Toluene

October 2025

Abstract

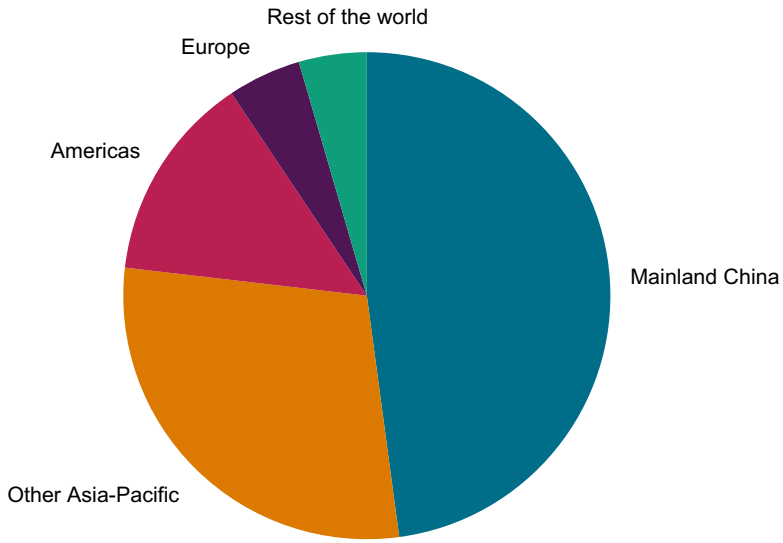
Toluene is used in the manufacture of benzene, p-xylene (for polyethylene terephthalate [PET] resins) and toluene diisocyanates (TDI) for polyurethane applications. It is widely used as a solvent. The majority of toluene production is unrecovered (i.e., not isolated from other aromatic constituents) and is consumed as a constituent of various refinery streams, primarily in gasoline. Additional quantities of isolated toluene are blended into unleaded gasoline for octane enhancement. This report focuses on toluene recovered for subsequent processing in chemical operations.

More than half of all toluene consumed was for the production of on-purpose benzene, mixed xylenes and p-xylene in 2024. This market has increased steadily in the last five years, leading to adjustments in operating rates for hydrodealkylation/toluene disproportionation (HDA/TDP) units. Strong demand for benzene and p-xylene derivatives led to increased operation of HDA/TDP units before the economic downturn. Then, a surge of new p-xylene capacity in Asia, particularly in India, and the Middle East also put pressure on toluene disproportionation units. As a result, toluene demand from TDP and selective toluene disproportionation (STDP) has declined, while consumption in transalkylation units has increased.

The following pie chart shows world consumption of toluene:

S&P Global
Commodity Insights

World consumption of toluene — 2024



Data compiled March 25, 2025.
Source: S&P Global Commodity Insights.
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Over the next five years, good demand from the polyester sector will result in higher volumes of toluene being converted into mixed xylenes and p-xylene. Direct conversion of toluene into benzene via the hydrodealkylation process will continue to decline. Total consumption of toluene for benzene/xylenes is forecast to increase steadily over the next five years, following the startup of facilities in mainland China, Southern Asia and South-eastern Asia.

For more detailed information, see the table of contents, shown below.

S&P Global's Chemical Economics Handbook – *Toluene* is the comprehensive and trusted guide for anyone seeking information on this industry. This latest report details global and regional information, including

Global summary; regional coverage

Producers with annual capacities and plant sites

Production figures and trends

Consumption and forecasts by end use application

Manufacturing processes and environmental issues

Trade – imports and exports

Key benefits

S&P Global's Chemical Economics Handbook – *Toluene* has been compiled using primary interviews with key suppliers and organizations, and leading representatives from the industry in combination with S&P Global's unparalleled access to upstream and downstream market intelligence and expert insights into industry dynamics, trade and economics.

This report can help you:

– Identify trends and driving forces influencing chemical markets

– Forecast and plan for future demand

– Understand the impact of competing materials

– Identify and evaluate potential customers and competitors

– Evaluate producers

– Track changing prices and trade movements

– Analyze the impact of feedstocks, regulations and other factors on chemical profitability

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