Phthalic Anhydride - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2026 - 2031)

Market Report | 2026-01-16 | 120 pages | Mordor Intelligence

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Report description:

Phthalic Anhydride Market Analysis

Phthalic Anhydride market size in 2026 is estimated at 4.61 Million tons, growing from 2025 value of 4.5 Million tons with 2031 projections showing 5.19 Million tons, growing at 2.43% CAGR over 2026-2031. This trajectory indicates a maturing phase in which steady downstream consumption balances intensifying regulatory oversight and a gradual rise of bio-based substitutes. Demand resilience stems from construction-linked PVC applications, expanding composite use in wind energy, and specialized requirements in electric vehicles. At the same time, production economics remain exposed to feedstock swings, particularly for ortho-xylene, while increased Asian capacity keeps global margins under pressure. Competitive strategies therefore revolve around integrated production footprints, feedstock flexibility, and accelerated innovation in lower-toxicity chemistries.

Global Phthalic Anhydride Market Trends and Insights

Surge in PVC-Based Construction Demand in APAC

Construction activity across China, India, Indonesia, and Vietnam maintains a robust pull on PVC consumption, elevating demand for dioctyl phthalate and related ester plasticizers. Integrated petrochemical complexes in coastal China deliver cost-efficient feedstock and consolidate downstream processing clusters, although countrywide utilization averaged only 57% in 2024 owing to persistent oversupply. Indian producers, notably IG Petrochemicals and Thirumalai Chemicals, are boosting capacity to address local deficit and emerging export prospects. China exported around 131,000 tons of phthalic anhydride in 2024, underscoring

deep regional trade ties. Incremental tightening of ISO 14001 environmental requirements is prompting producers to invest in waste-heat recovery and low-NOx burners to sustain social license to operate.

Expansion of UPE Use in Wind-Turbine Blades

Wind-energy installations rose sharply in 2024 and 2025, amplifying demand for unsaturated polyester resins used in glass-fiber blades. European recycling pilots demonstrate that co-processing spent blades in cement kilns can reclaim mineral content for clinker production while supplying thermal energy. Such initiatives mitigate the projected 43 million tons of cumulative blade waste by 2050 and sustain virgin resin needs for next-generation turbines. Offshore projects favor phthalic-anhydride-based resin systems because of proven fatigue resistance, while incremental bio-based formulations remain largely in developmental trials. Policy clarity under the International Energy Agency's net-zero road map supports long-range visibility for composite raw-material demand.

Toxicity-Driven Phthalate Regulations in EU and US

The U.S. EPA finalized TSCA risk evaluations for DINP and DIDP in 2025, citing unreasonable risks in specific spray applications. Parallel draft cumulative assessments covering BBP, DEHP, DBP, and DIBP introduce a holistic exposure lens that may yield broader restrictions. In the European Union, ECHA's Assessment of Regulatory Needs has listed phthalic anhydrides for possible restriction under REACH, targeting certain professional or consumer uses. Compliance costs for monitoring, alternative testing, and worker training are climbing, and formulators of flexible PVC are actively trialing 1,2-cyclohexane dicarboxylic esters and citrates. While mid-term demand erosion is limited to niche coatings and sealants, long-term uncertainty hinders investment in new plasticizer lines in North America and Western Europe.

Other drivers and restraints analyzed in the detailed report include:

Rising EV Wire-and-Cable Plasticizer NeedsAdoption of PAN-Based MOFs for CCUSShift Toward Bio-Based Anhydrides in Coatings

For complete list of drivers and restraints, kindly check the Table Of Contents.

Segment Analysis

Naphthalene supported 83.08% of phthalic anhydride market demand in 2025, buoyed by dense Chinese coal-tar distillation networks and established fixed-bed reactor technology. The segment's CAPEX advantage and supply security underpin average ex-plant costs that trend 8-10% below o-xylene-based production within mainland China. As a result, naphthalene-oriented plants consistently post utilization rates near 80% despite cyclical oversupply. Ortho-xylene, however, is forecast to advance at a 3.28% CAGR through 2031, outpacing overall phthalic anhydride market growth as integrated aromatics complexes in the Middle East and North America capitalize on refinery by-products. Advanced liquid-phase oxidation reactors reduce energy intensity and effluent load, improving environmental footprints.

Regional availability ultimately dictates feedstock choice. Gulf Cooperation Council producers exploit aromatic reformate surplus, whereas Indian players hedge between imported o-xylene and captive naphthalene to cushion forex swings. Environmental regulations are another consideration: o-xylene processes generate lower tar waste streams, easing compliance with emerging hazardous-waste statutes in Vietnam and the Philippines.

The Phthalic Anhydride Report is Segmented by Raw Material (Ortho-Xylene and Naphthalene), Application (Plasticizers, Alkyd Resins, Unsaturated Polyester Resins, and Other Applications), End-User Industry (Automotive, Electrical and Electronics, Paints and Coatings, Plastics, and Other End-User Industries), and Geography (Asia-Pacific, North America, Europe, South America, and

Middle-East and Africa).

Geography Analysis

Asia-Pacific controlled 61.10% of global volume in 2025 and will expand at a 3.02% CAGR through 2031. Integrated coal-chemicals parks in Shanxi, Shaanxi, and Inner Mongolia, coupled with coastal aromatics complexes in Jiangsu, give China unmatched cost leadership. Government incentives for advanced environmental controls are spurring retrofits to catalytic incinerators and condensate recovery units, curbing emissions intensity.

Europe confronts regulatory and cost headwinds. REACH dossiers and energy-price volatility lift operating expenses, pushing smaller standalone units toward closure; BASF's Ludwigshafen line rationalization in 2025 is emblematic of this trend. Yet the continent remains central to wind-blade composite production, sustaining demand for high-spec UPE. North America maintains self-sufficiency, focusing on specialty grades and supplying Mexico's burgeoning automotive harness sector. TSCA policy uncertainty tempers large-scale reinvestment, but niche opportunities in high-purity grades and MOF precursors offer higher margins. In the Middle-East and Africa, consumption remains a fraction of global totals but grows off a low base. Saudi Arabia and the UAE leverage advantaged naphtha and aromatics streams, and new integrated projects in Jubail include provision for downstream phthalic anhydride units. African demand centers on Egypt, South Africa, and Nigeria, aligned with PVC pipe and cable-insulation growth for infrastructure initiatives. South America's trajectory stays moderate; Brazil imports bulk volumes from Asia to feed hosting PVC and alkyd resin plants, while Argentina ventures into wind-blade fabrication, creating incremental UPE demand.

List of Companies Covered in this Report:

AEKYUNG BASF EMCO Dyestuff IG Petrochemicals Ltd. Koppers Inc. LANXESS MITSUBISHI GAS CHEMICAL COMPANY, INC. NAN YA PLASTICS CORPORATION Paari Chem Resources Perstorp Polynt S.p.A. Shandong Hongxin Chemical Co., Ltd. Stepan Company Thirumalai Chemicals UPC Technology Corporation

Additional Benefits:

The market estimate (ME) sheet in Excel format
3 months of analyst support

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