materials are available. Backward integration into raw materials such as Epoxy Resin, Styrene and Methacrylic Acid will allow consistent supply and competitive pricing of vinyl ester resin.

**1.4 Key Highlights of the projects**

Reliance Industries Limited (RIL) proposes to enter Vinyl Ester Resin business. With the increasing demand within India and across the globe, there is a great opportunity to enter in this manufacturing business. The company’s total production capacity of PE, PP and PVC is 2.3, 2.9 and 0.7 million MT per annum, respectively as of 2019.Success for the greenfield project is mainly due to:

* Cost Competitiveness against all major companies operating in the market
* Early Adaptation of 5G Technology by telecom sector
* India being the Top 10 preference for FDI Inflows in the country.
* India being the 4th largest producer of Chemicals in Asia Pacific region.
* “AatmaNirbhar Bharat” and “Make in India” policies are further incentivizing domestic manufacturer to come up with green field capacity.

Demand for vinyl ester resin has been proposed to have double digit growth in India due to the robust growth in end user industries. India’s Fiberglass Reinforced Plastics (FRP) coating and lining Industry has been witnessing high growth numbers due to increasing inclination towards corrosion resistant products and other technological advancements. Vinyl ester resin is also finding its wide applications majorly in materials for pipe linings, steel and concrete linings, secondary containment, and to fabricate FRP (Fiberglass Reinforced Plastics) storage tanks. Vinyl ester resin prevents the hydrolysis induced osmotic blistering by the formation of skin between the gel coat and the glass/polyester laminate or over the gel coat. It can be used for the entire lamination of boats which provides greater flexibility and toughness than polyester.

**Growth Drivers for India Vinyl Ester Market**

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the Product** | **Domestic Demand Market** | **Export Potential** | **Import Substitution** |
| FRP (Pipes and Tanks) |  |  |  |
| Electronics and Telecommunication |  |  |  |
| Marine Components |  |  |  |
| Renewable Energy (Wind) |  |  |  |
| Aerospace and Defense |  |  |  |
| Chemicals |  |  |  |

**Product Profile**

**2.1. Product Overview (Introduction and Characteristics):**

Vinyl Ester Resins are intermediate between polyester and epoxy resin specifically designed for greater resistance to vibrational loads. They are thermosetting group of resins derived from the reaction of epoxy resin and unsaturated carboxylic acid group such as methacrylic or acrylic acid.

Vinyl Ester Resin forms cross linking between epoxy backbone and functional side groups leaving fewer area to attach water molecule which means these resins are very resistant to water and other chemicals. As they are less susceptible to damage by hydrolysis, therefore find applications in pipes and chemical storage tanks, marine, recreation industries etc. This type of side group cross linking also provides vinyl ester resin with excellent thermal stability and are frequently found in applications such as semiconductor encapsulation, electronics, and communication, construction, and automobile industries.

Few globally used grades of vinyl ester resin are described below

|  |  |  |
| --- | --- | --- |
| **S. No** | **Grade** | **Application** |
| **1** | **Bisphenol-A Epoxy Based Vinyl Ester Resin** | **Provide Resistance to acid, alkalis, solvents, excellent toughness, and fatigue resistance** |
| **2** | **Low styrene Monomer Bisphenol-A Vinyl Ester Resin** | **Chemical reaction vessels** |
| **3** | **Novolac Based Epoxy Vinyl Ester Resin** | **Excellent, thermal, and chemical resistance, resistance to solvents, acids** |
| **4** | **Brominated Epoxy Based Vinyl Ester Resin** | **High degree of fire retardance, resistance to chemical, tougher and fatigue resistant** |
| **5** | **Brominated Novolac Epoxy Based Vinyl Ester Resin** | **Moderate degree of retardance, application in hot, wet flue gas environment** |
| **6** | **Elastomer-modified Bisphenol-A Epoxy Based Vinyl Ester Resin** | **High impact and fatigue resistance, chemically resistant FRP linings** |
| **7** | **Urethane Modified Vinyl Ester Resin** | **Heat, Corrosion and Chemical resistant, application in marine, pultrusion, carbon fibre** |

With the growing fibre reinforced composites market in the Asia Pacific, the demand is high for predictable and cohesive vinyl ester resin and polyester resin systems. The experience of composites in quality infrastructure over the last 30 years has provided the boulders for new corrosion infrastructure applications that shall apply to Asian as well as global markets.

The usage of fiberglass reinforced underground gasoline storage tanks has been successful in the last quarter century. Power station pipes, some as large as 4.9 meters in diameter, have been performing well without any problem. The recently developed composite products include sewer liners, short span bridges for handling pedestrian bridges, regular road traffic, water covers for water treatment plants.

Vinyl ester resin composites have achieved a remarkable degree of commercial acceptance in a variety of applications like infrastructure, chemical and marine industry.

Polyester and Vinyl Ester Resins are among the most used matrix resins to create polymer composites. The formulations of Vinyl ester have been providing increased corrosion resistance and have a broad range of heat distortion, available strength, and shrinkage characteristics. The automotive and transportation industry is expected to drive the demand for composite materials. As the strength-to-weight ratio of most composites is higher than that of steel and aluminium. Vinyl ester resin stands serve as the intermediate chemical of epoxy and polyester in terms of mechanical properties and price.

**2.2 Production routes & related details**

Vinyl ester resin Technology is typically developed in-house with the critical equipment being outsourced. It requires in-house independent R & D, equipped with latest state of art technologies and facilities. Vinyl Ester Resin is mainly of three types, namely Bisphenol A, F, S Vinyl Ester Resin, Novolac Vinyl Ester Resin, and Brominated Vinyl Ester Resin.

Some applications of Novolac vinyl ester resin includes heat shields, resistance coatings, parts for flue gas desulfurization, chimney liners, and other structural composite components where high heat resistance is required. The Brominated vinyl ester resins are flame retardant and provide corrosion resistance from a wide variety of acidic and alkaline environments.

Novolac based vinyl ester resin, despite possessing better properties than Bisphenol A vinyl ester resin, holds less share than Bisphenol A as the technology to manufacture is quite complex, expensive, requires infrastructure, raw materials, & above all expertise. Others include urethane and elastomer modified vinyl ester resins which are modified with many unique features, providing exceptional characteristics. The elastomer modified may also be used as a primer on carbon steel, high density PVC foam and other dissimilar substrates.

**Production Route for producing Bisphenol A Based Vinyl Ester Resin:**

Firstly, Epoxy resin and Bisphenol are added to the reactor and heated to the temperature of 170 C and that temperature should be maintained for a period of 2-4 hours. Secondly, Epoxy equivalent weight is measured and after an optimum value has been achieved then it is allowed to cool down to 100 C and then finally to 80 C. Solid resins from the reactor is then discharged into styrene monomer containing blender and the temperature of the discharge resin should not rise above 70 C. To limit the temperature to the required limit water needs to be circulated around the blender. Finally, viscosity, gel time etc testing are to be done and should be adjusted accordingly.

|  |  |  |  |
| --- | --- | --- | --- |
| **INPUT** | **QUANTITY (MT/MT)** | **OUTPUT** | **QUANTITY (MT/MT)** |
| Epoxy Resin | 0.30 | Vinyl Ester Resin | 1.0 |
| Bisphenol-A | 0.14 | By Product | Nil |
| Methacrylic Acid | 0.11 | Yield Loss | 0.00 |
| Styrene Monomer | 0.44 | Gaseous | - |
| **Total** | **1.00** | **Total** | **1.00** |

**Mass Balance:**

**Production Route For Novolac Based Vinyl Ester Resin:** Initially, reactor should be charged with required quantity of solid Novolac epoxy resin and should be heated to 100 C. After that, Methacrylic Acid and Maleic Anhydride are added to the reactor, while adding, temperature of the reactor should be maintained between 90 C to 100 C. Finally, Solid Novolac resin from the reactor needs to be discharged into a styrene monomer containing blender.

**Mass Balance:**

|  |  |  |  |
| --- | --- | --- | --- |
| **INPUT** | **QUANTITY (MT/MT)** | **OUTPUT** | **QUANTITY (MT/MT)** |
| Epoxy Resin | 0.40 | Vinyl Ester Resin | 1.0 |
| Methacrylic Acid | 0.12 | By Product | Nil |
| Tri Ethyl amine | 0.01 | Yield Loss | - |
| Maleic Anhydride | 0.03 | Gaseous | - |
| Styrene Monomer | 0.44 | Solid waste | - |
| **Total** | **1.00** | **Total** | **1.00** |

**2.3 Properties and Applications**

|  |  |  |  |
| --- | --- | --- | --- |
| Property | Bisphenol-A\* | Bisphenol-A\* | Novolac |
| Viscosity, cP, 25℃ | 200~700 | 2000~3000 | 300~500 |
| Specific Gravity, 25℃ | 1.04~1.06 | 1.06~1.08 | 1.07~1.09 |
| Gel Time \*a, minutes, 25℃ | 20~30 | 20~30 | 15~25 |
| Co(6%)=0.4% | Co(6%)=0.4% | Co(6%)=0.4% |
| MEKPO=1.6% | MEKPO=1.6% | MEKPO=1.2% |
| Styrene Content, % | 43~47 | 33~37 | 31~35 |
| Stability, Dark at 25℃(month) | 6 | 6 | 3 |

**\****The difference lies in the chemical properties of the two products like viscosity, specific gravity, styrene content etc.*

|  |  |  |
| --- | --- | --- |
| Product Name | Features | Applications |
| Bisphenol-A\* | ■ Low viscosity. | ■ Raw material tanks, pipe and process equipment. |
| ■ Excellent mechanical properties and easy processing. | ■ Most commercial FRP fabrication processes. |
| ■ Excellent corrosion resistance to a wide range of acids, alkalis and salt solutions. | ■ Anti-corrosion tank linings and coatings. |
| ■ Comply with FDA regulation 21 CFR 177.2420 when treated well. | ■ Yacht, Wind turbine blade. |
| ■ Obtained the DNV Type Approval Certificate. |  |
| Bisphenol-A\* | ■ High viscosity (SM=35%). | ■ Fabricating tanks, pipe and process equipment. |
| ■ Excellent mechanical properties and corrosion resistance. |  |
| Novolac | ■ Excellent mechanical properties, good retention of strength and toughness at high temperatures. | ■ High temperature chlorination or caustic scrubbing tower and storage tank. |
| ■ High resistance to solvents and chemicals. | ■ Industrial waste treatment facilities. |
| ■ Excellent resistance to acidic oxidizing environments. | ■ Flue gas desulfurization (FGD) system. |
|  |  | ■ Hydrochloric acid tank truck, organic solvent storage tank and most commercial FRP fabrication processes. |

**\****The difference lies in the chemical properties of the two products like viscosity, specific gravity, styrene content etc.*

**2.4 End of Life and Sustainability**

**Health, Safety & Environment (HSE) :**

Vinyl Ester Resin grades are classified under category 3 of flammable liquids, further these Resins are classified under health hazards in different categories mention below.

|  |  |
| --- | --- |
| Health Hazards | Category |
| Acute toxicity (inhalation: vapour) | Category 4 |
| Skin corrosion/irritation | Category 2 |
| Serious eye damage/eye irritation | Category 2 |
| Germ cell mutagenicity | Category 2 |
| Specific target organ toxicity — single exposure (central nervous system) | Category 1 |
| Specific target organ toxicity — Single exposure | Category 3, (Respiratory  tract irritation) |
| Specific target organ toxicity — Repeated exposure | Category 1 (respiratory system, liver, nervous system, blood) |

*Source: - SHOWA DENKO K.K*

Under Environmental hazards, Vinyl ester resins are classified under category 2 for aquatic environment.

**End of the life**

Vinyl Ester Resin have maximum shell life of around 18 months when stored in a controlled environment as per guidelines issued by manufacturer. The Shell life of the product depends on grade and company to company. For Instance, Derakane™ Signia™ produce by IENOS claim to have a shelf life of 18 months.

**Environment Pollution Index (EPI) Baseline**

|  |  |
| --- | --- |
| **Emission Sources** | **Baseline Emissions (lb/yr)** |
| Resin Finishing | 30 |
| Steam jet Exhausts | 200 |
| Vapor containment from synthesis | 1300 |
| Storage tanks | 1800 |
| Wastewater | 17000 |
| Equipment Leaks | N/A |

These approximate baseline emissions are considered for a 200 KTPA plant. The baseline emission varies depending on the capacity of the manufacturing plant, reactants and the product manufactured.

**3. Market Outlook and Relevance of the Project**

**3.1. Demand Supply Outlook – Global Vinyl Ester Resin Market**

**Global Vinyl Ester Resin Demand-Supply Scenario, 2015-2030F (Thousand Tonnes)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Parameters** | **2015** | **2020** | **2021E** | **2025F** | **2030F** |
| **Total nstalled Capacity** | 938 | 985 | 1020 | 1025 | 1030 |
| **Total Production** | 733 | 759 | 808 | 866 | 929 |
| **Total Demand/Consumption** | 677 | 739 | 789 | 1026 | 1367 |
| **Total Demand (Y-O-Y Growth Rate, %)** | 3.87% | -7.14% | 6.71% | 6.42% | 5.58% |
| **Demand – Supply Gap** | 0.00 | 0.00 | 19.23 | -159.81 | -438.76 |

*Source: TechSci Research*

* Demand has increased after the slump of 2020, where downstream sectors have increased consumption in the wake of economic recovery. A trend has been witnessed where the companies having captive market have gained improved margins while others have witnessed a cutback in margins due to uneven price assessments of raw materials. Demand from the marine and renewables sector has shown an upward trend contributing to the increase in demand in 2021.
* Owing to its Owing to its superior properties high viscosity index, crack resistance, resistance to high temperature and others, the thigh viscosity index, crack resistance, resistance to high temperature and others, the total demand of vinyl ester is anticipated to reach 1 is anticipated to reach 1.37 million tonnes.
* APAC and North America region accounted for the largest share in the global vinyl ester resin based FRP composites market in 2020 and 1st half of 2021 and trend is expected to remain same during forecast period as well, owing to growing demand across various end use industries. The aerospace industries in the USA and Mobile Manufacturing units in North-East Asia are the largest in the world and is emanating high demand for composites for manufacturing fighter aircraft, airplanes, LCD panels and their components.

**Global Vinyl Ester Resin Demand, By Volume (Thousand Tonnes), 2015–2030F**

*Source: TechSci Research*

**2015-2020**

**CAGR**

**1.77% By Volume**

* The betterment of supply chain management and rising demand from various end user industries contributed to the increasing market for vinyl ester resin.
* Companies have been noticing the rise in their revenue quarterly, especially through vinyl ester resin. INEOS Group and Hexion Inc. both witnessed the increase in revenues by 26% and 13%, respectively from Q1 2021 to Q2 2021.
* The Increase in demand is led by strong demand for excellent chemical and thermal resistant material in downstream applications such as semiconductor encapsulation, electronics and communication, construction, and automobile industries.

The Increase in demand is led by strong demand for excellent chemical and thermal resistant material in downstream applications such as semiconductor encapsulation, electronics and communication, construction, and automobile industries

**3.1.1. Capacity By Company**

**Global Vinyl Ester Resin Capacity, By Company (Thousand Tonnes), 2015-2030F**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Company | Capacity | | | | | |
| Location | 2015 | 2020 | 2021E | 2025F | 2030F |
| AOC Resins | China | 70.0 | 70.0 | 70.0 | 70.0 | 70.0 |
| Switzerland | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| USA | 60.0 | 70.0 | 70.0 | 70.0 | 70.0 |
| INEOS Composites | China | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 |
| Germany | 0.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| USA | 50.0 | 85.0 | 85.0 | 85.0 | 85.0 |
| Swancor Holding Co., LTD. | Taiwan | 60.0 | 70.0 | 70.0 | 70.0 | 70.0 |
| Showa Denko K.K. | China | 20.0 | 20.0 | 50.0 | 50.0 | 50.0 |
| Japan | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Singapore | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| Scott Bader Company Ltd. | France | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| United Kingdom | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| United Arab Emirates | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Polynt-Reichhold | India | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Italy | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| USA | 35.0 | 35.0 | 35.0 | 35.0 | 35.0 |
| Eternal Materials Co.,Ltd. | China | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Taiwan | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Malaysia | 10.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| Sino Polymer | China | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Italy | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| Hexion Inc. | Netherlands | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| DIC Corporation | Japan | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| Poliya | Russia | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| Turkey | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |
| Saudi Arabia Industrial Resins Ltd. | Saudi Arabia | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Reinhold GmbH | Germany | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Interplastic Corporation | USA | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| Allnex group | Germany | 20.0 | 20.0 | 20.0 | 20.0 | 20.0 |
| En Chuan Chemical Industries Co., Ltd. | Taiwan | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| SEWON CHEMICAL | South Korea | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Innovative Resins Pvt. Ltd. | India | 1.8 | 1.8 | 1.8 | 1.8 | 1.8 |
| Orson Chemicals | India | 0.7 | 0.7 | 0.7 | 0.7 | 0.7 |
| Satyen Polymers Pvt. Ltd. | India | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Crystic Resins India Private Limited | India | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Mechemco resins pvt ltd | India | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Moras Chemicals India Pvt. Ltd. | India | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Ashland Global Holdings Inc. | Germany | 25.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| USA | 30.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others |  | 172.3 | 184.3 | 189.3 | 194.3 | 199.3 |
| Total |  | 938.1 | 985.1 | 1020.1 | 1025.1 | 1030.1 |

* Major manufacturing company like INEOS Composites had acquired the Ashland’s composite business in 2019.
* In 2020, Showa Denko K.K, a Japanese Vinyl Ester Resin producer expanded its VER production line to almost double of its existing capacity through its Chinese subsidiary Shanghai Showa Highpolymer Co., Ltd. (SSHP).
* Also, in 2014 Chinese Vinyl Ester resin market leader Sino Polymer Co. Ltd announced strategic cooperation with Europe’s Nord Composites under which Nord Composites would produce Sino Polymer’s MFE brand of VER in its plant located in Italy.

*Source: TechSci Research*

**Global Investment in Renewable Energy Capacity by Sector in 2019 (USD Billion)**

*Source: UNEP, Frankfurt School-UNEP Centre*

**3.1.2. Production By Company**

**Global Vinyl Ester Resin Production, By Company (Thousand Tonnes), 2015-2030**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Company** | **Production** | | | | |
| **2015** | **2020** | **2021E** | **2025F** | **2030F** |
| AOC Resins | 117 | 117 | 116 | 132 | 140 |
| INEOS Composites | 29 | 81 | 81 | 89 | 98 |
| Swancor Holding Co., LTD. | 44 | 56 | 59 | 63 | 67 |
| Showa Denko K.K. | 44 | 45 | 71 | 75 | 81 |
| Scott Bader Company Ltd. | 45 | 45 | 46 | 47 | 50 |
| Polynt-Reichhold | 33 | 40 | 40 | 42 | 43 |
| Eternal Materials Co.,Ltd. | 31 | 34 | 35 | 43 | 46 |
| Sino Polymer | 30 | 29 | 31 | 32 | 33 |
| Poliya | 26 | 25 | 26 | 27 | 28 |
| Hexion Inc. | 24 | 24 | 25 | 25 | 25 |
| DIC Corporation | 22 | 24 | 25 | 26 | 27 |
| Saudi Arabia Industrial Resins Ltd. | 15 | 16 | 17 | 18 | 19 |
| Reinhold GmbH | 15 | 15 | 16 | 16 | 18 |
| Interplastic Corporation | 15 | 14 | 14 | 15 | 16 |
| Allnex group | 15 | 14 | 15 | 16 | 18 |
| En Chuan Chemical Industries Co., Ltd. | 7 | 7 | 8 | 9 | 9 |
| Sewon Chemical | 2 | 3 | 3 | 3 | 3 |
| Innovative Resins Pvt. Ltd. | 1 | 1 | 1 | 2 | 2 |
| Orson Chemicals | 1 | 1 | 1 | 1 | 1 |
| Satyen Polymers Pvt. Ltd. | 0.5 | 0.5 | 0.4 | 0.5 | 0.6 |
| Crystic Resins India Private Limited | 0.4 | 0.5 | 0.4 | 0.5 | 0.5 |
| Mechemco Resins pvt ltd | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| Moras Chemicals India Pvt. Ltd. | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Ashland Global Holdings Inc. | 45 | 0 | 0 | 0 | 0 |
| Others | 171 | 166 | 179 | 185 | 203 |
| Total | 733 | 759 | 808 | 866 | 929 |

*Source: TechSci Research*

* The increase in production is mainly led by solid demand for vinyl ester resin in downstream fiber reinforced plastic (FRP) applications.
* Asia Pacific region holds approximately 44% of the total production capacity, which can be attributed to the presence of major players like Jinling AOC Resins Co., Ltd., Showa Denko K.K., Sino Polymer, INEOS Composites, among others.
* The total production value in 2020 saw a decline of approximately 8% as compared to the 2019 production level. However, approximately 7% growth in production is expected in 2021 due to increasing demand of vinyl ester resin globally.

**Global Advanced Composites\* Market Share, By Region, By Value, 2015 & 2020**

*Source: TechSci Research*

**2015**

**2020**

*Source: TechSci Research*

\**Advanced Composites are lightweight and strong engineered materials consisting of high-performance reinforcing fibers embedded in a toughened polymeric matrix that exhibit high stiffness, or modulus of elasticity characteristics, compared to other materials*

**3.1. 4. Operating Efficiency By Company**

**Global Vinyl Ester Resin Operating Efficiency, By Company, 2015-2030F**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Company | Operating Efficiency (%) | | | | |
| 2015 | 2020 | 2021E | 2025F | 2030F |
| AOC Resins | 87 | 81 | 80 | 91 | 96 |
| INEOS Composites | 29 | 49 | 49 | 54 | 59 |
| Swancor Holding Co., LTD. | 73 | 80 | 84 | 90 | 96 |
| Showa Denko K.K. | 79 | 82 | 84 | 88 | 95 |
| Scott Bader Company Ltd. | 82 | 82 | 84 | 86 | 91 |
| Polynt-Reichhold | 81 | 80 | 80 | 85 | 86 |
| Eternal Materials Co.,Ltd. | 77 | 76 | 79 | 86 | 93 |
| Sino Polymer | 80 | 77 | 81 | 84 | 88 |
| Poliya | 85 | 85 | 86 | 89 | 93 |
| Hexion Inc. | 79 | 80 | 83 | 84 | 85 |
| DIC Corporation | 75 | 79 | 82 | 86 | 91 |
| Saudi Arabia Industrial Resins Ltd. | 76 | 78 | 86 | 89 | 97 |
| Reinhold GmbH | 77 | 74 | 78 | 82 | 90 |
| Interplastic Corporation | 75 | 72 | 71 | 77 | 78 |
| Allnex group | 75 | 72 | 73 | 80 | 90 |
| En Chuan Chemical Industries Co., Ltd. | 72 | 73 | 77 | 87 | 93 |
| SEWON CHEMICAL | 81 | 84 | 87 | 92 | 96 |
| Innovative Resins Pvt. Ltd. | 76 | 80 | 74 | 84 | 91 |
| Orson Chemicals | 78 | 82 | 76 | 86 | 93 |
| Satyen Polymers Pvt. Ltd. | 77 | 81 | 71 | 79 | 92 |
| Crystic Resins India Private Limited | 74 | 79 | 68 | 77 | 90 |
| Mechemco resins pvt ltd | 73 | 76 | 80 | 90 | 95 |
| Moras Chemicals India Pvt. Ltd. | 88 | 79 | 83 | 86 | 93 |
| Ashland Global Holdings Inc. | 81 | 0 | 0 | 0 | 0 |

*Source: TechSci Research*

* Globally, companies are producing at high operating rates in 2021 than last year due to increasing demand of FRP coating and lining from the pipes & tanks industry, construction sector and marine industry.
* Moreover, rising investment in the defense sector by major economies drove the companies to operate at higher efficiency.
* Other factors supporting operating rates are increasing investment in renewable energy sources like wind and solar energy in emerging economies in the Asia Pacific.

**3.1.5. Demand By Application**

**Global Vinyl Ester Resin Demand, By Application, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Application**  **(000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Pipes & Tanks | 399 | 417 | 433 | 452 | 469 | 437 | 466 | 609 | 818 |
| Marine Components | 128 | 135 | 140 | 147 | 153 | 142 | 155 | 197 | 270 |
| Renewables | 43 | 45 | 47 | 49 | 51 | 48 | 51 | 66 | 89 |
| Others | 108 | 111 | 115 | 119 | 123 | 112 | 118 | 154 | 190 |
| **Total** | **677** | **708** | **735** | **767** | **796** | **739** | **789** | **1026** | **1367** |

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

*Source: TechSci Research*

**3.1.6. Demand By Type**

**Global Vinyl Ester Resin Demand, By Type, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Type (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Bisphenol-A,F,S vinyl ester resin | 351 | 365 | 379 | 398 | 412 | 383 | 409 | 534 | 715 |
| Novolac vinyl ester resin | 184 | 193 | 201 | 210 | 218 | 203 | 215 | 283 | 380 |
| Brominated vinyl ester resin | 60 | 62 | 63 | 65 | 67 | 64 | 67 | 87 | 114 |
| Other chemistry | 83 | 87 | 91 | 94 | 99 | 89 | 97 | 123 | 159 |
| **Total** | **677** | **708** | **735** | **767** | **796** | **739** | **789** | **1026** | **1367** |

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin etc.*

*Source: TechSci Research*

* The Bisphenol- A type vinyl ester resin contributes to around 50% of the global vinyl ester resin types due to its excellent properties of corrosion resistance to a variety of alkalis, organic and inorganic salts, salt solutions and oxidizing chemicals, etc
* As Bisphenol A has been banned in Europe, the demand for Bisphenol A Vinyl Ester Resin is expected to gradually decrease as Bisphenol A will be replaced by Bisphenol F and S.
* Novolac vinyl ester resin contributes to around 27% which has been specially modified for improved fabrication properties. It provides improved product quality and fabrication efficiency to ens users, which offers extended shelf life and adds improved flexibilty to fabricators.

**3.1.7. Demand By Sales Channel**

**Global Vinyl Ester Resin Demand, By Sales Channel, By Volume (000’ Tonnes) (%), 2015–2030F**

*Source: TechSci Research*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Demand by Sales Channel (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** |
| Direct | 551 | 575 | 599 | 634 | 664 | 616 |
| Indirect | 126 | 132 | 135 | 134 | 132 | 124 |
| Total | **677** | **708** | **735** | **767** | **796** | **739** |

*Source: TechSci Research*

**3.1.8. Demand By Region**

**Global Vinyl Ester Resin Demand, By Region, By Volume (000’ Tonnes), 2021E & 2030F**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Region/Country** | **2015** | **2020** | **2021E** | **2025F** | **2030F** | **CAGR (2015-2020** | **CAGR (2021E-2030F)** |
| Asia Pacific | 283.31 | 322.29 | 349.49 | 484.81 | 688.20 | 2.61% | 14.51% |
| India | 8.68 | 10.11 | 11.08 | 16.81 | 30.00 | 3.10% | 11.70% |
| China | 131.22 | 145.16 | 158.00 | 224.03 | 330.68 | 2.04% | 8.55% |
| Japan | 45.66 | 47.05 | 54.59 | 78.69 | 123.33 | 0.60% | 9.48% |
| South Korea | 35.24 | 40.77 | 45.57 | 67.00 | 97.79 | 2.96% | 8.85% |
| Others | 62.50 | 79.19 | 80.24 | 98.28 | 106.41 | 4.85% | 3.19% |
| Global APAC (Percentage Share) | 41.82% | 43.58% | 44.29% | 47.24% | 50.33% |  |  |
| Europe | 171.09 | 177.60 | 187.10 | 228.54 | 281.95 | 0.75% | 8.55% |
| Germany | 32.918 | 34.667 | 37.015 | 46.458 | 58.465 | 1.04% | 5.21% |
| France | 16.087 | 15.930 | 16.136 | 18.444 | 23.385 | 0.44% | 4.84% |
| United Kingdom | 18.097 | 17.369 | 17.576 | 20.013 | 25.254 | -0.89% | 3.76% |
| Others | 103.988 | 109.630 | 116.370 | 143.627 | 174.845 | 2.17% | 5.02% |
| Global Europe (Percentage Share) | 25.25% | 24.02% | 23.71% | 22.27% | 20.62% |  |  |
| North America | 152.59 | 163.53 | 172.74 | 214.79 | 274.88 | 1.40% | 9.74% |
| USA | 139.69 | 148.44 | 157.45 | 198.30 | 256.65 | 1.22% | 5.58% |
| Canada | 6.10 | 6.59 | 7.01 | 9.25 | 12.34 | 1.55% | 6.48% |
| Mexico | 6.79 | 8.50 | 8.27 | 7.24 | 5.89 | 4.59% | -3.70% |
| Global North America (Percentage Share) | 22.52% | 22.11% | 21.89% | 20.93% | 20.10% |  |  |
| South America | 19.61 | 20.28 | 20.94 | 24.97 | 30.62 | 0.67% | 7.90% |
| Brazil | 11.97 | 12.49 | 12.94 | 15.66 | 19.61 | 0.84% | 4.72% |
| Argentina | 0.79 | 1.02 | 1.01 | 1.10 | 1.28 | 5.21% | 2.65% |
| Others | 6.85 | 6.77 | 6.98 | 8.21 | 9.73 | -0.22% | 3.75% |
| Global South America (Percentage Share) | 2.90% | 2.74% | 2.65% | 2.43% | 2.24% |  |  |
| Middle East and Africa | 50.89 | 55.79 | 58.83 | 73.14 | 91.68 | 1.86% | 9.28% |
| Saudi Arabia | 17.32 | 19.64 | 21.06 | 23.48 | 28.96 | 2.55% | 3.60% |
| Others | 33.57 | 36.15 | 37.78 | 49.66 | 62.72 | 1.49% | 5.80% |
| Global MEA (Percentage Share) | 7.51% | 7.54% | 7.46% | 7.13% | 6.71% |  |  |

* With the countries moving towards more and more sustainable energy solutions, the demand for wind energy is expected to grow exponentially in the Asia Pacific during the forecast period, hence the region will keep the lion’s share of global market for Vinyl Ester Resin.

**3.1.9. Sales By Company**

**Global Vinyl Ester Resin Sales, By Company, By Volume (000’ Tonnes) (%), 2020**

*Others include Poliya, Hexion Inc., DIC Corporation, Saudi Arabia Industrial Resins Ltd.., Reinhold GmbH, Interplastic Corporatio, Allnex Group, Sewon Chemical, Innovative Resins Pvt. Ltd., Orson Chemicals etc.*

*Source: TechSci Research*

* AOC is leading the market, followed by INEOS Composites and Swancor Holding Co., Ltd.
* AOC, the leader in composites market, has been able to bring novel styrene free resins to commercial sales in the last twenty years and has also partnered with various companies to develop out of the box solutions which may bring both sustainability and performance.
* INEOS Composites provides high quality vinyl ester products such as AME™, Arotran™, Derakane™, Derakane™ Signia™, Hetron™.
* Most of the Indian companies such as Mechemco resins Pvt Ltd., Innovative Resins Pvt. Ltd. etc. manufacture vinyl ester of INEOS’s vinyl ester quality. The major drivers identified for their growth are robust supply chain management clubbed with proposed expansion plans for upcoming Vinyl Ester Resin manufacturing facilities.

**India Demand Supply Scenario 2015 – 2030F**

**India Vinyl Ester Resin Capacity, Production and Demand, By Volume (000’ Tonnes), 2015 - 2030F**

*Source: TechSci Research*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Company (000’ Tonnes) | Location | 2015 | 2020 | 2030F |
| Orson Chemicals | Silvassa | 0.72 | 0.72 | 0.72 |
| Reichhold India Pvt. Ltd. | Maharashtra | 0.36 | 0.36 | 0.36 |
| Moras Chemicals India Pvt. Ltd. | Gujarat | 0.36 | 0.36 | 0.36 |
| Innovative Resins Pvt. Ltd. | Rajasthan | 1.8 | 1.8 | 1.8 |
| Mechemco resins pvt ltd | Maharashtra | 0.4 | 0.4 | 0.4 |
| Satyen Polymers Pvt. Ltd. | Maharashtra | 0.6 | 0.6 | 0.6 |
| Crystic Resins India Private Limited | Haryana | 0.6 | 0.6 | 0.6 |
| Total |  | 4.84 | 4.84 | 4.84 |

* The Indian market for Epoxy Resins is quite fragmented and none of the manufacturers have capacity more than 100 tonnes per month.
* The Indian total capacity stands at 4.84 thousand Tonnes. Most of the manufacturing plants are in Western and Northern region of India like Maharashtra, Gujarat, Haryana and Rajasthan.
* The market share of Innovative Resins Pvt Ltd. is approximately 35% in the domestic market followed by Orson Chemicals, Satyen Polymers Pvt Ltd, ad Crystic Resins India Private Limited with market share of approximately 14%, 12% and 11%.

**India Vinyl Ester Resin Demand, By Volume (000’ Tonnes), 2015-2030F**

**2021-2030F**

**CAGR**

**11.70% By Volume**

**2015-2020**

**CAGR**

**3.10% By Volume**

**Development of 5G technology in India will increase the demand of VER**

* 5G is a fifth-generation cellular network technology which tends to increase the internet speed up to 100 gigabits per second and is expected to be 100 times faster than fourth generation technology (4G) and provides lower latency.
* 5G will be able to support huge number of connected devices without lags and can provide longer battery life which is expected to propel the market of IoT across various manufacturing units. 5G is the foundation for realizing the full potential of IoT.
* For instance, in 2020, Bharti Airtel Ltd launched its internet of things (IoT) platform for enterprises to connect and manage billions of devices and applications. Largest Telecom Player in terms of market share, Reliance Jio announced launch of Jio Phone Next with collaboration of Google.
* VER has application in semiconductor encapsulation that is used manufacturing of smartphones screens. With the rising awareness about the 5G Technology, the demand of smartphone is anticipated to increase the demand of VER Resins.
* VER has application in semiconductor encapsulation that is used manufacturing of smartphones screens. With the rising awareness about the 5G Technology, the demand of smartphone is anticipated to increase the demand of VER Resins.

**India Vinyl Ester Resin Trade Dynamics, By Value (USD million) By Volume- (000’ tonnes)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Imported Country | 2019 | | 2020 | | 2021 | |
|  | Value | Volume | Value | Volume | Value | Volume |
| Spain | 6.36 | 2.44 | 5.34 | 2.09 | 3.57 | 1.27 |
| United Kingdom | 0.80 | 0.02 | 1.74 | 0.59 | 0.13 | 0.05 |
| China | 0.94 | 0.27 | 1.70 | 0.53 | 0.86 | 0.28 |
| Taiwan | 1.42 | 0.63 | 0.99 | 0.49 | 0.21 | 0.08 |
| Japan | 0.00 | 0.00 | 0.76 | 0.29 | 0.37 | 0.14 |
| Others | 3.93 | 4.54 | 2.60 | 2.71 | 7.59 | 5.48 |
| Total | 13.45 | 7.9 | 13.12 | 6.7 | 12.74 | 7.3 |
| Exported Country | 2019 | | 2020 | | 2021 | |
|  | Value | Volume | Value | Volume | Value | Volume |
| Saudi Arabia | 0 | 0.02 | 0 | 0.01 | 0.02 | 0.15 |
| Qatar | 0.06 | 0.16 | 0.03 | 0.08 | 0.02 | 0.06 |
| Bangladesh | 0 | 0.32 | 0 | 0 | 0 | 0.01 |
| United Arab Emirates | 0 | 0.01 | 0.01 | 0.03 | 0 | 0 |
| Bahrain | 0 | 0 | 0 | 0 | 0 | 0.01 |
| Others | 0.04 | 0.09 | 0.03 | 0.28 | 0.01 | 0.03 |
| Total | 0.1 | 0.6 | 0.07 | 0.4 | 0.05 | 0.26 |

**Demand By Type**

**India Vinyl Ester Resin Demand, By Type, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Type (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Bisphenol-A,F,S vinyl ester resin\* | 4.5 | 4.8 | 5.2 | 5.5 | 5.8 | 5.2 | 5.6 | 8.6 | 15.4 |
| Novolac vinyl ester resin | 2.6 | 2.8 | 3.0 | 3.2 | 3.4 | 3.0 | 3.3 | 5.1 | 9.0 |
| Brominated vinyl ester resin | 0.6 | 0.7 | 0.7 | 0.8 | 0.9 | 0.8 | 0.8 | 1.3 | 2.3 |
| Other chemistry | 0.9 | 1.0 | 1.1 | 1.1 | 1.2 | 1.2 | 1.3 | 1.9 | 3.3 |
| Total | **8.7** | **9.3** | **10.0** | **10.6** | **11.3** | **10.1** | **11.1** | **16.8** | **30.0** |

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin etc.*

*Source: TechSci Research*

*\*Note: In 2020, the percentage distribution of Bisphenol- A, F and S in India was 92%, 5% and 3%, respectively.*

**Demand By Application**

**India Vinyl Ester Resin Demand, By Application, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Application (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Pipes & Tanks | 5.3 | 5.6 | 6.1 | 6.4 | 6.9 | 6.2 | 6.8 | 10.3 | 18.6 |
| Marine Components | 1.8 | 1.9 | 2.0 | 2.2 | 2.3 | 2.1 | 2.3 | 3.5 | 6.2 |
| Renewables | 0.6 | 0.7 | 0.7 | 0.8 | 0.8 | 0.7 | 0.8 | 1.2 | 2.1 |
| Others | 1.0 | 1.1 | 1.1 | 1.2 | 1.3 | 1.1 | 1.2 | 1.8 | 3.0 |
| Total | **8.7** | **9.3** | **10.0** | **10.6** | **11.3** | **10.1** | **11.1** | **16.8** | **30.0** |

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**ASIA PACIFIC VINYL ESTER RESIN DEMAND SUPPLY OUTLOOK**



**Asia Pacific Vinyl Ester Resin Capacity & Production (000’ Tonnes), 2015-2030F**

|  |  |  |  |
| --- | --- | --- | --- |
| Company (000’ Tonnes) | 2015 | 2020 | 2030F |
| Jinling AOC Resins Co., Ltd. | 70 | 70 | 70 |
| Swancor Holding Co., LTD. | 60 | 70 | 70 |
| INEOS Composites | 40 | 40 | 40 |
| DIC Corporation | 30 | 30 | 30 |
| Sino Polymer | 20 | 20 | 20 |
| Others | 314 | 324 | 334 |
| Total | 427 | 442 | 487 |

**3.2.1. Asia Pacific Demand Supply Outlook**

**Asia Pacific Vinyl Ester Resin Demand, By Volume (000’ Tonnes), 2015–2030F**

*Source: TechSci Research*

**2021E-2030F**

**CAGR**

**7.82% By Volume**

**2015-2020**

**CAGR**

**2.61% By Volume**

* Exports are higher than imports due to the presence of major vinyl ester resin producers in the region.
* Total export in 2020 stood at around 23 while imports stood at around 24 thousand tonnes. Increasing export is attributed to the increasing demand for vinyl ester resin from fibre reinforced plastic (FRP) application in the pipe and tank industry.
* Several manufacturers are investing heavily in capacity expansion to meet the growing demand for vinyl ester resin in the region.

**Electronic, Telecommunication and Renewables sector have high latent demand in APAC region:**

* Increasing market of electronic parts due to development in telecommunication technologies as well as 5G revolution in mobile application has led to increase in consumption of LCD and touch panels leading to increasing demand of Vinyl ester resin.
* Vinyl ester resin is used as inner lining material in electronic items due to its excellent corrosion and chemical resistance properties.
* Vinyl ester resin has also application in semiconductor and chip encapsulation due to its heat resistance properties. Growth of display panel market has augmented the demand of display driver chips.
* As per CINNO survey, APAC demand of display driver chips in 2020 is valued around 6 billion which is 8.7% rise from 2019 value. Moreover, demand for smartphone driver chips valued around 1.2 billion in 2020.

**LCD Smartphone display driver chips vendor shipment share, 2020**

*Source: CINNO*

**Renewable energy Consumption in Asia-Pacific region in 2020, By Country (In exajoules)**

China holds largest share of renewable energy consumption in Asia Pacific region led by increasing investments into development of renewable energy. China’s consumption of renewable energy is approximately 8 exajoules in 2020. India and Japan are also significantly increasing investments into building energy infrastructure such as solar energy and wind energy.

*Source: IRENA*

**3.2.1.2. Operating Efficiency**

**Asia Pacific Vinyl Ester Resin Operating Efficiency (Percentage), 2015-2030F**

**Real GDP Growth Forecast for Major Economies in APAC Region**

|  |  |  |
| --- | --- | --- |
| **Country** | **2023** | **2025** |
| India | 7.67% | 7.42% |
| China | 5.75% | 5.60% |
| Japan | 1.26% | 0.72% |
| South Korea | 2.45% | 3.44% |
| World | 3.84% | 3.56% |

*Source: IMF, World Bank*

**3.2.1.3. Demand By Application**

**Asia Pacific Vinyl Ester Resin Demand, By Application, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Application (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Pipes & Tanks | 167 | 178 | 187 | 196 | 206 | 192 | 207 | 289 | 414 |
| Marine Components | 57 | 61 | 64 | 68 | 72 | 66 | 74 | 97 | 145 |
| Renewables | 19 | 20 | 21 | 23 | 23 | 22 | 24 | 33 | 47 |
| Others | 41 | 42 | 44 | 46 | 48 | 42 | 45 | 65 | 82 |
| **Total** | **283** | **301** | **317** | **333** | **349** | **322** | **349** | **485** | **688** |

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

* Vinyl Ester Resin market in the APAC region has been dominated by construction sector as demand for pipes and tanks remained robust in the region catering to increase in consumption from infrastructure development and residential buildings. This trend is likely to be continued during the forecasted period as construction sector is expected to lead the demand growth.
* In the APAC region, rising demand for portable water and expansion of piped water will continue to pressure demand for pipes and tanks, however degrading water quality and arrival of water treatment plants have mandated the use of vinyl ester resins in pipes and tanks manufacturing because of its good corrosion resistant and abrasion resistant qualities.
* Furthermore, Indian government’s flagship programme “Har Nal se Jal” under which government has envisioned to provide drinking water connections to every rural household by 2024 will augment for demand prospects in the region.
* APAC region is in line with its renewable energy targets as per Paris Agreement and will likely to build upon the available renewables, however uncertainties regarding current circumstances have forced countries to take more calculative and realistic approach which may impact the market prospects of renewables.

**3.2.1.4. Demand By Type**

**Asia Pacific Vinyl Ester Resin Demand, By Type, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin, etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Type (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Bisphenol-A,F,S vinyl ester resin\* | 146 | 156 | 164 | 173 | 180 | 167 | 181 | 252 | 360 |
| Novolac vinyl ester resin | 79 | 85 | 89 | 94 | 98 | 91 | 98 | 137 | 194 |
| Brominated vinyl ester resin | 23 | 24 | 25 | 26 | 28 | 26 | 28 | 39 | 55 |
| Other chemistry | 35 | 36 | 39 | 40 | 43 | 38 | 42 | 57 | 80 |
| Total | 283 | 301 | 317 | 333 | 349 | 322 | 349 | 485 | 688 |

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin, etc.*

*Source: TechSci Research*

*\*Note: In 2020, the percentage distribution of Bisphenol- A, F and S in Asia Pacific was 88%, 9% and 4%, respectively.*

**3.2.1.5. Demand By Sales Channel**

**Asia Pacific Vinyl Ester Resin Demand, By Sales Channel, By Volume (000’ Tonnes) (%), 2015–2020**

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Sales Channel (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** |
| Direct | 232 | 247 | 261 | 283 | 302 | 278 | 232 |
| Indirect | 51 | 54 | 56 | 50 | 47 | 44 | 51 |
| **Total** | **283** | **301** | **317** | **333** | **349** | **322** | **283** |

*Source: TechSci Research*

**3.2.1.6. Sales By Company**

**Asia Pacific Vinyl Ester Resin Sales, By Company, By Volume (000’ Tonnes), 2020**

*Others include DIC Corporation, Sino Polymer, Innovative Resins Pvt. Ltd., Orson Chemicals, Reichhold India Pvt. Ltd. etc.*

*Source: TechSci Research*

* Swancor Holding and Jinling AOC are the major manufacturers in the APAC region with the combined market share of close to one-third in terms of sales.
* AOC, globally, has been a key producer of specialty resins and collaboration with China based Jinling has enhanced the VER market prospects in the region.
* With construction sector and electrical & electronics sector are likely to lead demand growth in the region, market participants are expected to consolidate on the market prospects.
* Taiwan headquartered Swancor Holding has observed improved performance in the last two quarters after a lackluster 2020.
* INEOS Composites, a US based company, also cater to the market demand in Asia Pacific countries with several manufacturing units in China.



**EUROPE**

**VINYL ESTER RESIN DEMAND SUPPLY OUTLOOK**



**Europe Vinyl Ester Resin Capacity & Production, By Volume, 2015 - 2030F (000’ Tonnes)**

*Source: TechSci Research*

|  |  |  |  |
| --- | --- | --- | --- |
| Company (000’ Tonnes) | 2015 | 2020 | 2030F |
| INEOS Composites | 0 | 30 | 30 |
| Hexion Inc. | 30 | 30 | 30 |
| Allnex group | 20 | 20 | 20 |
| Reinhold GmbH | 20 | 20 | 20 |
| Scott Bader Company Ltd. | 20 | 20 | 20 |
| Others | 118 | 93 | 93 |
| Total | 208 | 213 | 213 |

*Source: TechSci Research*

**3.2.3. Europe Vinyl Ester Resin Demand Supply Outlook**

**Europe Vinyl Ester Resin Demand, By Volume (000’ Tonnes), 2015–2030F**

*Source: TechSci Research*

**2021E-2030F**

**CAGR**

**4.66% By Volume**

**2015-2020**

**CAGR**

**0.75% By Volume**

* Substantial increase in wind energy installation, marine components production and defense project allocation coupled with stable lending rate is contributing to the rapid growth in the sales of vinyl ester resin in Europe.
* Product availability, flexibility and convenience are other major factors propelling the demand. Furthermore, with technological advancements, and product innovations is also continuously increasing. Moreover, manufacturers are rapidly innovating their products with an aim of providing multi-functional features.
* Merger & acquisition activities are becoming prevalent in the market in Europe. For Instance, in 2019, Ineos Composite completed the acquisition of the Ashland Composites polymer business. The company sells the product under the brand name of Derakane, Hetron, Arotran and Signia.

**3.2.3.2. Operating Efficiency**

**Europe Vinyl Ester Resin Operating Efficiency (Percentage), 2015-2030F**

*Source: TechSci Research*

**3.2.3.3. Demand By Application**

**Europe Vinyl Ester Resin Demand, By Application, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Application (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Pipes & Tanks | 100 | 103 | 105 | 109 | 111 | 104 | 110 | 134 | 166 |
| Marine Components | 29 | 30 | 30 | 31 | 32 | 30 | 32 | 39 | 48 |
| Renewables | 10 | 10 | 10 | 11 | 11 | 10 | 11 | 13 | 16 |
| Others | 32 | 33 | 34 | 35 | 36 | 33 | 35 | 42 | 52 |
| **Total** | **171** | **176** | **180** | **186** | **190** | **178** | **187** | **229** | **282** |

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

**3.2.3.4. Demand By Type**

**Europe Vinyl Ester Resin Demand, By Type, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Type (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Bisphenol-A,F,S vinyl ester resin | 91 | 93 | 96 | 100 | 101 | 94 | 100 | 122 | 150 |
| Novolac vinyl ester resin | 47 | 49 | 50 | 51 | 52 | 49 | 51 | 62 | 78 |
| Brominated vinyl ester resin | 16 | 16 | 16 | 16 | 16 | 16 | 17 | 20 | 24 |
| Other chemistry | 17 | 18 | 18 | 19 | 21 | 18 | 20 | 24 | 29 |
| **Total** | **171** | **176** | **180** | **186** | **190** | **178** | **187** | **229** | **282** |

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin etc.*

*Source: TechSci Research*

*\*Note: In 2020, the percentage distribution of Bisphenol- A, F and S in Europe was 81%, 15% and 4%, respectively.*

**3.2.3.5. Demand By Sales Channel**

**Europe Vinyl Ester Resin Demand, By Sales Channel, By Volume (000’ Tonnes), 2015–2020**

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Sales Channel (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** |
| Direct | 140 | 144 | 148 | 152 | 156 | 146 | 140 |
| Indirect | 31 | 32 | 32 | 34 | 34 | 32 | 31 |
| **Total** | **171** | **176** | **180** | **186** | **190** | **178** | **171** |

*Source: TechSci Research*

**3.2.3.6. Sales By Company**

**Europe Vinyl Ester Resin Sales, By Company, By Volume (000’ Tonnes) (%), 2020**

*Others include Polynt S.p.A., Reinhold GmbH, Ashland Global Holdings Inc., Allnex group, etc.*

*Source: TechSci Research*



**NORTH AMERICA VINYL ESTER RESIN DEMAND SUPPLY OUTLOOK**



**North America Vinyl Ester Resin Capacity & Production, By Volume (000’ Tonnes), 2015 - 2030F (Thousand Tonnes)**

*Source: TechSci Research*

|  |  |  |  |
| --- | --- | --- | --- |
| Company (000’ Tonnes) | 2015 | 2020 | 2030F |
| AOC - Aliancys | 60 | 70 | 70 |
| Polynt-Reichhold | 35 | 45 | 45 |
| INEOS Composites | 0 | 35 | 35 |
| Interplastic Corporation | 20 | 20 | 20 |
| Ashland Global Holdings Inc. | 30 | 0 | 0 |
| Others | 55 | 55 | 55 |
| Total | **200** | 225 | 225 |

*Source: TechSci Research*

**3.2.4. North America Vinyl Ester Resin Demand Supply Outlook**

**North America Vinyl Ester Resin Demand, By Volume (000’ Tonnes), 2015–2030F**

*Source: TechSci Research*

* This increase in demand is attributed to growing infrastructure projects and increasing investment in renewable energy sector.
* Several manufacturers are investing heavily in capacity expansion and new technology development to meet the growing demand for vinyl ester resin in the region.

**3.2.4.2. Operating Efficiency**

**North America Vinyl Ester Resin Operating Efficiency (Percentage), 2015-2030F**

*Source: TechSci Research*

**3.2.4.3. Demand By Application**

**North America Vinyl Ester Resin Demand, By Application, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Application (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Pipes & Tanks | 91 | 93 | 96 | 101 | 104 | 97 | 103 | 129 | 167 |
| Marine Components | 31 | 32 | 33 | 34 | 35 | 33 | 35 | 44 | 56 |
| Renewables | 10 | 10 | 10 | 11 | 11 | 10 | 11 | 14 | 18 |
| Others | 22 | 22 | 23 | 24 | 24 | 23 | 24 | 28 | 34 |
| **Total** | **153** | **157** | **162** | **169** | **174** | **164** | **173** | **215** | **275** |

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

**3.2.4.4. Demand By Type**

**North America Vinyl Ester Resin Demand, By Type, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Type (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Bisphenol-A,F,S vinyl ester resin | 77 | 79 | 81 | 85 | 88 | 83 | 87 | 109 | 141 |
| Novolac vinyl ester resin | 38 | 40 | 41 | 43 | 45 | 42 | 45 | 56 | 73 |
| Brominated vinyl ester resin | 15 | 15 | 15 | 16 | 16 | 15 | 16 | 19 | 24 |
| Other | 22 | 24 | 26 | 25 | 26 | 24 | 25 | 30 | 37 |
| **Total** | **153** | **157** | **162** | **169** | **174** | **164** | **173** | **215** | **275** |

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin etc.*

*Source: TechSci Research*

*\*Note: In 2020, the percentage distribution of Bisphenol- A, F and S in North America was 83%, 12% and 5%, respectively.*

**3.2.4.5. Demand By Sales Channel**

**North America Vinyl Ester Resin Demand, By Sales Channel, By Volume (000’ Tonnes) (%), 2015–2020**

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Sales Channel (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** |
| Direct | 122 | 125 | 129 | 135 | 140 | 130 | 122 |
| Indirect | 31 | 32 | 33 | 35 | 35 | 33 | 31 |
| **Total** | **153** | **157** | **162** | **169** | **174** | **164** | **153** |

*Source: TechSci Research*

**3.2.4.6. Sales By Company**

**North America Vinyl Ester Resin Sales, By Company, By Volume (000’ Tonnes) (%), 2020**

*Source: TechSci Research*

**SOUTH AMERICA VINYL ESTER RESIN MARKET**

**OUTLOOK**





**South America Vinyl Ester Resin Capacity & Production, By Volume (000’ Tonnes), 2015 - 2030F**

*Source: TechSci Research*

**3.2.5. South America Vinyl Ester Resin Demand Supply Outlook**

**South America Vinyl Ester Resin Demand, By Volume (000’ Tonnes), 2015–2030F**

*Source: TechSci Research*

**2021E-2030F**

**CAGR**

**4.31% By Volume**

**2015-2020**

**CAGR**

**0.67% By Volume**

* This increase in demand is led by strong demand growth in fiber reinforced plastics (FRP), marine components and wind energy sector.
* Rising industrialization and urbanization have also contributed to the rising demand of the product in the region.
* The increase in demand in industrial applications where it is used as a lining system for water treatment, air pollution, chemical processing and mineral processing providing resistance from corrosion stimulated the market of vinyl ester resin in the region.

**Brazil Renewable Energy Production Percentage Share, By types of Sources in 2020.**

**3.2.5.2. Operating Efficiency**

**South America Vinyl Ester Resin Operating Efficiency (Percentage), 2015-2030F**

*Source: TechSci Research*

**3.2.5.3. Demand By Application**

**South America Vinyl Ester Resin Demand, By Application, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Application (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Pipes & Tanks | 12 | 12 | 13 | 13 | 14 | 12 | 13 | 15 | 19 |
| Marine Components | 3 | 3 | 4 | 4 | 4 | 3 | 4 | 4 | 5 |
| Renewables | 1 | 1 | 2 | 2 | 2 | 1 | 1 | 2 | 2 |
| Others | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 5 |
| **Total** | **20** | **20** | **21** | **22** | **22** | **20** | **21** | **25** | **31** |

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

**3.2.5.4. Demand By Type**

**South America Vinyl Ester Resin Demand, By Type, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin, etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Type (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Bisphenol-A,F,S vinyl ester resin | 10 | 10 | 10 | 11 | 11 | 10 | 10 | 13 | 16 |
| Novolac vinyl ester resin | 5 | 5 | 5 | 5 | 6 | 5 | 5 | 6 | 8 |
| Brominated vinyl ester resin | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Other | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 4 | 4 |
| **Total** | **20** | **20** | **21** | **22** | **22** | **20** | **21** | **25** | **31** |

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin, etc.*

*Source: TechSci Research*

*\*Note: In 2020, the percentage distribution of Bisphenol- A, F and S in South America was 94%, 4% and 2%, respectively.*

**3.2.5.5. Demand By Sales Channel**

**South America Vinyl Ester Resin Market Share, By Sales Channel, By Volume (000’ Tonnes) (%), 2015–2020**

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Sales Channel (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** |
| Direct | 16 | 17 | 17 | 18 | 18 | 16 | 16 |
| Indirect | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| **Total** | **20** | **20** | **21** | **22** | **22** | **20** | **20** |

*Source: TechSci Research*



**MIDDLE EAST & AFRICA VINYL ESTER RESIN MARKET**

**OUTLOOK**



**Middle East & Africa Epoxy Resin Capacity & Production, By Volume (000’ Tonnes), 2015 - 2030F**

*Source: TechSci Research*

* **Increasing Desalination Construction Projects**

GCC nations have limited water resources due to which these countries rely heavily on desalination plants. Due to growing population, GCC nation plans to construct more desalination projects such as Shuaibah IWPP, Ras Abu Fontas A3 project, etc. Countries such as Saudi Arabia plan to invest USD24.30 billion in desalination projects by 2026. These desalination plants are projected to drive need for FRP pipes and tanks.

* **Smart Cities Development**

A smart city adopts high-end technological infrastructure incorporating comprehensive IT infrastructure, a network of sensors, cameras, wireless devices, and data centers for the effective delivery of essential services such as electricity, water supply, sanitation, etc. The vinyl ester resin manufacturers will benefit from smart city projects. In April 2017, Saudi Arabia announced an investment of USD70 billion for the development of four new “Economic Cities” on the concept of smart cities by 2030, with an aim to diversify its economy from hydrocarbon sector to other commercial sectors.

* **Growth in Infrastructure Projects**

GCC nations are boosting their infrastructure by investing heavily on development of railway, roadways, and seaports. Various metro projects have been initiated across different cities in GCC countries such as Jeddah Metro, Kuwait Metro, Doha Metro, Dubai Metro, etc. Development of railway network is projected to lead to the deployment of overhead railway lines and thus drive demand for unsaturated polyester resin including vinyl ester resin in the GCC region.

**Major Demand Drivers of Vinyl Ester Resin During Forecast Period**

**Major Infrastructure and Industrial Projects in GCC Region under Planning or Execution, By Value, By 2020 (USD Million)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Activity | Saudi Arabia | UAE | Kuwait | Qatar | Oman | Bahrain |
| Chemical | 64,916 | 24,809 | 565 | 1,484 | 15,450 | 5,000 |
| Construction | 475,218 | 539,793 | 80,080 | 139,843 | 43,160 | 30,967 |
| Gas | 25,402 | 21,083 | 11,848 | 12,889 | 25,712 | 1,258 |
| Industrial | 28,717 | 8,996 | 250 | 970 | 12,179 | 4,656 |
| Oil | 23,409 | 50,899 | 55,188 | 16,559 | 14,659 | 5,025 |
| Power | 332,305 | 35,055 | 29,019 | 8,785 | 9,039 | 6,148 |
| Transport | 217,569 | 99,226 | 46,876 | 103,083 | 36,506 | 11,050 |
| Water | 36,035 | 6,253 | 8,732 | 16,098 | 6,860 | 1,778 |

**3.2.6. Middle East & Africa Vinyl Ester Resin Demand Supply Outlook**

**Middle East & Africa Vinyl Ester Resin Demand, By Volume (000’ Tonnes), 2015–2030F**

**2021E-2030F**

**CAGR**

**5.05% By Volume**

**2015-2020**

**CAGR**

**1.86% By Volume**

*Source: TechSci Research*

**3.2.6.2. Operating Efficiency**

**Middle East & Africa Vinyl Ester Resin Operating Efficiency (Percentage), 2015-2030F**

*Source: TechSci Research*

**3.2.6.3. Demand By Application**

**Figure 45: Middle East & Africa Vinyl Ester Resin Demand, By Application, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Application (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Pipes & Tanks | 29 | 30 | 31 | 33 | 35 | 32 | 33 | 42 | 52 |
| Marine Components | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 13 | 16 |
| Renewables | 3 | 3 | 3 | 4 | 4 | 3 | 4 | 4 | 6 |
| Others | 10 | 10 | 11 | 11 | 12 | 11 | 11 | 14 | 18 |
| **Total** | **51** | **53** | **55** | **59** | **61** | **56** | **59** | **73** | **92** |

*Others include Défense, Aerospace, Electrical and electronics etc.*

*Source: TechSci Research*

**3.2.6.4. Demand By Type**

**Figure 46: Middle East & Africa Vinyl Ester Resin Demand, By Type, By Volume (000’ Tonnes) (%), 2015–2030F**

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin, etc.*

*Source: TechSci Research*

*Others include Urethane Modified vinyl ester resin, Elastomer Modified vinyl ester resin, etc.*

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Type (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| Bisphenol-A,F,S vinyl ester resin | 26 | 28 | 28 | 30 | 32 | 29 | 31 | 38 | 49 |
| Novolac vinyl ester resin | 14 | 15 | 16 | 17 | 17 | 16 | 17 | 21 | 27 |
| Brominated vinyl ester resin | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 6 | 8 |
| Other chemistry | 6 | 5 | 6 | 6 | 7 | 6 | 6 | 7 | 9 |
| Total | 51 | 53 | 55 | 59 | 61 | 56 | 59 | 73 | 92 |

*\*Note: In 2020, the percentage distribution of Bisphenol- A, F and S in Middle East & Africa was 86%, 10% and 4%, respectively.*

**3.2.6.5. Demand By Sales Channel**

**Figure 47: Middle East & Africa Vinyl Ester Resin Demand, By Sales Channel, By Volume (000’ Tonnes) (%), 2015–2020**

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand by Sales Channel (000’ Tonnes)** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** |
| Direct | 41 | 43 | 44 | 47 | 49 | 45 | 41 |
| Indirect | 10 | 11 | 11 | 12 | 12 | 11 | 10 |
| **Total** | **51** | **53** | **55** | **59** | **61** | **56** | **51** |

*Source: TechSci Research*

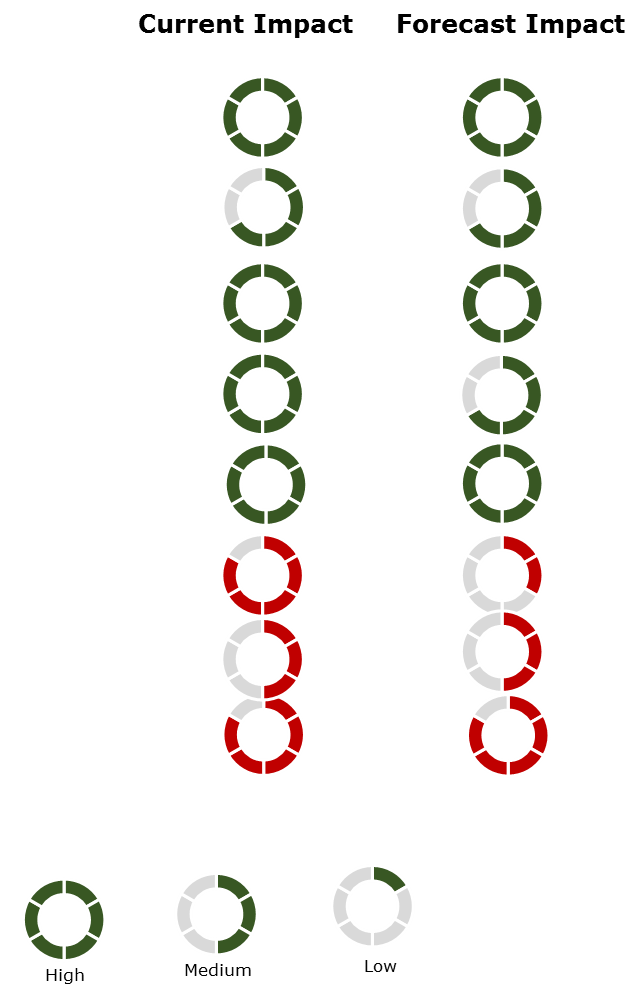
**3.2.6.6. Sales By Company**

**Figure 48: Middle East & Africa Vinyl Ester Resin Sales, By Company, By Volume (000’ Tonnes), 2020**

*Others include Imports*

*Source: TechSci Research*

**3.3. MARKET DYNAMICS**

****

**Growing usage as Lining System in Industrial Applications**

**Robust Growth of Construction Sector**

**Aging Infrastructure**

**Increase in demand of LCD and touch panels due to adaptation of 5G mobile technology**

**Fragmented Downstream Market**

**Government support in India to increase per capita consumption of FRP composites**

**Fluctuation In Raw Material Prices**

**Supply Chain Disruption**

*\*Green color denotes market drivers \*Red color denotes market challenges*

**Market Drivers**

***Government support in India to increase per capita consumption of FRP composites***

Driven by strong demand from various end use industries such as wind energy, transportation, electrical and electronics, defence, aerospace, pipes and tanks, construction and marine, the composite industry, also known as fiber-reinforced plastics (FRP) industry, will also be supporting government’s ‘Make in India’ initiative giving a big push to future market of vinyl ester resin. The per capita consumption of composites in China and the United States has been 2.8 kg and 11.4 kg, respectively in 2021. The per capita consumption in India stood at 0.36 kg in 2021, which is the lowest.

***Growing usage as Lining System in Industrial Applications***

Vinyl ester resin lining systems are used in several industrial applications like water treatment, chemical processing, and air pollution control and mineral processing as they provide unparallel corrosion resistance to fiberglass reinforced plastic tanks, ducting, stacks & chimneys, scrubbers, pipes and other components. Therefore, vinyl ester resin liners fit best for the most challenging industrial environments due to their properties like high heat resistance, exceptional durability, and minimal maintenance requirements.

***Robust Growth of Construction Sector***

With rising urban population and public and private sector investments in construction projects, the overall construction market is witnessing rapid growth. The demand for vinyl ester resins in building & construction industry has been rising over the last few years owing to their varied Types including Bisphenol, Novolac and Brominated. Robust growth in construction sector in Japan coupled with the implementation of favourable government policies to support infrastructure development are the primary factors expected to influence the demand.

***Aging Infrastructure***

The aging infrastructure is driving opportunities for building materials including VER based FRP tanks. Most of the infrastructure such as roads, water supply and sewerage systems constructed in developed nations are 30-40 years old. The government and local civic bodies incur huge maintenance cost hence there is an urgent need for repair of these systems.

**Europe Percentage of Infrastructure that is minimum 50 years old, 2018, 2023 & 2033**

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2018 | 2023 | 2033 |
| Highway Bridges | Approx. 25% | Approx. 39% | Approx. 63% |
| Tunnels | Approx. 20% | Approx. 27% | Approx. 42% |
| River Management Facilities | Approx. 32% | Approx. 42% | Approx. 62% |
| Sewage Pipes | Approx. 4% | Approx. 8% | Approx. 21% |

*Source: Eurostat*

**Market Challenges**

***Fragmented market of composites industry in China and India***

The fragmented composite industry in India and China consists of around 15000 stakeholders in the value chain including small, mid-sized and large players. Also, the lack of awareness among end- user industries is the major challenge for the growth of vinyl ester which also impacts the margin of the industry. Lack of regulatory framework, absence of a recycling policy and standardization of end-use products are some of the major challenges for the composites industry. Global composites market is highly fragmented with more than 1000 mid and small regional players operating in the market.

***High Volatility in Raw Material Prices***

Styrene, epoxy resin, methacrylic acid, etc., are few of the raw materials majorly used in the production of construction sealants and bonding such as butyl rubber, acrylic urethane, silicone rubber sealant, etc. Over the years, raw materials used in sealants industry have observed price fluctuations globally. Diligently working on product selling prices to react to changes in raw material cost and simultaneously maintaining market share is a key challenge for construction sealants producers

**India Styrene Monomer, Methacrylic Acid and Epoxy Resin Prices, 2017-2021E (USD per Ton)**

*Source: TechSci Research*

**3.4. MARKET TRENDS & DEVELOPMENTS**

***Capacity Expansion by Existing Players in APAC Region***

With growing demand for Vinyl Ester Resin in various sector such as wind energy, transportation, electrical and electronics, defence, aerospace, pipes and tanks, construction and marine, companies have started investing in expanding manufacturing facilities. Moreover, companies are increasingly focusing on developing nations like China and India, due to availability of cheap labor in these countries. For instance, Showa Denko Group completes expansion of lines to produce vinyl ester in Shanghai due to increasing demand of the product in electronic parts such as Liquid Crystal Displays (LCDs) and touch panels on account of the progress in telecommunication technologies.

***Emerging applications***

The emerging application of vinyl ester resin is in electronics and telecommunication due to its use in the process to produce electronic parts including LCDs and touch panels, which has been rapidly increasing in APAC region mainly in China. Moreover, its application in pipes and tanks, marine industry, defence, transportation, etc. has been rapidly increasing due to its excellent corrosion resistance and chemical resistance properties. Vinyl Ester resins’ usage in the making of pipes and tanks also adds to their increasing demand. Growing utilization of Vinyl Ester Resins in electronics and telecommunications is likely to increase its foothold in the market over coming years.

**Electrical & Electronics Industry Market Share in Vinyl Ester Resin Applications, 2020, 2025F and 2030F**

The future wave in the telecom industry is the 5G network, which covers less distance than the existing 4G network. In India, the Ministry of Telecommunications and The Telecom Regulatory Authority of India (TRAI) plans to implement 5G in the coming years. With this implementation, usage of VER for the telecom industry is expected to register strong growth in the coming years.

10x Lower

Latency

3x Spectral Efficiency

5x Energy Efficient

10x Lower IoT Power

***Mergers and Acquisitions***

Merger & acquisition activities are becoming prevalent in the vinyl ester resin market globally. In 2019, INEOS Composites acquired Ashland Composites. Additionally, Polynt and Reichhold also had a merger in the same year to expand and increase their market share. Showa Denko, a prominent player in the vinyl ester resin market, is continuously expanding its capacity to cater to the increasing demand in China.

|  |  |  |  |
| --- | --- | --- | --- |
| **Mergers & Acquisitions in Vinyl Ester Resin Industry** | | | |
| **S.No.** | **Target Company** | **Acquirer / Merged Entity** | **Year** |
| 1 | Mar-Bal Inc | Chagrin Falls, Ohio | 2020 |
| 2 | Ashland Global Holdings Inc. | INEOS Enterprise | 2019 |
| 3 | Aliancys & AOC Resin | CVC Capital Partners | 2018 |
| 4 | Polynt | Reichhold Group | 2017 |
| 5 | Kemrock Industries Ltd | Reliance Industries Ltd | 2018 |

*Source: TechSci Research*

**3.5 Technology Evaluation:**

Vinyl Ester Resins are downstream products of Epoxy Resin. Most manufacturing companies have their in-house technologies and R&D facilities to make formulations. Key reactions are carried out with the help of a batch reactor and blender which can be outsourced. Conventionally, manufacturing process involves charging batch reactor with a feedstock and then blending it with an organic solvent such as styrene monomer. There is no technology licensor for the product. Indian manufacturing companies such as Innovative Resins, Satyen Polymers, Mechemco Resins among others have In-house batch reactor set up. However, they depend on domestic or international market for feedstocks Epoxy resin, Bisphenol-A, and other additives.

**3.6. Pricing Analysis**

Discussions on Vinyl Ester Resin remained firm since the beginning of 2021 following the pickup in the market activities as the economy significantly rebounded from COVID-19 repercussions. However, the increment has been marginal yet consistent due to constraint fluctuations in base Novolac costs. There has been little to no adverse impact of the second wave of Covid in India, as demand for the material remained consistent from packaging sector amidst favourable consumer sentiments. Thus, after showcasing a marginal dullness in May 2021, prices again revived in June 2021, following the resumption in market activities across the nation. Besides, soaring freight cost along several trade routes since the beginning of 2021 has also contributed to raise in values at times of prevalent demand pattern.

**Global Vinyl Ester Resin Yearly Prices, 2015-2030 (USD/Tonne)**

Sharp fall in values of upstream crude in 2016 hampered the performance of the overall chemical and petrochemical sector leading to a drop in prices of Vinyl Ester Resin along with various other products. Its market fundamentals revived significantly in 2017 following sharp rebound in market activities. However, in 2019 and 2020 prices remained in a stable to narrow range amidst the uncertainty prevailing from stable feedstock and muted demand pattern. In Q1 and Q2 2020, VER witnessed a marginal dive, due to ground-breaking fall in crude values and devastating hit on the global economy in the wake of the Covid outbreak.

**3.7 Value Chain Analysis for Captive Vinyl Ester Resin Manufacturer**

**Value Flow Analysis for Captive Vinyl Ester Resin Manufacturer**

Epoxy Resin (Inhouse production) (USD 2.39 /Kg**)**

**Vinyl Ester Resin Value Chain**

**Manufacturer**

**Percentage Margin 32.7%**

**Including Transportation charges**

Current Selling Price (USD 4.0 / Kg) Direct Sales

Raw Material Cost (USD 1.92/Kg)

**In-Direct Sales**

Bisphenol-A(USD 1.4 /Kg)

Overhead & Packaging cost (USD 0.57 / Kg)

Methacrylic Acid (USD 2.72 /Kg)

Styrene Monomer (USD 1.45 /Kg)

Total Cost Incurred (USD 2.49 / Kg)

Current Selling Price (USD 3.7/ Kg) In-Direct Sales

**Direct Sales**

**Percentage Margin 37.7%**

**Company Website/Direct Export/Direct Sales**

**Distributor/Retailer**

**End Use**

**Value Flow Analysis for Non-Captive Vinyl Ester Resin Manufacturer**

Epoxy Resin (USD 3.03 /Kg**)**

**Manufacturer**

**Percentage Margin 27%**

**Including Transportation charges**

**In-Direct Sales**

**Direct Sales**

Bisphenol-A (USD 1.4 /Kg)

Raw Material Cost (USD 2.12 /Kg**)**

Overhead & packaging Cost (USD 0.57 /Kg)

Methacrylic Acid (USD 2.72 /Kg)

Styrene Monomer (USD 1.45 /Kg)

Current Selling Price (USD 4.0/ Kg) Direct Sales

Total Cost Incurred (USD 2.69 /Kg)

Current Selling Price (USD 3.7 / Kg) In-Direct Sales

**Percentage Margin 32.75 %**

**Vinyl Ester Resin Value Chain**

**Company Website/Direct Export/Direct Sales**

**Distributor/Retailer**

**End Use**

**3.8 Cost of Production**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **COST OF PRODUCTION** | | | | |
|  |
|  |  | **Norm of Consumption (Tonne)** | **Unit Rate** | **Amount** |  |
|  |  | **USD / Tonne** | **USD** |  |
| A | **VARIABLE COST** |  |  |  |  |
| 1 | RAW MATERIALS |  |  |  |  |
| I | Epoxy Resin | 0.3 | 3030 | 909 |  |
| II | BPA | 0.14 | 1400 | 196 |  |
| III | Methacrylic Acid | 0.11 | 2720 | 299 |  |
| IV | Styrene Monomer | 0.45 | 1450 | 653 |  |
|  | **Sub-Total (1)** |  | 8600 | 2057 |  |
| 2 | Packing Materials |  |  | 147 |  |
| 3 | Catalyst & Chemicals |  |  | 65 |  |
| 4 | Utilities |  |  | 55 |  |
|  | **TOTAL VARIABLE COST** | **2324** |  |  |  |
| **B** | **FIXED COST** |  |  |  |  |
| 1 | Repair & Maintenance |  |  | 250 |  |
| 2 | Salaries & Wages |  |  |  |  |
| 3 | Research & Development |  |  |  |  |
| 4 | Transportation & Clearance |  |  |  |  |
| 5 | Corporate Overheads |  |  |  |  |
|  | **TOTAL FIXED COST** |  |  | **250** |  |
| **C** | **VARIABLE + FIXED COST** |  |  | **2574** |  |
| **D** | **INTEREST ON WORKING CAPITAL** |  |  | **20** |  |
| **E** | **CASH MANUFACTURING COST** |  |  | **2594** |  |
| **F** | **DEPRECIATION** |  |  | **1.9** |  |
| **G** | **PRODUCTION COST** | **2596** |  |  |  |

**3.9. Customer Analysis**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Destination Country** | **Product Description** | **Customer / Distributor Name** | **Supplier Name** | **Annual Off-take Quantity (Tonnes)** | **Price Range (USD/kg)** |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Reichhold India Private Limited | Reichhold Polymers Tianjin, China | 2600 | 3.4-4.23 |
| Saudi Arabia | Bisphenol-a Type Epoxy Vinyl Ester Resin | Saudi Arabian AMIANTIT Company | Sino Polymer, China | 1440 | 5.25-6.53 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Orson Chemicals | Swancor Ind M Sdn Bhd, Malaysia/Taiwan | 1050 | 2.3-2.87 |
| Egypt | Bisphenol-a Type Epoxy Vinyl Ester Resin | Future Pipe Industries | Eternal Materials Co Ltd, Taiwan | 600 | 2.46-3.06 |
| India | Novolac Vinyl Ester Resin | Chemical Process Equipments Pvt Ltd | Ineos Composites, Spain | 470 | 5.17-6.43 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Sunrise Industries India Ltd | Jinling Aoc Resins Co Ltd, China/Thailand | 370 | 3.17-3.94 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Carborundum Universal Limited | Swancor Ind M Sdn Bhd, Malaysia/Taiwan/China | 290 | 2.01-2.5 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Nagase India Private Limited | Showa Highpolymer Singapore Pte Ltd, Japan | 240 | 2.71-3.37 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Epp Composites Pvt Ltd | Eternal Materials Co Ltd, Taiwan | 48 | 2.86-3.56 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Vibrant Specialties | Synthomer Trading Limited, France | 40 | 1.99-2.48 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Rex Resins | Eternal Materials Co Ltd, Taiwan | 35 | 1.89-2.35 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Dakle Industrial Plastics | M S Swancor Highpolymer Co Ltd, Taiwan | 32 | 2.08-2.59 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Apex Printing Sleeves India Private Limited | M S Aoc Llc, United States of America, Poland | 30 | 6.38-7.94 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | BASF India Limited | Basf Construction Chemicals Uae Llc, United Arab Emirates | 25 | 10.13-12.61 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Jrd Polymer Pvt Ltd | Aliancys Ag, France | 16 | 3.48-4.33 |
| Pakistan | Bisphenol-a Type Epoxy Vinyl Ester Resin | Bin Tariq (Pvt) Limited | Changzhou Pro-tech Trade Co.,Ltd,, China | 14 | 2.13-2.65 |
| Pakistan | Bisphenol-a Type Epoxy Vinyl Ester Resin | Fiber Craft Inds. | Saudi Industrial Resins Limited, Saudi Arabia | 12 | 2.88-3.58 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Devi Polymers Private Ltd | Eternal Materials Co Ltd, Taiwan | 10 | 2.1-2.61 |
| Sri Lanka | Bisphenol-a Type Epoxy Vinyl Ester Resin | B A F F Polymech Pvt Ltd | Scott Bader Middle East Ltd, United Arab Emirates | 8 | 4.05-5.04 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Hindustan Zinc Limited | China Nonferrous Metal Industrys Foreign Engineeri, China | 5 | 6.4-7.96 |
| India | Novolac Vinyl Ester Resin | Mahindra Cie Automotive Limited | M S Swancor Highpolymer Co Ltd, Taiwan | 3 | 2.5-3.11 |
| India | Novolac Vinyl Ester Resin | Mahindra Cie Automotive Limited | M S Swancor Highpolymer Co Ltd, Taiwan | 3 | 2.5-3.11 |
| Sri Lanka | Bisphenol-a Type Epoxy Vinyl Ester Resin | Edgeng Pvt Ltd | Wee Tee Tong Chemicals Pte Ltd, Singapore | 3 | 2.32-2.89 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Emerald Performance Chemical Private Limited | Eternal Materials Co Ltd, Taiwan | 2 | 1.84-2.28 |
| India | Bisphenol-a Type Epoxy Vinyl Ester Resin | Kalinga Inceptum Private Limited | Eternal Materials Co Ltd, Taiwan | 2 | 2.65-3.29 |

*Source: TechSci Research*

**3.8. Global Foreign Trade Analysis**

**Global Vinyl Ester Resin Trade Dynamics – Import (000’ Tonnes), 2015-2020**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **2015** | | **2016** | | **2017** | | **2018** | | **2019** | | **2020** | | |
| **Import** | **Value** | **Volume** | **Value** | **Volume** | **Value** | **Volume** | **Value** | **Volume** | **Value** | **Volume** | **Value** | **Volume** |
| United States | 25.63 | 12.83 | 32.61 | 15.03 | 30.15 | 15.03 | 42.94 | 17.95 | 28.04 | 14.81 | 26.91 | 16.82 |
| China | 5.12 | 2.73 | 35.81 | 17.05 | 50.05 | 24.06 | 38.05 | 19.92 | 35.91 | 19.92 | 20.05 | 11.71 |
| Brazil | 6.42 | 3.15 | 13.55 | 6.1 | 12.88 | 6.7 | 15.03 | 7.25 | 14.91 | 7.30 | 12.91 | 6.95 |
| India | 5.16 | 2.44 | 8.12 | 4.05 | 11.21 | 5.91 | 6.22 | 3.05 | 8.94 | 4.15 | 9.15 | 6.70 |
| Mexico | 3.05 | 1.52 | 6.42 | 3.21 | 8.25 | 4.20 | 6.21 | 3.05 | 7.25 | 3.77 | 9.21 | 5.62 |
| Turkey | 2.15 | 1.05 | 4.15 | 2.82 | 6.43 | 3.25 | 5.62 | 2.85 | 6.21 | 3.05 | 5.10 | 3.92 |
| South Africa | 5.12 | 2.50 | 5.12 | 2.73 | 4.21 | 2.12 | 5.21 | 2.62 | 5.53 | 2.91 | 4.73 | 2.84 |
| Russia | 2.44 | 1.73 | 4.41 | 2.73 | 3.21 | 1.56 | 4.15 | 1.82 | 5.25 | 2.81 | 5.12 | 2.82 |
| Indonesia | 5.81 | 3.05 | 3.12 | 1.55 | 3.04 | 1.22 | 2.63 | 1.73 | 5.05 | 2.54 | 3.57 | 2.05 |
| Vietnam | 10.25 | 5.4 | 2.84 | 1.50 | 1.26 | 0.63 | 3.05 | 1.44 | 1.83 | 1.00 | 2.44 | 1.44 |
| Others | 109.66 | 89.57 | 109.68 | 65.33 | 70.75 | 52.99 | 91.44 | 52.99 | 125.89 | 59.12 | 151.36 | 45.10 |
| **Total** | **180.91** | **125.99** | **225.83** | **122.12** | **201.44** | **117.69** | **220.55** | **114.67** | **244.81** | **121.38** | **250.55** | **105.97** |

*Others Argentina, Iran, Qatar etc.*

*Source: TechSci Research*

**Global Vinyl Ester Resin Trade Dynamics – Export (000’ Tonnes), 2015-2020**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Country** | **2015** | | **2016** | | **2017** | | **2018** | | **2019** | | **2020** | |
| **Export** | **Value** | **Volume** | **Value** | **Volume** | **Value** | **Volume** | **Value** | **Volume** | **Value** | **Volume** | **Value** | **Volume** |
| South Korea | 22.73 | 11.04 | 15.09 | 8.41 | 15.38 | 9.18 | 15.59 | 9.20 | 11.04 | 6.33 | 11.82 | 6.53 |
| Germany | 26.13 | 12.02 | 28.10 | 12.16 | 23.63 | 15.66 | 35.37 | 13.65 | 41.97 | 16.11 | 37.58 | 15.48 |
| Spain | 19.32 | 9.20 | 16.55 | 9.30 | 19.75 | 12.88 | 24.57 | 10.53 | 25.69 | 14.45 | 25.65 | 14.70 |
| China | 17.74 | 7.68 | 22.24 | 7.77 | 23.84 | 10.54 | 21.06 | 7.61 | 28.95 | 12.27 | 25.91 | 10.14 |
| Japan | 13.54 | 6.39 | 12.12 | 6.46 | 11.94 | 8.25 | 13.61 | 6.35 | 13.68 | 7.95 | 13.19 | 7.12 |
| Netherlands | 6.12 | 2.36 | 5.16 | 2.39 | 5.68 | 3.28 | 6.70 | 2.73 | 6.85 | 3.50 | 6.58 | 3.64 |
| USA | 4.42 | 2.16 | 3.52 | 2.18 | 4.14 | 2.84 | 5.84 | 2.62 | 5.61 | 3.37 | 5.00 | 3.25 |
| Poland | 6.73 | 3.00 | 5.20 | 3.03 | 5.92 | 4.06 | 6.57 | 2.77 | 5.43 | 2.87 | 4.92 | 2.71 |
| Saudi Arabia | 5.39 | 2.37 | 6.56 | 2.40 | 9.23 | 3.30 | 8.54 | 3.03 | 9.63 | 3.34 | 6.36 | 2.53 |
| Taiwan | 3.87 | 1.95 | 4.72 | 1.97 | 5.59 | 2.65 | 6.15 | 2.37 | 6.74 | 2.65 | 6.70 | 2.38 |
| Others | 117.15 | 67.82 | 121.74 | 66.06 | 111.80 | 45.05 | 90.85 | 53.81 | 71.07 | 48.54 | 69.80 | 37.49 |
| **Total** | **243.15** | **125.99** | **241.01** | **122.12** | **236.89** | **117.69** | **234.86** | **114.67** | **226.64** | **121.38** | **213.51** | **105.97** |

*Others Finland, Turkey, Russia etc*

*Source: TechSci Research*

**3.9. Global Demand-Supply Gap**

**Demand Supply Scenario**

**Global Vinyl Ester Resin Demand Supply Analysis, By Volume, 2015-2030F (Thousand Tonnes)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| **Global** | **Capacity** | 938 | 938 | 953 | 965 | 980 | 985 | 1020 | 1025 | 1030 |
| **Production** | 733 | 750 | 775 | 790 | 812 | 759 | 808 | 866 | 929 |
| **Import** | 125.99 | 122.12 | 117.69 | 114.67 | 121.38 | 105.97 |  | | |
| **Export** | 125.99 | 122.12 | 117.69 | 114.67 | 121.38 | 105.97 |
| **Total Demand** | 677.49 | 707.79 | 734.69 | 767.44 | 796.32 | 739.49 | 789.09 | 1026.25 | 1367.33 |
| **Y-O-Y Growth (%)** | - | 4.47% | 3.80% | 4.46% | 3.76% | -7.14% | 6.71% | 6.42% | 5.58% |
| **Demand Supply Gap** |  | | | | | | 19.23 | -159.81 | -438.76 |

*Source: TechSci Research*

**Asia Pacific Vinyl Ester Resin Demand Supply Analysis, By Volume, 2015-2030F (Thousand Tonnes)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| **Asia Pacific** | **Capacity** | 427 | 427 | 427 | 427 | 442 | 442 | 477 | 482 | 487 |
| **Production** | 315 | 326 | 337 | 340 | 357 | 327 | 369 | 399 | 441 |
| **Total Demand** | 283.31 | 301.03 | 317.07 | 332.53 | 348.58 | 322.29 | 349.49 | 484.81 | 688.20 |
| **Y-O-Y Growth (%)** | - | 6.26% | 5.33% | 4.88% | 4.83% | -7.54% | 8.44% | 8.06% | 6.84% |
| **Demand Supply Gap** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 27.90 | -32.22  *Source: TechSci Research* | -102.63 |

**Europe Vinyl Ester Resin Demand Supply Analysis, By Volume, 2015-2030F (Thousand Tonnes)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| **Europe** | **Capacity** | 208 | 208 | 208 | 208 | 208 | 213 | 213 | 213 | 213 |
| **Production** | 169.60 | 172.07 | 172.40 | 172.50 | 174.49 | 169.95 | 176.39 | 181.09 | 189.61 |
| **Total Demand** | 171.09 | 175.88 | 179.66 | 185.58 | 189.85 | 177.60 | 187.10 | 228.54 | 281.95 |
| **Y-O-Y Growth (%)** | - | 2.80% | 2.15% | 3.30% | 2.30% | -6.45% | 5.35% | 4.72% | 3.86% |
| **Demand Supply Gap** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -10.70 | -47.45 | -92.34 |

*Source: TechSci Research*

**North America Vinyl Ester Resin Demand Supply Analysis, By Volume, 2015-2030F (Thousand Tonnes)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| **North America** | **Capacity** | 200.00 | 200.00 | 215.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 | 225.00 |
| **Production** | 169.77 | 170.43 | 182.88 | 192.65 | 194.34 | 181.28 | 179.12 | 197.09 | 200.24 |
| **Total Demand** | 152.59 | 157.31 | 162.11 | 169.14 | 174.44 | 163.53 | 172.74 | 214.79 | 274.88 |
| **Y-O-Y Growth (%)** | - | 3.10% | 3.05% | 4.34% | 3.14% | -6.25% | 5.63% | 5.36% | 4.82% |
| **Demand Supply Gap** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 6.38 | -17.69 | -74.65 |

*Source: TechSci Research*

**South America Vinyl Ester Resin Demand Supply Analysis, By Volume, 2015-2030F (Thousand Tonnes)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| **South America** | **Capacity** | 20 | 20 | 20 | 22 | 22 | 22 | 22 | 22 | 22 |
| **Production** | 16 | 17 | 17 | 18 | 19 | 16 | 17 | 18 | 20 |
| **Total Demand** | 19.61 | 20.46 | 20.90 | 21.67 | 22.46 | 20.28 | 20.94 | 24.97 | 30.62 |
| **Y-O-Y Growth (%)** | - | 4.33% | 2.15% | 3.64% | 3.68% | -9.71% | 3.23% | 4.32% | 4.05% |
| **Demand Supply Gap** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -3.49 | -6.93 | -10.83 |

*Source: TechSci Research*

**Middle East & Africa Vinyl Ester Resin Demand Supply Analysis, By Volume, 2015-2030F (Thousand Tonnes)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| **Middle East & Africa** | **Capacity** | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 |
| **Production** | 63 | 65 | 66 | 67 | 68 | 64 | 66 | 71 | 78 |
| **Total Demand** | 50.89 | 53.10 | 54.95 | 58.53 | 60.98 | 55.79 | 58.83 | 73.14 | 91.68 |
| **Y-O-Y Growth (%)** | - | 4.33% | 3.49% | 6.51% | 4.20% | -8.51% | 5.45% | 5.05% | 4.42% |
| **Demand Supply Gap** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 7.23 | -1.99 | -13.96 |

*Source: TechSci Research*

**India Vinyl Ester Resin Demand Supply Analysis, By Volume, 2015-2030F (Thousand Tonnes)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021E** | **2025F** | **2030F** |
| **India** | **Capacity** | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 | 4.8 |
| **Production** | 3.7 | 3.8 | 3.9 | 4.0 | 4.1 | 3.9 | 3.6 | 4.1 | 4.4 |
| **Import** | 5.4 | 6.1 | 6.7 | 7.3 | 7.9 | 6.7 | 0.00 | 0.00 | 0.00 |
| **Export** | 0.4 | 0.5 | 0.6 | 0.6 | 0.6 | 0.4 | 0.00 | 0.00 | 0.00 |
| **Total Demand** | 8.7 | 9.3 | 10.0 | 10.6 | 11.3 | 10.1 | 11.1 | 16.8 | 30.0 |
| **Y-O-Y Growth (%)** | - | 6.90% | 7.53% | 6.0% | 6.60% | -10.62% | 9.90% | 10.86% | 11.21% |
| **Demand Supply Gap** | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | -7.46 | -12.76 | -25.55 |

*Source: TechSci Research*

**Global Vinyl Ester Resin Demand, By Volume, 2020-2030F (000’ Tonnes)**

*Source: TechSci Research*

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand Scenario** | **2020** | **2021E** | **2022F** | **2023F** | **2024F** | **2025F** | **2026F** | **2027F** | **2028F** | **2029F** | **2030F** |
| Optimistic | 739.49 | 807.80 | 885.74 | 969.34 | 1058.92 | 1153.73 | 1254.68 | 1362.92 | 1477.58 | 1600.04 | 1729.79 |
| Realistic | 739.49 | 789.09 | 845.26 | 903.66 | 964.31 | 1026.25 | 1090.08 | 1156.54 | 1224.57 | 1295.08 | 1367.33 |
| Pessimistic | 739.49 | 766.69 | 798.03 | 828.98 | 859.50 | 888.67 | 917.01 | 945.14 | 972.10 | 998.62 | 1024.07 |

**India Vinyl Ester Resin Demand, By Volume, 2020-2030F (000’ Tonnes)**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Demand Scenario** | **2020** | **2021E** | **2022F** | **2023F** | **2024F** | **2025F** | **2026F** | **2027F** | **2028F** | **2029F** | **2030F** |
| Optimistic | 10.11 | 11.33 | 12.8 | 14.59 | 16.59 | 18.81 | 21.64 | 25.16 | 28.93 | 32.96 | 37.48 |
| Realistic | 10.11 | 11.08 | 12.24 | 13.64 | 15.17 | 16.81 | 18.92 | 21.52 | 24.21 | 26.97 | 30 |
| Pessimistic | 10.11 | 10.77 | 11.58 | 12.55 | 13.58 | 14.65 | 16.05 | 17.77 | 19.45 | 21.08 | 22.81 |

*Source: TechSci Research*

**3.12 Suggested Capacities**

***Global Scenario:*** The current global capacity of Vinyl Ester Resin is 985 thousand tonnes. Top five producers account for 54 percent of the total capacity. Regional analysis indicates surplus in Northeast Asia, and deficit in Indian Sub-continent, Europe, South America, Middle East and South America, resulting in heavy trade within the region as well as international trade. Overall Europe, Middle East & Africa and South America will remain a deficit area throughout the study period.

***Indian Scenario:*** Present capacity in the country is 4.84 thousand tonnes and production are totally project based. These companies produce all the major grades conforming with global standards. It is expected that, based on individual end-use sector growth, consumption of vinyl ester resin will register an overall growth of about 11.70 percent per annum average growth over the next ten years’ period.

India is expected to remain a deficit area and likely to increase from present level of 7.16 thousand tonnes per annum to 24.74 thousand tonnes per annum by 2030.

Considering demand – supply situation and export market, enough scope exists in the country for a 30 thousand tonnes per annum vinyl ester resin unit by 2023. Moreover, there is latent demand of the product due to anticipated growth in telecom, chemicals & petrochemicals, and renewable sector.

**Recommendations**

* RIL may consider setting-up a 30 thousand tonnes vinyl ester resin unit by the year 2030 in two phases (1st Phase 2023 and 2nd Phase 2027) as enough scope exists from demand – supply point of view. However, before taking up this decision, RIL should also consider the project from economic viability point of view.
* Considering capacity utilization of 60 percent in first year and 90 percent in second year onwards, entire quantity is likely to be absorbed within the country itself by 2030.
* Although as per demand – supply position, substantial gap in international markets is expected, exploring export is also advisable from realization angle.
* RIL should also have 100 percent captive epoxy resin unit for better margin and assured supply of critical raw materials.

|  |  |  |  |
| --- | --- | --- | --- |
| **Name of the Product (Tonnes)** | **2023** | **2027** | **Total** |
| **Unsaturated Polyester Resin** | 25,000 | 25,000 | 50,000 |
| **Vinyl Ester Resin** | 15,000 | 15,000 | 30,000 |

**4.3.5 Major Equipment List (List of major equipment in terms of value & importance)**

|  |  |  |
| --- | --- | --- |
| S No | Equipment | Tag No |
| 1 | Hopper | H-101 &102 |
| 2 | Crusher | T-101 |
| 3 | Condenser | S-101 |
| 4 | Vaccum Pump | VP-101 |
| 5 | Batch Reactor | R-101 |
| 6 | Epoxy Storage Tank | V-101 |
| 7 | Epoxy Transfer Pump | P-101 |
| 8 | Styrene Storage Tank | V-102 |
| 9 | Styrene Transfer pump | P-102 |
| 10 | Methyl Methacrylic storage tank | V-103 |
| 11 | Methyl Methacrylic Transfer Pump | P-103 |
| 12 | Jacketed Blender | B-101 |
| 13 | Packaging Equipment | PA-101 |

**4.3.8 Raw Material Required and Key Suppliers in India Market**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **S. No** | **Raw Material** | **Supplier 1** | **Supplier 2** | **Supplier 3** | **Supplier 4** | **Supplier 5** |
| **1.** | Epoxy Resin | Grasim Industries Ltd | Atul Ltd. | Covestro AG | Huntsman  Corporation | Hexion Inc. |
| **2.** | Bisphenol-A | Atul Ltd. | Dow Chemical | LG Chem | Mitsubishi Chemical | Mitsui Chemicals |
| **3.** | Methacrylic Acid | Evonik Industries | Dow Chemicals | Formosa Plastics | Kusumoto Chemicals Ltd | Celanese |
| **4.** | Styrene Monomer | SABIC | INEOS Group Ltd | Hanwha Group | Royal Dutch Shell plc | Chevron Phillips Chemical |
| **5.** | Tri-Ethyl Amine | Balaji Amines Ltd | Alkyl Amine Ltd | BASF SE | Eastman Corporation | Dow Chemicals |

**4.3. Setup Related Details**

**4.3.1. Target End-Use Applications**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| S. No | Grade | Target Applications | Specifications | | |
| Viscosity 25° C (cps) | Gel Time (min) | Monomer Content (%) |
| 1 | Bisphenol-A Epoxy Resin | Provide Resistance to acid, alkalis, solvents, excellent toughness, and fatigue resistance | 180-800 | 20-32 | 33-45 |
| 2 | Low styrene Monomer Bisphenol-A Resin | Chemical reaction vessels | NA | NA | NA |
| 3 | Novolac Based Epoxy Resin | Excellent thermal, and chemical resistance, resistance to solvents, acids | 300-400 | 20-25 | 36-40 |
| 4 | Brominated Epoxy Resin | High degree of fire retardance, resistance to chemical, tougher and fatigue resistant | 200-500 | 20-35 | 34-39 |
| 5 | Brominated Novolac Epoxy Vinyl Resin | Moderate degree of retardance, application in hot, wet flue gas environment | 300-450 | 20-35 | 36-40 |
| 6 | Elastomer-modified Bisphenol-A Epoxy Vinyl Resin | High impact and fatigue resistance, chemically resistant FRP linings, composites, adhesives, electrical castings, electrical laminates, and fibres | 40-8000 | NA | NA |
| 7 | Urethane Modified Vinyl Ester Resin | Heat, Corrosion and Chemical resistant, application in marine, pultrusion, carbon fibre | NA | NA | NA |
| 8 | Amine Accelerated Vinyl Ester Resins | Composites | 300-500 | 10-15 | 34-41 |
| 9 | Bisphenol A Vinyl ester/ DCPD blend | Hydrolysis resistance, Marine | NA | 27-33 | 60-64 |

**\******Gel Time refers to the time taken by the resin (VER) to transform from liquid to highly viscous gel state in which the resin is no longer workable.***

*Source: TechSci Research*

**4.3.2. Plant Process Description**

*Source: TechSci Research*

**Manufacturing Process**

# Vinyl Ester Resin (VER) has been manufactured in a batch reactor, traditionally. Initially, the reactor needs to be charged with a mixture of Epoxy resin, Bisphenol-A and should be heated for 4-5 hours at temperature of 160-170°C. Then, decrease the reactor temperature to 100-120°C and add Methacrylic acid to advance the esterification process. Esterification takes place along the epoxy chain between carboxyl and epoxy group and likewise between carboxyl and hydroxyl group. As the temperature declines to 100° C, additives like Maleic Anhydride and Tri-Ethyl Amine needs to be added as a base catalyst and the mixture is heated for another 4-6 hours.

# After that, Epoxy Resin needs to be withdrawn from the batch reactor and fed to the blender containing Styrene Monomer which is a volatile organic solvent. During polymerization, styrene reacts with vinyl esters to form cross linking at unsaturation points. This cross linking make the resin polymerizable and improves resin processability. In addition to this, Styrene Monomer also acts as a diluent to reduce viscosity and improve curing degree leading to excellent mechanical and thermal properties of composite epoxy solution. Further, Blender temperature should be maintained around 70° C. Finally, Water is circulated around blender jacket to gradually cool and reduce the heat to room temperature. Generally, it takes 12-14 hours to process Vinyl Ester Resin. It’s a very critical and temperature sensitive reaction and should be undertaken with utmost caution as a small error can gel the batch immediately.

# As all the raw materials used will be consumed in the process itself, hence there will not be any generation of by-product, Effluent, Gaseous waste, solid waste.

Finally, the finished product is withdrawn from blender and packed in drums.

A picture containing chart

Description automatically generated**Reaction Involved**

Polygon

Description automatically generated with medium confidence

Diagram

Description automatically generated with low confidence

Chart, box and whisker chart

Description automatically generated

A picture containing radar chart

Description automatically generated

Diagram

Description automatically generated with medium confidenceDiagram

Description automatically generated

**Key Challenges**

One of disadvantages of vinyl ester resin manufacturing process is use of styrene, which is a toxic volatile organic compound. A special care is taken while using styrene monomer during the vinyl ester resin manufacturing process so that it is not exposed to outside environment. Exposure to styrene can cause skin irritation, rash, dryness. It can also irritate eye, nose, and throat. Additionally, prolong exposure can hamper concentration, memory and may affect brain and liver functions. According to Environmental protection Agency (EPA), It is listed under hazardous air pollutant and may be a potential carcinogenic substance as it has been found to cause lung cancer in animals. Studies have been conducted to find substitute of styrene such as vinyl derivatives of benzene and methyl acrylates. Further, efforts have been made to find novel monomers by using renewable feedstocks such as lignin, fatty acids, and carbohydrates.

**4.3.3. Process Flow Diagram**

**Vinyl Ester Resin Manufacturing Process Based on Liquid Epoxy Resin (Bisphenol – A)**

**Condenser**

**Unsaturated monocarboxylic acid1, Additives**

**Reactor**

**Temp :160-170°C**

**Time :4-6 Hr**

**Liquid Epoxy Resin (Bisphenol – A)**

**Styrene Monomer**

**Blender**

**Temp:70°C**

**Time: 2-4 Hr**

**Finished Products ready for packing**

*Source: TechSci Research*

**Vinyl Ester Resin Manufacturing Process Based on Solid Epoxy Resin (Novolac)**

**Condenser**

**Solid Epoxy Resin (Novolac)**

**Unsaturated monocarboxylic acid1, Additives**

**Reactor**

**Temp :160-170°C**

**Time :4-6 Hr**

**Styrene Monomer**

**Blender**

**Temp:70°C**

**Time: 2-4 Hr**

**Finished Products ready for packing**

*Source: TechSci Research*

*1 Unsaturated monocarboxylic acid include acrylic acid, methacrylic acid, crotonic acid, monoesters of unsaturated polycarboxylic acids, and monoesters of maleic acid. The unsaturated acids and monoesters may be used singly or as a mixture of two or more of them. The unsaturated monocarboxylic acids can be derived from renewable sources like lignin or soyabean oil therefore, the name bio- based vinyl ester resin is used.*

*2 Curing of vinyl ester resin is done by the end user industries according to the application in which it is used. Curing defines the gelation time of vinyl ester resin.*

**Process Flow Diagram**

Raw material storage and handling

Reaction

Blending

Intermediate storage

Finishing

Finished product storage and handling

Bulk

Storage

Finishing

Tank

Storage

Blender

Reactor

Non- bulk

* Tank
* Truck
* IBC
* Drums

*Source: TechSci Research*

*Source: TechSci Research*

Room Temperature

Heating 95°C to 100°C

Heating 160°C-170°C

**Standard Process**

One mole of bisphenol A was catalytically reacted with two moles of diglycidylether of bisphenol A at 150° C for two hours under atmospheric conditions. This yielded a polyepoxide resin having an epoxide equivalent weight of 500 (g/eq) which was subsequently cooled to 130° C. Next, two moles of methacrylic acid and 180 ppm of hydroquinone (based on finished product) were added under an air sparge and esterified at 120° C until an acid value less than 10 units was recorded. The vinyl ester resin was then cooled to 110° C and 0.05 moles of maleic anhydride were added. The vinyl ester resin was allowed to continue esterifying for 15 minutes at these conditions before thinning with styrene monomer to 65% non-volatiles and cooling to room temperature. This product is the control.

**Specialised Process (Low Epoxy Value)**

This vinyl ester resin was prepared the same way as standard process, except that 2.26 moles of methacrylic acid were used and the vinyl ester resin was esterified to an epoxy value (epoxy value EW is the reciprocal of the epoxy number and thus describes the number of epoxy groups that are contained in 100 g of resin) less than two units before cooling to 110° C and adding maleic anhydride. This product was thinned in styrene monomer to 65% non-volatiles and cooled to room temperature.

**Low Styrene Emission Vinyl Ester Resin**

The production of low styrene emission vinyl ester resin includes paraffin as a styrene emission inhibitor and a drying oil as an adhesion promoter for fibre-reinforced applications. It has been found that due to paraffin wax additives there is a substantial loss in the adhesive properties of the vinyl ester resin therefore adhesion promoter in the form of a drying oil is added.

**India Scenario of Vinyl Ester Process**

The standard process is majorly used in the country as the demand of the product is project based in which only blending is done in the reactor which involves no technology licensor. Indian Companies manufactures vinyl ester of INEOS’s quality like DerakaneTM. The specialized process is mainly used by western companies as they produce low epoxy and styrene free vinyl ester resin.

**4.3.4. Technology Licensor**

* Vinyl ester resins are downstream product of Epoxy Resin. Mostly manufacturing companies have their in-house technology and R&D facilities to make formulations.
* Major reactions are carried out with the help of batch reactor and blender which can be outsourced.
* Generally, manufacturing process involves mixing of feedstock material in batch reactor and blending with organic solvent such as styrene monomer.
* There is no technology licensor for the product. Indian manufacturing company Atul limited has vertically integrated Epoxy resin capacity and downstream integrated Vinyl Ester Resin capacity while other Indian players such as Innovative Resins, Satyen Polymers, Mechemco Resins among others have in-house batch reactor set up. However, they import feedstocks Epoxy resin, Bisphenol-A, and other additives from the domestic or international market.

**4.3.6. Utilities Overview (For a 30 KTPA plant)**

**Energy/power Requirements**

* Total connected load is 1000 KW which is sufficient to carry out proposed vinyl ester resin manufacturing activity.

**Fuel**

* LDO will be used as fuel in Thermic Oil Heater with quantity 352 Lit./Hr. Electricity will be used in reactors.
* Diesel will be used to run the D.G. set, if needed.

**Water Requirement**

* Total water requirement will be 5 KL/day for the vinyl ester resin plant which will be used in cooling. There is no use of any water in vinyl ester resin manufacturing process.

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr. No.** | **Usage** | **Water consumption (KL/Day)** | **Wastewater generation (KL/day)** |
| 1. | Processing | 0 | 30 |
| 2. | Cooling | 5 | 0 |
|  | **Total** | **5** | **30** |

*Source: TechSci Research and EC Report of Innovative Resins Pvt. Ltd.*

**Effluent Processing Details**

* 30 KL/day of effluent will generate from processing. The effluent will be treated in ETP having various treatment units like collection cum neutralization tank and finally evaporated in evaporator.

**Estimated cost towards Environment Management Proposals**

The proposed environmental protection, control and mitigation measures will incur a capital investment of about ₹ 80 lakhs which will include APC (Air Pollution Control) system, water pollution control system, environmental monitoring, statutory compliance, disposal of solid waste etc. and an additional of about ₹ 35 lakhs will be utilized for maintenance.

**4.3.7. Waste Generation, Management, and Disposal**

**Hazardous Waste Management**

The proposed plant will generate the following hazardous wastes

|  |  |  |  |
| --- | --- | --- | --- |
| **Sr. No.** | **Name of the Waste** | **Source** | **Mode of Disposal** |
| 1 | ETP Sludge/Evaporation Residue | ETP/ Evaporator | TSDF Site |
| 2 | Used Oil | Lubrication/ D.G.set | Reuse as Lubricant within premises. |
| 3 | Discarded drums/bags | Stores | Sold To Recycler |

*Source: TechSci Research*

ETP (Effluent Treatment Plant) sludge serves as the main source of hazardous waste generation from proposed activity. The other sources of hazardous waste generation from proposed activity includes spent or used oil generation from plant machinery and discarded barrel or containers from handling and storage of raw materials.

A dedicated storage area will be provided in the unit for the hazardous storage within premises having waterproof floor and roof cover.

**5. Economic Evaluation**

**5.1 Estimated Investment:** For the suggested capacity of 30 KPTA, overall investment is USD 10.8 million. The exchange rate is USD 1 = INR 73.30. Considering current volatility in commodity cycles and exchange rate, capital expenditure for the project may increase by 10-12 percent if project is implemented by next year.

**5.2 Fixed Cost & Variable Cost Analysis:**

In particular, the total capital investment was based on the percentage of the delivered equipment cost method for a processing plant.

The total cost of the process equipment (including auxiliary equipment) as the 100% value, the total capital investment for the base case is estimated at USD 1,07,77,626, as shown in Table 2. In this sense, the total fixed-capital investment reached a value of USD 1,05,59,345.16 and a working capital value of USD 2,18,281.04.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **ITEM** |  | **[USD]** |
| **A** | **TOTAL FIXED-CAPITAL INVESTMENT** | **A1** + **A2** | **1,05,59,345** |
| **A1** | **TOTAL DIRECT PLANT COST** | **1 to 9** | **76,94,407** |
| 1 | Delivered main equipment (includes auxiliary equipment) | 100% | 27,28,513 |
| 2 | Purchased-equipment installation | 35% | 9,54,980 |
| 3 | Instrumentation and controls (installed) | 20% | 5,45,703 |
| 4 | Piping (installed) | 25% | 6,82,128 |
| 5 | Electrical (installed) | 10% | 2,72,851 |
| 6 | Buildings (including services) | 25% | 6,82,128 |
| 7 | Yard improvements | 10% | 2,72,851 |
| 8 | Service facilities (installed) | 51% | 13,91,542 |
| 9 | Land (purchase is required) | 6% | 1,63,711 |
| A2 | **TOTAL INDIRECT PLANT COST** | **10 to 14** | 28,64,939 |
| 10 | Engineering and supervision | 25% | 6,82,128 |
| 11 | Construction expenses | 30% | 8,18,554 |
| 12 | Legal expenses | 3% | 81,855 |
| 13 | Contractor’s fee | 15% | 4,09,277 |
| 14 | Contingency | 32% | 8,73,124 |
| **B** | **WORKING CAPITAL** | **15** + **16** | **2,18,281** |
| 16 | Safety and hazard analyses | 8% | 2,18,281 |
|  | **TOTAL CAPITAL INVESTMENT** | **A** + **B** | **1,07,77,626** |
|  |  |  |  |

**5.3. Machinery & Equipment Cost Analysis:**

The total cost of the equipment is approximately 27.3 million USD including the auxiliary equipment. Being exothermic reaction process, product is process parameter sensitive (consistency need to be maintained), hence considering the reactor and Blender as a complex part of the Production, therefore are considered as auxiliary equipment. construction material is SS 304 . The client is preferred to consider whole plant both manually & automated. The equipment cost might vary for different manufacturers depending on the complexity and the material of construction. Construction and Installation of large size equipment (volume more than 100m3) like LER Storage Tanks, Styrene is done on-site as the transportation of such equipment is not feasible.

This analysis is provided for uninterrupted production process:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Equipment Cost for 30 KT Plant** | | | | |  |
|  | **MAIN PROCESS EQUIPMENTS** | **CAPACITY** | **UNITS** | **[USD] in Lacs** | **Category** |
| 1 | Hopper | m^3 | 2 | 0.27 | Indigenous |
| 2 | Crusher | kg/hr | 4 | 3.55 | Indigenous |
| 3 | Condenser | m^2 | 1 | 0.44 | Indigenous |
| 4 | Vaccum Pump | m^3/h | 2 | 0.82 | Indigenous |
| 5 | Batch Reactor | m^3 | 2 | 2.66 | Auxiliary |
| 6 | Epoxy Storage Tank | m^3 | 2 | 1.95 | Indigenous |
| 7 | Epoxy Transfer Pump | m^3/h | 4 | 0.41 | Indigenous |
| 8 | Styrene Storage Tank | m^3 | 2 | 2.22 | Indigenous |
| 9 | Styrene Transfer pump | m^3/h | 4 | 0.53 | Indigenous |
| 10 | Methyl Methacrylic storage tank | m^3 | 2 | 1.77 | Indigenous |
| 12 | Methyl Methacrylic Transfer Pump | m^3/h | 4 | 0.44 | Indigenous |
| 13 | Jacketed Blender | m^2 | 2 | 3.55 | Auxiliary |
| 14 | Feed Pump | m^3/h | 6 | 1.15 | Indigenous |
| 15 | Dust Collector | m^3/h | 3 | 0.71 | Indigenous |
| 16 | Product Tank | m^3 | 3 | 5.32 | Indigenous |
| 17 | Packaging Equipment | KG/bag | 3 | 1.50 | Indigenous |
|  | **TOTAL MAIN EQUIPMENT COST** |  |  | 27.3 |  |

**5.4. Annual Cost of Production**

Concerning the base case, the annual cost of raw materials reached a value of USD 6,17,10,000per year for 30 KT/Annum plant capacity. Main Raw Material considered Epoxy Resin, BPA, Styrene, Methacrylic Acid with % per ton of Vinyl Ester Resin are 0.3, 0.14, 0.45 & 0.11 respectively. Estimated utility Cost Utility Cost per ton of Epoxy is 2560/ ton of Vinyl Ester Resin production (taken from secondary cost)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **ITEM** |  | **[USD]** |  |
| **C** | **MANUFACTURING COST** | **C1** + **C2** + **C3+ C4** | **6,47,77,881** |  |
| **C1** | **Raw materials** |  | **6,17,10,000** |  |
| 1 | Raw materials | - | 6,17,10,000 | Variable |
| **C2** | **Labour** |  | **5,70,200** |  |
| 2 | Operating labor | - | 4,93,680 | Variable |
| 3 | Direct supervisory and clerical labor (15.5% of operating labor) | 15.50% | 76,520 | Variable |
| **C3** | **Variable Overheads** |  | **10,47,749** |  |
| 4 | Utilities (calculated) | - | 10,47,749 | Variable |
| **C4** | **Fixed Overheads** | **14 to 16** | **14,49,932** |  |
| 5 | Maintenance and repairs (5% of fixed-capital investment) | 5.00% | 5,27,967 | Fixed |
| 6 | Operating supplies (15% of cost for maintenance and repairs) | 15.00% | 79,195 | Fixed |
| 7 | Laboratory charges (15% of operating labor) | 15.00% | 74,052 | Fixed |
| 8 | PLANT-OVERHEAD COSTS (60% of 2 + 3 + 5) | 60.00% | 6,58,901 | Fixed |
| 9 | Administrative costs (10% of 2 + 3 + 5) | 10.00% | 1,09,817 | Fixed |
| **D** | **Selling Overheads** | **14 to 16** | **84,21,125** |  |
| 10 | Distribution and selling costs (11% of manufacturing cost) | 11.00% | 71,25,567 | Variable |
| 11 | Research and development costs (2% of manufacturing cost) | 2.00% | 12,95,558 | Variable |
|  | **Total Production Cost** | **C** + **D** | **7,31,99,006** |  |

**5.5. Payback Period:**

|  |  |
| --- | --- |
| **PROFITABILITY PARAMETER** | |
|  | **Value (USD Million)** |
| **NPV @ 10%** | 32.51 |
| **Internal Rate Of Return (%)**  ***On Total Capital -*** ***Before Taxes*** | 45.86% |
| **Payback Period, Years** | 2.36 |
| Simple | 2.51% |
| Discounted @ 12% | 3.46% |

**5.6. Project Sensitivity Analysis:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| ***NPV in USD Million*** | | | | | |
|  | BASE CASE | 90.00% | 95.00% | 105.00% | 110.00% |
|  | **CAPITAL COST** | | | | |
| IRR% | 50.02% | 54.25% | 52.04% | 48.16% | 46.44% |
| NPV | 31.4 | 32.02 | 31.7 | 31.1 | 30.79 |
|  | **REVENUE** | | | | |
| IRR% | 50.02% | 27.48% | 39.23% | 60.22% | 70.04% |
| NPV | 31.4 | 10.6 | 21 | 41.8 | 52.2 |
|  | **RAW MATERIALS COST** | | | | |
| IRR% | 50.02% | 63.99% | 57.09% | 42.71% | 35.09% |
| NPV | 31.4 | 45.8 | 38.6 | 24.2 | 17.1 |

1. IRR is highly attractive
2. Project is moderately sensitive to variations in Investment and highly sensitive to Selling Price as also the Feedstock prices. Relative sensitivity, in decreasing order is:
   1. Selling Price (i.e., Revenue)
   2. Feedstock Prices (i.e., Raw Material Costs)
   3. Investment (i.e., Capital Cost)