

India Benzene Market By Derivative (Ethylbenzene, Aniline, Phenol, Alkyl Benzene, Styrene, Cumene, Cyclohexane, Nitrobenzene, Others), By End User (Automotive, Mechanical & Engineering, Construction, Chemical, Oil & Gas, Petrochemical, Others), By Region, Competition, Forecast and Opportunities, 2019-2029

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Abstracts

The India Benzene Market was valued at 860.20 Thousand Tonnes in 2023, and is expected to exhibit robust growth in the forecast period, projecting a Compound Annual Growth Rate (CAGR) of 3.90% through 2029. Benzene, a hazardous petrochemical industrial solvent, is widely acknowledged as a highly flammable, colorless, aromatic hydrocarbon characterized by a pleasant fragrance. This volatile compound, generated as a byproduct of the petrochemical industry, possesses the propensity to rapidly evaporate upon exposure to air. It encompasses a range of derivatives, including aniline, cumene, cyclohexane, alkyl benzene, ethyl benzene, chlorobenzene, nitrobenzene, and phenol. Its versatile applications span across various commercial sectors, including consumer goods, transportation, construction, electrical & electronics, and even the medical industry.

However, despite its extensive industrial use, benzene's caustic toxicity constrains its utilization in non-industrial settings. Extensive research has conclusively established benzene as a carcinogen, signifying its potential to cause cancer. Prolonged exposure to this compound can pose significant health risks. It is noteworthy that benzene was previously employed in processes such as coffee decaffeination and metal cleaning. Nevertheless, in a prioritization of safety, less hazardous alternatives have swiftly supplanted its usage in these applications.

One of the primary drivers fueling the expansion of the benzene market is the increasing demand for insulating materials in construction activities. Additionally, the Indian demand for consumer goods like furniture wax and thinners has witnessed a substantial upsurge, driven by the rapid pace of urbanization and the growth in disposable incomes.

By delving into these additional details, we gain a deeper understanding of the complexities surrounding the utilization of benzene and its far-reaching impact on various industries and public health.

Key Market Drivers

Growing Demand of Benzene in Automotive Industry

Benzene, a versatile petrochemical, plays a critical and multifaceted role in various manufacturing processes, particularly within the automotive industry. Its applications are extensive, spanning the production of synthetic fibers, rubber, dyes, detergents, pharmaceuticals, and plastics. Within the automotive sector specifically, benzene-derived products like nylon, synthetic rubber, and polystyrene serve as integral components in car manufacturing.

Nylon, a product derived from benzene, finds widespread use in the production of vital auto parts such as airbags, seat belts, tires, and mechanical components. Synthetic rubber, another derivative of benzene, is primarily employed in the manufacturing of high-quality tires. Polystyrene, also derived from benzene, finds application in car interiors and insulation, enhancing both comfort and energy efficiency.

The Indian automotive industry has witnessed a steady increase in production, driven by factors such as technological advancements, rising disposable income, and urbanization. Consequently, the demand for benzene, a key input in automotive manufacturing, has risen correspondingly.

Furthermore, the growing emphasis on vehicle lightweighting to enhance fuel efficiency and reduce carbon emissions has further propelled the demand for benzene-derived products. Lightweight materials like nylon and polystyrene play a pivotal role in achieving these goals, thereby driving the benzene market's growth.

The rise of electric vehicles (EVs) presents another promising avenue for benzene

demand. EVs require high-performance plastics and rubber for their batteries and other vital components, many of which are derived from benzene. As the EV market expands, so does the demand for benzene, contributing significantly to the growth of the India benzene market.

The constantly growing demand for benzene in the automotive industry serves as a significant driver for the India benzene market. Benzene's versatility and extensive range of applications make it a crucial component in vehicle manufacturing. As the automotive industry continues to evolve and expand, the demand for benzene is expected to rise, presenting numerous opportunities for growth in the India benzene market.

Growing Demand of Benzene in Plastic and Polymers Industry

Benzene, a fundamental component in the production of plastic and polymer products, plays a vital role in various industries. One prominent application is its use in manufacturing styrene, a building block for creating polystyrene - a versatile plastic extensively used in packaging, insulation, and disposable cutlery. But benzene's importance doesn't stop there. It also serves as a critical ingredient in the production of nylon and other synthetic fibers, as well as various rubber types, resins, and dyes. These materials find wide application in industries such as textiles, packaging, automotive, construction, and more.

The Indian demand for plastic and polymer products has experienced significant growth, driven by industrialization, urbanization, and advancements in manufacturing technologies. In turn, this surge in demand has led to an increased need for benzene, given its integral role in producing these materials. Notably, the rising demand for styrene polymers from end-user industries like textiles, packaging, and construction has substantially contributed to the growth of the benzene market.

Amidst the growing demand for benzene, the plastics and polymers industry are placing an increasing emphasis on sustainability and innovation. This focus has spurred research into benzene derivatives that can be utilized to produce biodegradable plastics and polymers. While this poses a challenge, it also presents an opportunity for growth and innovation within the benzene market. Manufacturers are actively investing in research and development to create sustainable alternatives to conventional plastic and polymer products, thereby driving the demand for benzene.

The expanding plastics and polymers industry, coupled with its pursuit of sustainability

and innovation, acts as a significant driver for the India benzene market. As this industry continues to expand and evolve, the demand for benzene is expected to increase, offering numerous growth opportunities in the benzene market. By aligning with industry trends and focusing on sustainability, benzene manufacturers can contribute to the development of the plastics and polymers industry while securing their position in the Indian market. The future of benzene looks promising, with continued growth and advancements paving the way for a thriving industry.

Key Market Challenges

Rising Cost of Raw Materials

The Indian benzene market, an integral part of the country's petrochemical industry, plays a pivotal role in multiple sectors, including plastics, polymers, rubber, and resins. However, this market faces several challenges that could potentially hinder its growth and development.

One of the most significant challenges is the rising cost of raw materials. Benzene, primarily derived from petroleum-based feedstocks like naphtha and natural gas liquids, is subject to price fluctuations tied to global crude oil prices. With the recent years witnessing significant volatility in crude oil prices, the costs of naphtha and other feedstocks used in benzene production have also been on the rise.

As the prices of these feedstocks increase, so do the production costs of benzene. This, in turn, directly impacts the price of benzene and can have consequences for both the profitability of benzene manufacturers and the affordability of benzene-based products. The rising cost of raw materials presents a major challenge for the Indian benzene market, particularly for India, which heavily relies on benzene imports.

India, being a net importer of benzene, is especially vulnerable to global price fluctuations. The increase in production costs may result in higher benzene prices, which can affect the competitiveness of Indian industries reliant on benzene, such as plastics and rubber manufacturing.

Furthermore, the escalating costs associated with benzene production may discourage investment in the benzene market, potentially stifling innovation and impeding the overall growth of the market.

Given these challenges, it is crucial for stakeholders in the Indian benzene market to

carefully monitor and address the rising costs of raw materials to ensure the sustained growth and competitiveness of the industry.

Key Market Trends

Shift Towards Downstream Derivatives

The Indian benzene market, a significant segment of the country's burgeoning petrochemical industry, is currently experiencing a transformative trend. This trend is characterized by a notable shift towards downstream derivatives – an evolution driven by the rising demand for these products and their wide-ranging applications in various industries.

This shift towards downstream derivatives is being propelled by several factors. Firstly, there is an increased demand for benzene derivatives owing to their diverse applications. For instance, styrene, a benzene derivative, finds extensive use in the production of polystyrene plastics and rubber, which are widely employed in packaging, insulation, and disposable cutlery.

Secondly, the robust expansion of the manufacturing sector in India is significantly fueling this trend. The growing manufacturing sector necessitates an augmented requirement for raw materials, including benzene derivatives, thus driving up the overall demand for benzene.

Lastly, geopolitical shifts and the ongoing diversification of supply chains are also playing a crucial role in shaping this transformation. With India strategically positioning itself as a potential chemical manufacturing hub, the demand for benzene and its derivatives is projected to witness a substantial increase in the coming years.

This shift towards downstream derivatives presents both challenges and opportunities for the Indian benzene market. On one hand, it could lead to increased volatility in benzene prices, as fluctuations in the demand for downstream products can directly impact the overall demand for benzene. On the other hand, it also presents a significant growth opportunity. As the demand for downstream products continues to rise, so will the demand for benzene, potentially leading to a substantial expansion of the benzene market and its associated industries.

Segmental Insights

Derivative Insights

Based on the category of derivative, the Ethylbenzene segment emerged as the dominant player in the Indian market for Benzene in 2022. Styrene, a versatile chemical compound, can be found in various natural sources such as coal tar and petroleum. It is also commonly used in the manufacturing of products like paints, pesticides, and inks. Chemical styrene is primarily produced from ethylbenzene and finds applications as a solvent, in fuels, and in the synthesis of other chemicals.

Furthermore, it serves as a crucial building block for the production of various materials such as polystyrene, acrylonitrile-butadiene-styrene (ABS) resins, styrene-acrylonitrile (SAN) resins, styrene-butadiene elastomers, latexes, and unsaturated polyester resins. These products have a wide range of uses in industries such as packaging, construction, automotive, and more. Styrene's versatility and wide range of applications make it an important compound in various manufacturing processes and industries.

End User Insights

The Oil & Gas segment is projected to experience rapid growth during the forecast period. Benzene is a byproduct of the refining of crude oil in the oil and gas industry. When crude oil is processed in refineries to produce various petroleum products, including gasoline and diesel, benzene is one of the components that can be extracted. This aromatic hydrocarbon plays a crucial role as an essential feedstock for downstream derivatives in the petrochemical sector. For instance, benzene is used in the production of styrene, which is then utilized to manufacture polystyrene widely employed in packaging, insulation, and consumer goods. Additionally, benzene serves as a fundamental building block for the synthesis of cumene and phenol, which are vital for the production of resins, coatings, and pharmaceuticals. The integration of refineries and petrochemical plants in many oil and gas companies in India enables efficient production and supply of benzene to the domestic market, fostering synergy between these two industries.

Benzene, being a key raw material in the petrochemical industry, holds significant importance in the Indian context. In India, the petrochemical sector heavily relies on benzene as a feedstock for the production of various chemicals and plastics, such as styrene, cumene, and phenol. These versatile chemicals find wide applications in industries including automotive, construction, packaging, and textiles, contributing to the growth and development of these sectors. The availability and efficient utilization of benzene in the Indian petrochemical industry further enhances the country's capability

to meet the demands of these vital industries and drive economic progress.

Regional Insights

West India emerged as the dominant player in the India Benzene Market in 2022, holding the largest market share in terms of both value and volume. West India, specifically Gujarat, is renowned for its well-established petrochemical clusters, where multiple major refineries and petrochemical plants are strategically located. These state-of-the-art facilities not only produce benzene as a byproduct of crude oil refining but also utilize it as a crucial feedstock for manufacturing various downstream chemicals, contributing to the region's economic growth and industrial development.

Benzene and its derivatives are efficiently transported and distributed throughout India via extensive logistics and supply chain networks, ensuring a seamless flow of this vital compound. These networks connect major consumption centers, including industrial hubs and manufacturing clusters situated in different regions, ensuring a consistent and reliable supply of benzene to meet the diverse needs of various sectors.

Benzene occupies a pivotal role as a critical raw material in numerous industries such as petrochemicals, chemicals, plastics, textiles, pharmaceuticals, and manufacturing. These industries, scattered across the country, have a significant presence in different regions, with consumption patterns varying based on their production facilities and specific requirements. The widespread utilization of benzene underscores its indispensability in driving innovation, productivity, and growth across diverse sectors of the Indian economy.

Key Market Players

Hindustan Industrial Chemicals

Akshar Chemical India Private Limited

Garg Chemical Industries

Vizag chemicals Pvt. Ltd.

Surya Chem Industries

Report Scope:

India Benzene Market By Derivative (Ethylbenzene, Aniline, Phenol, Alkyl Benzene, Styrene, Cumene, Cyclohexane...

In this report, the India Benzene Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

India Benzene Market, By Derivative:

Ethylbenzene

Aniline

Phenol

Alkyl Benzene

Styrene

Cumene

Cyclohexane

Nitrobenzene

Others

India Benzene Market, By End User:

Automotive

Mechanical & Engineering

Construction

Chemical

Oil & Gas

Petrochemical

Others

India Benzene Market, By Region:

North India

East India

West India

South India

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the India Benzene Market.

Available Customizations:

India Benzene Market report with the given market data, Tech Sci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

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