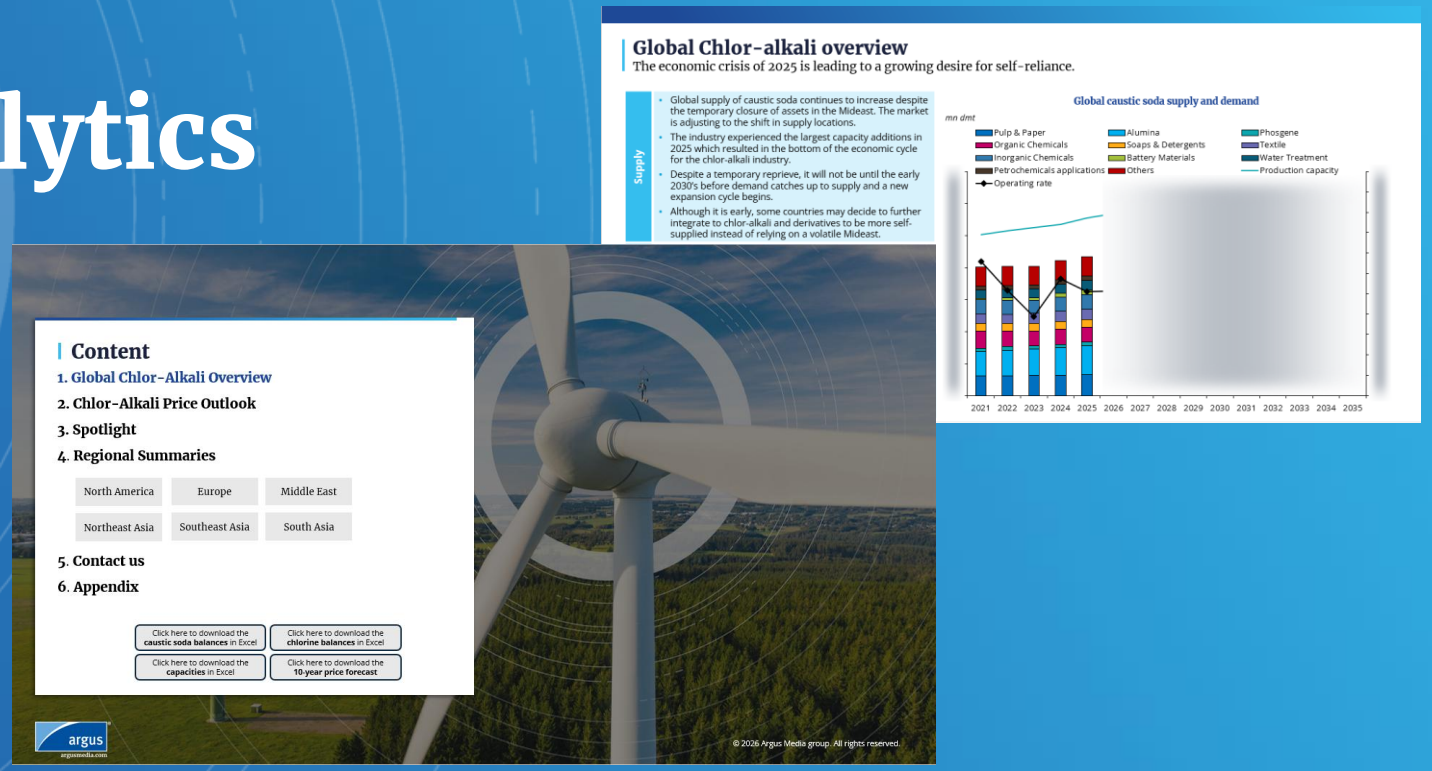
Argus report sample

Chlor-Alkali Analytics

May 2026



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About this report

Argus Chlor-Alkali Analytics is a data-driven evaluation of supply-demand fundamentals forecast for chlorine and caustic soda and their derivatives markets, published twice a year.

The service includes a 10-year forecast and 5-year history covering balances and capacities, organized by country and region.

Subscribers receive a PowerPoint PDF written by our experts plus the accompanying Excel data files.

This is a sample of the full report only. It includes insights for North America.

To find out more about the full Argus Chlor-Alkali Analytics service, click here to get in touch.

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Key features

10-year price forecast & five-year history
Covering chlorine and caustic soda capacities, supply and demand, trade, and feedstock forecasts for leading derivatives, by country and region, published twice a year.

Detailed report
In an easy-to-read PowerPoint format focusing on new plant capacities, growth rates in relevant markets, and regulatory developments.

Production processes
Coverage of different production processes for chlorine and caustic soda as well as key technologies for derivatives.

Regional insights
Covering capacities and operating rates based on global trade and economics.

Downloadable data
With data on supply, demand, capacities, operating rates and trade balances, by country and region.

Access to specialists
Speak to the experts behind Argus' long-term analytics forecast services.

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Associated data

Global supply, demand and trade by country; caustic soda and chlorine capacities

Capacity list for caustic soda, '000dmt

Product	Region	Country	Location	Country Subdivision	Operating Company	Source	2021	2022	2023	2024	2025
Caustic Soda	Africa	Algeria	Mostaganem		ADWAN Chemical	Membrane	28	28	28	28	28
Caustic Soda	Africa	Algeria	Ouargla		Flash Chemical Industry	Membrane	66	66	66	66	66
Caustic Soda	Africa	Algeria	Oumeche	Biskara	SARL SASKO Industries	Membrane	66	66	66	231	231
Caustic Soda	Africa	Egypt	Alexandria		Egyptian petrochemical Co.	Membrane	200	200	200	200	200
Caustic Soda	Africa	Egypt	El Mex		Misr Chemical Industries	Membrane	56	56	56	56	56
Caustic Soda	Africa	Egypt	El Nasir		Intermediate Chemicals (NCIC)	Membrane	27	27	27	27	27
Caustic Soda	Africa	Egypt	Port Said		Sanmar Group (Trust Chemical)	Membrane	275	275	275	275	275
Caustic Soda	Africa										
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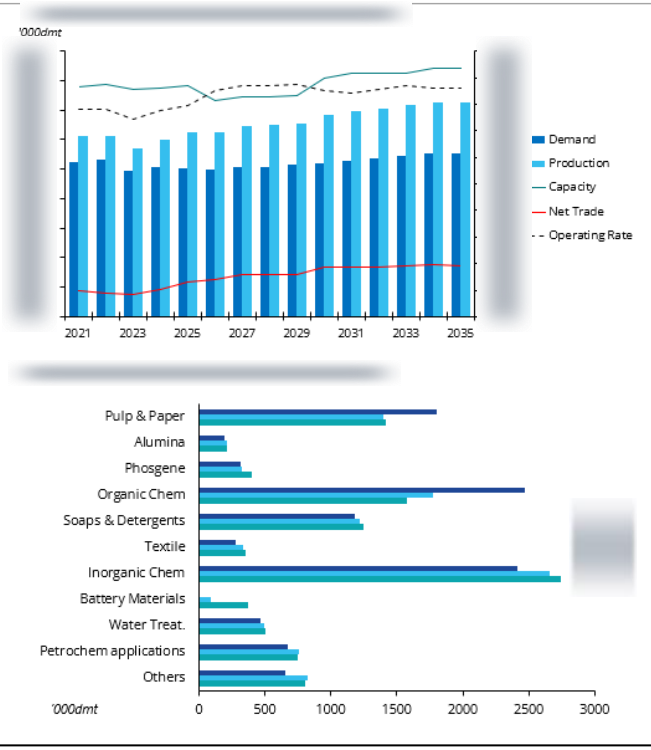
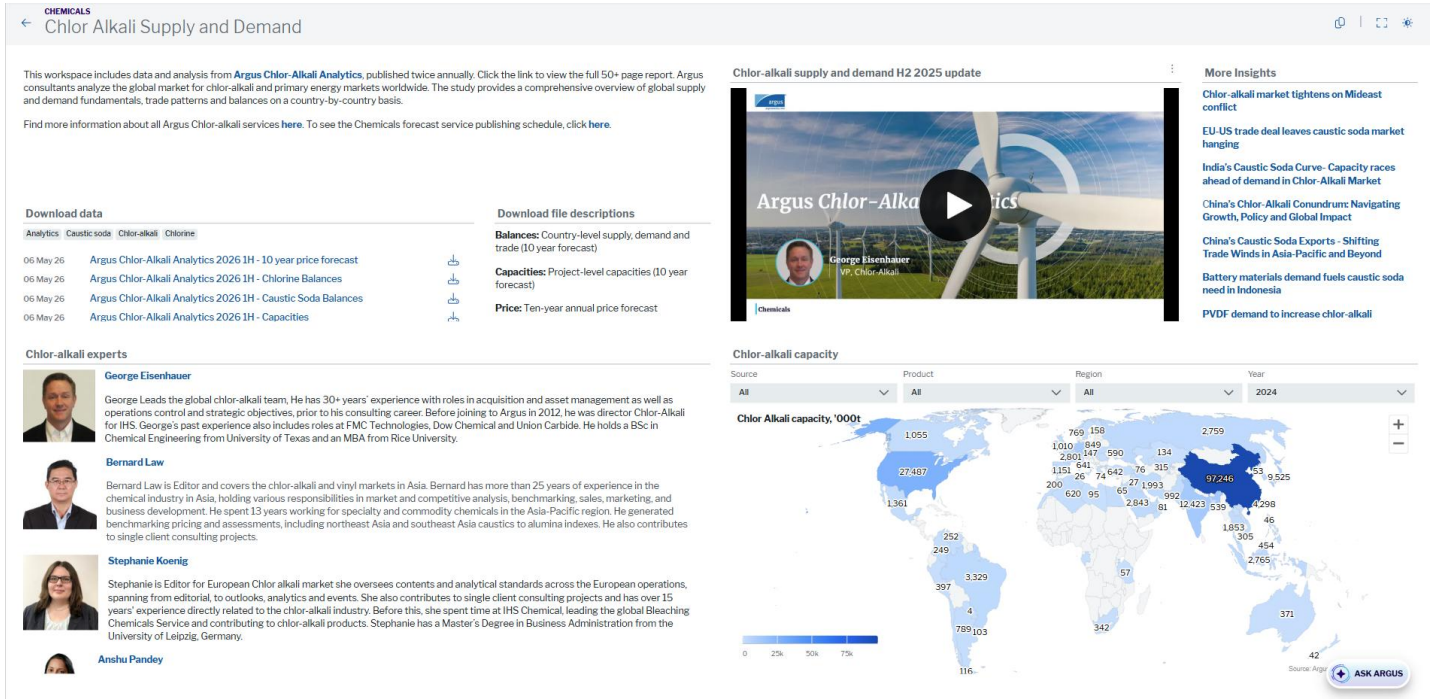
	Historical					Estimate	Outlook										CAGR %		
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2021-25	2025-30	2030-35
Capacity																		
Diaphragm	7,418	7,222	6,850	6,850	6,695													
Mercury	238	238	238	238	188													
Membrane	7,881	8,211	8,267	8,323	8,743													
Other	59	59	59	59	59													
Speculative	-	-	-	-	-													
Total capacity	**15,596**	**15,730**	**15,414**	**15,470**	**15,685**													
Production																		
Diaphragm	5,184	5,350	4,767	5,096	4,849													
Mercury	118	126	95	96	79													
Membrane	6,866	6,736	6,520	6,754	7,489													
Other	50	50	50	50	50													
Total production	**12,218**	**12,262**	**11,432**	**11,996**	**12,467**													
Operating rate	78%	78%	74%	78%	79%													
Import	805	822	709	744	579													
Total supply	**13,023**	**13,084**	**12,141**	**12,740**	**13,046**													
Derivative Consumption																		
Pulp & Paper	1805	1876	1712	1597	1398													
Alumina	198	207	203	204	213													
Phosgene	319	318	275	240	325													
Organic Chemicals	2466	2181	2025	2030	1778													
Soaps & Detergents	1177	1195	1172	1211	1220													
Textile	280	317	312	319	331													
Inorganic Chemicals	2409	2713	2293	2518	2658													
Battery Materials	10	10	33	35	87													
Water Treatment	470	476	477	483	494													
Petrochemicals applications	670	683	703	730	754													
Others	650	686	683	816	820													
Total consumption	**10,454**	**10,662**	**9,888**	**10,183**	**10,078**													
Export	2,569	2,422	2,253	2,557	2,968													
Total demand	**13,023**	**13,084**	**12,141**	**12,740**	**13,046**													
Net Trade	1,764	1,600	1,544	1,813	2,389													
To/(from) inventory	-	-	-	-	-													
Demand % change		2%	-7%	3%	-1%													



Chlor-alkali analytics service

Access Excel data and more content on *Argus Direct*

- This presentation is based on an update of the *Argus Chlor-Alkali Analytics* 10-year supply/demand forecast, published in May 2026. The annual study provides a comprehensive overview of global supply and demand fundamentals, trade patterns and balances on a country-by-country basis.
- *Argus* consultants analyse the global caustic soda and chlorine market and its primary derivative and link them to primary energy markets worldwide. It is a commercially oriented consulting service whose aim is to provide the most accurate and timely analysis of industry trends and events, including supply and demand, cost drivers for caustic soda and chlorine and its major first-level derivatives (vinyls, isocyanates, phosgene, pulp & paper, alumina, organic and inorganic chemicals, etc.).
- *Argus* also offers a rolling 24-month price forecast (*Argus Chlor Alkali Outlook*) backed by an analysis of future market trends.



Executive summary: Chlor-alkali analytics

Global capacity additions exceed demand growth by [redacted] each year for the forecast period.

Key regions update

North America

[redacted]

Future chlor-alkali expansions will be integrated into low-carbon vinyls, inorganics, and water treatment applications..

Europe

Capacity closures are likely to accelerate, but no new permanent shutdowns have been announced since the last update. Europe is struggling to achieve sustained demand recovery, and its high-cost position and low utilisation rates may push some producers into bankruptcy or prompt further asset closures.

Middle East

Caustic soda consumption has fallen by [redacted] because of ongoing geopolitical conflict. Several major chlor-alkali sites and downstream manufacturers have scaled down or ceased operations. The Adnoc project is scheduled for completion in late 2028.

Northeast Asia

Capacity and demand growth in the region is concentrated in China, with increased export availability from China. Outside China, the chlor-alkali industry has entered a mature phase, with minimal capacity and demand growth.

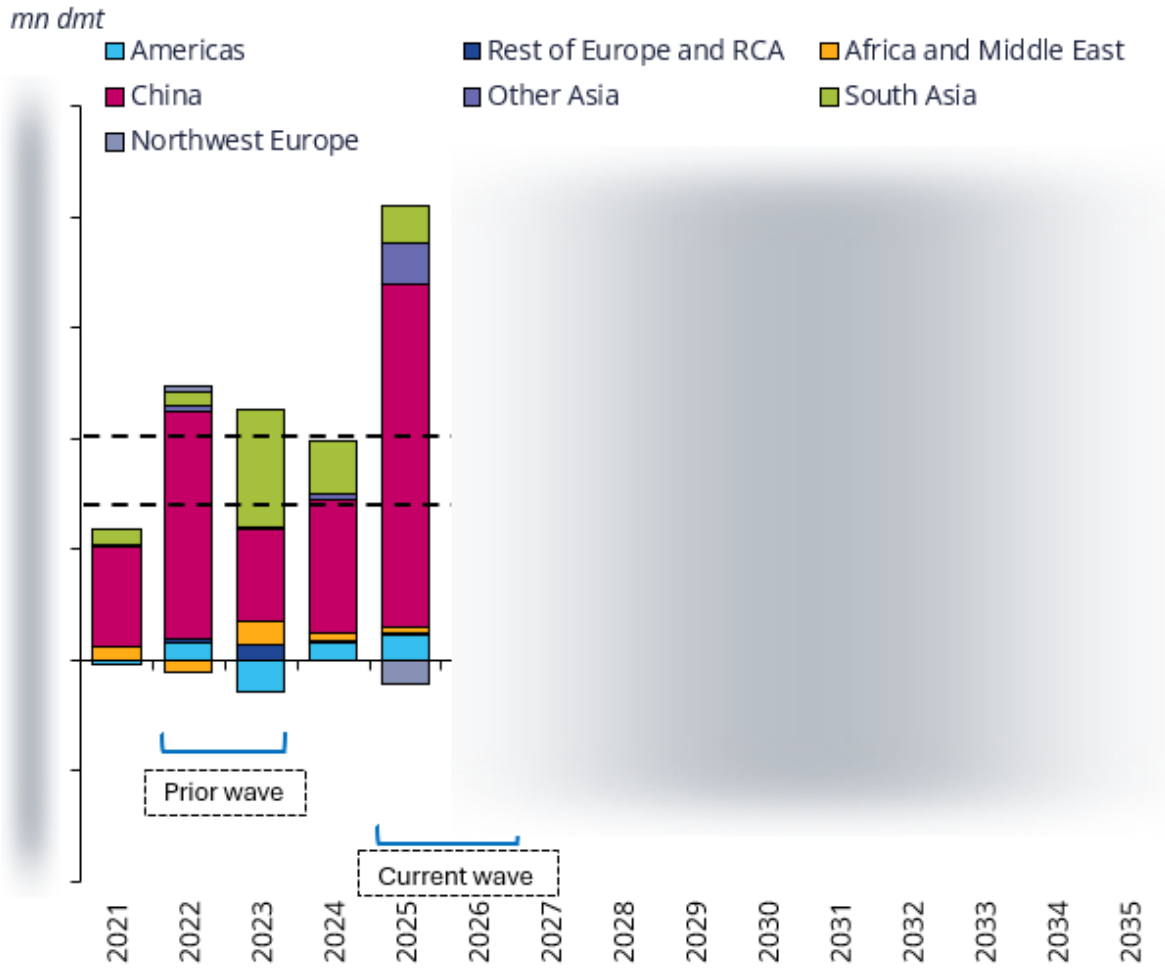
South Asia (India)

India is expected to become a strong net exporter after 2027, when new Reliance Industries and Adani sites are ready for production.

Southeast Asia

Southeast Asia remains the most robust chlor-alkali market globally. Demand growth in battery materials and alumina is driving caustic soda consumption.

Global Caustic Soda Capacity Addition

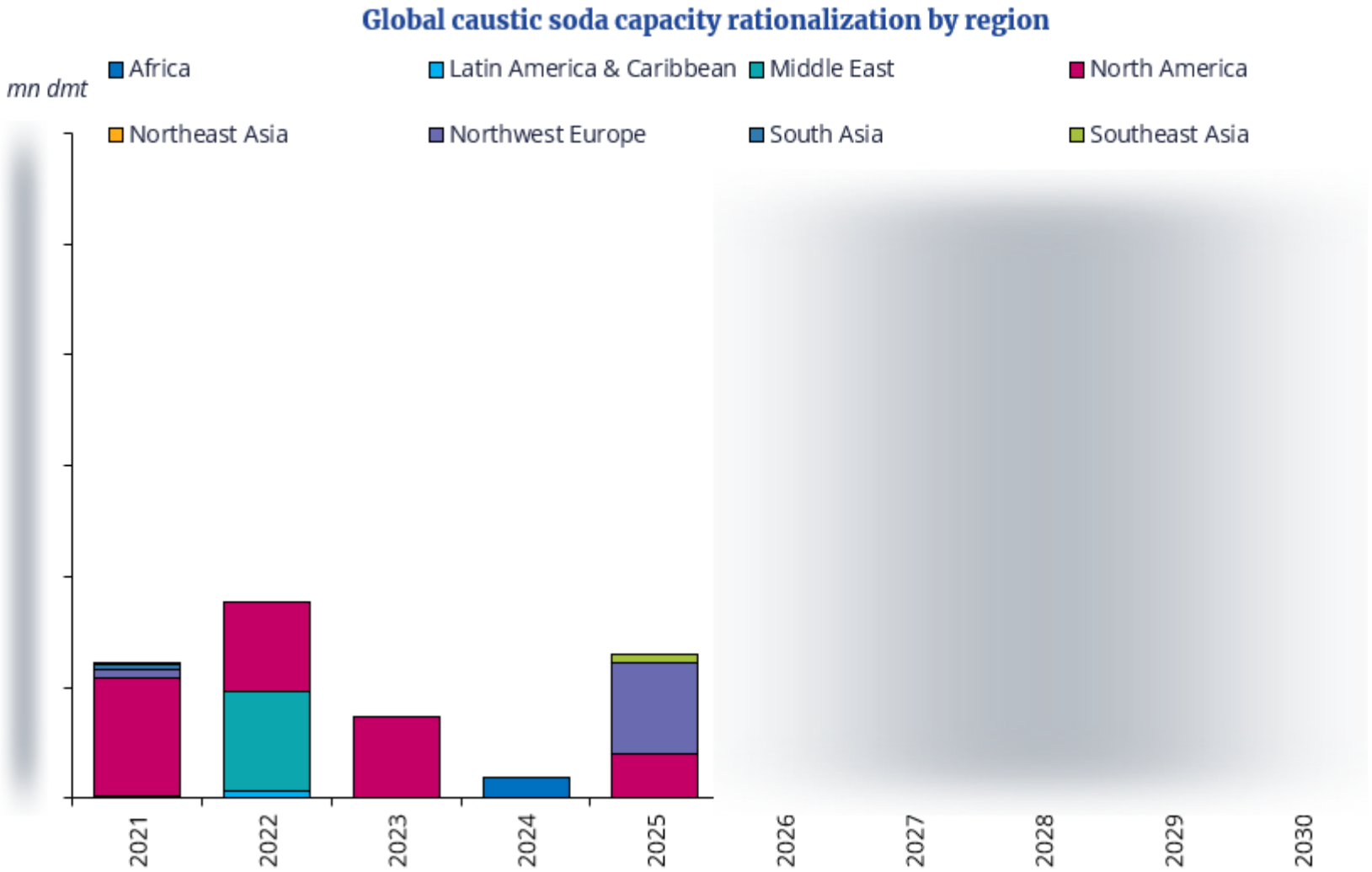


Source: Argus Media – Consulting Services

Sensitivity analysis: Rationalisation

The Mideast reprieve.

- The closure of the strait of Hormuz has severely affected supply and demand for chlor-alkali products and derivatives.
- The shutdown of the strait of Hormuz has increased chlor-alkali production and derivative demand in China, the US and, to a lesser extent, Europe. Asia outside China, along with south and southeast Asia, has been negatively affected mainly by the loss of oil, naphtha and sulphur exports from the Mideast. This has limited those regions' ability to produce ethylene and the primary chlorine-consuming derivative, PVC.
- China makes most of its PVC from coal, while the US uses low-carbon ethane. Europe relies on a range of oil supplies, but production assets are running at low operating rates.

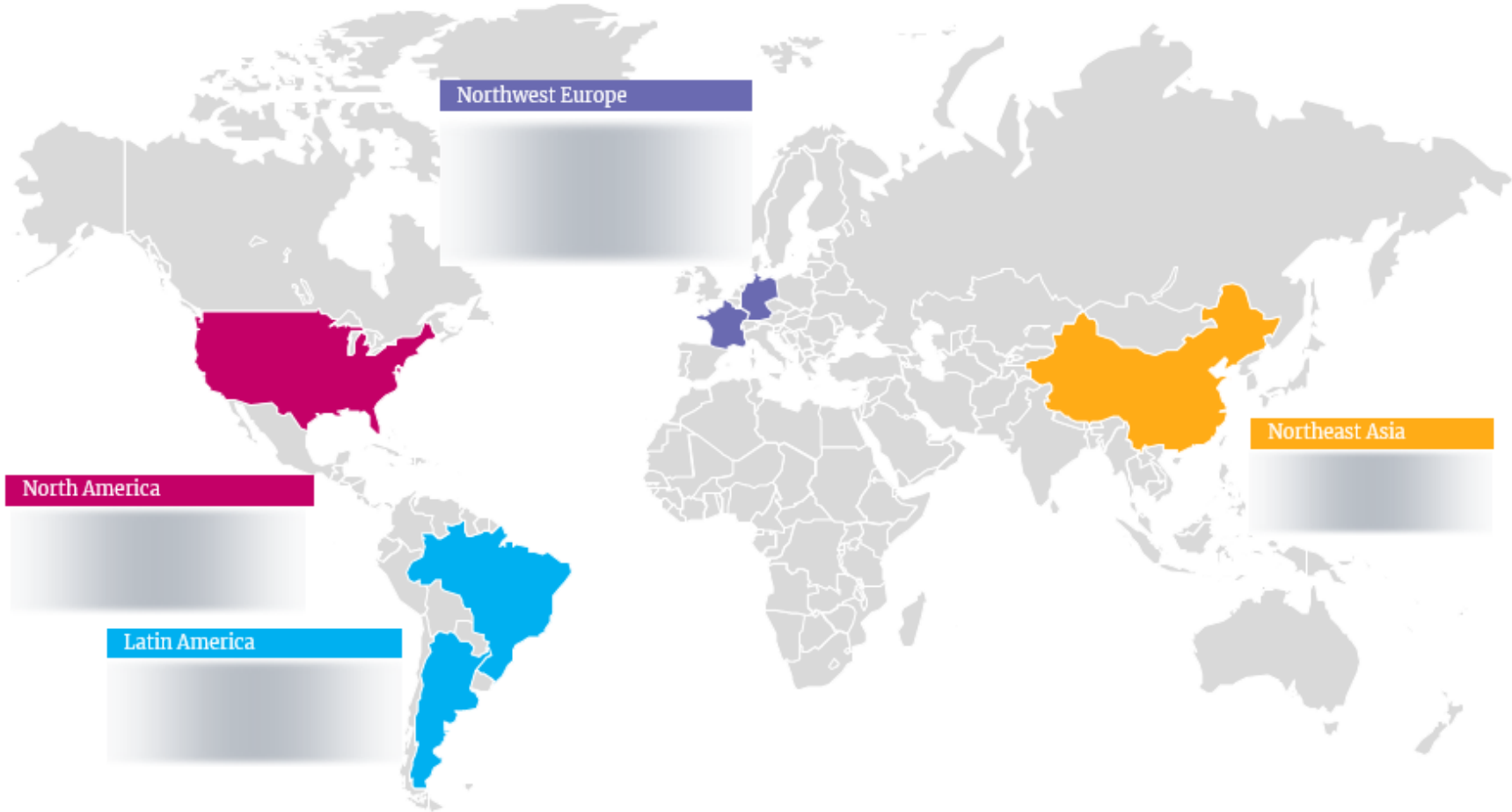


Source: Argus Media – Consulting Services

Sensitivity analysis: Rationalisation

The Atlantic basin feels the pain.

- [redacted]



- Protectionist measures are likely to increase as countries seek to keep their chlor-alkali and derivative industries competitive. The US has imposed import tariffs, while Europe has implemented anti-dumping duties on US and Egyptian PVC and is expected to introduce an additional tariff through the Carbon Border Adjustment Mechanism (CBAM).
- Brazil has applied anti-dumping duties on US PVC. India has imposed anti-dumping duties on PVC, although these have been suspended during the closure of the Strait of Hormuz. China has banned sulphuric acid exports to ensure domestic supply.

Source: Argus Media – Consulting Services

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Global Chlor-alkali overview

The economic crisis of 2025 is leading to a growing desire for self-reliance.

Supply

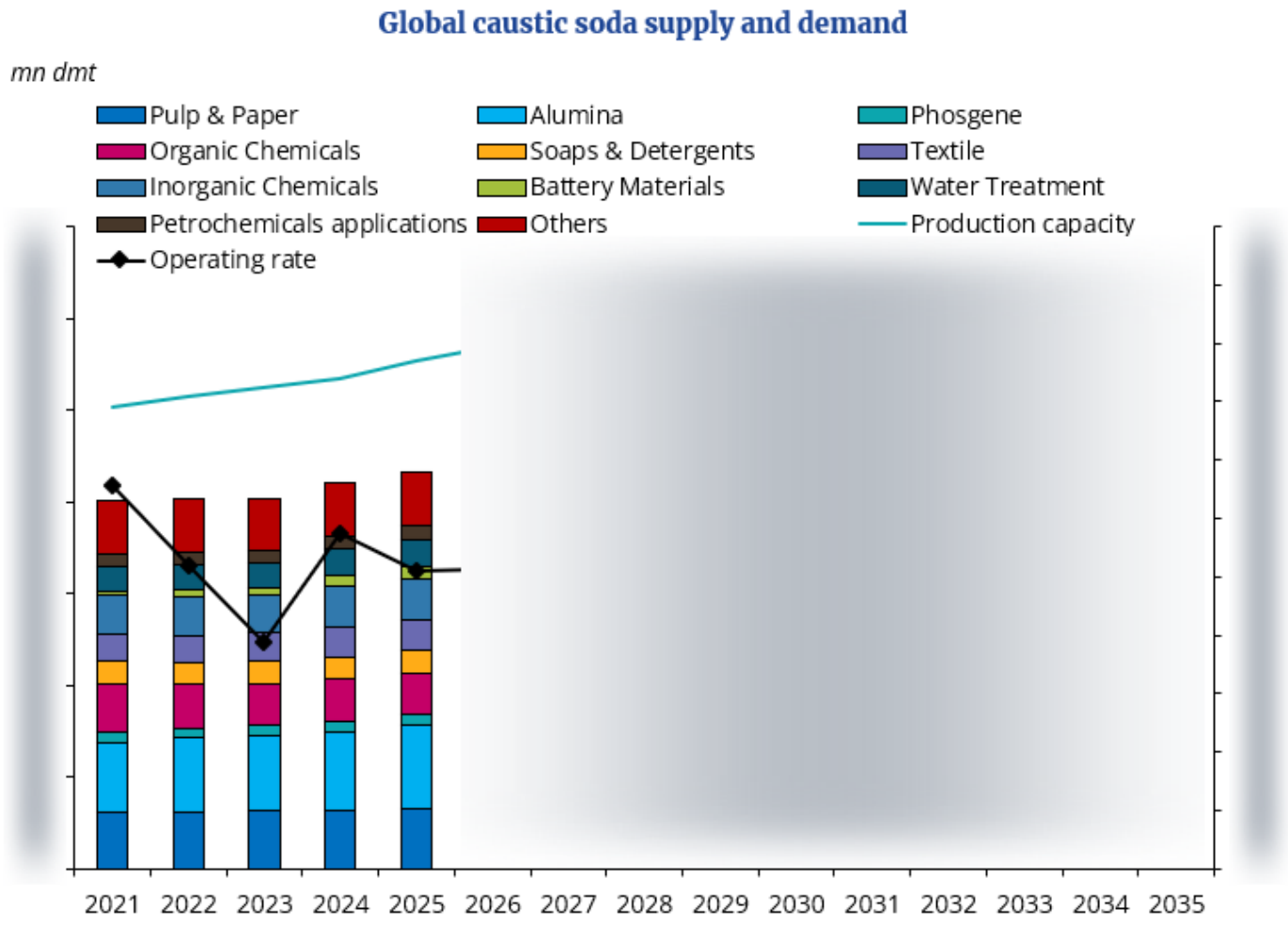
- Global supply of caustic soda continues to increase despite the temporary closure of assets in the Mideast. The market is adjusting to the shift in supply locations.
- The industry experienced the largest capacity additions in 2025 which resulted in the bottom of the economic cycle for the chlor-alkali industry.
- Despite a temporary reprieve, it will not be until the early 2030's before demand catches up to supply and a new expansion cycle begins.
- Although it is early, some countries may decide to further integrate to chlor-alkali and derivatives to be more self-supplied instead of relying on a volatile Mideast.

Demand

- Global chlor-alkali demand continues to grow despite depressed growth rates in 2026 owing to the impacts of the closure of the Straight of Hormuz.
- Demand will be supported by the electrification of the automobile with increased needs for magnesium, aluminium, lithium and other metals.

Trade

- While trade barriers are being erected to protect domestic markets, these barriers are more related to chlorine derivatives. This lopsided approach to trade will result in increased caustic soda trade.
- Chlorine derivatives trade such as EDC and VCM are anticipated to grow during the forecast period.



Source: Argus Media – Consulting Services

Global: Economic outlook

Energy-driven inflation spike near term, while structurally volatile core inflation over the longer run.

GDP forecast assumptions

The 1H 2026 ethylene analytics were modelled using the January scenario, which assumes global GDP growth of [redacted] in 2026. However, Oxford Economics has since lowered its April GDP forecast by [redacted] points from the start of the year to [redacted] in 2026, reflecting expectations of continued disruption to shipping through the Strait of Hormuz. A truce after the ceasefire may hold, but normalisation of energy production and shipping flows is likely to be gradual rather than immediate.

Inflation

CPI inflation is set to [redacted] in the near term due to energy prices, before [redacted] Core inflation is likely to remain [redacted] in the longer term amid climate change and geopolitical instability driven supply shocks.

Monetary Policy

The January GDP outlook appeared solid, supported by expectations of rate cuts as inflation eased. Central banks now face a difficult trade-off between tightening policy at the expense of growth or easing and reigniting inflation.

Geopolitics

Geopolitical uncertainty is anticipated to remain elevated, which will sustain volatility in the oil market. While these disruptions may not fundamentally alter the broader economic landscape, they continue to add to market volatility and uncertainty.

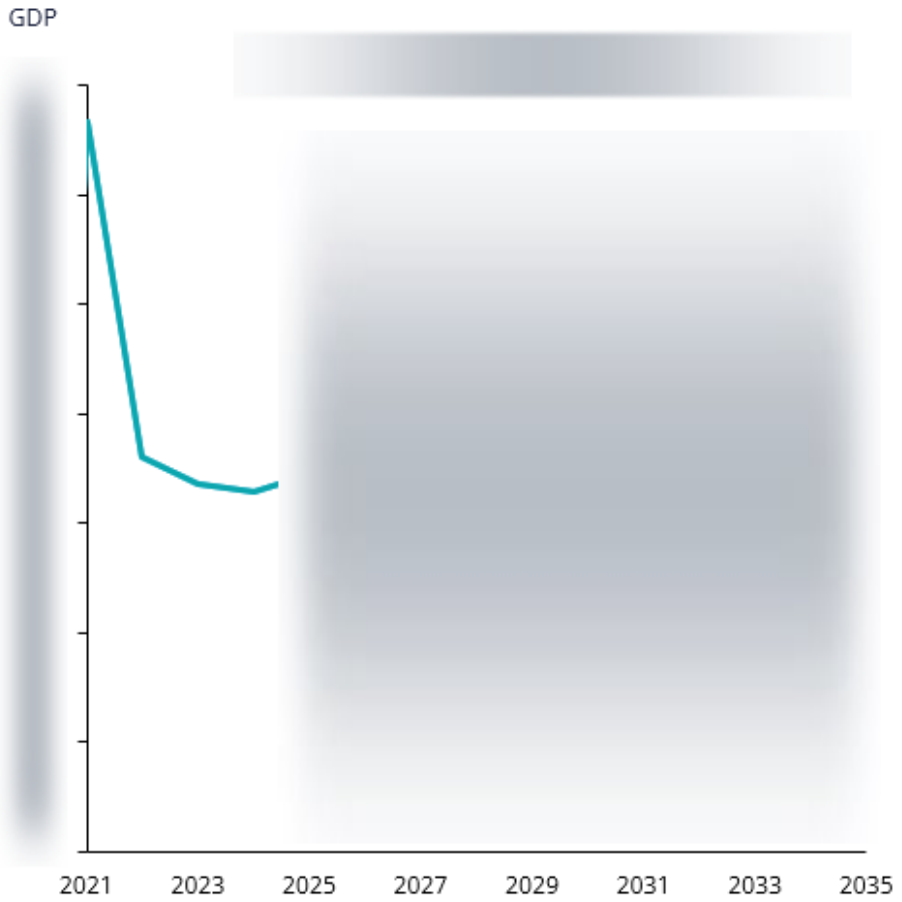
Globalisation

No significant changes are expected in the global trading system or in US–China relations. The US is likely to maintain higher tariffs on China, while the rest of the world will continue to face smaller tariffs. The forecast assumes a [redacted]

Note:

- *The **Iran–Israel/US conflict**, which escalated in late February, has disrupted the region, including the temporary closure of the **Strait of Hormuz**, leading to a substantial reduction in energy and crude product exports. These impacts are not captured in the published balance.*
- *This analysis assumes that disputes between economies are short-lived, with the conflict ultimately resolved and trade flows stabilising at levels that do not materially disrupt efficient global trade.*

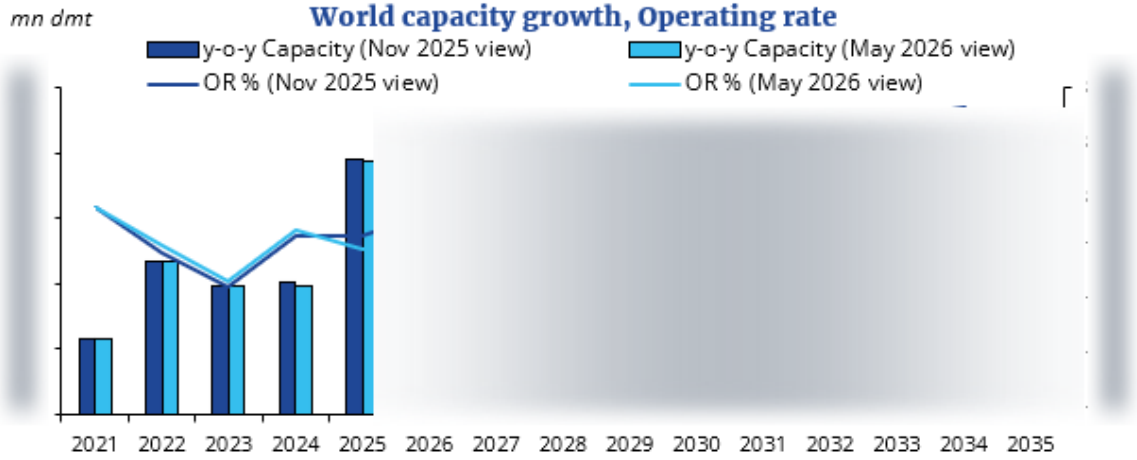
Global GDP growth rate forecast, Oxford Economics (OE)



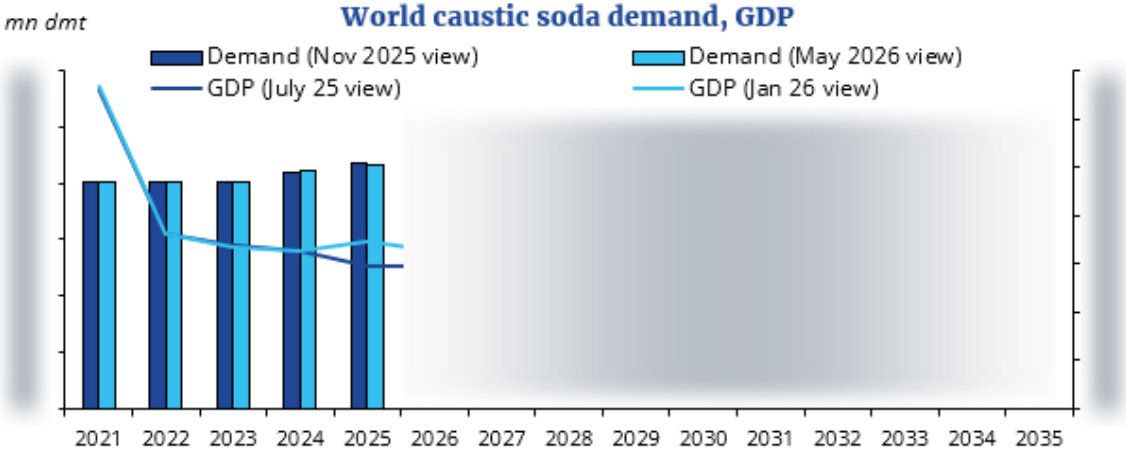
Source: Oxford Economics

Global chlor-alkali: What's changed

The closure of the Strait of Hormuz disrupts global expectations for 2026.



- The US, Brazil, and Europe have removed capacity from the market more quickly than anticipated, offsetting some of the global capacity additions.
- Construction delays have pushed out the start date of some capacity additions specifically in the US and India.
- [redacted]
- India and the Middle East will be the primary locations adding capacity in 2027 through 2029 although the completion of these projects are anticipated to be [redacted] from the originally announced completion dates. Much of this capacity is to help India become more self-sufficient in PVC; however, it will also lead India to be a large exporter of caustic soda.
- Some capacity is expected to be permanently s[redacted] in the next two years as the economics of producing some chlorine and caustic soda derivatives have changed dramatically in some regions and companies seek to rationalise high carbon-emitting processes.
- Operating rates are expected to be [redacted] over the near term as significant new capacity has been added faster than demand has [redacted] l as well as the temporary closures that have occurred in the Mideast.



- The closure of the Strait of Hormuz has severely disrupted oil, naphtha, sulphur, alumina and bauxite trade flows in the region.
- Within the Persian Gulf, caustic soda demand has been severely reduced into the alumina sector as bauxite imports are not able to flow into the region. The demand for chlorine has also been reduced as many plants in the region have been forced to close owing to a lack of raw materials or the inability to move finished products like PVC, EDC, VCM, caustic soda and isocyanates out of the region.
- The closure has led to a significant decrease in caustic soda demand, primarily into the alumina sector in China and the battery materials and pulp and paper sectors in Asia. Counter to this, demand into alumina and pulp and paper in the Americas has increased as the world has looked for alternate sources of these products.
- The closure has led to a significant shift in chlorine production and demand as China has increased production of key derivatives while the rest of Asia has struggled with obtaining raw materials such as oil, naphtha, or ethylene. The world has also turned to the US and Europe for additional supplies.
- The world is forecast to [redacted] in 2027 as well as a market [redacted] seen in 2024-2026.

Source: Argus Media – Consulting Services

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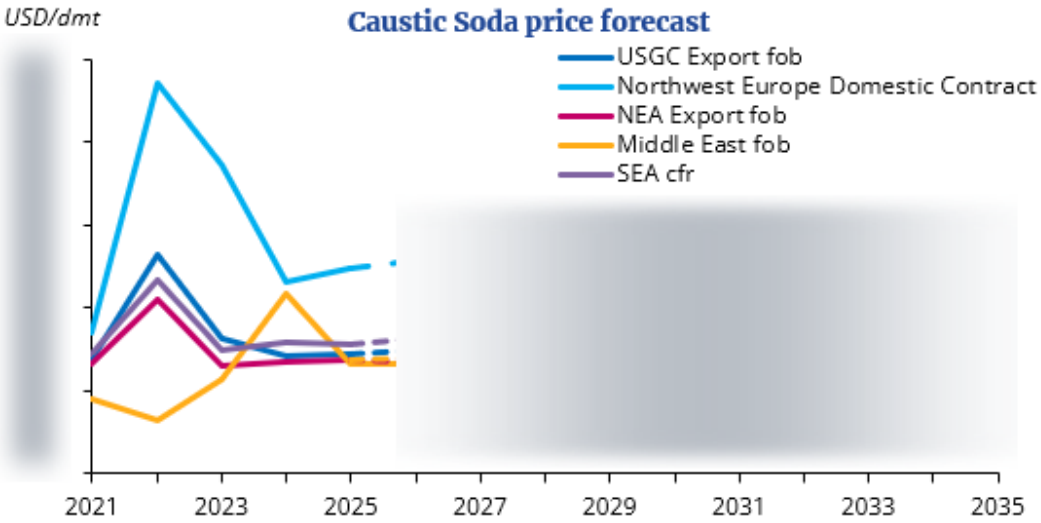
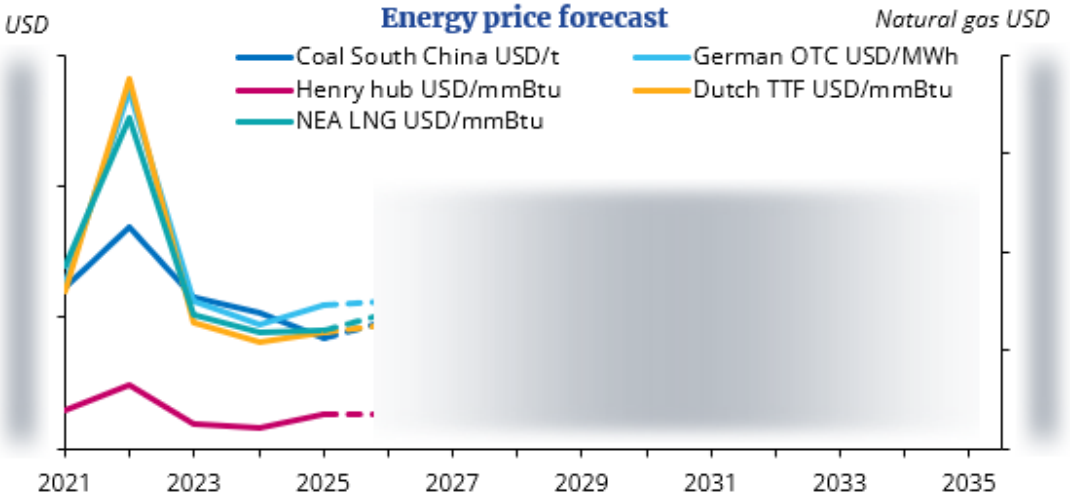
Chlor-Alkali 10-year price outlook

Caustic soda price forecast 2026-2035.

North America	• North America is set to maintain an energy and ethylene advantage over most regions for the next several years, but this advantage is likely to narrow in the later years of the forecast as new LNG export terminals start operations. • In recent years, capacity additions have focused mainly on PVC but this expansion is coming to a halt as protective tariffs continue to be erected around PVC and caustic soda. The closure of Westlake's PVC plant on the US Gulf coast is a direct result of these protective measures. Future vinyl expansions are likely to focus on producing PVC precursors, such as VCM or EDC, as the latter are considered feedstocks and less likely to be hit with import duties. US production of VCM and EDC is also among the lowest in carbon intensity, as it uses with naturally occurring ethane rather than higher-carbon naphtha or coal-based technologies.
Northwest Europe	• Northwest European prices will remain above other key benchmarks as Europe's relative cost position will stay higher. • • Caustic soda prices are forecast to continue a modest upward trend without a strong link to ECU cash costs.
Northeast Asia	• • The regional supply-demand balance is expected to lengthen as new capacity comes on stream. •





Note: 10-year price forecasts in analytics are based on an energy forecast derived at the start of March 2026. Many of these markets are subject to extensive short-term price volatility and the elapsed time since the energy forecast was produced may have seen real changes in market prices. But our assumptions around spreads – raw material to product – and inter-regional comparisons should remain valid.

Source: Argus Media – Consulting Services

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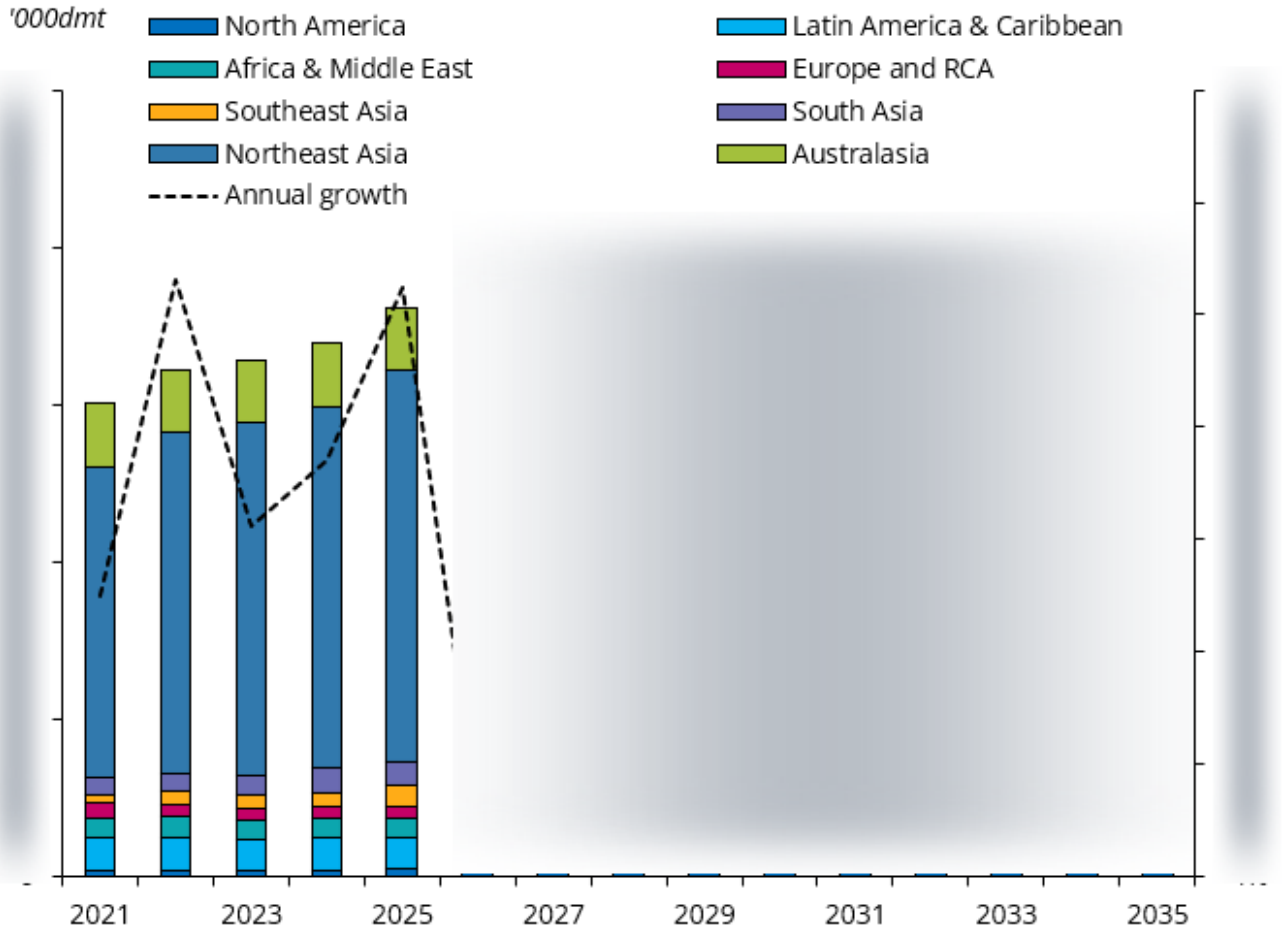
Spotlight: Alumina

Strong caustic soda demand growth starting to slow.

- The alumina sector has long driven growth in caustic soda demand, however with China placing a capacity limit on aluminium production, the sector will see slower growth for caustic soda demand.
- Northeast Asia, particularly China, remains the largest consumer of caustic soda in the alumina sector and this dominance is not expected to be challenged over the forecast period.
- [redacted]
- [redacted]
- The impacts of the closure of the Straight of Hormuz will revert back to normal after vessel traffic through the strait normalizes sometime in 2027.
- Demand for caustic soda into alumina is also anticipated to [redacted] in 2028 onward as higher quality bauxite mines are developed.
- [redacted]

Caustic soda demand in Alumina by region



Source: Argus Media – Consulting Services

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North America : Key updates

Caustic soda exports anticipated to rise through out the forecast period.

Supply

- The economic crisis hitting the chemical industry in 2025 led to the closure of several chlor-alkali plants in the US Gulf coast.
- [redacted]
- A speculative major capacity expansion associated with lithium production is forecast to start up in the early 2030's.
- [redacted]

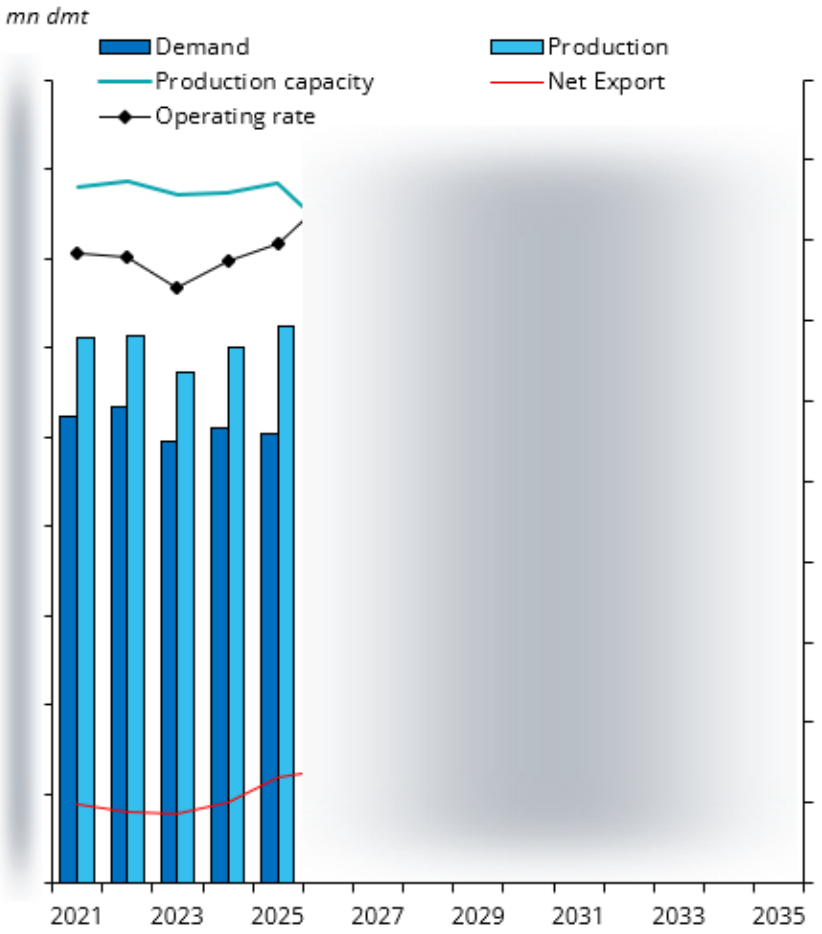
Demand

- Chlorine demand is depressed outside of vinyls and isocyanates owing to the high cost of chlorine in the domestic US market.
- Caustic soda derivative demand is weak into end-markets such as pulp and paper and propylene oxide.

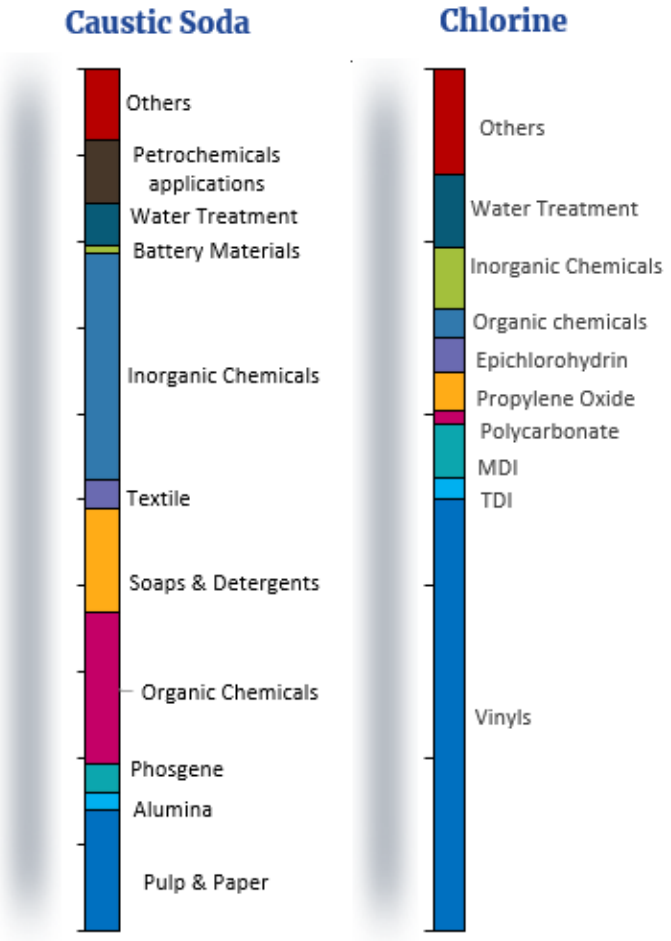
Trade

- [redacted]
- Caustic soda exports will increase as production growth will exceed domestic demand growth over the forecast period.
- The US Gulf coast will remain a major exporter of caustic soda through out the forecast period.

North America caustic soda supply and demand



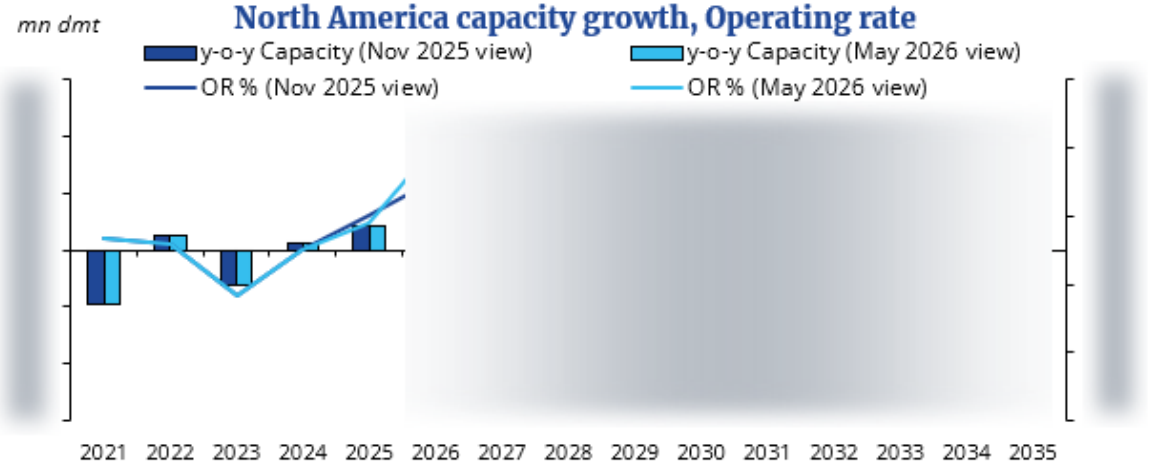
Demand by derivative



Source: Argus Media – Consulting Services

North America: What's changed

Capacity expansions and increased production lead to strong growth in caustic soda supply.



- The economic crisis in the US petrochemical industry has led domestic producers to rationalise around 10pc of chlor-alkali capacity from 2020 through 2025. The closure of capacity has been primarily focused on uneconomic chlorine derivatives like PVC and propylene oxide.
- New chlor-alkali capacity is forecast to be added in North America that will be integrated to PVC, EDC, VCM, isocyanates and inorganic chemicals. The VCM and EDC capacity expansions are focused on increasing US exports of these products.
- Speculative capacities have been added in 2034 related to a lithium mine that has not secured funding but is currently seeking grants from the US government.
- The EPA is phasing out asbestos-based diaphragm capacity by 2029 unless plants have been identified to be converted to membrane. Those plants have until 2036 to convert to the membrane. Canada is also phasing out asbestos-based diaphragm capacity by 2029. The industry is expected to have adequate time to convert to non-asbestos-based diaphragms or membranes without disrupting the market.
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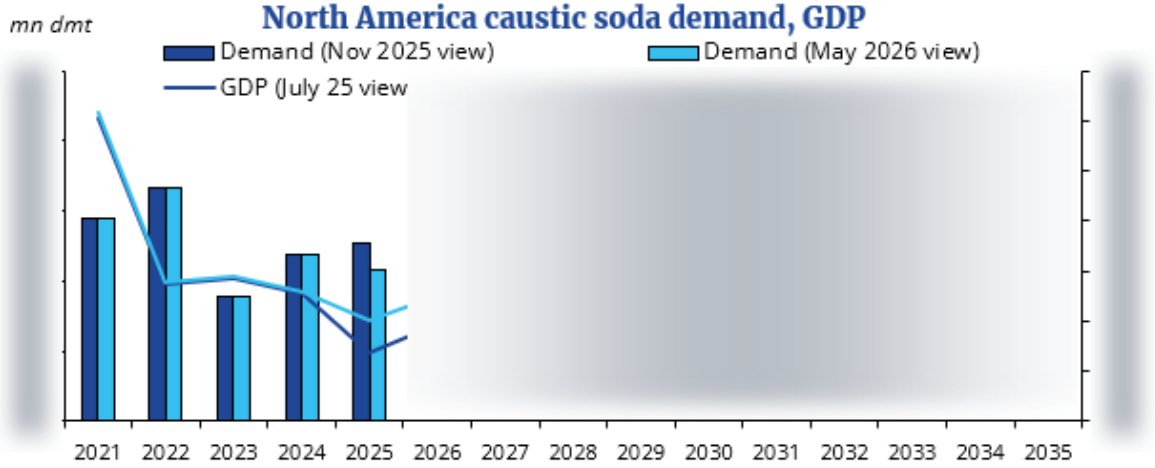

- Chlorine demand will be driven by PVC and the vinyl chain owing to low-cost energy and low-carbon ethylene on the US Gulf coast.
- Caustic soda demand will be driven by green energy segments such as battery materials and phosgene derivatives.
- Caustic soda demand has fallen in uneconomic products as propylene oxide and PVC.
- Chlorine demand continues to struggle in the face of some of the most expensive chlorine in the world. Chlorine demand into PVC, propylene oxide, monochloroacetic acid, chlorobenzene and others have seen demand declines.
- The titanium dioxide sector as well as PVC, EDC, and VCM show signs of growth from the lows hit in the last quarter of 2025 through the end of the forecast period.
- Economists have increased their GDP growth forecasts for North America in 2025 and 2026 from the previous estimates, leading to stronger demand in multiple derivatives.
- The US has followed the lead of Europe, India, Mexico and Brazil in implementing protectionist measures to protect domestic industries.

Source: Argus Media – Consulting Services

We hope you found this sample report for Argus Chlor-Alkali Analytics valuable.

The Chlor-Alkali Analytics service is for anyone engaged in the chlorine and caustic soda market and seeking insight into the fundamentals driving key trends, including global supply, demand growth, exports, operating rates, etc.

If you want to learn more about becoming an Argus subscriber and receiving full PDF reports complete with accompanying Excel data files twice a year, click below:

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Meet our experts

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George Eisenhauer

Vice-President Chlor-Alkali

George Leads the global chlor-alkali team, He has 30+ years' experience with roles in acquisition and asset management as well as operations control and strategic objectives, prior to his consulting career. Before joining to Argus in 2012, he was director Chlor-Alkali for IHS. George's past experience also includes roles at FMC Technologies, Dow Chemical and Union Carbide. He holds a BSc in Chemical Engineering from University of Texas and an MBA from Rice University.

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Bernard Law

Chlor-Alkali Editor

Bernard is Editor and covers the chlor-alkali and vinyl markets in Asia. Bernard has more than 25 years of experience in the chemical industry in Asia, holding various responsibilities in market and competitive analysis, benchmarking, sales, marketing, and business development. He spent 13 years working for speciality and commodity chemicals in the Asia-Pacific region. He generated benchmarking pricing and assessments, including northeast Asia and southeast Asia caustics to alumina indexes. He also contributes to single client consulting projects.

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ISSN: 3050-0494

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