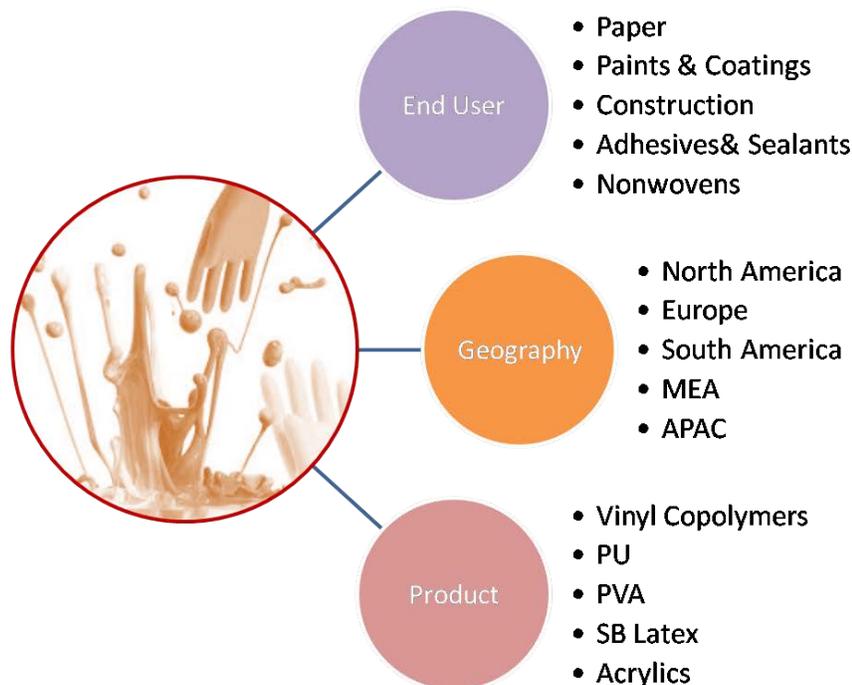


# Market Insights Global Synthetic Latex Polymers

## Market Insights - Global Synthetic Latex Polymers

The market for Synthetic Latex Polymers (SLPs) has globalized over the past few years due to unprecedented economic and political forces which have reshaped supply and demand dynamics.

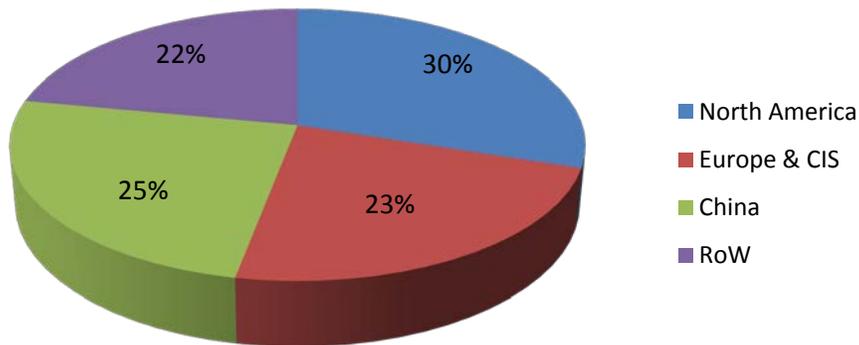
### Market Segmentation



### Regional Outlook

North America is the largest synthetic latex polymers consuming market globally, accounting for nearly 30% of the total market share in 2015. Accounting for almost 25% of the global market share, China is the second-largest consumer of synthetic latex polymers after North America, according to the China chapter report. Europe and CIS together account for a total 23% of the global synthetic latex polymers market in 2014. While consumption of synthetic latex polymers in CIS remains low, the region offers high growth potential and is estimated to increase at 2.6% through 2019.

## Global Market Share



## Market Drivers

Import substitution programs implemented by the Russian government along with the strategic development of chemical industry plans across the majority of CIS countries. Here, paints and coatings has been by far the most dominant end-use application in 2014, accounting for over 34% of the total consumption. Other important smaller applications are glass fiber and nonwovens.

As paper production in Europe is decreasing due to the switch to electronic media, paper is no longer the leading application in terms of SLP consumption. Paint and coating applications are currently the leading consumers of synthetic latex polymers in Europe by both volume and value.

## Challenges Ahead

The European market is mature, and its growth will be affected by the poor performance of some of the large consuming applications. Although affected by the decline in paper applications in terms of emulsion polymers consumption, overall figures are hiding the growth potential that exists in a wide range of other applications in Europe, driven by favorable macroeconomics in the region. Growth in CIS will favorably be affected by various political and economical measures taken by local governments.

## **VAE- The Shining Polymer**

Due to environmental and market conditions increasingly pressing for the petrochemical industry, VAE is benefiting from its favorable application mix, competitive pricing, and environmental-friendly profile, expected to be the fastest growing polymer between 2014 and 2019. VAE's relatively low cost is due to the favorable situation in the ethylene market, mainly as a result of the increased extraction of shale gas. The strengthening of VOC regulations in Europe has also bolstered VAE's growth.

## **Leading Vendors**

BASF and Dow Chemical are the two largely present suppliers in both Europe & CIS where the supplier landscape is fragmented, though for the top six suppliers in Europe accounting for two-thirds of the total European market. The variety of products and applications are a key factor explaining this market fragmentation.

## **Recent Developments**

Due to the market's maturity and a large number of active players, rivalry is high on the European synthetic latex polymers market. With the increasing consolidation, the competition is also increasing in the CIS market, which was extremely dynamic in terms of the supplier landscape development over the last four years. Among the changes were an entrance of new, mainly local suppliers, including Novojazot, Aktilat-Kz and SWAN, among others, and an increase in production capacities by prominent local suppliers, such as Aktilan and Homa Group.

Thus, the competitive and business landscape has been redefined in the last few years in mature US and European markets due to supplier-base consolidation. In the developing markets, international competition provides good opportunities, however, SLP manufacturers and marketers need to be aware of differences in the national markets within the regions and adjust for potential opportunities and threats in different end uses.