

# Soda Ash Market Insight

Has China's Demand Peaked and  
When Will India's Surge Arrive?

September 2024



**Marguerite Morrin**

Executive Director, Global Soda Ash

Chemical Market Analytics

CHEMICAL  
MARKET  
ANALYTICS  
BY OPIS, A DOW JONES COMPANY

The soda ash market in mainland China totaled approximately 31.6 million mt in 2023. During the course of last year, this market experienced many extremes. The country has recently seen a significant increase in production capacity, record high demand growth, and a sharp drop in net exports. Concurrently, producer and end user inventories are expected to increase while soda ash prices sharply decline.

Mainland China's soda ash capacity has seen a net increase of 8.8 million mt in 2024 as compared to 2022. One component of this increased capacity is the new greenfield natural soda ash plant (5.0 million mt) which started ramping up in mid-2023. As mainland China's capacity has increased significantly, so too has its demand growth. Following a remarkably strong demand growth rate in 2023 of 10%, or 2.9 million mt, apparent demand in mainland China has remained exceedingly positive this year-to-date, totalling 22.1 million mt in January-July 2024, up by 29%, or 4.8 million mt, year-on-year. This high demand growth has also caused mainland China's year to date imports of soda ash to exceed its exports of the product. Imports in January-July 2024 totaled 812,000 mt, representing a year-on-year increase of 294%, while exports in January-July 2024 totaled 505,000 mt, representing a year-on-year decrease of 55%. Mainland China has not been a net importer of soda ash for approximately 35 years.



The detailed data and analysis by countries and regions can be found in the Soda Ash Market Advisory Service.

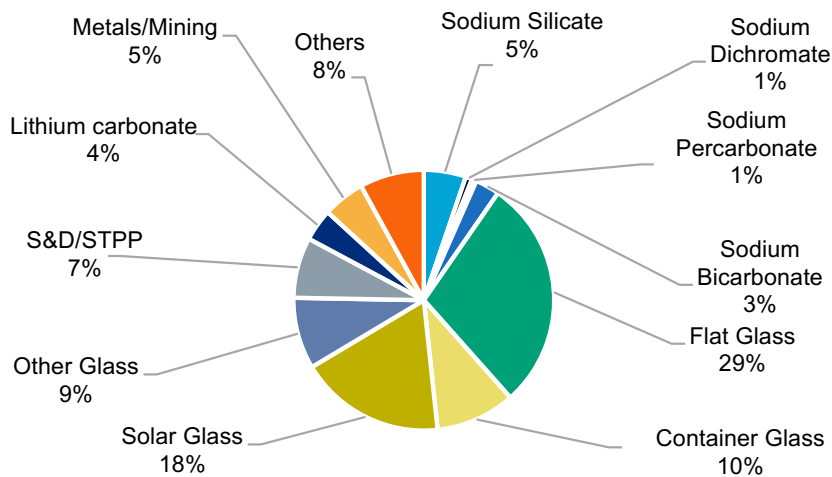


However, it appears unlikely that this double digit demand growth will be sustained through the balance of the year, as various distress signals have developed in the market. **Producer inventory in mainland China** has been on the rise. Stocks ended August 2024 at 1.2 million mt, up from 340,000 mt at the end of 2023. Additionally, it's understood that both flat and solar glass producers have high stocks of both soda ash and glass. In August, solar glass, a key driver for soda ash demand in mainland China, is understood to have also dropped for the first time in about two years.

Soda ash prices in mainland China have been on a declining trend this year. Prices started the year averaging RMB 2,415 [\$337] per mt delivered, excluding VAT, for light soda ash, and RMB 2,487 [\$347] per mt, delivered excluding VAT, for dense soda ash. By the end of August, light soda ash prices declined to RMB 1,555 [\$214] per mt delivered, excluding VAT, while dense soda ash prices averaged RMB 1,634 [\$225] per mt, delivered excluding VAT. Prices at these levels are below cost for the average Solvay and Hou based producer in mainland China.

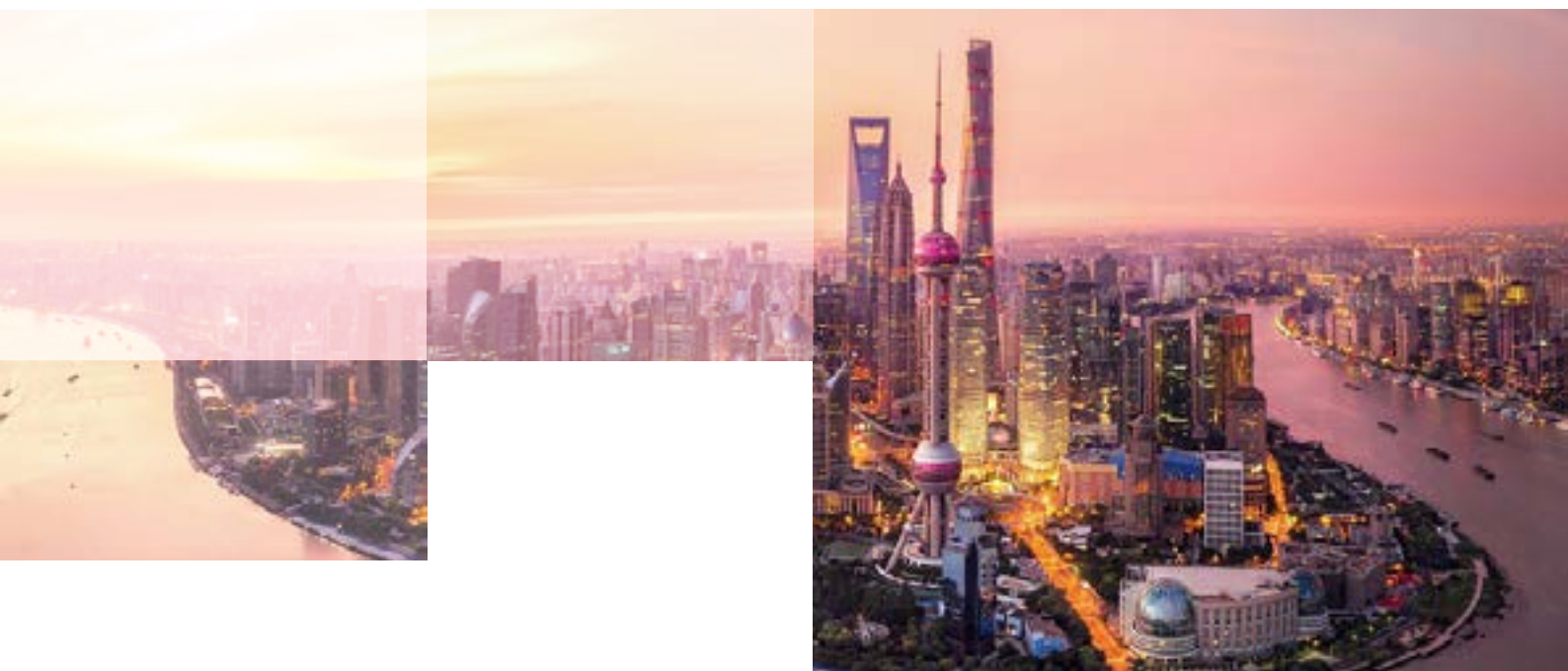
As such, some key questions pertaining to this vast market persist. Has demand growth peaked in a market that has one of the highest per capita rates in the world? At the same time, how long can the current price levels be sustained?

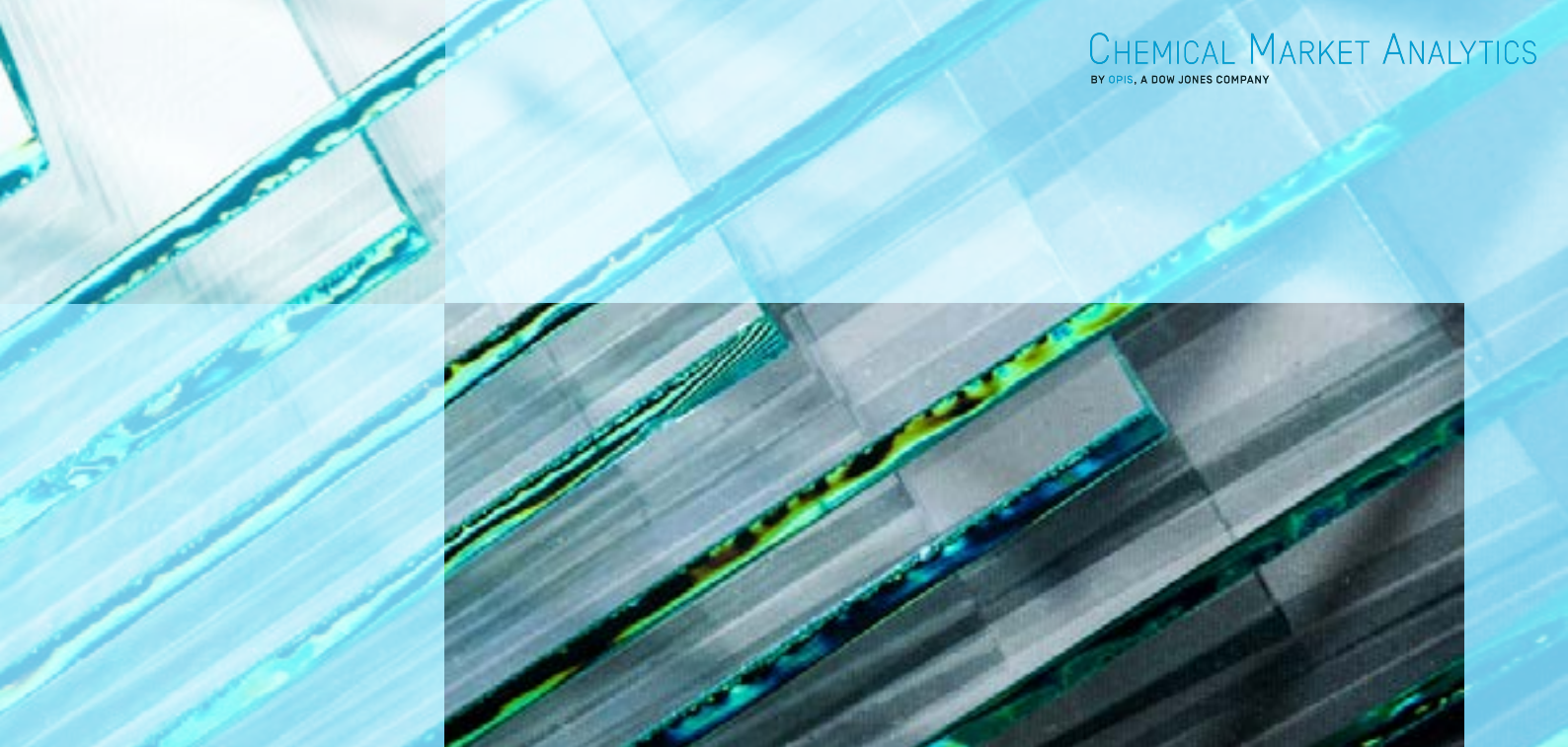
## Mainland China Soda Ash Demand 2024



Note: Domestic demand in 2024 - 34.9 million mt  
Source: Chemical Market Analytics by OPIS

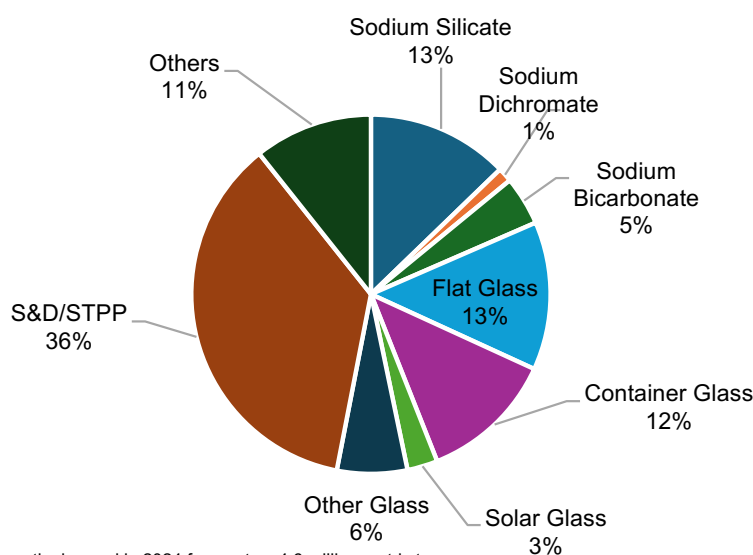
© 2024 Oil Price Information Service, LLC.





India has a similar population to mainland China of 1.4 billion. However, in terms of their respective soda ash industries, the two countries are very different. India has one of the lowest per capita demand levels for soda ash in the world, at approximately 3 kg per person. As a result, the Indian market is significantly smaller than mainland China, with demand levels totalling approximately 4.4 million mt in 2023. India has also seen demand growth develop at a more modest rate than mainland China as it averages between 3-5% per year in India. Total soda ash demand exceeds production, meaning that the country is a net importer. There is no natural soda ash capacity in India. In terms of demand, while India is receiving a boost from solar glass, its impact is less significant than that seen in mainland China. Additionally, lithium carbonate demand is absent in India, while it functions as a key demand driver in mainland China.

## India Soda Ash Demand



Note: Total domestic demand in 2024 forecast as 4.6 million metric tons  
Source: Chemical Market Analytics by OPIS

© 2024 Oil Price Information Service, LLC.

# Our Solutions:

## Near-Term Solutions

Market Advisory Service is the current and near-term market data and analysis, covering price, cost, market conditions and future trends impacting the market. The service is distributed daily, weekly, bi-weekly, or monthly through reports and/or data supplements. The Inorganic solutions include:

- Market Advisory Service Global Bleaching Chemicals
- Market Advisory Service Global Chlor-alkali
- Market Advisory Service Global Soda Ash
- Market Advisory Service Global Vinyls

## Long-Term Solutions

World Analysis delivers insightful long-term forecasts and market analyses up to 2050. This powerful offers a suite of features and contents including supply and demand data, global capacity, trade grids, price, cost, margin, and executive reports. The Inorganic solutions include:

- World Analysis Soda Ash
- World Analysis Chlor-Alkali
- World Analysis Vinyls
- World Analysis Sodium Sulfate

### About Us

Chemical Market Analytics by OPIS, a Dow Jones company, is the leading provider of global market insight across the petrochemical industry, offering integrated data, market analysis and advanced modeling across all major industry verticals, including – Olefins, Plastics and Polymers, Inorganics, Syngas, and Aromatics.

For over 40 years, our experts have empowered thousands of clients to make transformative decisions through our cutting-edge data analytics and market foresight.

Learn more: <https://chemicalmarketanalytics.com/>



Learn more  
and request  
a sample report





## World Soda Ash Conference

### The Soda Ash Market Paradox

9-11 October 2024, InterContinental Malta

Join us at the World Soda Ash Conference, your premier destination for all things related to the soda ash industry.

Hosted by Chemical Market Analytics, this conference brings together industry experts, thought leaders, and key stakeholders for two days of insightful discussions, networking opportunities, and market analysis.

### Highlights include:



**In-depth presentations**  
on technological advancements and sustainability initiatives



**Access to exclusive market reports** and research findings



**Expert-led panel discussions**  
on market trends and forecasts



**Networking sessions** with industry peers and potential collaborators



**Opportunities to showcase** your products and services to a global audience

Discover the latest trends, market dynamics, and innovations shaping the soda ash sector.

Gain valuable insights into supply chain management, production techniques, and emerging market opportunities.

### Sign up today



**Contact Us**

#### For sponsorship opportunities

David Coates [dcoates@chemicalmarketanalytics.com](mailto:dcoates@chemicalmarketanalytics.com)  
+1 713-305-0116

#### For general event enquiries

[events@chemicalmarketanalytics.com](mailto:events@chemicalmarketanalytics.com)