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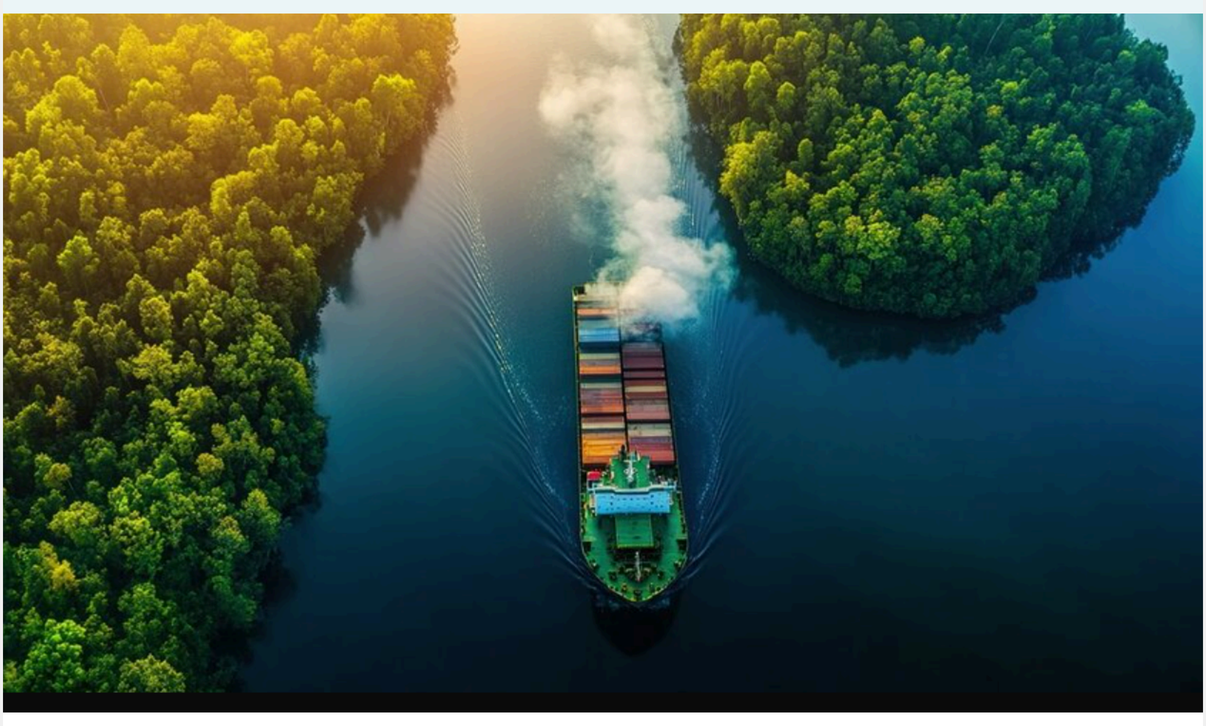
CHEMICAL MARKET RESOURCES An ADI Business

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



FEATURED INSIGHT

CBAM puts a new price tag on emissions

The EU's CBAM certificate price sets a carbon cost on imports, putting immediate cost pressure on steel, cement, and chemicals while driving shifts toward low-carbon supply chains and emissions transparency. Read more >>

Plant announcements

- **Covestro** announced plans to invest ~$2 billion in two new methylene diphenyl diisocyanate (MDI) production facilities, each with a production capacity of 660,000 tonnes per annum (tpa). One facility will be built at its integrated site in Shanghai, China, with commissioning targeted by the end of the decade, while the second facility is being evaluated to be located in the UAE.

  💡***The investments are expected to strengthen Covestro's global MDI production footprint and support growing demand in Asia and the Middle East.***

- **Diamines & Chemicals** announced plans to build a new chemical manufacturing plant in Andhra Pradesh, India to expand its production capacity for fine chemicals and specialty chemical intermediates. The company recently signed a binding term sheet to acquire ~ 50 acres of industrial land at Auro Industrial Park in Kakinada for ₹40 crore (~$4.7 million), with a foundation-laying ceremony targeted for mid-2027.

Mergers and acquisitions

- **Yara** announced that it will acquire **Gulf Coast Ammonia**'s (GCA) ammonia production facility in Texas City, Texas, for $1.3 billion. The facility, currently in the commissioning phase, has a nameplate production capacity of 1.3 million tpa. The acquisition is expected to strengthen Yara's production footprint in the U.S. Gulf Coast while expanding access to low-cost ammonia production.

- **Mutares SE & Co. KGaA** signed an agreement to acquire Synthomer's acrylate monomers business in the Czech Republic, with the transaction expected to close by the end of Q3 2026. The acquisition expands Mutares' industrial chemicals portfolio while enabling Synthomer to reshape its portfolio to focus on higher-margin, higher-growth specialty chemicals.

- **Olin** and **Huntsman** announced an all-stock merger of equals valued at ~$12.5 billion, with the transaction expected to close in the first half of 2027. The combined entity, to be named **OlinHuntsman Corp.**, will bring together Olin's manufacturing and feedstock capabilities, including chlorine and caustic soda, with Huntsman's downstream products and formulation expertise to enhance vertical integration and reduce feedstock costs.

Plant closures

- **Air Products** announced plans to terminate the Louisiana Clean Energy Complex (LCEC) project and discontinue its zero-carbon liquid hydrogen facility in Casa Grande, Arizona, along with several smaller clean energy projects. The LCEC project termination and related portfolio actions are expected to result in a pre-tax charge of up to $2.9 billion in the company's fiscal third quarter.

  💡 ***The decision reflects challenging economics and weak demand for clean hydrogen, prompting industrial gas and chemical producers to reassess their clean energy investments.***

- **Evonik** announced that it will permanently discontinue its global polyester business in 2027. The business exit will result in the closure of the company's three polyester and polyester polyol production sites in Witten and Marl in Germany, and in Shanghai, China.

- **INEOS Styrolution** announced the permanent closure of its polystyrene (PS) production facility in Channahon, Illinois. The plant, which has been operating since 1960 with a production capacity of ~400,000 tpa, is expected to complete decommissioning and cease operations by the fourth quarter of 2026.

  💡***Evonik's and INEOS' plant closures are expected to tighten polyester and PS resin supply for downstream manufacturers as European chemical producers continue to rationalize assets amid challenging operating economics.***

WHAT'S NEW IN ADI PLUS

- ADI's ongoing coverage of the implications of the Iran conflict across oil & gas, LNG, refined products, and chemicals
- ADI's databases on ammonia projects, U.S. refineries, global LNG capacity, and U.S. data center projects
- ADI's outlooks on diesel demand, LNG export terminals, and global HVO/RD capacity

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Technology development

- **Contemporary Amperex Technology Co., Limited (CATL)** launched Tener Sodium, the world's first field-validated sodium-ion battery energy storage system for electric vehicles (EVs), on June 25, 2026. The system has a rated capacity of more than 30 megawatt-hours (MWh), a 15,000-cycle design life, and a modular design that improves operational stability and system availability.

  💡 ***The commercialization of sodium-ion batteries could reshape battery material demand and intensify competition on incumbent lithium-ion battery producers, particularly in energy storage and EV applications.***

Regulatory and macro updates

- **Taiwan's Ministry of Environment (MOENV)** announced new regulations classifying methoxychlor, Dechlorane Plus, and UV-328 as toxic chemical substances, with the regulations taking effect on July 1, 2026. The new rules imposed stricter controls on the manufacture, import, use, and release of these substances. Under the regulations, methoxychlor and dechlorane plus were restricted to research, testing, and educational use, while UV-328, a UV stabilizer widely used in coatings, plastics, and sealants, became subject to enhanced handling and reporting requirements.

- **The UK Government** declined to introduce stricter restrictions on per- and polyfluoroalkyl substances (PFAS), despite recommendations to tighten controls on their use. Instead, the government will continue implementing measures under the UK's existing PFAS Plan while monitoring regulatory developments in the European Union.

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BEYOND THE INBOX

Fuel for thought

We discussed chemical prices, blue ammonia capacity, OPEC quotas and record RFS mandates on LinkedIn.

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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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