

## ADI's global chemicals update on plants, deals, regulations, and more

### Plant announcements

- **Dow** completed 80,000 tons per year (tpy) expansion for propylene glycol capacity at its Map Ta Phut joint venture in Thailand, bringing total capacity to 250,000 tpy. The facility, now the largest propylene glycol plant in the region, came online in 2024 and supports customer growth in food and pharmaceutical applications. Despite broader industry overcapacity concerns, strategic capacity additions in fast-growing specialty applications are expected to continue.

#### RECENT ADI PROJECTS

- Scenario planning to assess the **extent and impact of materials transition on the chemical industry** for a chemicals major.
- A **sell-side study** on an engineered materials supplier to support their upcoming transaction.
- **Plastics recycling strategy** for a chemicals major, developed through **policy analysis, market research, and technology benchmarking**.
- A **feasibility study for on-purpose olefins production** at an oxo-chemicals producer.
- **Investment analysis assistance** for a new polyolefin elastomers and plastomers plant for an Asian chemicals producer.
- **M&A due diligence** for a U.S. oilfield chemicals vendor.

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### Mergers and acquisition

- **ADNOC** and **OMV** near completion of **Borouge Group International** transaction, combining their petrochemical businesses and acquiring **Nova Chemicals** for \$13.4 billion enterprise value. The closing is expected in Q1 2026, creating a \$60 billion petrochemicals company with **ADNOC** and **OMV** holding equal shareholdings following **OMV's** €1.6 billion cash injection. This transaction signals continued Middle Eastern expansion into North American petrochemicals markets.
- **Fertiglobe**, **Covestro**, and **TA'ZIZ** signed a memorandum of understanding (MoU) to explore near-term ammonia supply from **Fertiglobe** to **Covestro's** global sites and assess long-term opportunities for low-carbon and green ammonia, strengthening sustainable production and value-chain cooperation following **Covestro's** integration into **XRG's** chemicals platform.

#### MARKET RESEARCH

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### Plant closures

- **Dow** announced closure of multiple European assets including its Böhlen ethylene cracker (510,000 tpy) and Schkopau chlor-alkali & vinyl assets in Germany by Q4 2027, plus **Barry** siloxanes plant (150,000 tpy) in UK by mid-2026. Dow cited "difficult market dynamics" and a challenging cost/demand landscape in Europe, noting that European ethylene demand remains ~20% below pre-COVID levels. This signals continued European capacity rationalization amid structural demand weakness.
- **TotalEnergies** will shut its oldest European cracker in Antwerp, Belgium (570,000 tpy) by 2027 due to petrochemical industry overcapacity. The cracker has been dependent on a major third-party contract for ethylene offtake which will not be extended beyond 2027. Additionally, the company also postponed its 1.9 million tpy Fort Saskatchewan integrated ethylene cracker project in Canada as it prioritizes capital allocation.
- **Covestro** and **LyondellBasell** permanently closed their joint venture Propylene Oxide/Styrene Monomer (POSM) production unit (PO11) at Maasvlakte, Netherlands, operational since 2003. The shutdown, expected to be completed by end-2026, was driven by global overcapacities, increased Asian imports, and high European production costs pressuring profitability. This follows similar capacity rationalization moves across multiple European chemical sites.

#### WHAT'S NEW IN ADI PLUS

- [2026 ADI's global chemicals outlook](#)
- [Europe's chemical industry](#) faces a reckoning
- [Global POE & POP demand outlook](#)

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### Technology development

- **Aduro Clean Technologies** selected **Chemelot Industrial Park** in Netherlands for its First-of-a-Kind (FOAK) industrial plant using proprietary Hydrochemolytic Technology (HCT). The facility will have initial capacity of approximately 8,000 tpy with scalability to 16,000-20,000 tpy, targeting demonstration plant readiness by 2027-2028. The company's HCT operates at lower temperatures than conventional pyrolysis, minimizing by-products and energy consumption.

### Policy and regulatory landscape

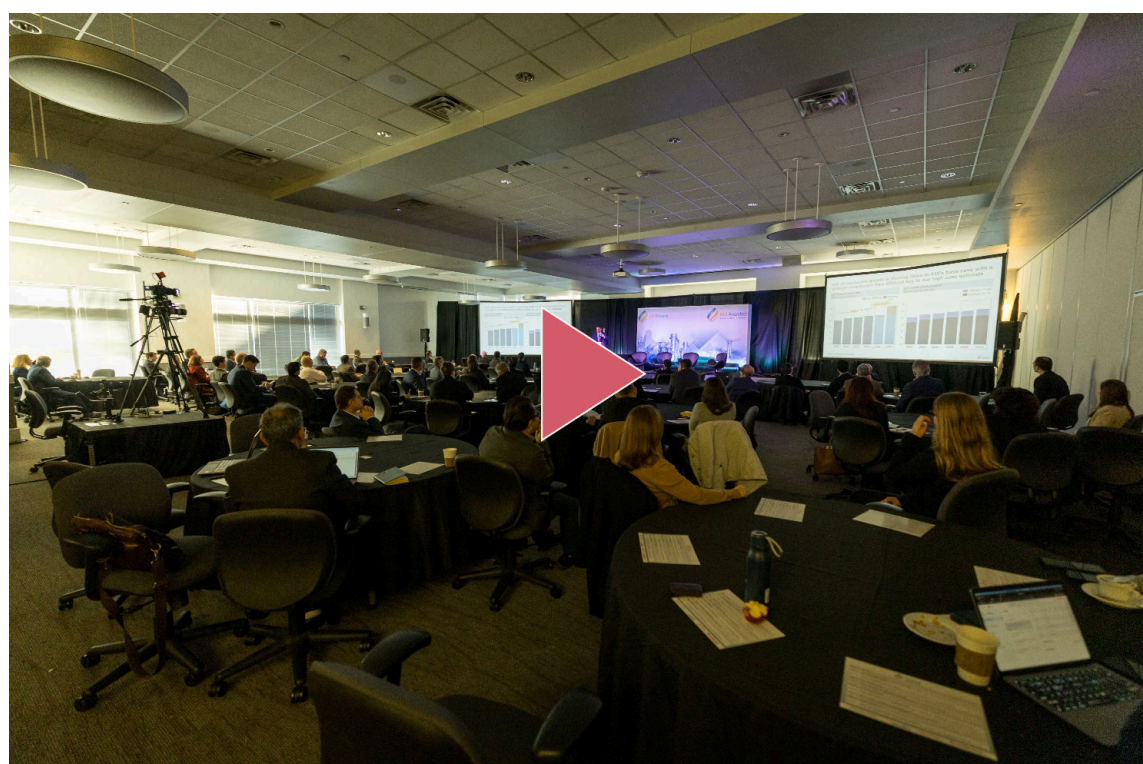
- **China's Ministry of Industry and Information Technology** implemented "anti-involution" policies classifying 20-year-old chemical equipment as "old" versus previous 30-year thresholds, as preliminary compliance investigations began in Hunan and Shandong provinces. The policy aims to curb hypercompetition and excess capacity that historically led to chemical dumping at lower prices. Previous supply-side reforms in 2015-2016 resulted in over 1.5 million tpy of PVC capacity closures when carbide-based units

with mercury catalysts were phased out.

- India concluded the **India-EU Free Trade Agreement**, that is expected to create new export opportunities and strategic partnership possibilities in high-end specialty chemicals. This follows China's anti-dumping measures, creating a potentially more rational global pricing environment, signaling shifting global trade dynamics that favor quality-focused chemical producers.
- The **European Commission's Waste Technical Adoption Committee** approved an implementing decision that aligns the Single-Use Plastics Directive (SUPD) with the Packaging and Packaging Waste Directive (PPWD) by expanding the definition of recycling to include chemical recycling and clarifying how recycled content in PET bottles is calculated through mass balancing. The measure, which excludes fuel-use from recycled content accounting, is welcomed for creating a harmonized approach across EU member states, though some in the industry, such as **Neste**, warn it could limit the role of oil refineries and hinder scaling chemical recycling. However, as the EU prepares to enforce its stricter PPWR requirements in 2025–2030, the chemical recycling sector continues to face challenges in boosting demand and investment amid high production costs and stalled projects.

#### ADI FORUM

Thank you for joining the **2026 ADI Forum**. Watch the highlights, and we look forward to seeing you at the **10th ADI Forum** on **January 28, 2027!**

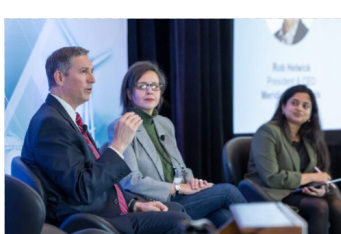


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**ADI Analytics** is a Houston-based consulting firm specializing in **oil & gas, energy, and chemicals**. Since **2009**, we've delivered over **1,000 bespoke engagements** for more than **450 clients**, including operators, investors, and start-ups.

With the acquisition of Chemical Market Resources (CMR), **ADI's chemicals practice** is now backed by a rich, 30-year legacy. Our deep expertise in commodity and specialty chemicals, petrochemicals, polymers, plastics, and engineered materials has shaped our rich experience in serving clients through **600+ projects** and a library of **55+ industry-leading multi-client studies**.

We also offer **ADI Plus**, our proprietary research and data portal, and host the **ADI Forum**, an executive conference featuring thought leadership in chemicals and materials, alongside oil & gas and energy.

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