

# China Methanol Industry Report, 2009-2010



The raw materials like natural gas, coal and coke oven gas serve for methanol production. The international methanol production equipment mostly employs natural gas as the raw material while methanol production in China gives priority to coal. In 2009, the total capacity of methanol in China amounted to 26.79 million tons, of which, the capacity of coal to methanol reached 16.65 million tons (62%), that of natural gas to methanol 6.16 million tons (23%), and that of coke oven gas to methanol 4 million tons (15%).

In China, coal-to-methanol enterprises mainly cover Hebei Qianan Chemical Industry Co., Ltd., Henan Longyu Coal Chemical Co., Ltd., Yankuang Guohong Coal Chemical Co., Ltd., etc.; natural gas-to-methanol enterprises include Inner Mongolia Yuan Xing Energy Company Limited, Shaanxi Yulin Natural Gas Chemical Industry Co., Ltd., CNOOC Kingboard Chemical Limited, etc.; and coke oven gas-to-methanol enterprises are composed of Shanxi Tianhao Chemical Co., Ltd., Shanxi Coking (Group) Co., Ltd, etc.

## Capacity and Raw Materials of Some Methanol Manufacturers in China, 2009

Company	Annual Capacity (10 Kt/year)	Remarks
Pingmei & Lantian Chemical Co., Ltd.	80	400 kiloton capacity takes natural gas as the raw material and the other 400 kiloton capacity adopts coal as the raw material.
Yanzhou Coal Mining Group Yulin Energy & Chemical	60	Raw material: coal; went into operation in Aug.2009
Hebei Qianan Chemical Industry Co., Ltd.	60	Raw material: coal
Henan Longyu Coal Chemical Co., Ltd.	50	Raw material: coal
Zhong Yuan Da Hua Co. of Henan Coal & Chemical Industry Corporation	50	Raw material: coal
Yankuang Guohong Coal Chemical Co., Ltd.	50	Raw material: high-sulphur coal
Hulunbeier Dongneng Chemical Co., Ltd.	40	Raw material: coal
Shandong Hualu-Hengsheng Chemical Co., Ltd.	32	Raw material: coal; mainly applied as the raw material for downstream products such as DMF and acetate acid
Inner Mongolia Yuan Xing Energy Company Limited	125	Raw material: natural gas
Shaanxi Yulin Natural Gas Chemical Industry Co., Ltd.	61	Raw material: natural gas; 1.4 million ton coal-to-methanol project is under construction, and the surplus CO of coal-to-methanol equipment is planned to be transmitted to natural gas devices so as to realize the optimal distribution of resources.
CNOOC Kingboard Chemical Limited	60	Raw material: natural gas
Qinghai Ge'ermu Oil Refinery	43	Raw material: natural gas
Shanxi Coking (Group) Co., Ltd	20	Raw material: coke oven gas
Shanxi Tianhao Chemical Co., Ltd.	10	Raw material: coke oven gas

Source: ResearchInChina

This report studies the capacity, output, demand, downstream consumption structure and the operation of key enterprises in China's methanol industry as well as the key application of methanol in the future, i.e. the development of methanol gasoline and methanol to olefins.

Among the methanol downstream consumption structure in China in 2009, formaldehyde, dimethyl ether, methanol fuel, and acetate acid accounted for 29%, 20%, 12% and 9% respectively. Along with the vigorously promoted methanol gasoline in China, the demand for methanol fuel will increase significantly in the future. After over two decades' demonstration & popularization of methanol gasoline in Shanxi Province, it is proven that methanol gasoline is economical, environment-friendly, and technically feasible. Against the release and implementation of national standards concerning methanol gasoline, the popularization and application of methanol gasoline is about to embrace rapid growth and the demand of methanol will boom.

Apart from methanol gasoline, (coal to) methanol to olefins in novel coal chemical industry is also the key potential application of methanol. There are altogether three national demonstration projects of methanol to olefins, two of which have successfully carried out pilot production of olefins with coal to methanol as the raw material. In addition to demonstration projects, 10 additional (coal-to)-methanol-to-olefins projects are still under construction. The success and popularization of methanol-to-olefins demonstration projects will effectively deal with the over-capacity of methanol in China.

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