

The first year  
5 NO|



# Iranian Methanol

- Beyond the Market
- Market Analysis
- Status of Methanol Producers

**Iran  
methanol  
Number 5  
October 2022**



## Beyond the Market 01

South America  
North America  
Central Asia  
Western Europe  
Middle East  
Africa

### Concessionaire:

Dr. Matin  
Didari

Seyed  
mohamadreza  
Mirmoradi

Ghasem Mir

Reza Moayedi

Liza Fakher

Mozhdeh Asadi

Adib Shahmoradi

Malihe Panahi

Shara Philsoph

Monireh Ameri

Hamidreza Hedayati



## Market Analysis 13

Indian market in October  
Chinese market in October



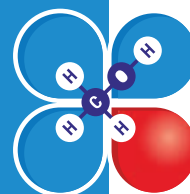
## Status of Methanol Producers 25

America  
Europe  
Africa and the Middle East  
Asia Pacific

E-mail:  
[Info@zpcir.com](mailto:Info@zpcir.com)  
website:  
[www.Zpcir.com](http://www.Zpcir.com)

Address:  
No.88, Khodami st, Vanak, Tehran, Iran

Postal code:  
19948355555



# the Market



# Beyond t

**D**uring the past couple of years, several new methanol units have been established given the prediction of the upward trend in methanol trade. Primarily, the present article aims at elaborating on the general status of the exporting and importing regions of the world. After that, the trade flow among the regions during the past year will be reviewed and for each region, the changes that have occurred and are occurring in imports and exports will be depicted in a graph. Obviously, considering the nature of a brief overview and other limitations, the review of regions will be undertaken within this section, and the analysis of the countries under each region will be adjourned until the publication of the next issues.

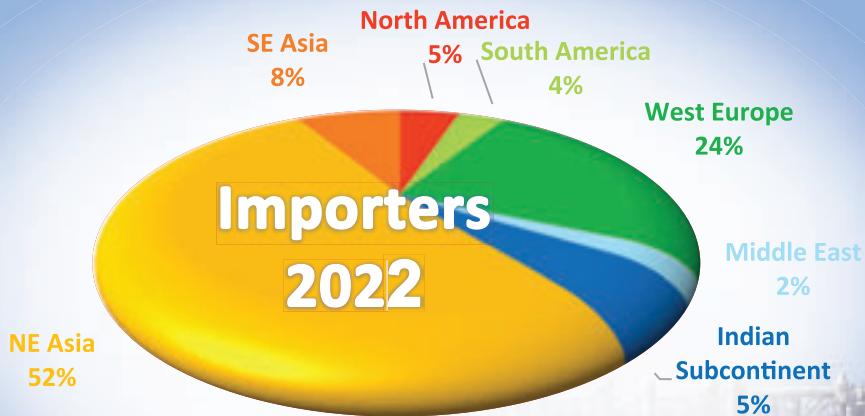




# IMPORTERS

# EXPORTERS

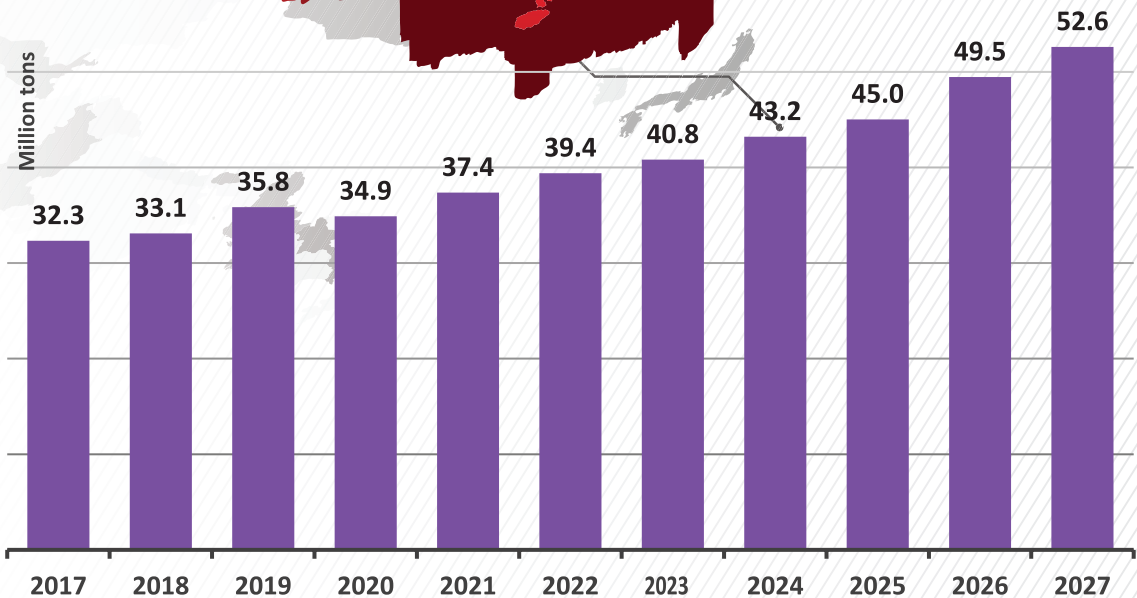
Iran  
Methanol



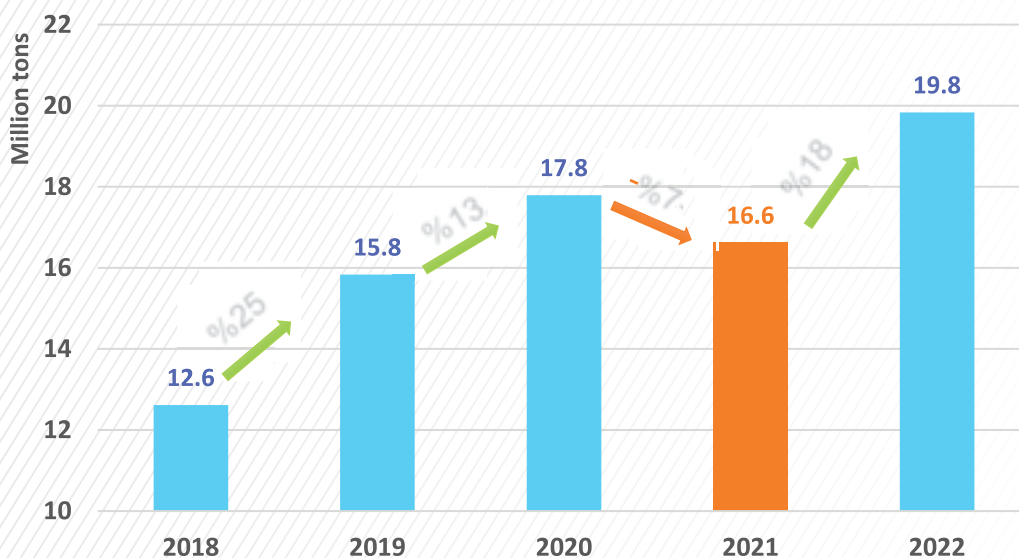
**D**Graphs 2.1 and 2.2 demonstrate the share of regional exporters and importers of the global methanol trade. As illustrated, more than half of the world's total methanol trade in 2022 was sent to Northeast Asia, and more than 40% of the traded methanol was from the Middle East origin. For a better review of Northeast Asia, graph 3 shows the trend of imports to this region over the last few years. In 2022, the amount of methanol being traded to Northeast Asia has declined evidently.



**G**raph 1 illustrates the total and annual amount of methanol trade globally. The growing trend of methanol trade globally shown in this graph is heavily affected by the market of China. Last year, about 37 million tons of methanol were traded while the global methanol trade this year is expected to be about 39 million tons. As predicted, the global methanol trade will reach about 52 million tons per annum in 2027.



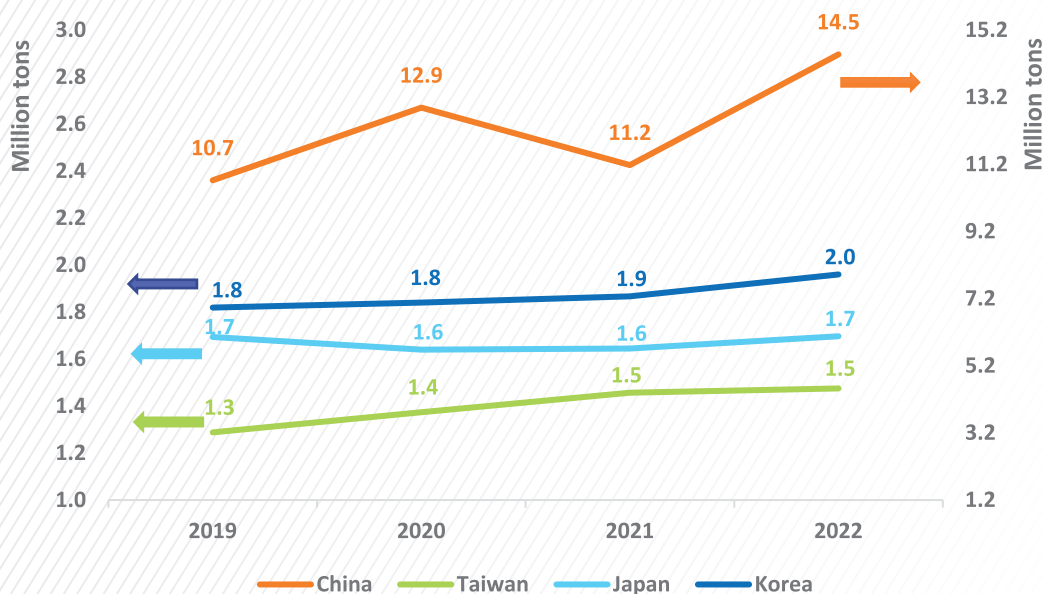
Graph 1- Annual methanol trade volume - past and prediction



Graph 3- The amount of methanol import to Northeast Asia



To explore the roots of this issue, refer to graph 4, which depicts the amount of imports of each country in this region. Considering the meaningful difference between China's imports and those of the other countries, China's imports - in red - are measured with the right vertical axis, and other countries are measured with the left vertical axis.

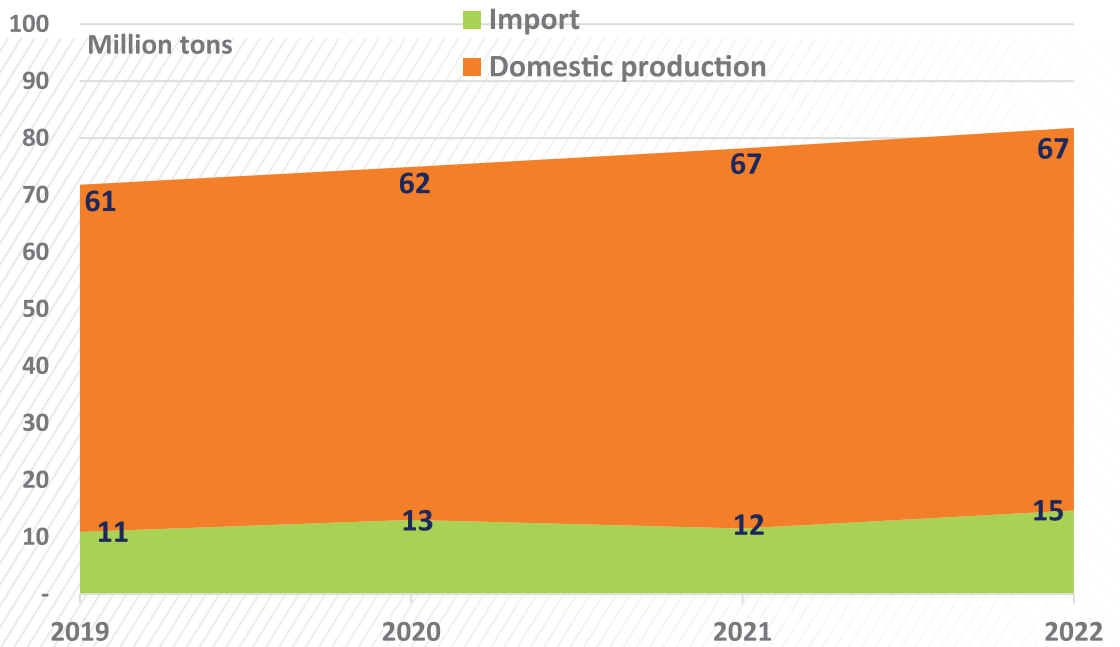


Graph 4- The amount of imports of the Northeast Asia region by country

It can be seen in 2021, the amount of imports from Taiwan and Korea soared. Japan remained steady from 2020 so far and China experienced a decline in 2021. Therefore, the reason for the drop in the amount of imports in this region compared to 2020 is entirely because of China.







Graph 2- China's methanol supply sources



Graph 5 demonstrates China's situation in recent years. In 2021, China's domestic consumption reached 79 million tons, 85% of which was provided by domestic production, while back in 2020, 83% of domestic consumption was provided this way. In 2022, the share of China's domestic production in supplying domestic consumption declined again and reached about 71%. The difference among these percentages may seem insignificant, however even a one-percent change in China's 82 million-ton market would be approximately 8 million tons, which might be huge within the scales of other markets.







The upper vector in figure 1 shows the exporters to the North American market. In this vector, the business that took place among countries of this region can also be seen. In 2021, the exporters beyond the region to this market were South America, Africa, Central Asia, Europe, and the Middle East, and South America accounted for a large share of the import market with about 78%. The vector at the bottom indicates exports from North America.

When it comes to this market, the main target markets in 2021 are Europe, Southeast Asia, Northeast Asia, North America, Indian subcontinent, and South America.

Graph 6 determines the changes in the amount of imports and exports in this region. As can be seen, America would take on a far more prominent role as an exporter than its role as an importer from the current year.

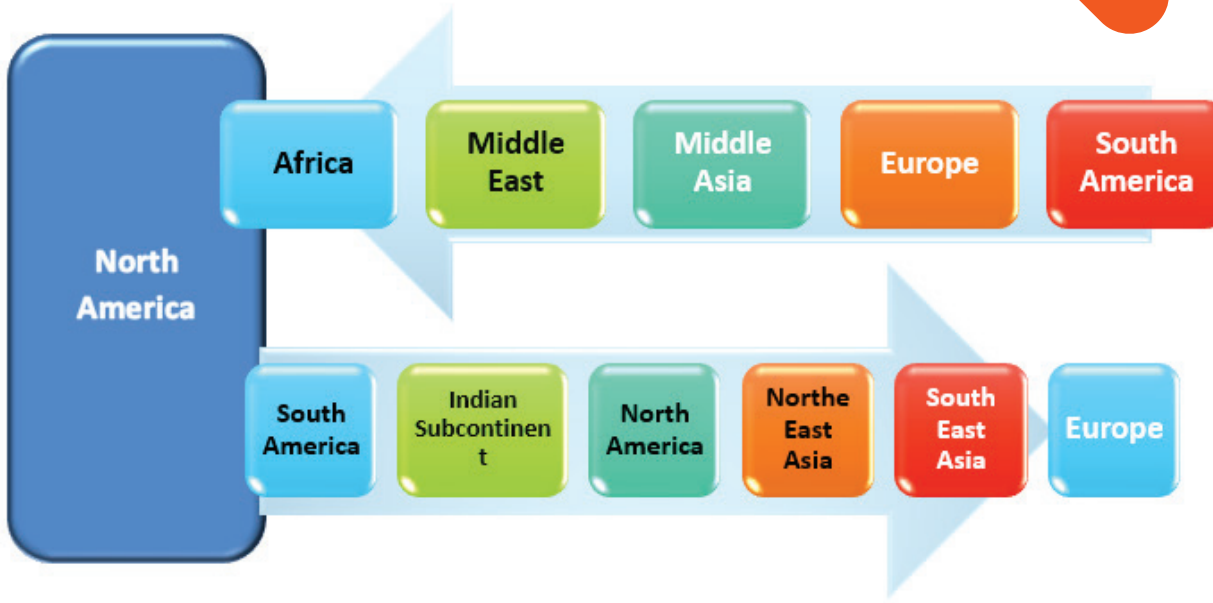
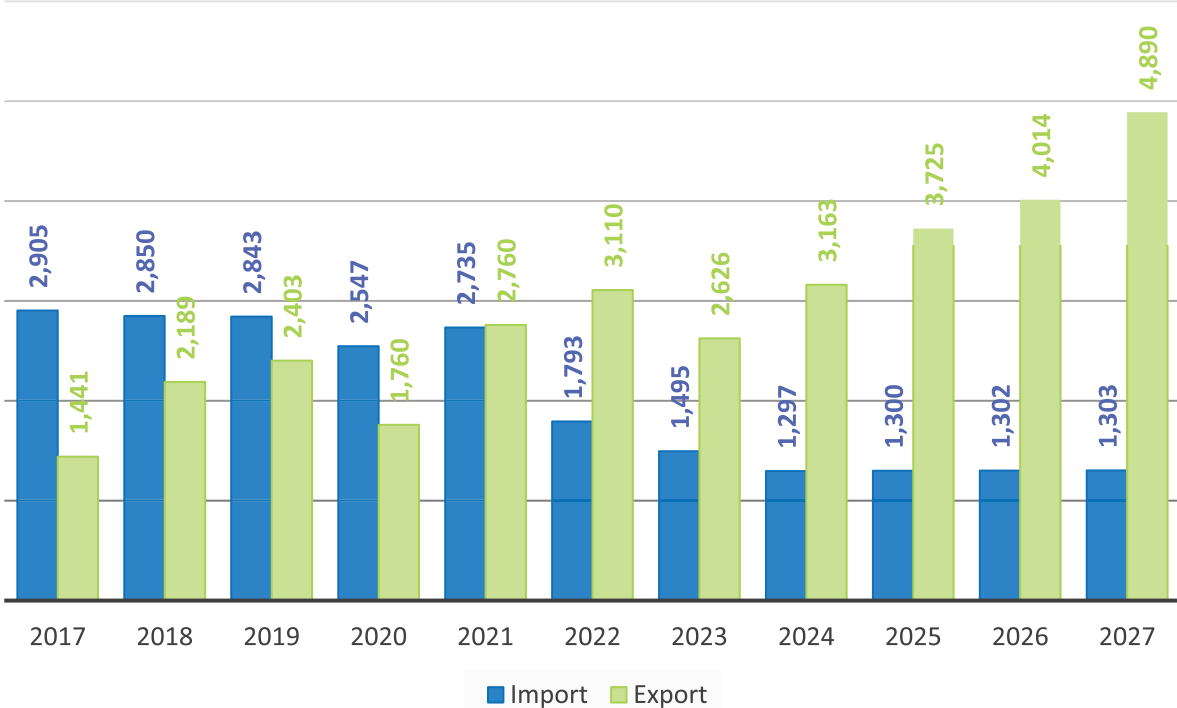


Figure 2- Import and export of North America from/to different regions in 2021



Graph 6- Import and export of North America in the coming years





In figure 2, the upper vector of the illustration shows the importers from the South American market. The major market of this region is, indeed, North America, and in this article, it was mentioned that the imports of this market has maintained a downward trajectory. Until a couple of years ago, the irreplaceable target market of this region after North America was Western Europe but with the surge in the amount of stray exports from this region that have destinations other than North America, this region has also started its serious activity in the markets of China and Southeast Asia. Meanwhile, India has also received shipments from this region. Graph 7 depicts that this region will maintain its role as a prominent exporter in the years to come

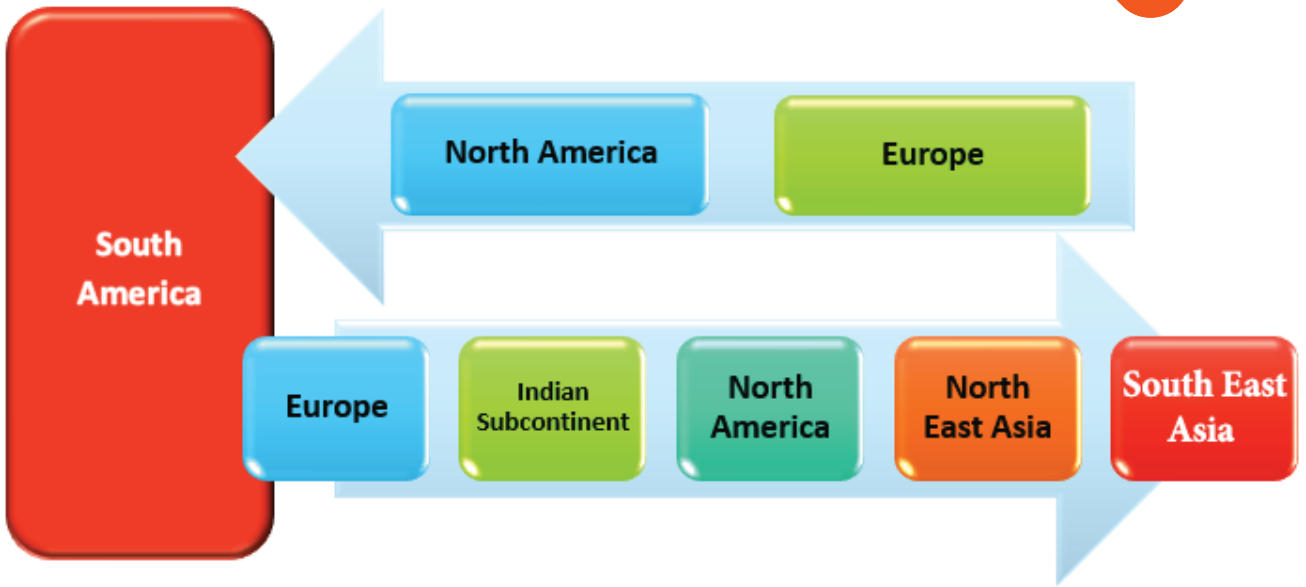
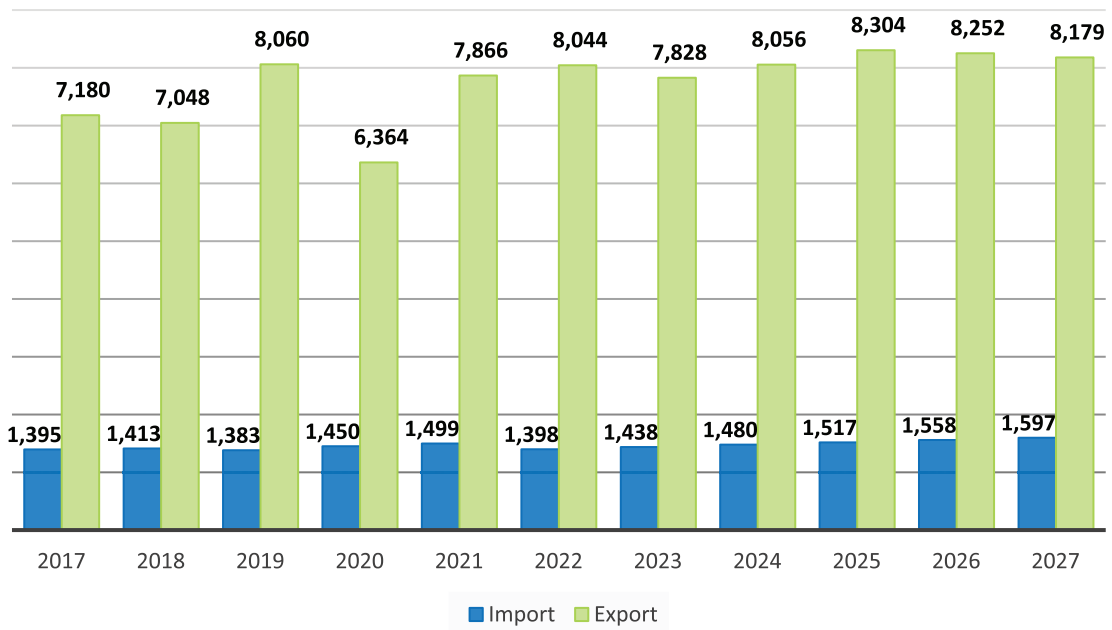


Figure 1- Import and export of South America from/to regions in 2021



Graph 5- Import and export of South America in the coming years



This region is considered one of the importing regions of methanol, which has always been the focus of producers and exporters. In Figure 3, the lower vector depicts the amount of exports of this region and its target markets, whose numbers, in fact, are negligible.

In the above vector, the suppliers of the Western Europe import market in 2021 are demonstrated. With the increasing activity of South American producers in the Chinese market, there have been changes in the pattern of suppliers: South America is no longer the largest supplier of this market and is second to Africa currently, although it still plays a critical role in this market.

Graph 10 demonstrates the amount of methanol trade in the future of the European market. This region will remain a crucial importer in the future, despite remaining stagnant with no considerable growth and changes.

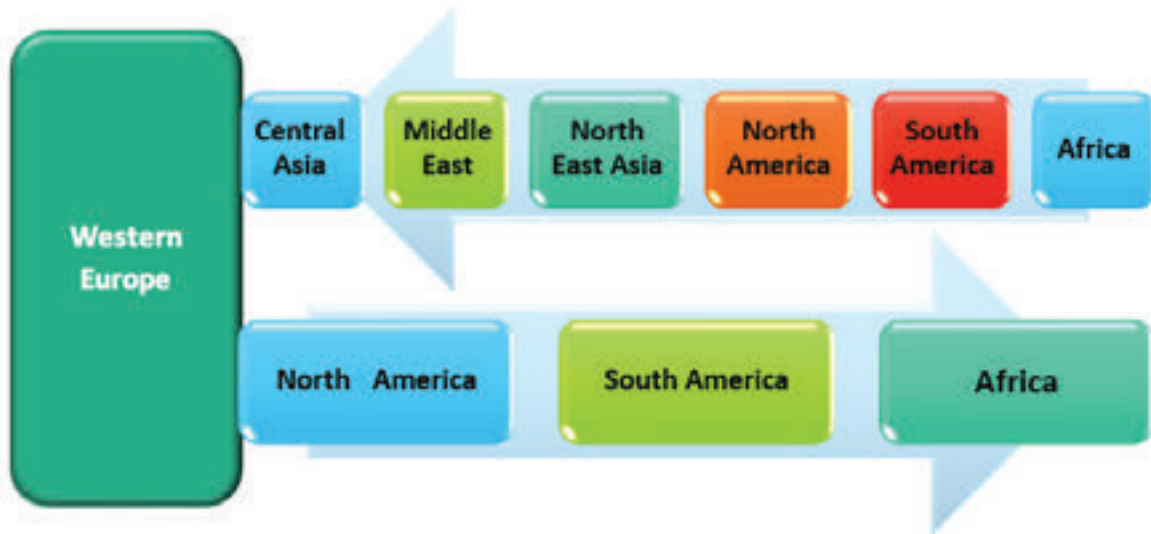
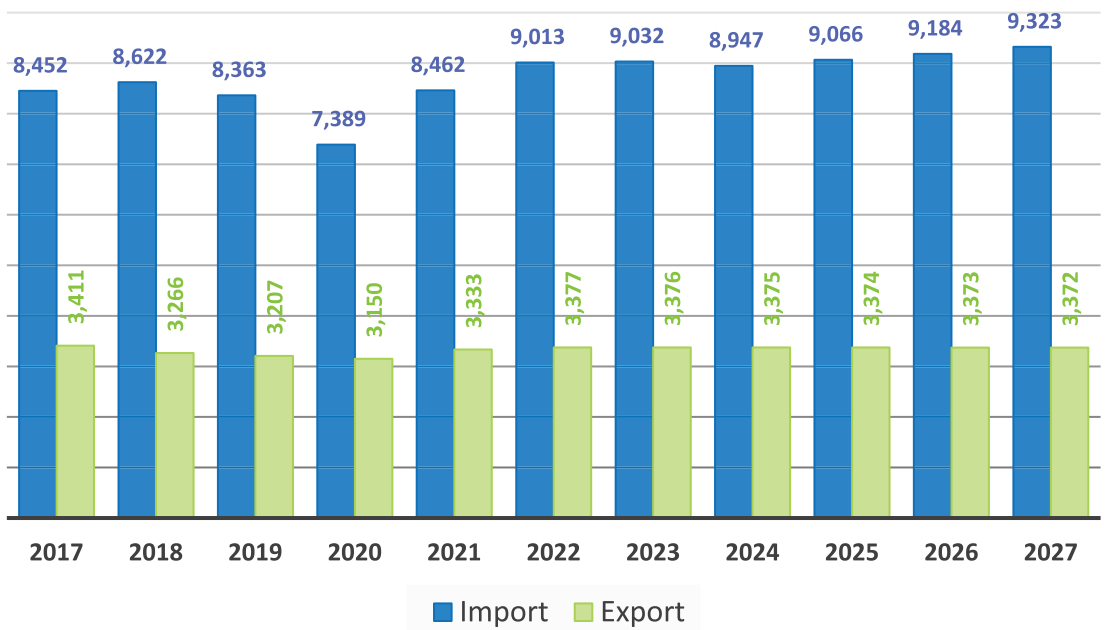


Figure4- Imports and exports of Western Europe from/to regions in 2021



Graph 8- Import and export of Western Europe in the coming years

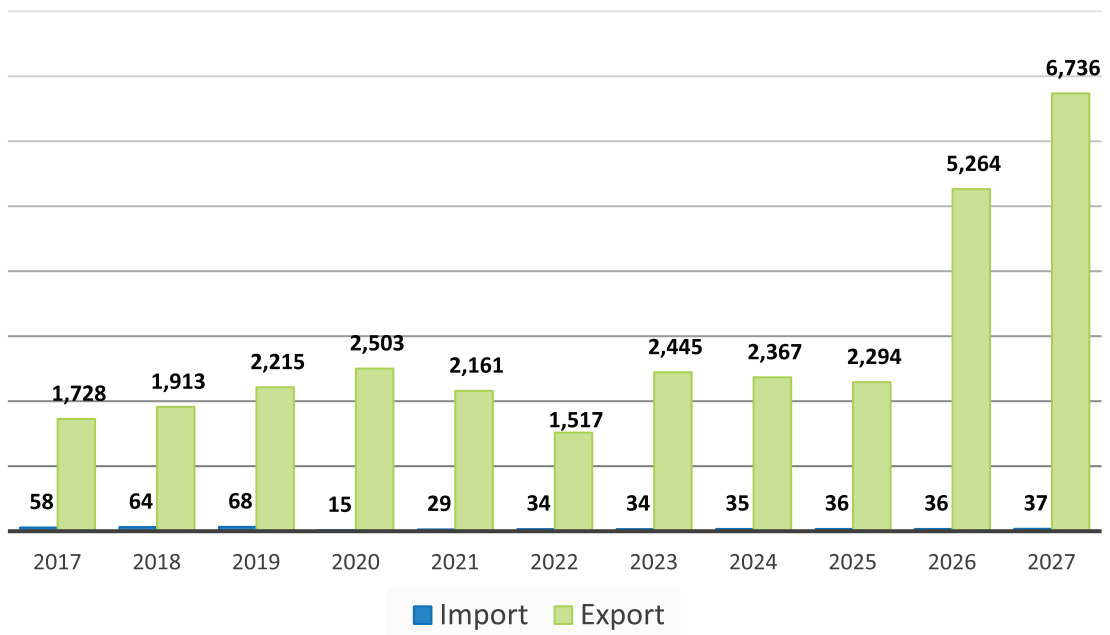




This region has mainly served as an exporter throughout the years. Last year, the largest target market of this region was the entire continent of Europe (consisting of Western and Central Europe). As a result of projects that will have a total nominal capacity of 2.6 million tons and will be undertaken in Russia, Uzbekistan, and Kazakhstan, in 2026, the export amount of this region would have a relative growth. The amount of import and export of this region in the future is predicted in chart graph 9.



Figure 3- Import and export of Central Asia from/to regions in 2021



Graph 7- Import and export of Western Europe in the coming years



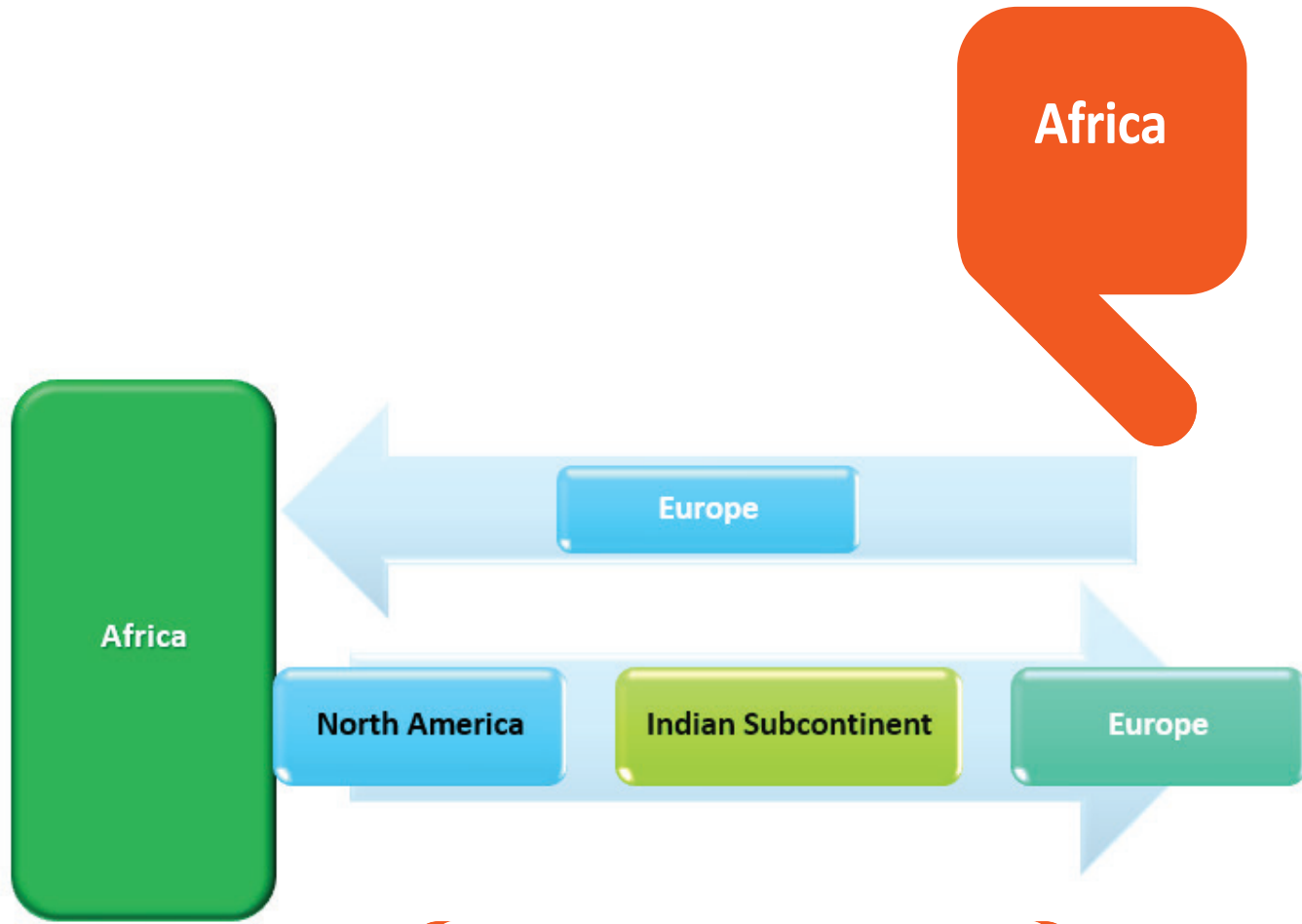


Figure 6- Import and export of Africa from/to regions in 2021



Graph 10- Import and export of Africa in the coming years



Taking a glance at figure 6 and graph 11 brings to light that the Middle East has played a vital and critical role in the methanol trade during recent years. In 2021, this region has exported to almost all important regions that were a destination for imported methanol shipments. The amount of exports of this region in the coming years, with the aid of the new projects that have been fulfilled or are being implemented in Iran, would play a chief role in the global trade of methanol.

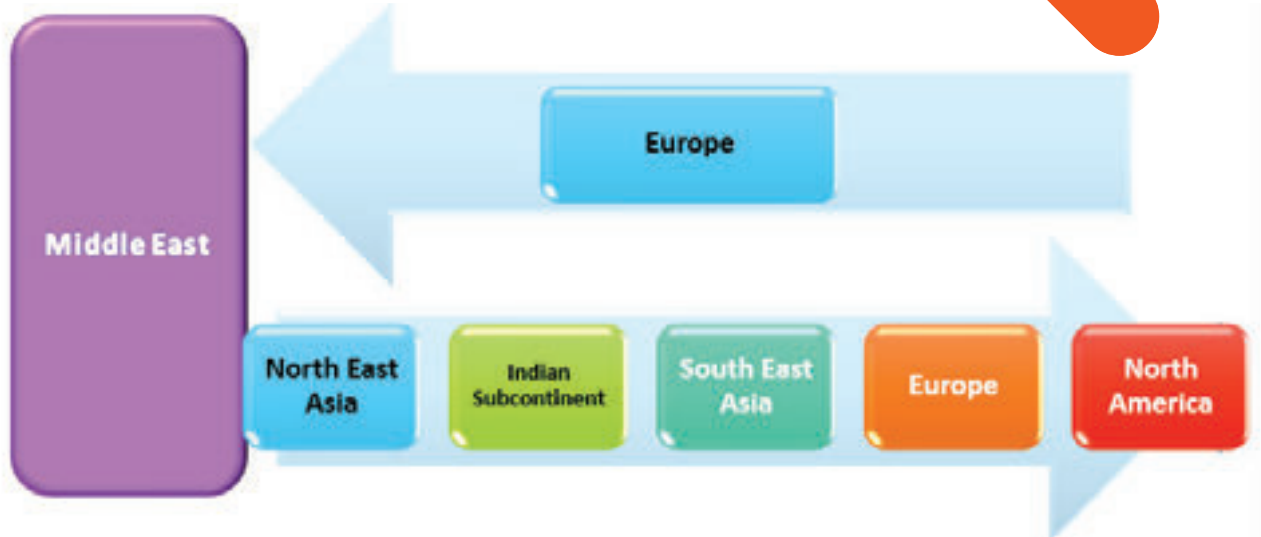
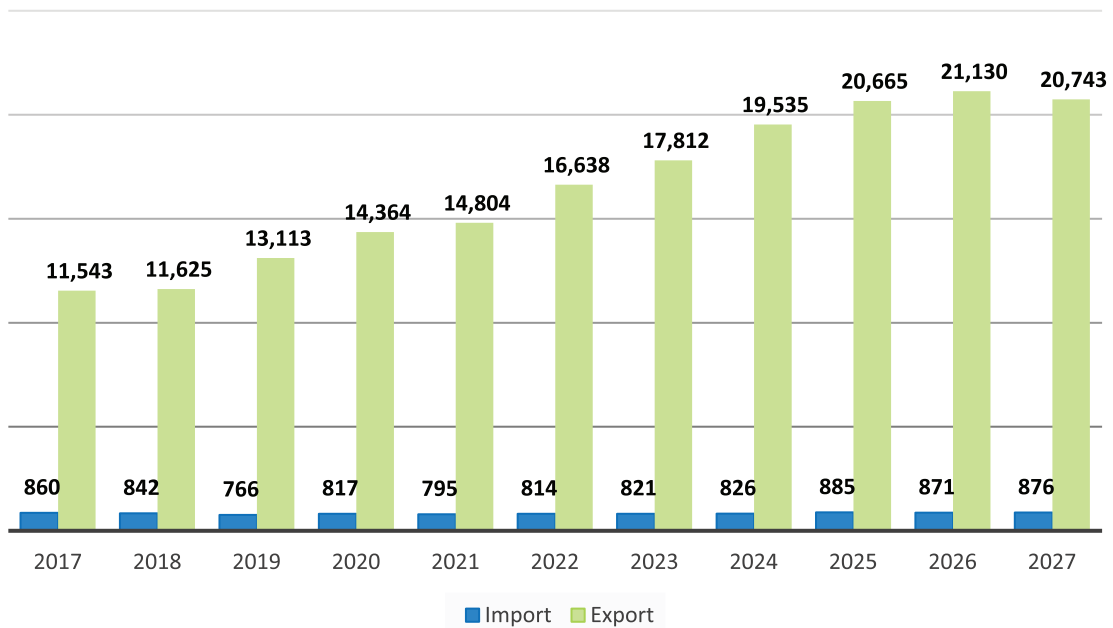


Figure 5- Import and export of Middle East from/to regions in 2021



Graph 9- Import and export of Middle East in the coming years

# t Analysis





# Market

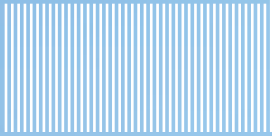
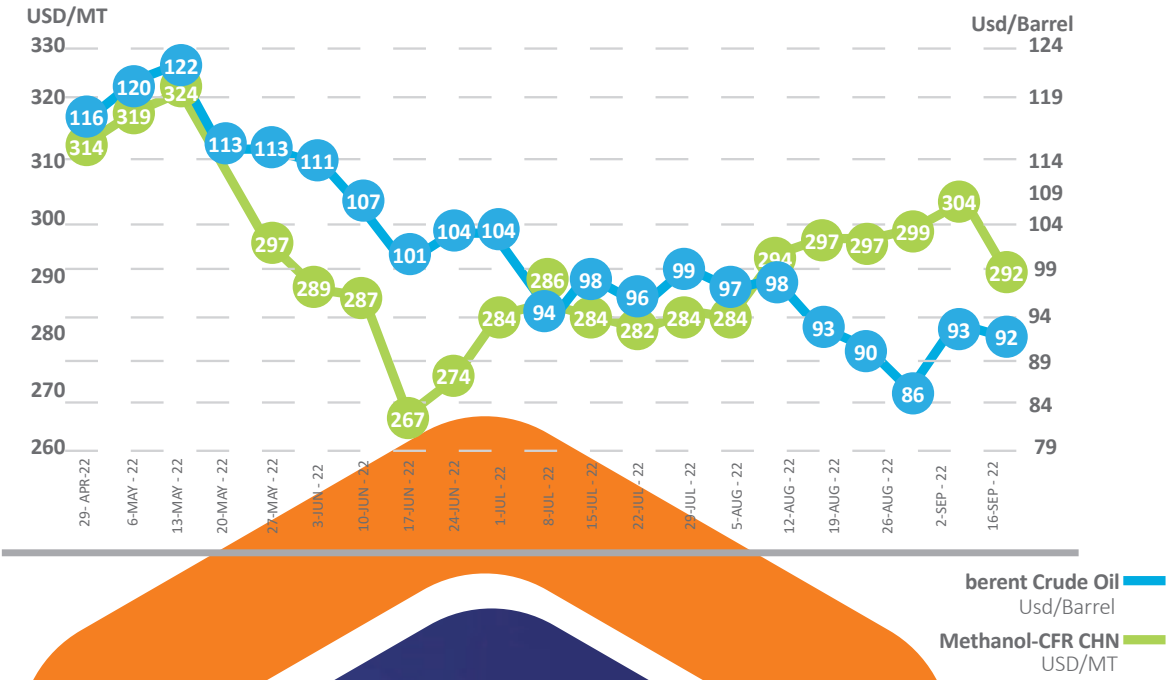




Figure 3 - Seasonal comparison of methanol and crude oil price changes



Iran  
Methanol



	Average price of publications	ZPC	Marjan	Bushehr
CFR CHN (USD/MT)	297.5	308	314.5	Not a sold tonnage, due to technical issues

Average prices in October 1401





# Indian market in september

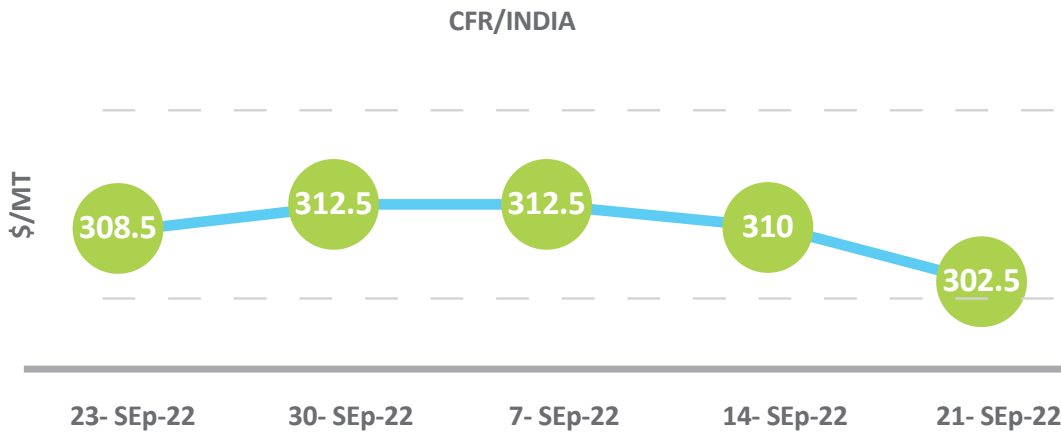


Diagram 2- India price changes in september

## 23 / SEP



With the Diwali holiday approaching in late October, some downstream industries have increased their demand for methanol. This is considered one of the factors for the continued soar in prices in the week ending September 23rd. Furthermore, the plummet in Iran’s methanol exports to India has also left its mark on the drop in supply, lack of cargo in coastal storage tanks, and consequently, the decrease in prices.

Indeed, the economic situation of India was labeled uncertain in the closing days of September. One of the main factors causing uncertainty is the wild fluctuations in the exchange rate of the rupee against the USD. As XE.com reported, on September 24, each US dollar was exchanged at a rate of 39.81 rupees. The downward trend of the rupee value against the USD is one of the indicators worrying the Indian economists, which can eventually affect the methanol supply and demand in this country. The figure below that is derived from XE.com, illustrates the ups and downs and changes in the rupee and the USD value over the past year. As it is readily comprehensible, the Indian rupee has lost one-tenth of its value in just one year, and this may exert profound inflationary effects on the country’s economy.

When it comes to derivatives, demand was reported to be low in the plywood - three-layered wooden board - and laminates, as well as formaldehyde sectors. However, due to the acceptable production in the MTBE sector, there was a considerable demand for methanol in this sector.

### USD to INR Chart

+ 1 USD = 81.2559 INR Sep 24, 2022, 07:53 UTC



Figure 7 - Fluctuations in the rupee value against the USD during the year ending September 2022 – XE.com





The methanol price surged during the last week of September in India's market, meanwhile, the pace of price growth slowed down compared to the previous weeks. According to experts, the methanol rising price in the past weeks along with the soaring in the rates of other energy carriers has caused many Indian purchasers to take a more cautious approach towards increasing their purchases.

Moreover, demand in some downstream sectors was assessed to be lower compared to the time prior to the Monsoon storm. The formaldehyde sector, for instance, was expecting a boom in the construction sector to increase production. Also, concerns regarding disruption of supply from countries such as Iran and Venezuela, and additionally the loss of rupee value against the USD and the resulting economic consequences, have caused purchasers to make decisions about entering into new spot trades more cautiously and conservatively.

However, the interesting fact in India's domestic market was the declining trend of prices despite the increase in the price of imported shipments. As experts explain, the opposite trend of price changes in the above two markets was due to the fact that the increase in the price of domestic shipments compared to imported ones is generally subjected to a delay. Since the Indian distributors were still supplying the shipments they had purchased in the past at lower prices, they decided not to increase the prices of these shipments due to the economic conditions in India.

Iran  
Methanol

17

Oct  
2022



07 / OCT



Respecting the Indian market, the trades plummeted noticeably during the first week of October, and consequently, the prices did not undergo major changes compared to the previous week. Experts hold that one of the causes for the trades to decrease in number was that Indian buyers were willing to call their new purchases off until the end of the Chinese holiday and avoid the risk of increasing their inventory under these circumstances.

Given China's impact on the entire Asian markets, monitoring the price changes in this market is of significant importance for methanol buyers and suppliers in India.

Methanol cargos of Iran origin that are to be shipped in October were offered with a 1% premium of the formulated price, however, the majority of buyers were hesitant to conclude deals with Iranian parties since they were concerned about the US more strict sanctions on trades of petrochemicals with Iran.

When it comes to derivatives, the demand for methanol in the formaldehyde and solvents sectors slowed down reportedly. Considering the fact that the production of the two is directly dependent on the amount of construction, the sluggish construction sector would cause a decline in the production of formaldehyde and solvents.

Nevertheless, India's total methanol import this year has drastically increased in comparison with 2021, and in the eight months ending in August - except for March - the monthly methanol import in 2022 has been higher than the previous year. Moreover, the cumulative import of methanol in the first eight months of 2022 was approximately 1.8 million tons, which marks an increase of 4 million tons compared to 1.4 million tons in 2021, i.e. almost 30 percent. Meanwhile, the surge in imports from Iran and the supplement of Russian cargo to this market have played a significant role in the growth of methanol imports in India.

Inventory of storage tanks at Indian ports was described as balanced in the week ending October 7th. Therefore, prices in the domestic market did not encounter much fluctuation. At the beginning of this week, methanol was traded at the rate of 27.5 Rupees per kg, but as the weekend approached, the price dropped to 27 Rupees per kg. On the other side, the continued depreciation of the Rupee against the USD made Indian distributors more inclined toward price soaring in the domestic market. Indeed, in this situation, the increase in prices was not welcomed by the buyers.

14 / OCT

Nevertheless, some of the market participants stayed positive about the improvement of the demand in the methanol downstream sectors. These market participants hold that methanol demand will go up in the fourth quarter of the current year since methanol buyers in downstream industries would be concerned about the increase in the price of energy, especially methanol, at that point in time and they would prefer to maximize the inventory of their storage tanks even in November.

Furthermore, logistical problems caused for Russia following the sanctions may disrupt the methanol export process from this country to India in the weeks to come. In the last couple of months, the export of methanol from Russia to India had expanded enormously. However, in case there would be a disruption in the delivery of these shipments at the end of this year, the supply of methanol to India and accordingly its price may fluctuate.

Above that, the United States Department of the Treasury decided to include an Indian petrochemical company in the sanctions list, which aroused much controversy in India's market. In its statement, the US Department of the Treasury stated that: "Tibalaji Petrochemical Company has purchased millions of dollars' worth of Triliance-brokered petrochemical products, including methanol and base oil, for onward shipment to China." This statement also includes that: "The assets of these sanctioned companies in the United States will be frozen, and those who deal with Iranian cargos will also be subjected to "executive measures".

The US alleged that the Indian company worked with sanctioned entities such as Triliance, an oil and petrochemical broker firm, and also Iran Chemical Industries Investment Company (ICIIC) and Middle East Kimiaye Pars Co., for oil cargos that were "ultimately shipped to India". In case the US imposes heavier pressure on Indian oil and petrochemical companies to terminate cooperation with Iranian counterparts, Iran's methanol supply to this country might be disrupted. For the time being, Iran is the largest exporter of methanol to India, and any probable disruption in exports from Iran to this destination may cause the methanol market of this country to fluctuate



## 21 / OCT



The price downward trajectory in India's market, which had started already at the end of the second week of October, continued at an even more pace during the week of October 15-21. Market activists are of the belief that the rise in the production of Iran - which is considered the leading supplier of methanol to India - was the main reason for the prices to plummet in India during the last week. Even the low inventory level of China's storage tanks and the direct effect of that market on India could not cause the prices to grow. Moreover, low demand for methanol from MTO producers in China, concerns about the economic depression in India, and also the depreciation of the Rupee against the US dollar were other causes for the methanol price to drop this week.

In the wake of this, the International Monetary Fund has expressed concern regarding the economic growth trend in India. According to Bloomberg, IMF has revisited its previous prediction and announced that India's economic growth would be around 6.8 percent for the year ending March 2023. Previously, the anticipated economic growth for India by IMF was 0.6 percent higher. Besides, India has experienced a 6.9% inflation and the surge in food costs is also one of the main concerns that has kept the consumers and the country's economic and political officials engaged.

Furthermore, the drop in demand in some downstream sectors also caused the prices to be on a downtrend. For instance, the demand for methanol in the pharmaceutical industry, which relies heavily on imports from China for the supply of raw materials, decreased dramatically. Moreover, the demand for methanol in the formaldehyde sector, especially in the northern regions of India, plummeted.

19

Oct  
2022

Methanol demand surged significantly at the beginning of the week of October 8-14 in the wake of China's bullish market, but moving toward the end of the week, the demand plummeted and the price of imported methanol turned down slightly in this market. Moreover, the inventory of Indian storage tanks was estimated to be at an average level during this week.

Balanced was how experts described the supply and demand status of India's market. On the one hand, this market experienced a drop in the supply of methanol shipments - especially from the Middle East - that were due to be delivered in November, and on the other hand, it faced a relative drop in demand. Even the arrival of the Diwali holiday - which usually coincides with an increase in demand for downstream products and an indirect growth in methanol demand - could not bring about a noticeable increase in demand in the second week of October. Therefore, the supply and demand status was stable and balanced.







# Chinese market in september

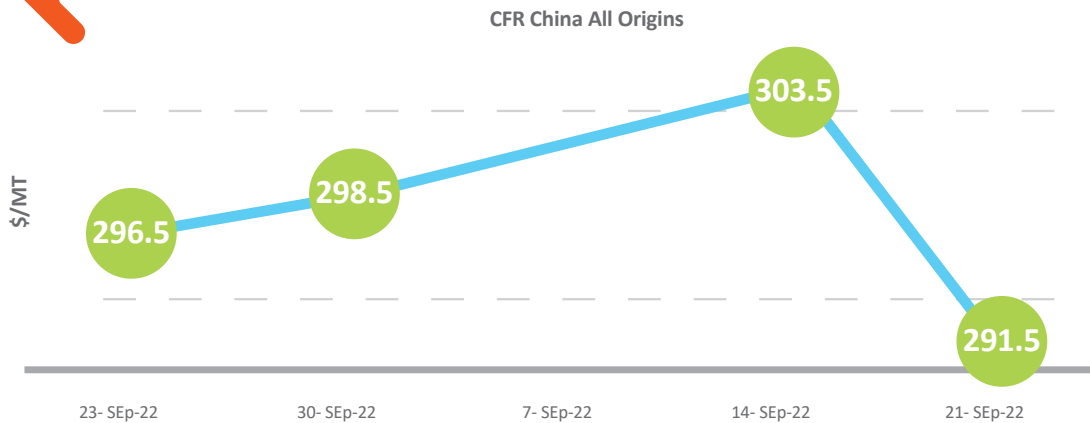


Diagram 1- CFR China Price changes in september

## 23 / SEP

Domestic and imported methanol prices were rising due to the soar in the value of the methanol index in the Futures market in the early days of the week ending September 23rd. Meanwhile from the middle of the week, the market underwent an unexpected production stoppage of one of the MTO units, namely Jiangsu Sailboat, and the prices started to go down. The one-week holiday at the beginning of October has caused market participants and end consumers to be more active in terms of buying new shipments and filling their product storage tanks before the holiday begins. However, this has not positively impacted the prices in the week ending September 23rd. When it comes to spot trades, two methanol cargoes were traded with the origin of Saudi Arabia, one of which is a 10,000 ton cargo that is supposed to be loaded to China by the end of September, and was bought by a Chinese customer at a unit price of \$320 per ton. The other cargo, which is 5 thousand tons and its shipping date is set for the end of September, was traded with a premium of 1.5 percent while its pricing basis remains unclear.

As the prices publicized by the publications suggest, on September 27, the price of domestic cargos related to eastern China and also the specific origin (SO) ones had an upward trend compared to those of September 26, whereas the price of all origin (AO) shipments experienced a steady process. The value of the methanol index also built up by 4% on September 27, compared to the previous day.

The published data portend a plummet in inventory in all regions of China. Meanwhile, the weather conditions started to improve after the storm that happened in the week ending September 16th causing disruption in the product's loading and unloading process. In the week ending September 23rd, loading operations returned to the normal status and the off-take from China's coastal ports increased, which caused a drop in inventory.

On Friday, September 23, the Jiangsu Sailboat production was brought to a halt following a technical issue, and the company's executives announced that it is most likely that the existing issue in the unit will be resolved by October 7 and it will return to service then. Similar to Yangmei Hengtong, another unit also decreased its production rate due to technical failure. Thus, the average production rate of MTO went down by 13% compared to the week ending September 16th and reached 68%. There were speculations in the market regarding Ningbo Fund Company being in dire financial straits since the production recession of some products such as ethylene glycol and polypropylene drastically reduced the profit margin of this MTO unit. Based on the evaluation of international publications, the average production rate of the mentioned unit in the week ending September 23rd was approximately 80%. When it comes to the profit margin of the main olefin producers from methanol, it must be noted that according to the reports in hand, most MTO units have faced a decrease in their profit margin with the surge in the price of methanol and the stagnation of downstream derivatives.

As per the situation of the CTO sector, this is noteworthy that the record for the highest coal price was broken in the last six months and the price of FOB Qinhuangdao is said to reach 217 dollars per ton, which has grown about 9% compared to the last two weeks. Various sources reported a dramatic decline in the profit margin of most coal-fed methanol units, and it is expected that domestic methanol producers would be forced to reduce or stop production as the price of coal continues to rise.





In the last week of September 2022, the imported methanol prices were shooting up, and domestic shipments were also traded at a relatively higher price in comparison with the week ending September 23rd. The dramatic decline in the inventory of methanol storage tanks in all main regions of China, especially in the eastern parts, as well as the soar in the price of coal, were among the most paramount parameters affecting the growth of methanol prices in the week ending September 30th.

At the beginning of that week, domestic shipments had a lower price compared to the previous two weeks following the drop in the methanol index value in the Futures market, however, from the middle of this week, the domestic market dynamics changed and the prices started to grow. The spot market also did not undergo a steady trend during the week ending September 30th, and from the middle of the week, there was reportedly price growth mainly due to the approach of the one-week Golden Week holiday and also the decrease in inventory at the end consumers' storage tanks.

As noted again by international publications last week, the constant decline in the value of the Yuan against the USD is still recognized as a stumbling block for the methanol market activists. The Chinese authorities and officials have done their utmost to promote economic growth and strengthen the value of the Yuan, and hence, financial institutions were ordered to prepare the required grounds for selling their dollar assets while saving the Yuan.

In all main ports, the inventory of storage tanks plummeted by about 120,000 tons and reached a total of 732,000 tons. Several sources claimed the amount of inventory as the lowest since the beginning of 2022. The data mentioned in international publications suggested that the plummet in the inventory of the Jiangsu region was more severe than in other regions. Bearing in mind the approach of holiday in the first week of October, the amount of off-take has surged significantly, and in a port like Taicang, even up to 5,000 tons were off-taken per day. Under normal circumstances, the maximum loading and off-taking amounts were about 4,200 tons per day in the mentioned port. The analysis demonstrated that the production rate in the MTO sector has downturned as the 600,000 ton Tianjin Bohai unit was out of service since September 27th due to a technical failure. This company was supposed to call its production to a halt for about three weeks for resolving the issue. The average profit margin of MTO producers was declining despite the 2% increase in the price of olefin and its derivatives in comparison with the week ending September 23rd.



# 07 / OCT



The one-week holiday on the occasion of China's National Day from October 1st to 7th and the consequent inactivity of market participants business-wise have caused the methanol sector and downstream industries to be sluggish in the first week of October. Additionally, demand in the aforementioned sectors was minimized, and no report was published regarding the conclusion of a deal during the week of October 1-7.

Based on predictions made by the publications, prices could be on an uptrend, especially in the methanol sector after the end of the holidays, which was due to the possibility of a surge in the crude oil value. Many sources stated that the recent OPEC+ agreement to slash oil output will undoubtedly have a positive effect on the price of this raw material. According to the agreement concluded by the OPEC+ oil-producing countries, from November of this year to December of 2023, the production will be cut by 2 million barrels per day. This is going to be the most severe drop in production since the outbreak of Coronavirus so far.

From October 3 to 7, the daily prices for all origins (AO), specific origins (SO), and Eastern China cargos were not published considering the holidays. Although after the end of the holidays and the reopening of the market, i.e. October 10th, the prices were upward as predicted, on the 11th of October, following the fall in the value of methanol, prices maintained a downward trajectory reportedly in the Futures market.

Regarding the inventory status of methanol storage tanks, there is no information available. However, during the week of September 23-30, the inventory dropped dramatically, which happened in the wake of the surge in off-take in the coastal ports.

As regards the status of downstream derivatives, this is to say that based on the analysis carried out by the Zagros Petrochemical Company's market research department, during the week of September 7-14, one of the MTO units returned to production and produced at a rate of approximately 75%. Besides, the market of units producing olefin from methanol was still sluggish. On the contrary, the formaldehyde market's outlook was positive because according to the latest report of international publications and data published by the China Association of Automobile Manufacturers (CAAM), the car-making sector grew by 26% in September this year compared to the same period last year.

# 14 / OCT

economy.

Among the methanol spot trades finalized during that week, a 10,000-ton shipment with a CFR shipping term and a unit price of \$330 USD/tonne was concluded, which is due to be loaded onward to China in November this year. In spot negotiations with formulated sales and ICIS SO price basis, the proposed premiums were around 2%. Some sources claimed that the contractual negotiation processes for 2023 shipments with Middle Eastern origin resumed, and apparently, some producers considered a premium of 3.5% in their negotiations so far.

The daily analysis of the prices in international publications revealed that on October 17, the domestic prices of Eastern China, all origins (AO), and specific origins (SO) spot cargoes were on a downtrend, but on October 18, only the domestic prices of Eastern China declined compared to the previous day.

As per the assessments made by some sources, during the week of October 8-14, the total inventory of methanol storage tanks in China's main ports reached its lowest level in the last four years, since August 2018 to be exact. The total inventory of the main regions reached a sum of about 637,000 tons, which means a drop of approximately 95,000 tons compared to the last week of September - meaning the week before the holiday.

This downturn in the inventory occurred for the fifth week in a row and it is said that the inventory was reduced by approximately 35% in comparison with the beginning of September this year. Several sources and market activists are of the belief that the inventory shortage will be compensated to a large extent once the imported shipments from Iran are delivered by the end of October. This upturn in Iran's methanol export is due to the improvement of the production situation.

When it comes to the downstream derivatives sector, given the return of the 600,000-ton Tianjin Bohai unit to production from October 14th, the average production rate in the MTO sector is going to soar during the week of October 15-21. The MTO producers are under mounting pressure taking into account the approximate 20% growth in the methanol value since the end of October this year and the increase of only 7% in the propylene price. The problem of producers' low profit margin in this sector remained strong and almost all the main olefin units had a profit margin breakdown during the week of October 8-14. Moreover, in the formaldehyde sector, the average monthly production rate moved up from 33% in August to 34% in September, but no considerable improvement took place in this product's market, which was mainly due to the steep recession in the construction and housing sector.

Also, in the acetic acid sector, the average production rate reached 60% which was the lowest production rate recorded in the last four months due to the unexpected production stoppage of the main unit in the region, i.e. Guangxi Huayi with an annual production capacity of 1.2 million tons. The value of this product increased about 8 times compared to the week before the holiday and was traded at an average price of 3,450 Yuan per ton in the market.

Regarding MTBE products, buyers and consumers were active in terms of doing business and it was said that, quite contrary to the week before the holiday when the purchase market was rather sluggish, during the week of October 8-14, market participants were doing their utmost to buy this product and fill their storage tanks. Additionally, there was no change in the price of this product and it was traded at the same value as it had been done before the holidays.





During the week of October 15-21, China's methanol market faced a downward trajectory in terms of prices, which was driven by several causes including the drop in crude oil prices. The outbreak of Covid and the surge in the number of infected patients have harmed the market of methanol downstream derivatives. Given the increase in positive cases of Corona in some regions of China, apart from the curfew and transportation limitations, the loading process - especially by road - and shipment of products were disrupted to some extent,

which consequently impacted the demand for methanol purchase from downstream industries negatively.

Besides, the production stoppage of the 690,000-ton Zhejiang Xingxing unit for an indefinite period starting from the end of the week of October 15-21, downturned the methanol consumption in the MTO sector. The analysis made by several publications indicated that the average production rate in this sector went down by 9-10% compared to the week ending October 17th. Taking the fall in the methanol price into account, the profit margin of most of the main olefin producers from methanol was on a downtrend.

One of the major turning points in the market during the last week was a methanol unit becoming operational in Inner Mongolia, which caught the attention of almost all publications. With a main feedstock of coal, the newly-built Jiutai Energy unit is located in Inner Mongolia and has the capacity to produce 2 million tons of methanol per annum. Seemingly, the average production rate of this unit was roughly 50-60% during that week. It is also said that this unit has also traded on-spec shipments during the week of October 15-21.

Given the addition of this unit to the list of China's methanol-producing units, as well as two other units that are scheduled to be put into operation and production by the end of this year, China's domestic supply will soar and its domestic market will be under pressure. The 500,000-ton Nangxia Kungpeng unit, with coal as its feedstock, will probably become operational by the end of October, and the 1.5-million-ton coal-to-methanol Nangxia Baofeng unit will become operational by the end of November this year.



At the beginning of the week of October 8-14 and after the end of the National Day of China holiday, the growth in the methanol index value in the Futures market brought about a rising trajectory for domestic and imported prices in this market. However, from the middle of the week, the dynamics changed to some extent and with a drop in the price of this product, buyers also became less active business-wise. The plummet in

the price of olefin, as the largest consuming sector of methanol in the region, was the chief reason for the market to be bearish since the middle of the week. Indeed, apart from the cases mentioned, the rise in the number of Corona-infected patients in some provinces of China caused restrictions to be imposed once again in these regions. Based on the news in hand, a lockdown was put into order in Shanghai, and also in Beijing, except for ground travel by train, some flights were also suspended until further notice.

The holidays and consequently the increase in domestic travel in China are the most influential factors in spreading Coronavirus and therefore the rise in the number of patients who tested positive. With regards to the negative consequences of Covid on China's market after extensive quarantines and strict lockdowns there, whose effects are still tangible in some production sectors, the re-imposition of restrictions in China, undoubtedly, would not only be a serious

China's economy but it would be a dire threat for the world

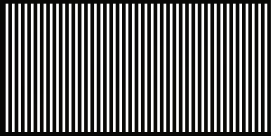


# Producers





# Status of Methanol



Country	Company	capacity (Thousand tons per year)	Occurrence
Venezuela	Total production	2,370	The average production rate in October 2022 is approximately 95%.
Chile	Methanex	840 880	The average production rate of the smaller unit of this complex in October 2022 is approximately 100%. Based on the reports in hand, the larger unit, which was taken out of service on April 29, is still in production halt.
United States	Koch Methanol St. James	1,700	The average production rate of this unit in October is estimated at 73%.
Canada	Medicine Hat Methanex	600	The average production rate of this producer in October 2022 is roughly 100%.
United States	OCI	925	The average production rate of this unit in October 2022 was approximately 78%.
Trinidad and Tobago	Total production	6,610	The average production rate of this country in October 2022 was around 80%.
United States	Fairway Methanol	1500	The average production rate of this producer in October 2022 was roughly 93%.
United States	Lyondell Basell	660 780	The average production rate of both units in this complex in October 2022 was approximately 100%.
United States	Methanex Geismar	1,100 1,100	The average production rate of one of the units in October 2022 was approximately 100% and that of the other unit was about 78%.
United States	Natgasoline	1,700	The average production rate of this unit with natural gas feedstock in October 2022 was approximately 99%.
North America	Total production (12 production units)	6,698	The average production rate in October 2022 was roughly 76%.





Country	Unit	Capacity (Thousand tons per year)	Occurrence
Russia	Togliatti Azot	500 500	The average production rate of one of the units in this complex in October 2022 was approximately 75% while the other unit stopped production.
Russia	Shchekino	450 500 500	The average production rate of all three units in this complex during October 2022 was approximately 100%.
Russia	Gazprom Methanol (Tomsk)	1,000	This producer had average production of 70% in October 2022.
Germany	Mider / Helm (Leuna)	600	This producer stopped production in October 2022.
Germany	BASF	330 150	Both units of this complex had an average production rate of approximately 100% in October 2022.
Azerbaijan	Socar	450	The average production rate of this producer in October was around 70%.
Russia	Metafrax (Gubakha)	1,000	According to the reports, this producer had an average production rate of approximately 100% in October 2022.
Russia	BioMCN	500 500	In both units of the complex, production stopped in October 2022.
Russia	Equinor	1,000	In October 2022, this producer had an average production rate of approximately 100%.



# AFRICA AND THE MIDDLE EAST

Country	Unit name	Capacity (Thousand tons per year)	Occurrence
Libya	NOC	330 330	The average production rate of one of the units in October was approximately 100% and the other unit is still in production halt.
Guinea	AMPCO	850	The average production rate in October 2022 was approximately 100%.
Egypt	EMethanex	1,260	The average rate of production was reported 20% during October 2022.
Iran	Zagros	3,300	The average production rate of units 1 and 2 of is 80%
Iran	Marjan	1,650	The average production rate in October 2022 was approximately 100%
Iran	Bushehr	1,650	This producer stopped production in October 2022 due to major maintenance
Saudi Arabia	Al-Razi	4,850	Generally, the production rate of this complex in October 2022 seems to be reasonable
Saudi Arabia	IMC (Sipchem)	1,050	The average production rate of this producer in October was approximately 100%
Qatar	QAFAC (Muntajat)	1,000	The average production rate of this unit during October was about 100%.
Oman	OQ (Salalah)	1,300	The average production rate of this unit in October 2022 was roughly 100%.
Oman	Oman (Helm)	1,050	This producer had an approximate 100% average production rate in October 2022.





# ASIA PACIFIC

Iran  
Methanol

Country	Unit name	Capacity (Thousand tons per year)	Occurrence
Indonesia	Kaltim	720	The average production rate in October 2022 was about 90%.
New Zealand	Methanex	850	The average production rate of both of the 850,000-ton units in this complex during October 2022 was approximately 95%, while the 530,000-ton unit still does not have production.
		850	
		530	
Brunei	Brunei	850	Since this unit was out of service in the third week of September, it did not have production during October 2022.
Malaysia	Petronas	1,700	The average production rate of the larger unit in this complex in October was approximately 70% and that of the smaller unit was about 77%.
		720	
East and South China		7,160	The average production rate was between 61-70% during October 2022.
Southwest China		3,120	The average production rate was about 51% during October 2022.
Northwest China		20,950	The average production rate was between 58-62% during October 2022.
Inner Mongolia		10,190	The average production rate was between 74-80% during October 2022.





# AFRICA AND MIDDLE EAST

آفریقا و خاورمیانه

کشور	نام واحد	ظرفیت (هزار تن در سال)	رخداد
لیبی	NOC	۳۳۰	متوسط نرخ تولید یکی از واحدها در ماه مهر سال ۱۴۰۱ حدود ۱۰۰٪ می باشد و واحد دیگر همچنان توقف تولید دارد.
گینه	AMPCO	۸۵۰	متوسط نرخ تولید در ماه مهر ۱۴۰۱ در حدود ۱۰۰٪ می باشد.
مصر	EMethanex	۱,۲۶۰	متوسط نرخ تولید این واحد در ماه مهر ۱۴۰۱ حدود ۲۰٪ گزارش شد.
ایران	زاگرس	۳,۳۰۰	متوسط نرخ تولید واحد ۱ و ۲ این مجموعه حدوداً ۸۰٪ می باشد
ایران	مرجان	۱,۶۵۰	متوسط نرخ تولید این تولیدکننده در ماه مهر ۱۴۰۱ حدود ۱۰۰٪ بود.
ایران	بوشهر	۱,۶۵۰	این تولیدکننده در مهرماه ۱۴۰۱ بدلیل تعمیرات اساسی توقف تولید داشت.
عربستان	الرازی	۴,۸۵۰	به نظر میرسد در کل این مجموعه با نرخ مناسبی در ماه مهر ۱۴۰۱ تولید کرد.
عربستان	IMC (Sipchem)	۱,۰۵۰	متوسط نرخ تولید این تولیدکننده در ماه مهر سال ۱۴۰۱ حدود ۱۰۰٪ بود.
قطر	QAFAC (Muntajat)	۱,۰۰۰	متوسط نرخ تولید این واحد در ماه مهر ۱۰۰٪ است.
عمان	OQ (Salalah)	۱,۳۰۰	متوسط نرخ تولید این واحد در ماه مهر سال ۱۴۰۱ در حدود ۱۰۰٪ بود.
عمان	Oman (Helm)	۱,۰۵۰	این تولیدکننده با متوسط نرخ تولیدی در حدود ۱۰۰٪ در ماه مهر سال ۱۴۰۱ تولید کرد.



کشور	نام واحد	ظرفیت (هزار تن در سال)	رخداد
اندونزی	Kaltim	۷۲۰	متوسط نرخ تولید در ماه مهرا ۱۴۰۱ حدود ۹۰٪ می باشد.
نیوزیلند	Methanex	۸۵۰ ۸۵۰ ۵۳۰	متوسط نرخ تولید هر دو واحد ۸۵۰ هزار تنی این مجموعه در ماه مهر سال ۱۴۰۱ حدود ۹۵٪ بود و طبق گزارشات موجود واحد ۵۳۰ هزار تنی همچنان تولید ندارد.
برونئی	Brunei	۸۵۰	این واحد که در آخرین هفته از ماه شهریور ۱۴۰۱ از سرویس خارج شد، در ماه مهر ۱۴۰۱ تولید نداشت.
مالزی	Petronas	۱,۷۰۰ ۷۲۰	متوسط نرخ تولید واحد بزرگتر این مجموعه در ماه مهر ۱۴۰۱ حدود ۷۰٪ و واحد کوچکتر حدود ۷۷٪ می باشد.
شرق و جنوب چین		۷,۱۶۰	متوسط نرخ تولید در ماه شهریور ۱۴۰۱ حدود ۶۱ تا ۷۵٪ بود.
جنوب غرب چین		۳,۱۲۰	متوسط نرخ تولید در ماه شهریور ۱۴۰۱ حدود ۵۱٪ بود.
شمال غرب چین		۲۰,۹۵۰	متوسط نرخ تولید در ماه شهریور ۱۴۰۱ حدود ۵۸ تا ۶۲٪ بود.
مغولستان داخلی		۱۰,۱۹۰	متوسط نرخ تولید در ماه شهریور ۱۴۰۱ حدود ۷۴ تا ۸۰٪ بود.

