

AFPM 2018: Consumer demand seen driving new petrochemical technology, feedstocks

Platts.com, 28th Mar 2018

Growing global demand for plastics combined with a greater emphasis on sustainability will fundamentally change the petrochemical industry, driving the need for new infrastructure and innovation, a research analyst said.

Roughly 275 million mt of plastics are recycled annually, "and those numbers remain set to increase as demand continues to rise globally," said Paul Bjacek, research lead for Accenture Chemicals and Natural Resources. He made the comments during the American Fuel and Petrochemical Manufacturers' International Petrochemical Conference, which concluded Tuesday in San Antonio.

New technologies will create opportunities -- and present new challenges -- for the petrochemical industry as it strives to meet changing consumer demand, Bjacek said, while pointing to rising demand for durable plastics.

The increasing desire for those plastics to be stronger and more eco-friendly as part of growing "sharing economy" creates additional complications, he said.

These needs are incentivizing producers to invest in new machinery and explore the use of alternative feedstocks in production.

"How can companies lead in the new? Innovate, control the molecule, and harmonize digital strategy," he said.

Bjacek also said adapting to new technologies and overcoming infrastructure challenges were essential to increasing efficiency.

Aging plants in the US and Europe have significantly added to maintenance costs, which reduces overall efficiency, as would a failure to stay on top of other infrastructure needs.