

ADI's news on global chemical industry including key projects, deals, and policies



FEATURED INSIGHT

Iran war's impact on global chemicals

The escalation of the Iran conflict is disrupting chemical supply chains by constraining exports through the Strait of Hormuz. Petrochemicals, fertilizers, and specialty gases face shortages, rising costs, and uneven cost-curve shifts. [Read more >>](#)


POLYOLEFIN ELASTOMERS

Consolidation reshapes the CASE sector


The coatings, adhesives, sealants, and elastomers (CASE) sector is being reshaped by consolidation and portfolio rationalization, as strategics and private equity redefine industry structure. [Learn more >>](#)

Plant announcements

- **Neste** commissioned a new facility with capacity of 150,000 tons per year (tpa) at its Porvoo refinery to upgrade liquefied waste plastics into high-quality petrochemical feedstocks. This new upgrading plant marks a transition from pilot to industrial-scale chemical recycling while supporting Europe's circular economy targets and reducing reliance on virgin fossil inputs.

 *Expanding chemical recycling capacity in Europe will drive recycling of hard-to-recycle plastic waste and help support EU circular economy targets.*

- **Indorama Ventures** and **Misr Phosphate** agreed to develop a \$525 million phosphate fertilizer plant in Egypt's Suez Canal Economic Zone with an initial capacity of 600,000 tpa. The investment leverages advantaged export logistics while diversifying Indorama beyond polymers into agricultural inputs with stronger demand fundamentals.

 *Polymer and petrochemical majors diversifying into high-demand agricultural nutrients to offset cyclical plastics volatility.*


RECENT ADI PROJECTS

- Developed an independent assessment of SCR and carbon capture technology, competitive positioning, and strategic growth options for a **catalyst manufacturer**.
- Assessed the market viability and strategic roadmap for a custom **catalyst scale-up and commercialization company**, including policy drivers, competitive landscape, and customer segmentation.
- Evaluated CO2 removal opportunities from natural gas using membrane technology for a **technology developer**.
- Led M&A due diligence in CASE sector including market research and demand outlook and competitive and customer landscaping for a **PE firm**.
- Conducted petrochemicals market assessment and long-term outlook analysis for a **global OEM**.


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Mergers and acquisitions


- **ADNOC** and **OMV** launched **Borouge Group International (BGI)**, merging **Borealis** and **Borouge** and integrating **NOVA Chemicals** into a \$60 billion entity with a combined polyolefins production capacity of 13.6 million tpa. The deal positions BGI as the world's fourth-largest polyolefins producer, highlighting Middle Eastern players' push into downstream integration to secure long-term demand and compete globally through advantaged feedstock costs.

 *Consolidation of commodity petrochemical powerhouses shifting global market share toward the Middle East.*


- **Michelin** finalized the acquisition of Houston-based **Flexitallic**, a manufacturer of high-performance gaskets and sealing solutions. The deal adds 17 global manufacturing facilities to Michelin's Polymer Composite Solutions business, expanding its access to the key chemical, energy, and aftermarket services sectors, reflects its ongoing diversification from traditional tire manufacturing into advanced polymer and composite materials.

 *Chemical companies are pursuing specialty chemical acquisitions to boost margins, prioritizing targets that align with their core functional competencies even across different end-use markets.*

- Polish refiner **Orlen** signed a preliminary agreement on April 1, 2026 to acquire 100% of GA Polyolefins from **Grupa Azoty** for PLN 1.183 billion (~\$326 Million) on a cash-free, debt-free basis, including capital injections to support liquidity and operations. The deal rescues a distressed asset while enabling Grupa Azoty to refocus on fertilizers and strengthening Orlen's downstream position amid broader European sector restructuring driven by high energy costs.

 *European chemical sector consolidation driven by distressed asset offloading and a strategic return to core competencies.*

- **Novonesis** acquired **Meihua's** fermentation facility in Rayong, Thailand, for \$50 million, with plans to produce biosolutions and HMOs starting 2027. The move strengthens its regional supply chains and supports expansion in high-growth emerging markets while advancing the shift toward precision fermentation and bio-based specialty chemicals.

 *Acceleration of global bio-manufacturing capacity to meet localized demand for sustainable specialty ingredients.*

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Plant closures

- **Sadara Chemical**, a joint venture between **Saudi Aramco** and **Dow**, temporarily halted production at its Jubail complex with over 3 million tpa of capacity due to ongoing supply chain disruptions linked to Middle East geopolitical tensions. Uncertain restart timing and the financial impact of the shutdown are expected to increase operational risks across global chemical supply chains.

💡 Geopolitical disruptions in the Middle East directly constraining large-scale petrochemical operations and amplifying global supply chain volatility.

- **Mitsubishi Gas Chemical** announced the closure of its 120,000 tpa polycarbonate plant in Kashima, Japan, by March 2028 due to persistent unprofitability and global oversupply. The move reflects broader pressure from low-cost Chinese capacity and a strategic shift toward higher-value specialty materials.

💡 Unprecedented Asian capacity additions forcing legacy producers to shutter commodity lines and pivot to specialized niches.

- **Sumitomo Chemical** agreed to transfer its polypropylene and LLDPE businesses in Japan to **Prime Polymer** in exchange for a 20% stake, with completion expected from July 2026. The restructuring consolidates domestic capacity to improve utilization and competitiveness amid margin pressure and rising imports.

💡 Accelerated consolidation of domestic commodity chemical assets to combat structural oversupply and margin erosion.

WHAT'S NEW IN ADI PLUS

- Impact of the [Iran war on the global chemicals industry](#)
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- The [Iran conflict and oil markets](#)
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- ADI's long-term [global HVO/RD capacity](#) database
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Technology development

- **Shell Chemicals** Europe and **Syensqo** partnered to advance mass-balanced, low-carbon ethylene oxide using CCU credits, achieving up to a 51% reduction in carbon footprint and verified under ISCC certification for traceability. The collaboration reflects rising need for Scope 3 reductions and highlights the role of upstream partnerships and mass-balance approaches in scaling decarbonized chemicals.

💡 Growing maturation of CCU credits and mass-balance accounting in commercial supply chains.

- **Syre** partnered with **JEPLAN** to scale advanced PET depolymerization technologies, targeting multi-ton commercial production by late 2026 for textile applications. The initiative addresses key technical barriers in textile recycling while positioning the industry for upcoming regulatory pressures on apparel waste.

💡 Chemical recycling technologies pivoting aggressively toward textile waste to address imminent regulatory crackdowns on fast fashion.

- **Green Graphite Technologies** and **Rain Carbon** completed a \$2.05 million project demonstrating scalable production of coated spherical purified graphite from end-of-life batteries. The breakthrough supports localized supply chains and reduces reliance on Chinese imports while advancing lower-emission pathways for battery-grade materials.

💡 Maturation of localized, circular battery material supply chains to circumvent geopolitical import dependencies.

Policy and regulatory landscape

- The U.S. and Iran announced a two-week ceasefire, with Tehran agreeing to reopen the Strait of Hormuz, driving a 16% drop in Brent crude prices to ~\$94 per barrel. While easing immediate energy market pressures, the fragile truce sustains significant risk to petrochemical supply chains, with potential for renewed disruptions and continued volatility in key feedstocks.

💡 Extreme near-term volatility for global petrochemical margins tied to Middle Eastern maritime security.

- **Formosa Plastics** raised prices for petrochemical feedstocks and chemical fibers following disruptions from the temporary closure of the Strait of Hormuz, which cut March output by nearly 50% amid surging input costs. The event highlights the vulnerability of feedstock-dependent Asian producers and the fragility of global petrochemical supply chains under geopolitical stress.

💡 Severe feedstock vulnerability in non-integrated Asian markets driving structural inflation and operational bottlenecks.

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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.

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