



Insights from ADI Chemical Market Resources

Plastic recycling in the pandemic

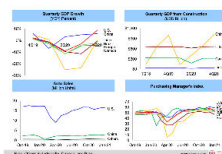
Ulus Turay speaks earlier this week at the primary session of the 2021 SPE International Polyolefin Conference and shared research and insights from ADI Chemical Market Resources on how plastic recycling changed after COVID-19. [Watch the recording here.](#)

How Plastic Recycling has Changed after COVID-19



Key Chemical Industry Drivers

- GDP growth across major economies has recovered and some economic indicators are showing signs of robust recovery
- Global GDP growth contracted by 4.2% in 2020
- Auto sales have shown growth but Purchasing Manager's Index rebounded a step in January across most economies



About ADI Chemical Market Resources



Selected Industry News Highlights

BASF to procure renewable electricity for their sights in Texas
In an agreement that highlights increased ESG investments in the chemical industry, BASF has contracted with EDF Energy to purchase nearly 20 MW of electricity from its wind farms in Texas under a power purchase agreement (PPA). The supply will start in June 2021 and cover 25MWh for BASF's Verdant facility in Houston and 10 MWh for its Plastics facility. BASF had previously signed another PPA worth 50 MW power for its Freeport site with EDF Renewable Energy City center project in Wharton, Texas, that is expected to begin construction in summer 2021 with supply starting mid-2022.

LG Chem to shift to renewable energy to power its plants
In a step towards achieving their carbon neutrality goals, LG Chem has announced plans to buy 100% of its entire industrial carbon footprint (ICPF) from renewable energy this year. The company will procure 120 gigawatt-hours (GWh) of renewable energy through the Korean Renewable Energy 100 (RE100) system called 'Green Premium' Program. The RE100 converts 100% of the electricity used by companies into renewable energy such as solar and wind power. Green premium program in Korea allows renewable electricity consumers to get RE100 certification if they pay a green premium to the Korea Electric Power Company (KEPCO).

Shinetsu North America to expand PVC facilities in the U.S.
A wholly owned subsidiary of Japan-based Shin-Etsu Chemical Co. Ltd., Shinetsu plans to invest \$1.3 billion to expand its PVC facilities in Plaquemine, Louisiana. Shinetsu is already scheduled to start-up a new 290,000 tons per year PVC plant by Q2 2021 which is expected to address the current situation of tight supply. The announced expansion is expected to increase the capacity of vinyl chloride monomer (VCM) and PVC by 500,000 tons per year and 300,000 tons per year, respectively, by the end of 2023.

Dow recently announced the first large-scale commercial use of its recycled plastic-based resin, ADILITY CE
Dow's ADILITY CE resin, introduced in late 2019, is based on low-density polyethylene (LDPE) which is manufactured using 70% post-consumer recycled material. Dow-based film converter Partridge is using the resin in its collection of film which are used in the transportation of cans or PET bottles. Dow reported that the first film developed by Partridge utilizes 100% 100% recycled materials which they claim will result in a carbon emission reduction of 25%.

An Liqiang signs a long-term supply contract with BASF for the latter's battery material plant in Germany
An Liqiang will invest around \$48 million to establish an anode material unit (AMU) at BASF's battery material plant in Germany. The AMU is expected to be operational in 2022 and will also produce liquid products for the industrial market. BASF's battery material plant is expected to produce components for 400,000 electric vehicles annually.

Suntomo Chemical plans to establish a polypropylene (PP) compounding plant in Poland
Suntomo Chemical Poland, a subsidiary of Japan-based Suntomo Chemical, has announced plans to build a 30,000 tons per year PP compounding facility in Poland. The plant is expected to start operations in 2022. The short glass fiber reinforced PP compounds that the company plans to manufacture at the new plant contain 60 - 100% recycled PP. With increasing pressure from the European Union to drive sustainability and share of recycled plastics in products, the plant will help Suntomo Chemical support ESG goals in automotive and electric manufacturing markets in the region.

Alkermid decides to no longer pursue the Finnish coatings manufacturer, Tikka
Alkermid had placed the bid at \$27.65 per share. When PPG placed a bid that was 18% higher than Alkermid's, causing Tikka at \$1.8 billion, Alkermid decided to withdraw from the race.

Russian chemical major Kazanorgsintez plans to build a new polyethylene-vinyl acetate plant
Kazanorgsintez plans to build a 100,000 tons per year polyethylene-vinyl acetate (PEVA) plant, to be operational by 2022. The company has selected Suntomo Chemical to license their technology. The new production plant will essentially replace an existing 13,000 tons per year plant.

BDPEC selects Honeywell for their petrochemical complex expansion in Egypt
Egypt-based Sidki Petrochemicals Company (SDPEC) has selected Honeywell technology to upgrade their petrochemical complex in Alexandria, Egypt. The complex currently produces ethylene and polyethylene for the Egyptian market. The upgrade will include the expansion of the complex to include propylene and polypropylene production.

Coventry China is planning a new polyurethane dispersions (PUDs) plant at their integrated site in Shanghai
China is Coventry's second largest market after the United States with an integrated site in Shanghai. The company is planning to add a new PUD production facility at the site along with an additional production line for polyurethane resin to be operational by 2024. The investment was driven by growing shift from solvent-based products to more sustainable waterborne systems in the coatings and adhesive industry in Asia-Pacific region.

Shandong Yuhong Petrochemical Company selects Honeywell UOP for its integrated petrochemical complex in China
The Shandong Yuhong Petrochemical Company selected Honeywell UOP for its integrated petrochemical complex in Luyuan, Shandong Province, China that will have a capacity of 3 million tons per year of aromatics. The agreement follows a range of technology forums, engineering design, key equipment, catalyst and operator training, and technical services.

Calsonic Corporation extends carbon monoxide supply contract with Linde Gas
Calsonic Corporation extended its long-term carbon monoxide supply contract with Linde Gas for its 600,000 tons per year acetic acid and acetyl chemical facility located on Jurong Island.

The Competition Commission of India (CCI) approves sale of Indo Gulf Fertilizers (IGF) to Indonesia
India-based Dharma Industries sold its fertilizer business, IGF to Singapore-based Indonesia Corporation in November last year. The CCI approved the \$350 million deal in January. The deal involves IGF's manufacturing, trading, and sale of urea and other agricultural inputs along with a 1.2 million tons per year urea manufacturing plant in Uttar Pradesh, India.

Thailand's PTT Global Chemical (PTGC) to invest \$165 million for its Olefin 2 Modification Project
The Olefin 2 Modification project will build a new cracker that can produce 515,000 tons per year of ethylene and 250,000 tons per year of propylene, expected to commence operation in Q1 2023. Samsung Engineering was selected for EPC. PTGC currently exports ethylene for their polyethylene production and domestic customers.

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ADI Chemical Market Resources, 440 Gales Dr. Ste 100A, Houston, TX 77056
+1 (811) 508-8234 | info@adi-cmr.com | www.adi-cmr.com