

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



FEATURED INSIGHT

Chemicals underperformance grows in 2026

The chemical industry enters 2026 facing a widening performance gap. While easing inflation and regional feedstock edges provide minor relief, chronic oversupply in petrochemicals and stagnant demand from the automotive and housing sectors continue to suppress pricing power and shareholder returns. [Read more >>](#)

PETROCHEMICALS

Tech licensing: Where downstream value is shifting

EPC firms are reframing process technology licensing as a core strategic lever rather than an adjunct to project execution. By emphasizing capital-light margins, recurring revenue, and lower exposure to lump-sum EPC risk, companies across refining, petrochemicals, and energy-transition markets are elevating licensing within their business models. [Read more >>](#)

Plant announcements

- **Shintech** announced that it would invest \$3.4 billion to build a second ethylene unit with a capacity of 625,000 metric tons per year (tpy), along with a fourth chlor-alkali and vinyl chloride monomer (VCM) facility with capacities of 310,000 tpy and 500,000 tpy, respectively, at its Iberville Parish complex. The project's first phase is expected to be completed by 2030.
- **PPG Industries** announced plans to invest \$280 million to expand its existing automotive coatings facility in Delaware, Ohio, aiming to localize the production of advanced paints and coatings for automotive OEMs and parts suppliers transitioning their vehicle architectures. The company is currently awaiting approval of local incentives and plans to begin construction later this year, with production expected to start in 2028.
- **BASF** expanded dispersions production capacity at its Durban, South Africa site to enhance supply reliability and technical support for customers in the architectural coatings, construction, and paper sectors. The investment aims to strengthen BASF's regional manufacturing footprint and position the company to capture growing demand for water-based dispersions across Africa's infrastructure and construction markets.

RECENT ADI PROJECTS

- Ethylene derivatives **market sizing and growth opportunities assessment** for a large private equity firm.
- Led **feasibility study** for a new polyolefin elastomers and plastomers plant in Asia for a chemical producer.
- **Technology and strategy assessment** for a PE-backed technology developer with a proprietary process for low-carbon hydrogen and acetylene production.
- Led **market- and customer-focused due diligence** on a midstream chemicals firm for a private equity firm.

Explore ADI's [capabilities](#) and [services](#) >>

Mergers and acquisition

- **Silox** acquired selected hydrosulfite-related assets from **BASF** to strengthen its portfolio of sodium hydrosulfite-based reducing and bleaching agents for the paper and textile industries in Europe and global markets.
- **Advent HoldCo** withdrew from acquiring **LANXESS**'s 62% stake in the **ENVALIOR** joint venture in 2026, while the previously scheduled tender and purchase periods for the shares were deferred to 2027 and 2028. This move may signal tighter debt financing conditions for large-scale private equity transactions in the cyclical materials sector.
- **LOTTE Fine Chemical** partnered with Caldic to exclusively distribute its high-performance methyl cellulose and HPMC ingredients across the United States. The alliance combines LOTTE's specialized chemical manufacturing with Caldic's extensive application network to serve the US food, beverage, and nutrition markets.

MARKET RESEARCH

Trusted studies on chemicals and plastics

- [Polypropylene](#)
- [SBS & SEBS](#)
- [MMA & PMMA](#)
- [Polyethylene](#)
- [HDPE & MDPE](#)
- [ABS](#)
- [Bio-based chemicals](#)
- [Ethylene](#)
- [EPR & EPDM](#)
- [Linear alpha olefins](#)
- [LDPE](#)
- [Acid copolymers](#)
- [TPOs & TPVs](#)
- [Polyacetals](#)
- [Vinyl acetate](#)
- [Tie layer resins](#)
- [POEs & POPs](#)

[Browse our library of industry-leading studies >>](#)

Plant closures

- **QatarEnergy** shut down its polymer production and other downstream operations following recent Iran-related conflicts, affecting an estimated 2.6 million tpy of ethylene capacity and 5.6 million tpy of urea production, which represents about 14% of global urea supply.
- Disruptions in the Strait of Hormuz affected naphtha and gas supplies to Asia, prompting regional petrochemical producers such as **PT Chandra Asri Pacific** to shut down 1.4 million tpy of olefins

capacity in Indonesia and **CNOOC** and **Shell Petrochemicals Company (CSPC)** to plan the closure of a 1.2 million tpy steam cracker in China. Japanese and Korean producers, including **Mitsubishi Chemical** and **Lotte Chemical**, also lowered plant utilization rates to reduce ethylene output as they braced for potential feedstock shortages.

- **Wanhua Chemical** declared force majeure on all chemical supplies, including isocyanates, to Middle Eastern customers due to severe shipping disruptions in the Strait of Hormuz. This is expected to disrupt supply chains for the region's automotive, furniture, and construction sectors that rely on imported polyurethane precursors, while global margins may face additional pressure as products are diverted to markets in Southeast Asia and Latin America.

WHAT'S NEW IN ADI PLUS

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

[Explore ADI Plus >>](#)

Technology development

- **BASF** launched reduced product carbon footprint (rPCF) variants of chemical intermediates such as butanediol (BDO), tetrahydrofuran (THF), PolyTHF, and N-methylpyrrolidone (NMP) at its Ludwigshafen site, each with at least a 10% lower carbon footprint than conventional grades. This move reflects efforts by European chemical producers to monetize sustainability by offering lower-emissions chemical feedstocks to customers facing tightening Scope 3 emissions mandates.

Policy and regulatory landscape

- The **US Environmental Protection Agency (EPA)** secured court agreements to pause multiple lawsuits challenging its chemical rules under the Toxic Substances Control Act (TSCA), allowing time to revise risk evaluations for chemicals such as perchloroethylene and carbon tetrachloride. This could temporarily ease compliance pressure for chemical producers under stringent Biden-era requirements, but ongoing legal uncertainty over public health safeguards keeps the regulatory landscape volatile and complicates strategic planning for industry stakeholders.
- The **Colombian government** finalized a draft decree to impose 50% retaliatory tariffs on goods from Ecuador, escalating a severe bilateral trade dispute over regional free-trade rules. The measures covered more than 100 tariff subcategories, heavily targeting key cross-border flows of plastics, sulfur, and agro-industrial chemicals, which could further drive regional trade protectionism and threaten established tariff-free chemical supply chains across Latin America.

ADI FORUM

ADI Forum insights



[U.S. feedstocks in chemicals >>](#)



[Sustainability, recycling, & polyolefins >>](#)



[AI, decarbonization & specialty chemicals >>](#)

BEYOND THE INBOX

Fuel for thought

On LinkedIn, we explored critical themes shaping the chemical industry including [Chemicals outlook in 2026](#) and [AI accelerates chemical industry innovation](#) and [Europe's sustainability strategy](#).

[Subscribe to our weekly newsletter to join the conversation >>](#)

ABOUT ADI

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.

www.adi-analytics.com



Copyright © 2009-2026 ADI Analytics LLC.

440 Cobia Dr, Ste 1704, Houston, TX 77494 * +1 281-506-8234

[View in browser](#), [update your preferences](#), or [unsubscribe](#).