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Vietnam 1,4 Butanediol Market By Application (Tetrahydrofuran (THF), Polybutylene Terephthalate (PBT), Gamma-Butyrolactone (GBL), Polyurethane (PU), and Others), By Region, Competition, Forecast and Opportunities, 2020-2030F

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Abstracts

Vietnam 1,4 Butanediol Market was valued at USD 66.45 Million in 2024 and is expected to reach USD 102.51 Million by 2030 with a CAGR of 7.45% during the forecast period. The Vietnam 1,4 Butanediol Market is experiencing significant growth driven by several key factors. One major driver is the increasing demand for 1,4 butanediol in various industries such as automotive, textiles, and electronics. The growing automotive production in Vietnam, combined with the rise in industrial activities, is leading to a higher demand for 1,4 butanediol in the manufacturing of plastics, coatings, and polyurethane foams. Vietnam’s expanding textile sector, which is one of the largest in Southeast Asia, utilizes 1,4 butanediol in the production of spandex fibers, contributing to the market's growth. Tosoh Corp. is constructing a new crude MDI splitter plant in Vietnam to meet the increasing demand for polyurethane/urea products in Southeast Asia. Located in the Phu My3 Special Industrial Park in Ba Ria Vung Tau Province, the plant will have a distillation capacity of 100 kilotonnes per year.

Another factor is the shift towards sustainable and eco-friendly production methods. As 1,4 butanediol can be derived from renewable feedstocks, this appeals to manufacturers looking to reduce their environmental impact. Trade dynamics in the ASEAN region, particularly with China, are facilitating the movement of raw materials and finished products, further boosting the market. The Vietnamese government's ongoing support for industrial development and infrastructure investment is creating a conducive environment for the growth of the 1,4 butanediol market in the country.

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Key Market Drivers

Growing Demand from the Automotive Industry

The automotive industry in Vietnam is witnessing significant growth, with increased production of vehicles for both domestic consumption and export. BYD introduced two new models in Vietnam, expanding its lineup in the Southeast Asian nation to five. On October 18, 2024, the Chinese new energy vehicle (NEV) manufacturer unveiled the all-electric Han EV sedan and the M6 electric MPV (multi-purpose vehicle) in Vietnam. This expansion is driven by factors such as urbanization, rising disposable income, and a growing middle class. As the demand for automobiles increases, so does the need for materials that can enhance vehicle performance, safety, and durability. One such material is 1,4 butanediol, which is used in the production of plastics, plasticizers, and polyurethane foams that are integral to car manufacturing. 1,4 butanediol is specifically used in the production of flexible automotive parts, including interiors, seating materials, and body panels, all of which require high-performance materials. With the global automotive industry transitioning toward electric vehicles (EVs), 1,4 butanediol plays a crucial role in the development of lighter, more energy-efficient components, such as battery casings and internal parts. As Vietnam's automotive sector continues to develop and innovate, the demand for 1,4 butanediol is expected to rise significantly, further contributing to the growth of the market. The Vietnamese government's initiatives to foster the automotive industry through subsidies, tax incentives, and improved infrastructure also create a favorable environment for increased consumption of 1,4 butanediol in the automotive sector.

Expansion of the Textile and Apparel Industry

Vietnam's textile and apparel industry has become one of the largest in Southeast Asia, with the country being a significant exporter of garments to global markets, including the United States, Europe, and Asia. In December 2024, Recover the world’s leading producer of recycled cotton fiber and cotton fiber blends, has announced the opening of its newest manufacturing facility in Vietnam, marking a key milestone in the company’s global expansion strategy. The facility is expected to begin operations by early 2025. By pioneering large-scale recycling technology, Recover aims to drive significant sustainability in Vietnam's rapidly growing textile production market.

The demand for high-quality, durable, and comfortable fabrics is a major driver behind the use of 1,4 butanediol in the production of spandex fibers. Spandex, known for its elasticity and stretchability, is used in the manufacture of a wide range of apparel, from

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activewear and sportswear to casual and formal clothing. As consumers continue to prioritize comfort and performance in clothing, the demand for fabrics made with spandex continues to rise, directly boosting the need for 1,4 butanediol. Vietnam's increasing focus on sustainability and eco-friendly textiles is also influencing the market, as spandex fibers derived from renewable feedstocks are gaining popularity. With the global fashion industry moving towards more sustainable practices, there is a growing demand for materials like 1,4 butanediol, which can be sourced from bio-based raw materials. This trend aligns with Vietnam’s ambitions to position itself as a leader in the production of environmentally responsible textiles, driving further demand for 1,4 butanediol within the textile sector.

Rising Demand for Consumer Electronics

The consumer electronics market is one of the fastest-growing sectors globally, and Vietnam is capitalizing on this trend by becoming an important manufacturing hub for products such as smartphones, computers, and wearables. With the increasing penetration of smart devices, there is a rising demand for materials that offer durability, flexibility, and protection. 1,4 butanediol is used in the production of coatings, plasticizers, and components for electronic devices, particularly those that require high-performance materials to ensure longevity and resistance to wear and tear. For example, 1,4 butanediol is used in creating flexible coatings for screens and electronic components, making them more resistant to scratches and environmental damage. As consumer electronics continue to evolve with advancements like foldable screens and flexible displays, the need for materials that can withstand bending and stretching is growing. 1,4 butanediol's role in providing these characteristics positions it as an essential compound in the production of next-generation electronics. Vietnam's increasing role in the global supply chain for electronics further strengthens the demand for 1,4 butanediol, as the country looks to meet the needs of both local and international markets.

Government Initiatives and Industrial Growth

The Vietnamese government has been highly proactive in promoting industrial growth, particularly in the chemical and manufacturing sectors, through a combination of policies, incentives, and infrastructure development. Vietnam has implemented several measures to attract foreign direct investment (FDI) into its chemical sector, including offering tax breaks, reducing regulatory barriers, and creating special economic zones designed to foster industrial growth. As the government encourages more industrial activity, including in sectors that use 1,4 butanediol such as automotive, textiles, and

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electronics, demand for this compound has surged. In June 2024, Vietnam's southern coastal province of Ba Ria-Vung Tau has emerged as the top destination for foreign direct investment (FDI) in the country, attracting USD 1.64 billion from January to May, marking a 12.6-fold increase compared to the same period last year. During the first five months of the year, the province, which borders Ho Chi Minh City, secured 18 new foreign-invested projects totaling USD 1.52 billion, along with an additional USD 120 million in investment for nine existing projects. The government's focus on improving infrastructure, such as roadways, ports, and transportation networks, has made it easier to source and distribute raw materials, further boosting the efficiency of chemical production. In addition, Vietnam's participation in international trade agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA) has enhanced its manufacturing capabilities. These agreements open up new opportunities for exporting 1,4 butanediol-derived products to international markets, creating a favorable environment for local manufacturers to scale their production and meet growing domestic demand.

Key Market Challenges

Dependence on Imported Raw Materials

One of the significant challenges facing the Vietnam 1,4 butanediol market is its heavy dependence on imported raw materials, especially for the production of petrochemical-based 1,4 butanediol. While Vietnam has a growing chemical manufacturing sector, it lacks sufficient domestic production capabilities for certain feedstocks required in 1,4 butanediol production. This reliance on imports can create vulnerabilities in the supply chain, particularly during times of global disruptions, such as trade restrictions, natural disasters, or fluctuations in crude oil prices. The prices of raw materials can be volatile, and supply shortages can lead to increased production costs and delays in manufacturing. Dependency on foreign suppliers means that Vietnamese manufacturers are exposed to currency exchange risks, which can affect the profitability and competitiveness of local products in both domestic and international markets. In an industry where price competitiveness is crucial, these supply chain challenges can make it difficult for Vietnamese producers to maintain consistent pricing and quality for their 1,4 butanediol products. This dependency on imports highlights the need for Vietnam to invest in developing domestic raw material supply chains or to explore alternative, more sustainable feedstocks to reduce its vulnerability to global supply chain disruptions.

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Lack of Advanced Technological Capabilities

Another challenge hindering the growth of the Vietnam 1,4 butanediol market is the limited access to advanced technological capabilities in the production of 1,4 butanediol, especially bio-based 1,4 butanediol. While there is growing interest in bio-based chemicals globally, the technology required to efficiently produce bio-based 1,4 butanediol at a competitive cost is still evolving. In Vietnam, the chemical manufacturing sector lacks the research and development infrastructure and investment needed to support the scale-up of bio-based production. Traditional manufacturing methods, reliant on petrochemical feedstocks, dominate the market, but they come with environmental and sustainability concerns. While some international companies have advanced technological capabilities to produce 1,4 butanediol from renewable resources, Vietnamese manufacturers often lack the technological expertise and financial resources to adopt such processes. This gap in technological capabilities limits the ability of local producers to innovate, improve production efficiencies, and reduce costs. The slower adoption of advanced technologies puts Vietnamese manufacturers at a disadvantage compared to their global counterparts, particularly as industries worldwide are increasingly demanding more sustainable and efficient chemical products. To address this challenge, Vietnam needs to increase investment in research and development, foster partnerships with international companies for technology transfer, and create a supportive ecosystem that encourages innovation in the chemical sector.

Key Market Trends

International Trade and Export Opportunities

Vietnam’s strategic location in Southeast Asia, coupled with its active participation in global trade networks, has made it an attractive hub for manufacturing and exporting 1,4 butanediol and its derivatives. The country’s involvement in various international trade agreements has further strengthened its ability to engage in cross-border trade. For instance, Vietnam's membership in the ASEAN Economic Community (AEC) facilitates the free movement of goods and services, including chemicals like 1,4 butanediol, within the region. The country’s free trade agreements (FTAs) with major economic blocs such as the European Union and the United States offer tariff reductions and expanded access to key markets. This allows Vietnamese manufacturers to export 1,4 butanediol-based products at competitive prices, while also ensuring a steady supply of raw materials from international sources. As the demand for 1,4 butanediol increases in global markets, Vietnam’s role as a manufacturing and export hub continues to grow,

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boosting the local market's development and creating more opportunities for local producers.

Technological Advancements in Chemical Manufacturing

Technological advancements in chemical manufacturing are playing a significant role in shaping the future of the 1,4 butanediol market in Vietnam. New and improved production processes, particularly those focused on bio-based 1,4 butanediol, are making it possible to produce high-quality products at lower costs. Fermentation-based methods, which involve the use of microorganisms to convert biomass into 1,4 butanediol, are becoming more efficient and scalable, leading to increased production capacity and reduced environmental impact. Innovations in catalyst design and process optimization are making conventional production methods more sustainable and cost-effective. These technological advancements not only reduce production costs but also improve the quality and consistency of the final product. As Vietnam continues to embrace these technological innovations, its chemical manufacturing sector is becoming more competitive in the global 1,4 butanediol market. These advancements enable local manufacturers to meet rising demand while positioning Vietnam as a leader in producing high-quality, sustainable chemicals for global markets.

Segmental Insights

Application Insights

Based on the Application, Polyurethane (PU) is currently one of the most dominant drivers of the Vietnam 1,4 Butanediol market. Polyurethane is a highly versatile polymer that plays a critical role in a wide range of industries, including automotive, construction, electronics, and textiles, all of which are important sectors in Vietnam's economy. The increasing demand for polyurethane-based products, especially in the automotive and construction industries, has significantly impacted the demand for 1,4 Butanediol, as it is a key raw material in the production of polyurethanes. In the automotive sector, the demand for lightweight materials has risen sharply due to the need for improved fuel efficiency and the growing trend of electric vehicles (EVs). Polyurethane, derived from 1,4 Butanediol, is used extensively in the production of flexible foams for car seats, insulation materials, and dashboards, as well as in coatings and adhesives. The automotive industry in Vietnam is expanding rapidly, with both local manufacturers and international players increasing production capacity. As a result, the need for 1,4 Butanediol to produce polyurethane materials is growing, directly impacting the market.

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Similarly, the construction industry in Vietnam is booming, with an increase in residential and commercial construction projects. Polyurethane is used in insulation materials, coatings, and adhesives, all of which are essential to modern construction. The rise in demand for energy-efficient buildings and sustainable construction practices is further driving the need for polyurethane, thus increasing the demand for 1,4 Butanediol as a raw material. The textile industry's demand for polyurethane-based products, particularly in the form of spandex fibers, has also contributed significantly to the market. Vietnam's textile industry is one of the largest in Southeast Asia, and with rising consumer demand for comfortable and durable fabrics, the need for polyurethane has surged. Spandex, which is made from polyurethane, is used in activewear, sportswear, and other apparel, driving the demand for 1,4 Butanediol.

Regional Insights

Southern Vietnam was the dominant region in the Vietnam 1,4 Butanediol market. This is primarily due to the region's strong industrial base, significant infrastructure development, and its position as the hub for manufacturing and export activities. Southern Vietnam, particularly the Ho Chi Minh City area, is home to a large concentration of chemical manufacturing facilities, industrial parks, and multinational corporations. These companies heavily rely on 1,4 Butanediol as a key raw material for various industries, including automotive, textiles, electronics, and chemicals.

The region's industrial sector is growing rapidly, with an increasing number of local and international companies setting up production units in areas such as Ho Chi Minh City, Binh Duong, and Dong Nai. These areas are vital to the production of a wide array of goods that require 1,4 Butanediol derivatives, particularly in industries like polyurethane production, automotive manufacturing, and textile production. Southern Vietnam's economic growth, driven by industrialization and export-oriented policies, creates a substantial demand for 1,4 Butanediol, especially in the production of polyurethanes used in automotive parts and insulation materials, as well as in the production of spandex fibers for textiles. Southern Vietnam is strategically located with proximity to international shipping ports, which supports the region's role as the key export hub for chemical products, including those derived from 1,4 Butanediol. The presence of established trade links with international markets, especially in the ASEAN region, China, and beyond, makes Southern Vietnam a crucial player in the 1,4 Butanediol market. These trade dynamics further fuel the demand for 1,4 Butanediol, both for domestic use and for export, strengthening the region's position in the market.

Key Market Players

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Evonik Vietnam LLC

Vina MC Infonics Co., Ltd. (Mitsubishi Chemical Corporation)

LyondellBasell Vietnam Company Limited

Dow Chemical Vietnam LLC

Mapei Vietnam Ltd.

HUD Vietnam Co., Ltd.

Inoac Vietnam Co., Ltd.

Report Scope:

In this report, the Vietnam 1,4 Butanediol Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

Vietnam 1,4 Butanediol Market, By Application:

Tetrahydrofuran (THF)

Polybutylene Terephthalate (PBT)

Gamma-Butyrolactone (GBL)

Polyurethane (PU)

Others

Vietnam 1,4 Butanediol Market, By Region:

Southern Vietnam

Northern Vietnam

Central Vietnam

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Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the Vietnam 1,4 Butanediol Market.

Available Customizations:

Vietnam 1,4 Butanediol Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

Detailed analysis and profiling of additional market players (up to five).

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