ADI Analytics
OIL & GAS • ENERGY • CHEMICALS

CHEMICAL MARKET RESOURCES
An ADI Business

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

FEATURED INSIGHT

Catalyst market consolidation gains momentum

The catalyst industry is undergoing significant portfolio realignment, for instance, Honeywell's recent acquisition of Johnson Matthey's Catalyst Technologies business. ADI examines five key themes emerging from recent M&A activity, ranging from industry consolidation to catalyst metal circularity and digital services. Read more >>

GAS TO GRID INFRASTRUCTURE SUMMIT

AI demand reshaping chemical markets

AI-driven data center expansion is increasing pressure on natural gas supply and infrastructure. Join the Gas to Grid Conference to learn how these market shifts are impacting the chemicals industry.

Last chance: $200 off ends tomorrow!

Mergers and acquisitions

- **Shell** announced plans to sell its U.S. chemicals business, which has attracted interest from potential buyers including **ExxonMobil, LyondellBasell, Kuwait Petroleum Corporation**, and private equity firm **Apollo Global Management**. The business includes chemical plants across Louisiana, Texas, and Pennsylvania, which could be valued at up to $8 billion, with potential buyers submitting non-binding offers for the entire business as well as individual assets.

  💡***Shell management has indicated that they are more likely to engage in a transaction that values the assets at mid-cycle margins as opposed to the present margins at the bottom of the cycle. ADI has supported multiple M&A strategy and due diligence engagements for chemical producers and investors, including venture capital and private equity firms, helping clients identify value creation opportunities and achieve higher transaction valuations.***

- **TotalEnergies** acquired **Shell**'s European onshore renewables unit, covering assets across Italy, the Netherlands, Spain, and the UK. The portfolio includes around 500 MW of solar and wind assets that are operating or under construction, as well as a 3.5 GW pipeline of solar, wind, and battery storage projects, with the transaction expected to close by the end of 2026.

- **Lotte Chemical Corporation** announced plans to divest several of its subsidiaries in Southeast Asia. The sales targets include its Malaysian subsidiary, **Lotte Chemical Titan Holding Bhd**, and a stake in its Indonesian unit, as it seeks to streamline its Southeast Asian petrochemical portfolio amid persistent losses and global overcapacity.

- **Sika AG** completed the acquisition of Turkish adhesives and sealants manufacturer, **Akkim Construction Chemicals Inc.**, strengthening its position in the adhesives and sealants market. The acquisition expands Sika's adhesives and sealants production capacity while supporting distribution and exports across Eastern Europe, Central Asia, the Middle East, and North Africa.

- **Mitsui & Co.** agreed to acquire an additional 19% stake in **Nutrinova Netherlands B.V.** from **Celanese** for ~$152 million, increasing its ownership to 89%, with the transaction expected to close in Q4 2026. The deal will also allow Mitsui & Co. to integrate the upstream operations of **VP4 Frankfurt GmbH**, a tolling operator for chemical intermediates recently acquired by **Celanese**, into **Nutrinova**, giving it greater control over the supply chain for key intermediates.

RECENT ADI PROJECTS IN CHEMICALS

- Evaluated CO_2-to-chemicals pathways for a **global investment firm.**
- Identified petrochemical growth opportunities for a **global EPC company.**
- Assessed specialty polyethylene opportunities for a **polyolefins producer.**
- Evaluated small-scale methanol technologies for a **shale gas technology center.**
- Developed petrochemical technology intelligence for a **global chemical provider.**

Explore ADI's capabilities in chemicals >>

Plant announcements

- **Solvay** announced plans to double its ultra high-purity hydrogen peroxide production capacity in Taiwan through its 51%-owned **Shinsol Advanced Chemicals** joint venture. Production capacity will increase from 35,000 metric tonnes per annum (mtpa) to 70,000 mtpa by the end of 2026. The expansion aims to support growing demand from Taiwan's semiconductor manufacturers, particularly advanced-node fabs, where high-purity hydrogen peroxide is used to clean semiconductor wafers.

  💡***Growing semiconductor demand continues to drive investment in not only industrial gas but also specialty chemical capacity expansions, especially in major***

semiconductor hubs such as Taiwan.

- **Syensqo** announced plans to invest in a new compounding line for high-performance aromatic polymers at its Panoli site in India, which is expected to double the site's existing compounding capacity by Q1 2028. The new line will form the first asset of a planned modular compounding hub, capable of processing materials including polyphenylene sulfide (PPS), polyetheretherketone (PEEK), polyphthalamide (PPA), and polyarylamide (PARA), to support growing demand from automotive manufacturers and suppliers in India and international markets.

- **Mitsu Chem Plast Limited**, a Mumbai-based polymer products manufacturer, announced plans on August 31, 2026, to add 600 mtpa of production capacity at its existing facility, in addition to the 6,100 mtpa capacity expansion announced earlier in 2026. The expansions are expected to be completed in 2027, bringing its total production capacity to over 36,000 mtpa to support OEM customers across industrial packaging, healthcare, infrastructure, and agrochemical applications.

Plant closures

- **H&L Advanced**, a 50:50 joint venture recently formed between **HD Hyundai Chemical** and **Lotte Daesan Petrochemical**, announced plans to suspend operations at Lotte Daesan Petrochemical's 1.1 million mtpa naphtha cracking facility and reduce operations at other unprofitable general-purpose facilities over the next three years. These business consolidation and portfolio restructuring measures are part of the government-approved plan to reduce South Korea's naphtha cracking capacity by 2.7–3.7 million mtpa, aiming to strengthen the competitiveness of the domestic petrochemical industry.

- **Methanex** announced plans to indefinitely idle and preserve its New Zealand methanol production facilities in Q1 2027 and agreed to sell substantially all of its natural gas contractual entitlements from 2027 through the end of the decade. The decision reflects declining domestic natural gas availability and the lack of a clear pathway to new supply, making continued methanol production in New Zealand unsustainable.

Technology development

- **Envalior** and recycling technology company, **SECARA**, signed a memorandum of understanding (MoU) to develop a scalable process for converting plastics from end-of-life vehicles into circular polyamide 6 (PA6) for automotive applications. The collaboration will assess **SECARA**'s catalytic recycling technology, which converts used PA6 plastics into high-purity caprolactam that can be fed directly into **Envalior**'s existing PA6 production process. The collaboration is aimed at supporting automotive manufacturers in meeting upcoming EU recycled-content requirements under the End-of-Life Vehicles Regulation (ELVR), which will require 15% recycled plastic content in new vehicles from 2032, increasing to 25% from 2036, with 20% of the recycled content required to come from closed-loop sources.

- **Lummus Technology** signed an agreement with **Ammobia** on August 27, 2026, to license and globally deploy **Ammobia**'s "Haber-Bosch 2.0" process technology. The technology consists of a modular, low-pressure system designed to produce ammonia at a lower carbon intensity and reduce overall production costs by 10–30% compared with traditional Haber-Bosch processes.

  💡***The commercialization of decentralized, modular ammonia production technologies could support the development of emerging low-carbon maritime fuel and hydrogen carrier applications.***

- **CarbonStrong**, a Bengaluru-based climate-tech startup, raised ₹12.5 crore (~$1.3 million) in a seed funding round led by IAN Angel Fund. The startup converts industrial waste into supplementary cementitious materials that can replace up to 50% of the cement used in concrete at 30% lower cost. The funding will support the development of its first 100,000 mtpa production facility, product testing, and team expansion.

Regulatory and macro updates

- **China's government** officially imposed a 2% consumption tax on lithium-ion and other battery products from September 1, 2026, increasing to 4% from September 2027. Solar cells will be subject to a 2% tax from April 2027, rising to 4% from April 2028. However, sodium-ion batteries, solid-state batteries, fuel cells, and certain advanced solar cells, such as perovskite cells, will remain exempt through the end of 2028.

  💡***The regulatory shift will increase cost pressures across the solar, battery, and electric vehicle value chains as China seeks to address overcapacity and promote industry consolidation, while tax exemptions for emerging technologies will be crucial in supporting their development and commercialization.***

"It's more intimate and people feel more comfortable engaging in a conversation."
- **VP, Renewables Fuels**

"Best practices sharing around existential topics... Forums like these provide opportunities to learn."
- **Energy Strategy Leader**

"The Forum brings together thought leaders... like a GPS to what was, what is, and what can be."
- **Specialty Plastics Lead**

Super early bird pricing ends September 30!

BEYOND THE INBOX

Fuel for thought

We discussed chemical prices, carbon cost, CBAM impacts on chemicals, blue ammonia capacity 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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