

Carbon Black Market Report

(Overview)

Fall 2016



1. Carbon Black Market Overview

Since 2007, carbon black's consumption, production and production capacity has been increasing. Carbon black's actual production to world's production capacity ratio is 0.74 and 97 percent of produced carbon black was consumed that year. In 2011, these ratios are 0.75 and 95 percent respectively. Carbon black production in Middle East and North Africa was 391 thousand tons in 2015. Egypt, Iran and Turkey are countries in the region which produce carbon black, remained countries of Middle East supply their markets through importation. Middle East and Africa's Carbon black consumption was about 453 thousand tons in 2015 which exceeds 391 thousand tons production of the region. In addition, a portion of Iran, Turkey and Egypt's carbon black production is being exported to markets outside regions such as Mideast and Europe which intensifies the need for a carbon black production plant in Mideast. China is known as the largest carbon black manufacturer of the world with 84 carbon black producing plants. Cabot Company's production plant in China is the world's largest manufacturer of carbon black with production capacity of 585 thousand tons in 2015. In general, the company's factories around the world holds 15% of world total production with a capacity of 2,350 thousand tons of carbon black.

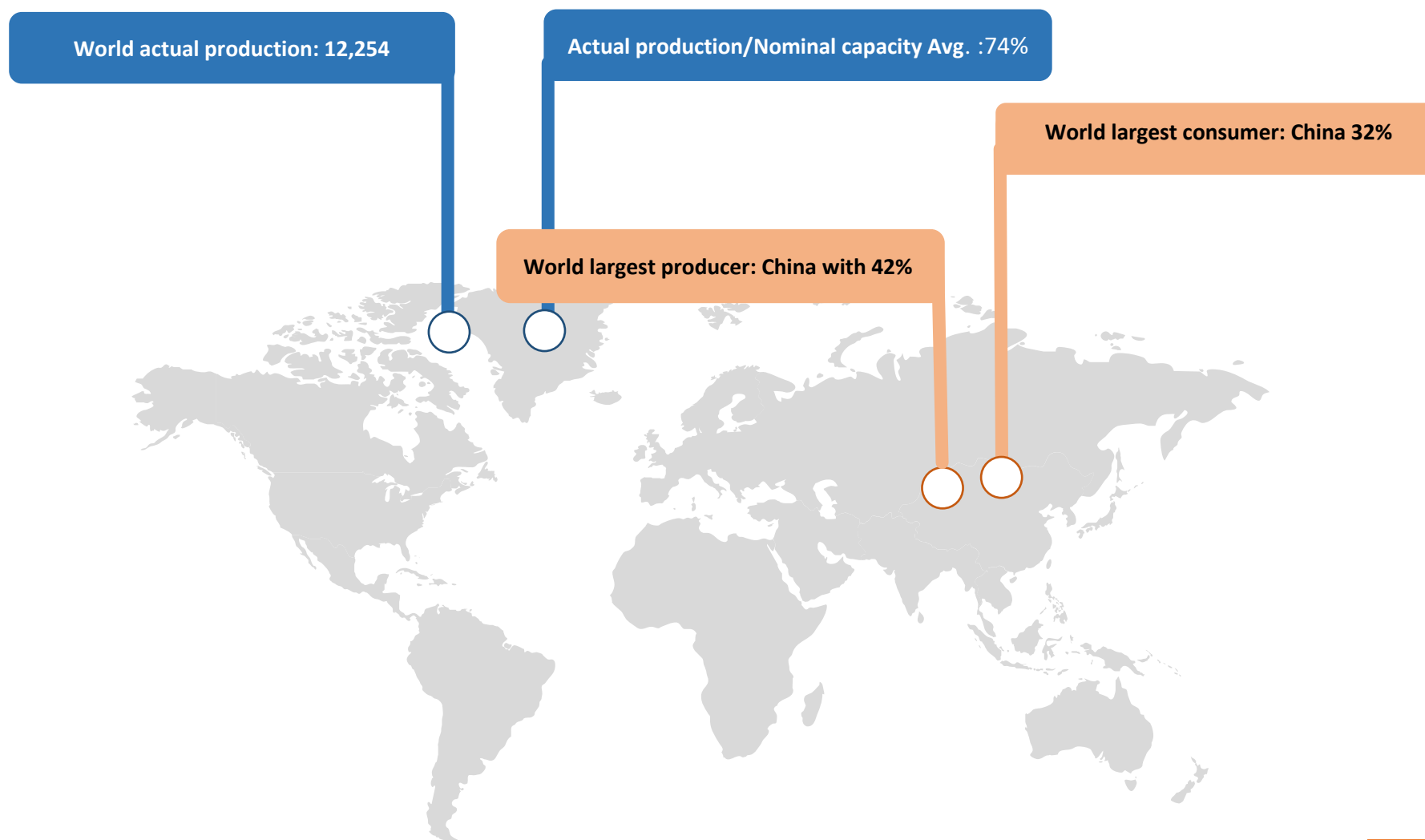


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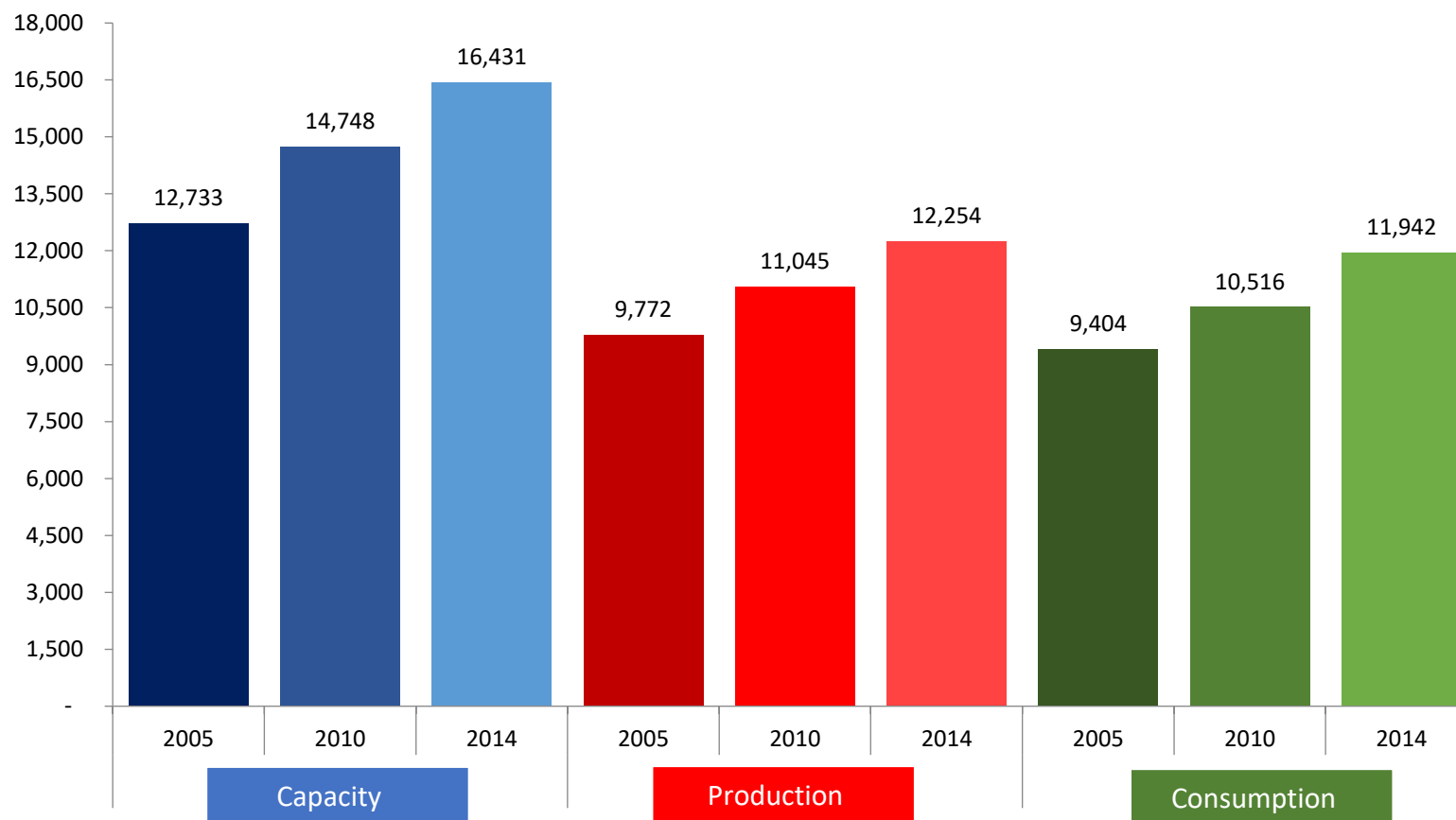
1: World largest carbon producers logo Figure



The following chart and table present world supply and demand.

1: Regional carbon black supply and demand Table

Region	2007			2011			2015		
	Capacity	production	consumption	Capacity	production	consumption	Capacity	production	Consumption
North America	2,511	1,953	1,617	2,258	1,789	1,570	2,021	1,607	1,520
Central and South America	645	452	418	711	541	489	798	614	603
Western Europe	1,524	1,212	1,257	1,064	890	1,080	914	810	1,031
Central and Eastern Europe	1,341	1,048	677	1,424	1,119	719	1,551	1,220	782
Middle East and Africa	628	427	362	621	423	410	564	391	408
Japan	755	835	849	740	651	721	702	589	681
China	3,220	2,300	2,035	5,452	3,840	3,095	6,891	4,890	3,902
South Korea	550	505	390	575	528	411	699	638	459
India	795	561	493	1,060	752	616	1,287	911	914
Other (Asia)	764	479	1,307	843	512	1,405	914	584	1,643
World	12,733	9,772	9,404	14,748	11,045	10,516	16,431	12,254	11,942



2: Carbon black world supply and demand balance (2015) – thousand tons Figure