

Argus report sample

Chlor-Alkali Outlook

19 November 2025



About this report

The Argus Chlor-Alkali Outlook service gives you a comprehensive global view of the industry, including regional dynamics and feedstock insights, in a single service.

The service includes a 24-month rolling price forecast and forward-looking analysis of global chlor-alkali supply and demand, trade flows and market dynamics.

Subscribers receive access to a live interactive workspace, a monthly PowerPoint PDF written by our experts, plus the accompanying Excel data files.

This is a sample of the full report only.

To find out more, [click here to get in touch.](#)





| Contents

- 1. Executive Summary**
- 2. Regional Review: Americas, Europe, Asia-Pacific**
- 3. ECU Analysis**
- 4. Global Trade**
- 5. Relative Market Insight**
- 6. Contact Us**

Outlook executive summary

US government shutdown ends, but economic uncertainty increases.

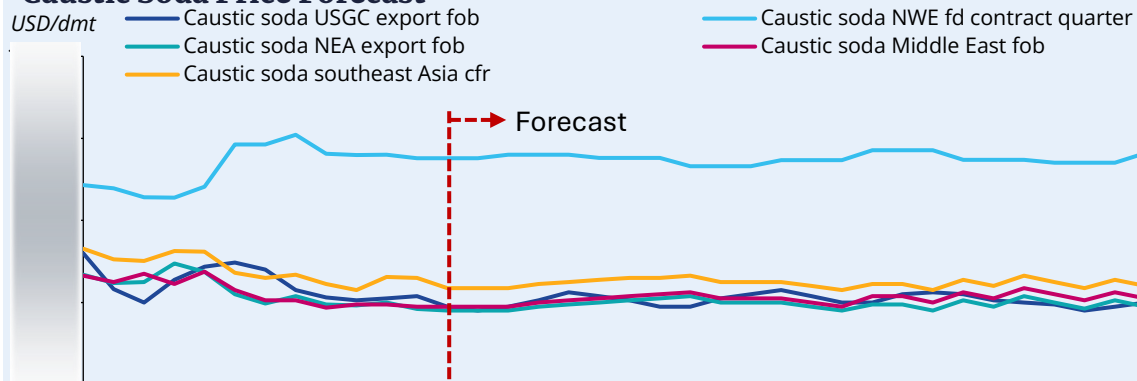
What's changed

- The economic crisis in the US continues with the longest US Government shutdown in history coming to an end this month. This shutdown has created increased economic uncertainty as well as a lack of economic data for market participants to evaluate and plan business activities.
- Europe has announced closures of caustic soda derivatives like oil refining and ethylene production. Economic volatility is continuing to increase in Europe as a number of chlor-alkali and derivative companies are running for cash flow despite negative margins.
- TA'ZIZ and Sanmar have signed an agreement to import 350,000 t/yr of EDC and VCM to Egypt. This has the potential to displace the approximately 210,000 t/yr of EDC that was imported from Europe in 2023 and solve Egypt's ethylene shortage into PVC starting in 2028.

Price Forecasts (USD/dmt)	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26
US Gulf fob					
Northeast Asia fob					
Northwest Europe domestic contract					

**Forecasts for monthly or quarterly contracts that are under active negotiation at the time of publication are redacted from publication to avoid influencing discussions.*

Caustic Soda Price Forecast



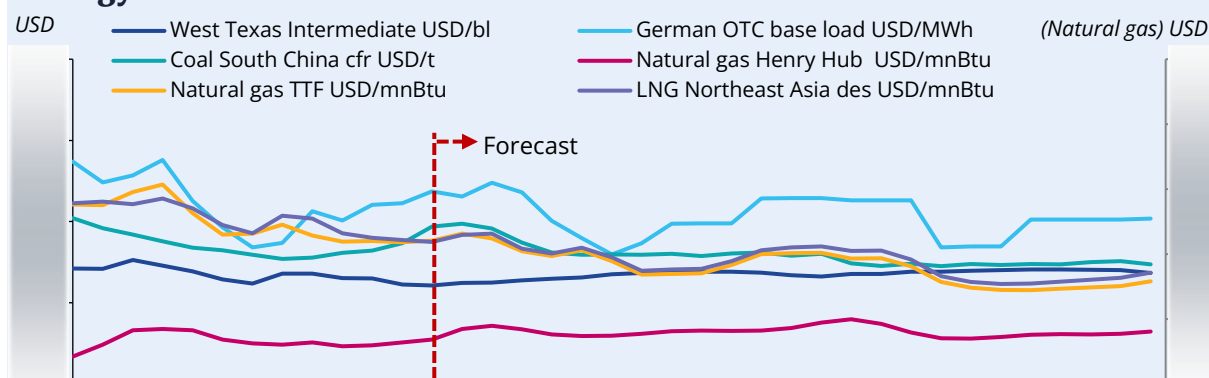
Short-term view, quarter ahead

- ▲ Many global chlor-alkali producers are looking to destock inventories of caustic soda before the end of the year; however, many chlor-alkali derivatives are also looking to destock over the same period.
- European vinyl producers appear to be running at higher rates while US Gulf coast producers are slowing production of vinyls. Asian producers are looking to run at higher rates and capture market share in India, as India has abolished its BIS requirements.

Long-term view, 24 months ahead

- ▼ European caustic soda prices are anticipated to come under pressure over the coming year but once the antidumping duties are approved, caustic soda prices are expected to adjust to the new tariff.
- Caustic soda demand in the pulp and paper sector is expected to remain subdued globally as new pulp mills are more efficient than older mills and increased recycling rates displace virgin pulp.

Energy Price Outlook





| Contents

- 1. Executive Summary**
- 2. Regional Review: Americas, Europe, Asia-Pacific**
- 3. ECU Analysis**
- 4. Global Trade**
- 5. Relative Market Insight**
- 6. Contact Us**

Americas review

Caustic soda supply is mixed as some producers are balancing and others attempt to destock inventories.

SUPPLY

- US producers are anticipated to reduce operating rates during the next few months, reducing supply of caustic soda owing to the low prices for both vinyls and caustic soda. The combination of destocking activities and lower rates will lead to a tighter market in the spring. Longer term, PVC prices will remain under pressure which should reduce caustic soda availability outside of contract positions.

- The spring 2026 maintenance season in the US Gulf coast appears to be heavier than normal, potentially limiting caustic soda availability in the March to April time frame.

DEMAND

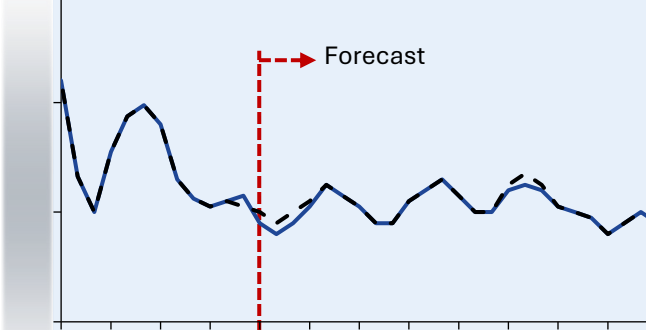
- Demand growth in 2026 is not anticipated to keep up with supply, and the US is anticipated to have higher caustic soda exports and lower caustic soda imports.

SENSITIVITY

- The ability of Occidental Chemical to start up its new membrane plant in the Houston, Texas area will have an impact on the market if the plant achieves commercial operation later than anticipated.
- Volatility in energy prices have a substantial impact on chlor-alkali prices as almost 70pc of ECU cash costs are directly related to energy prices. With major investment banks forecasting oil prices to average \$50/bl in 2026, this will reduce the energy advantage the US Gulf coast currently has when compared to the rest of the world.

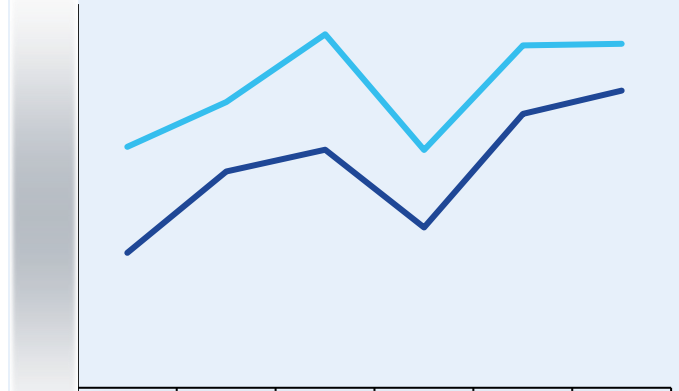
Caustic Soda Price Forecast

USD/dmt
— Caustic soda USGC export fob
- - - From Previous Month



Supply and Demand

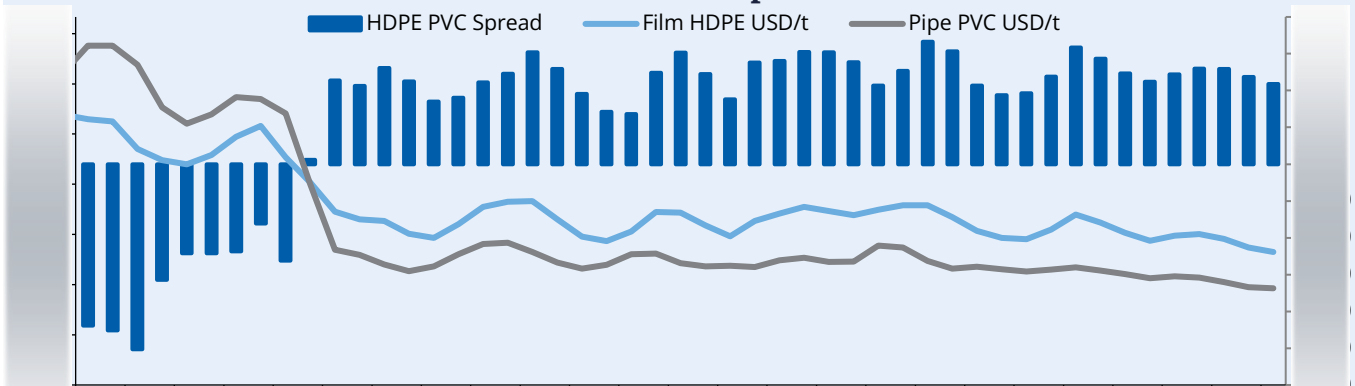
mn dmt
— Production — Consumption



USD/t

US HDPE PVC Spread

USD/t (Spread)



Northwest Europe review

Supply length to linger for the rest of the year. Stability is the best-case scenario in 2026.

SUPPLY

- Chlor-alkali output is falling until January now as producers cut rates during a period of higher power prices and reduced seasonal demand. They also work to reduce stocks to optimise working capital, and so the caustic soda market is now well into a period of rebalancing.
- Some supply length lingers, and it is not entirely certain that output and demand will be fully balanced before the end of the year, but notable volume pressure is also not likely. Operating rates may recover during the first quarter when the reverse scenario sets in: producers will be rebuilding caustic soda and chlorinated derivatives stocks to prepare for a period of higher seasonal demand and a series of planned maintenance in spring.
- Previous and upcoming capacity closures may bring average operating rates up, but we forecast flat output at best for 2026 versus 2025 as economic fundamentals remain extremely challenging. A rise in production in future years will be slow and gradual before a new normal level of production is achieved.

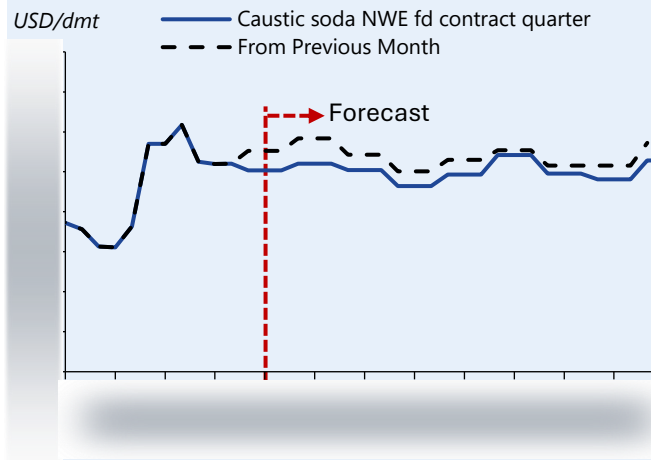
DEMAND

- Chlorine and caustic soda demand are relatively closely aligned, suggesting both are falling at similar rates during the fourth quarter. Whilst the drop in chlorine was expected and is within the norm, caustic soda consumption is weaker than usual and is keeping pace with the lower output.
- End users may engage in heavy destocking before the year-end and live hand to mouth. They view supplies as secure now and into 2026 and expect to be able to rebuild stocks from January effortlessly.
- The early 2026 demand rebound will likely remain within recent norms and feed off these restocking efforts and some seasonally stronger consumption, but without a clear view of an ongoing recovery that may lead to consumption levels above those seen in 2022-2025. Any future recovery will be slow instead of sharp.

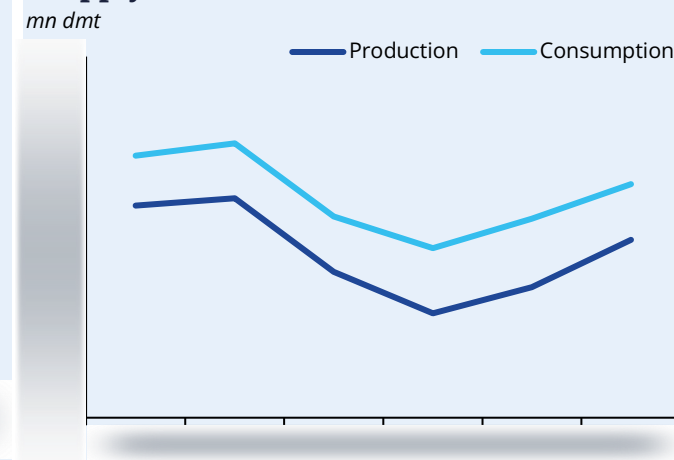
SENSITIVITY

- The vicious cycle of costs continues without any winners. Buyers managed to avert fourth-quarter price increases, giving a much-needed break from rising raw material costs. But this is set to increase cost pressures for producers during winter when average operating rates are lower, demand is weaker and electricity prices tend to rise.
- A potential ADD investigation for US caustic soda imports into the EU might shift importers' focus more to European sources and lend some minor support to European operations.

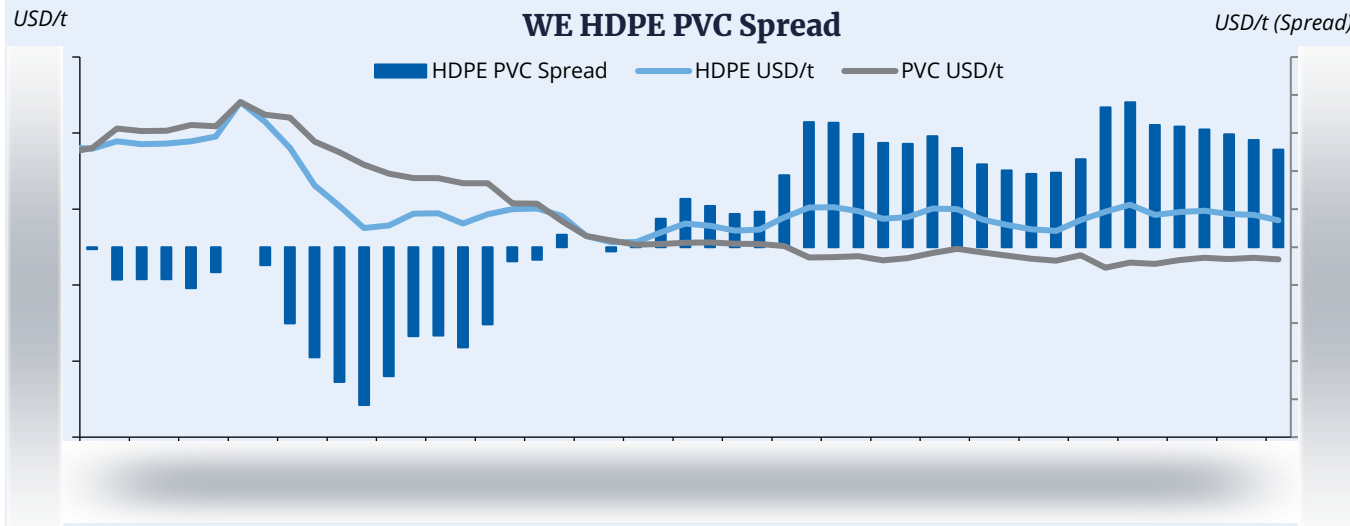
Caustic Soda Price Forecast



Supply and Demand



WE HDPE PVC Spread



Northeast Asia review

Caustic soda prices trend down as inventory pressure builds up.

SUPPLY

- Overall supply position of caustic soda in northeast Asia has largely lengthened, with most of the major producers maintaining high run rates after the maintenance season ends in the region.
- Export availability from outside has not shrunk significantly despite weak chlorine netback from the vinyl value chain. Furthermore, slowing domestic consumption forces producers to divert more inventory into the export market.

DEMAND

- Overall consumption of caustics in both domestic markets in the region has also slowed amid market uncertainty arising from trade and geopolitical conflicts.
- Demand from the export market has also slowed, with far fewer transactions reported, though buying interest remained largely unchanged as buyers have opted to be more cautious.

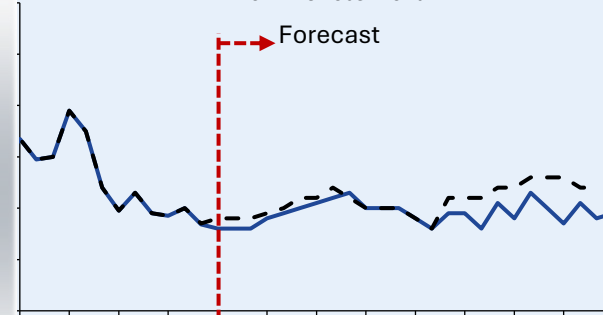
SENSITIVITY

- Northeast Asia remains the largest caustic soda exporting region globally, especially from China, which provides a steady supply base to the export market. Exporting countries outside China also contributed significantly to the export market.
- Any price fluctuations in the market can affect the overall position of the region. The impact of export prices from India, the Middle East and southeast Asia was nominal, as producers use northeast Asia fob prices to benchmark their selling decisions.

Caustic Soda Price Forecast

USD/dmt

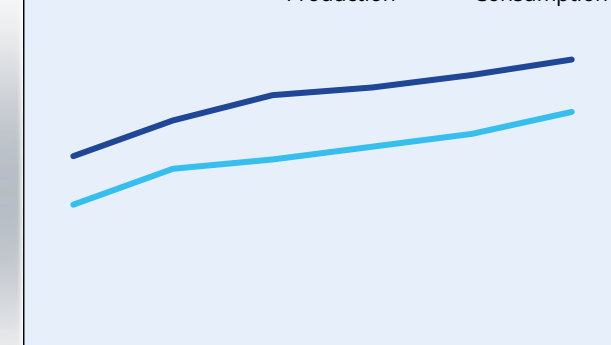
— Caustic soda NEA export fob
- - - From Previous Month



Supply and Demand

mn dmt

— Production — Consumption

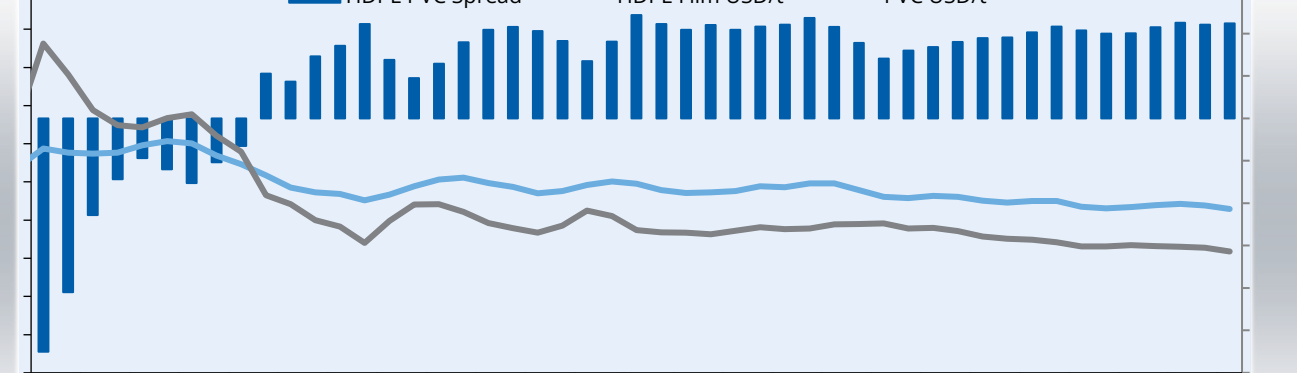


USD/t

Asia HDPE PVC Spread

USD/t (Spread)

■ HDPE PVC Spread — HDPE Film USD/t — PVC USD/t





| Contents

- 1. Executive Summary**
- 2. Regional Review: Americas, Europe, Asia-Pacific**
- 3. ECU Analysis**
- 4. Global Trade**
- 5. Relative Market Insight**
- 6. Contact Us**

America cash cost analysis

ECU costs are expected to rise over the forecast period owing to higher natural gas prices.

ECU Americas

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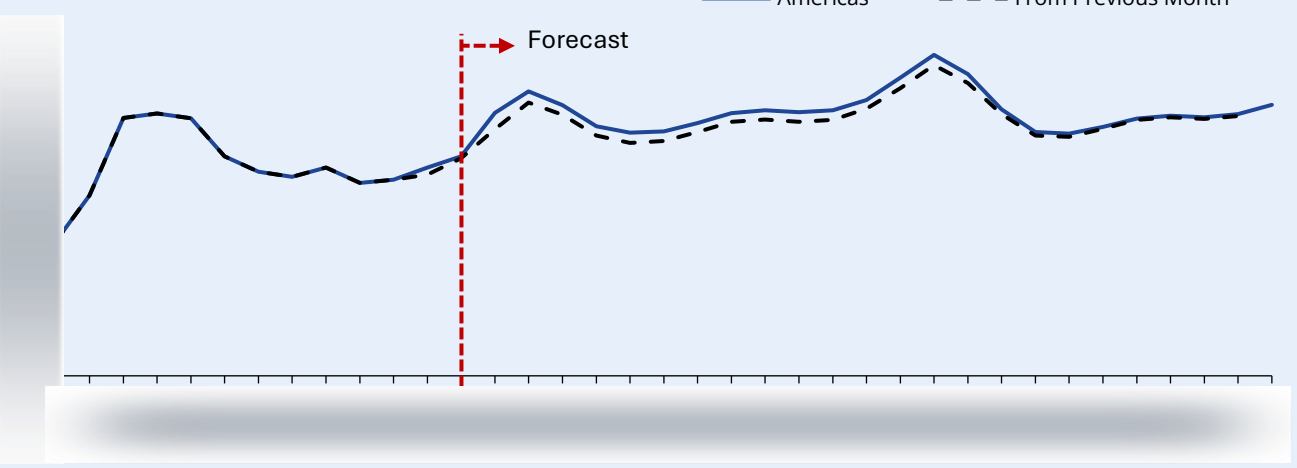
Cash Cost

↑

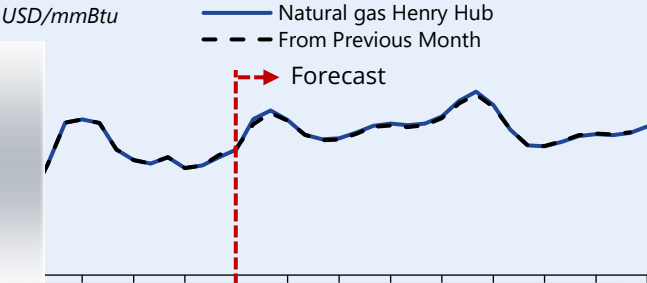
Energy

- A narrowing of the spread between international oil prices and US natural gas prices next year are going to compress the US Gulf coast ECU cost advantage.
-
-
- Higher natural gas costs are likely to lead to higher ECU cash costs through this winter. Next year, lower oil production in the US is likely to lead to less byproduct natural gas production and higher natural gas prices.
-
-
- year average since start of injection in March according to EIA.
- EIA expects average prices in 2026 to reach _____ pc higher form 2025 due to increased LNG exports and stagnant production growth.

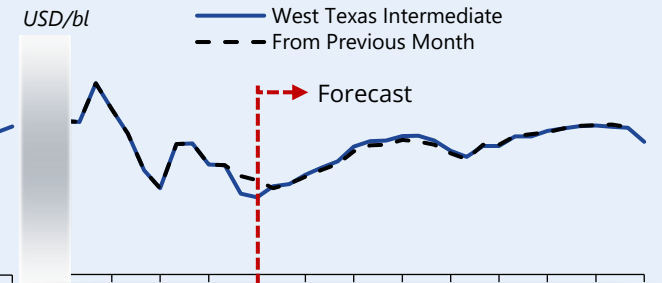
ECU Cash Cost
USD/ECU



Energy Price Trend – Natural Gas



Energy Price Trend – West Texas Intermediate



Northwest Europe cash cost analysis


Power price forecast has risen to peak at \$120/MWh in January 2026.

ECU Northwest Europe



Cash Cost

- Our rolling two-year forecast is holding no surprises with electricity as the largest variable determining costs, and mostly seasonal fluctuations.
- Rising operating rates may bring some minor relief to fixed costs and thus overall cash costs, but this will be minor as we forecast only a slight single-digit percentage rise in capacity utilisation over the coming two years.

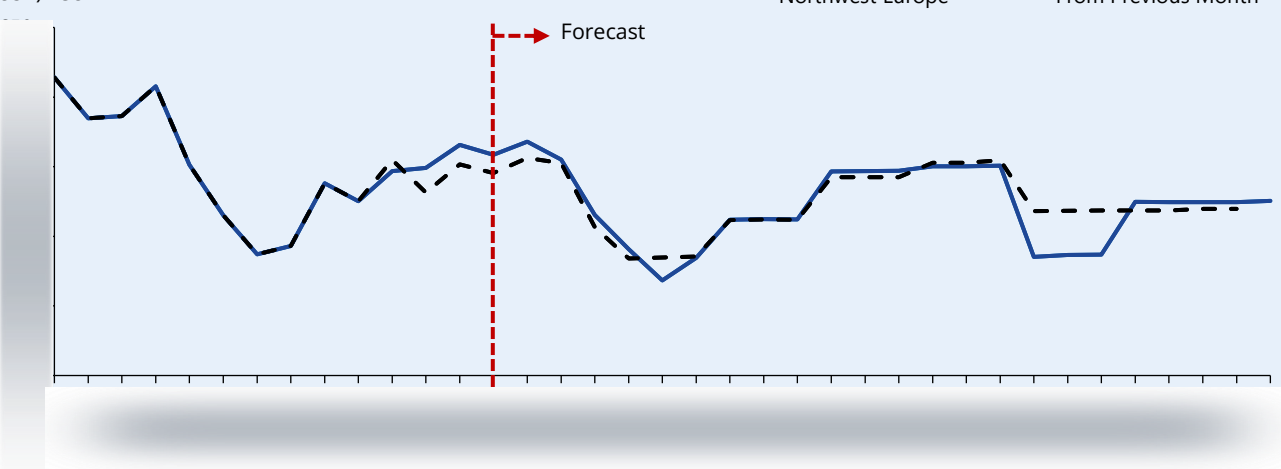


Energy

- because of lower coal and nuclear availability and requirement of additional gas fired generation.
- Storage injection across Europe was averaged 23mn m³/d in October, leaving stocks at 82.8pc at start of November.

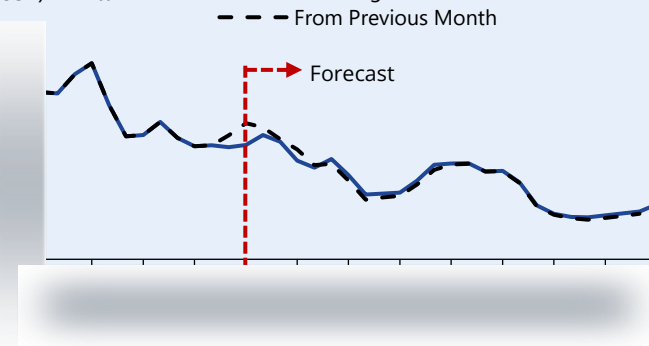
ECU Cash Cost

USD/ECU



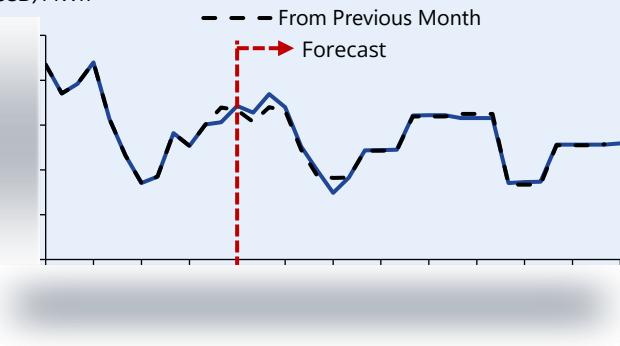
Energy Price Trend – Natural Gas

USD/mmBtu



Energy Price Trend – Electricity

USD/MWh



Northeast Asia (excluding China) cash cost analysis

Northeast Asia's ECU cash costs rose.

ECU Northeast Asia (excluding China)

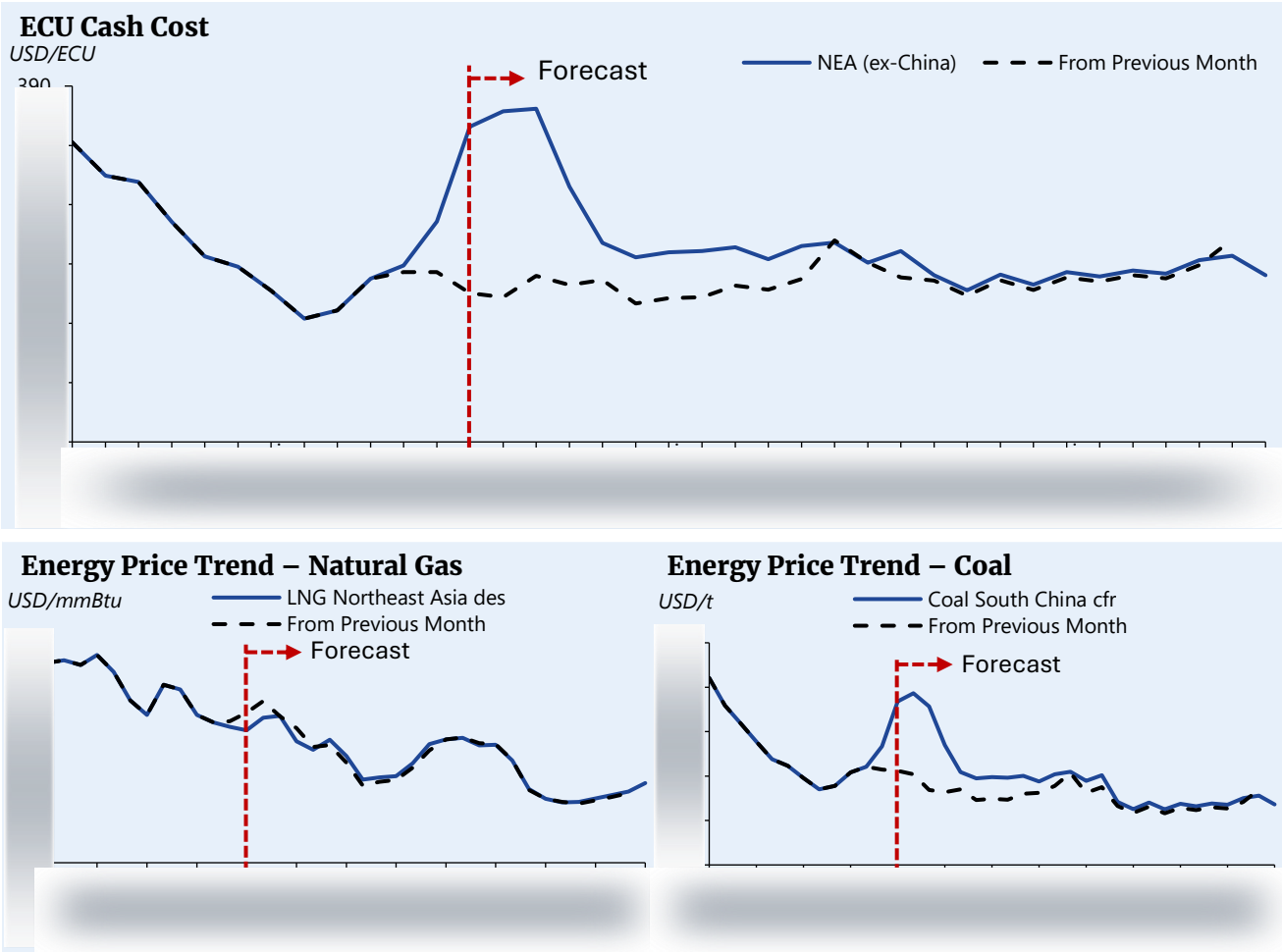
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Cash Cost

↓

Energy

- The overall average ECU cash cost in northeast Asia, excluding China, was assessed higher this month with higher *Argus'* coal and NEA LNG forecast in winter months as energy prices rose.
 - Most chlor-alkali producers from outside China derive their power supplies from the national grid, that relies heavily on coal and natural gas in the power generation. Only a few major producers are equipped with cogeneration, especially in Taiwan and Japan.
 - The average ECU cash cost among northeast Asian producers outside China were wide at around \$58/ECU, more than Chinese producers.
-
- -
 - South Korea's LNG import declined in October by 1.85mn t to 3.1mn t resulting from surge in inventory.



China cash cost analysis

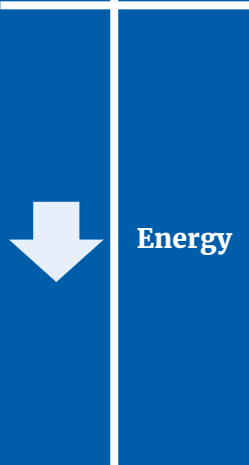
China's ECU cash costs were firmer.

ECU Northeast Asia (excluding China)



Cash
Cost

- China's ECU cash costs were firmer, in line with the latest Argus coal forecast. Chinese domestic coal prices have been on a general uptrend since the June four-year low, with the government's clamp-down on domestic overproduction as coal remained the main source of energy for power generation for chlor-alkali industry.
- Coal prices are expected to remain firmer in the near term as due to production cut and as winter months approach.
- Chinese producers still have an advantage in ECU cash costs of \$58/ECU compared with northeast Asia producers outside China.
- Attractive ECU cash cost enabled Chinese producers to stay competitive, especially in the export market.

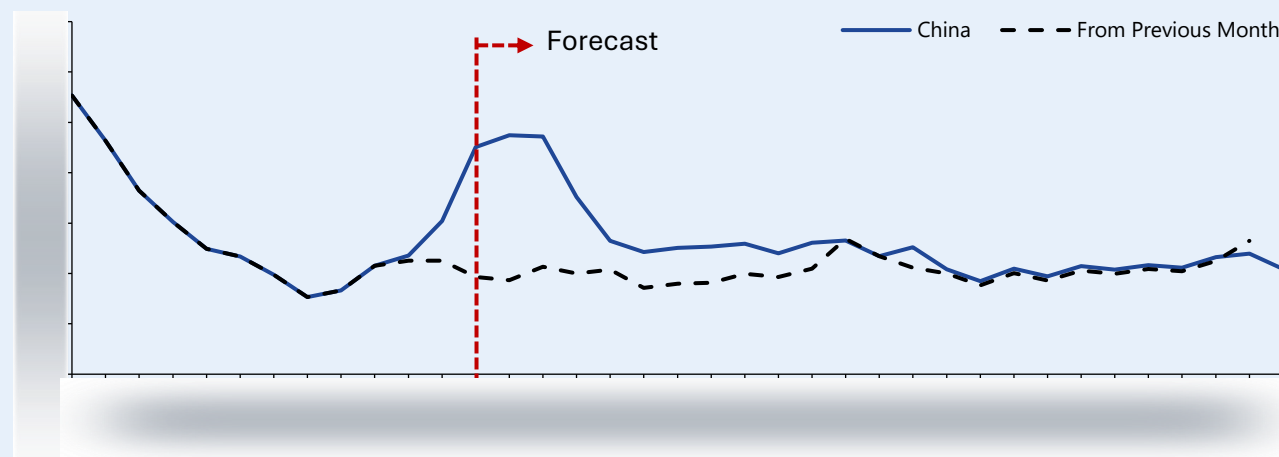


Energy

-
- China's domestic coal production continues to be tight in the short term, giving a boost to seaborne coal imports. This tightness is expected to ease into next year.
-

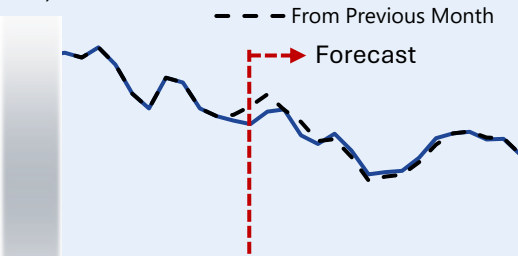
ECU Cash Cost

USD/ECU



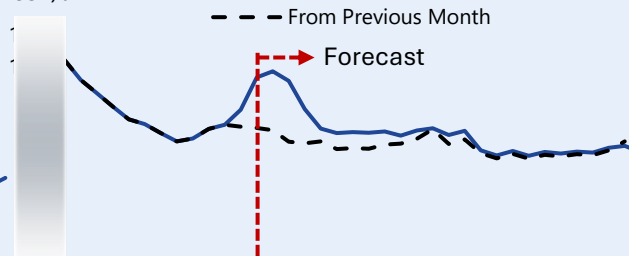
Energy Price Trend – Natural Gas

USD/mmBtu

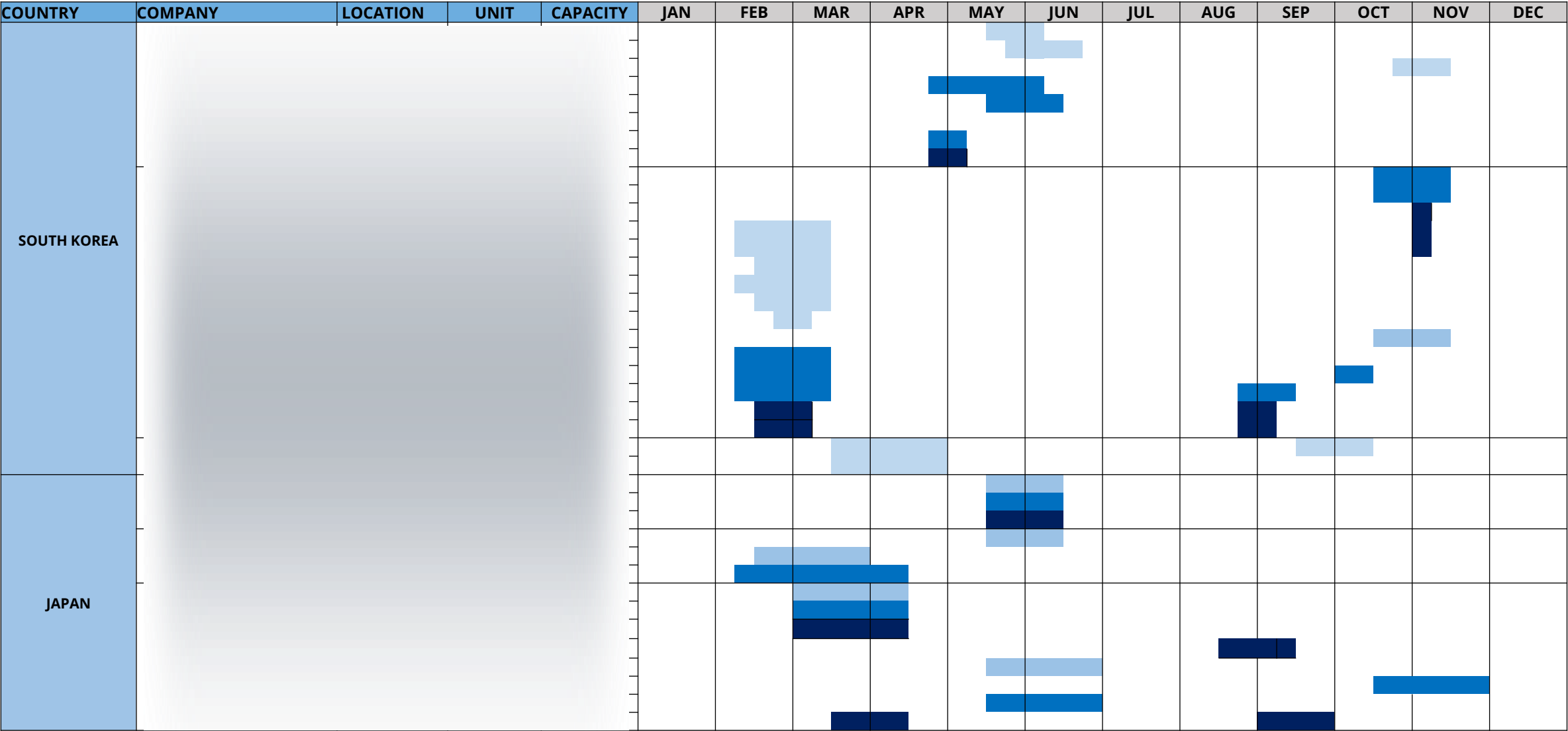


Energy Price Trend – Coal

USD/t



Major Asia-Pacific plant maintenance schedule 2025.



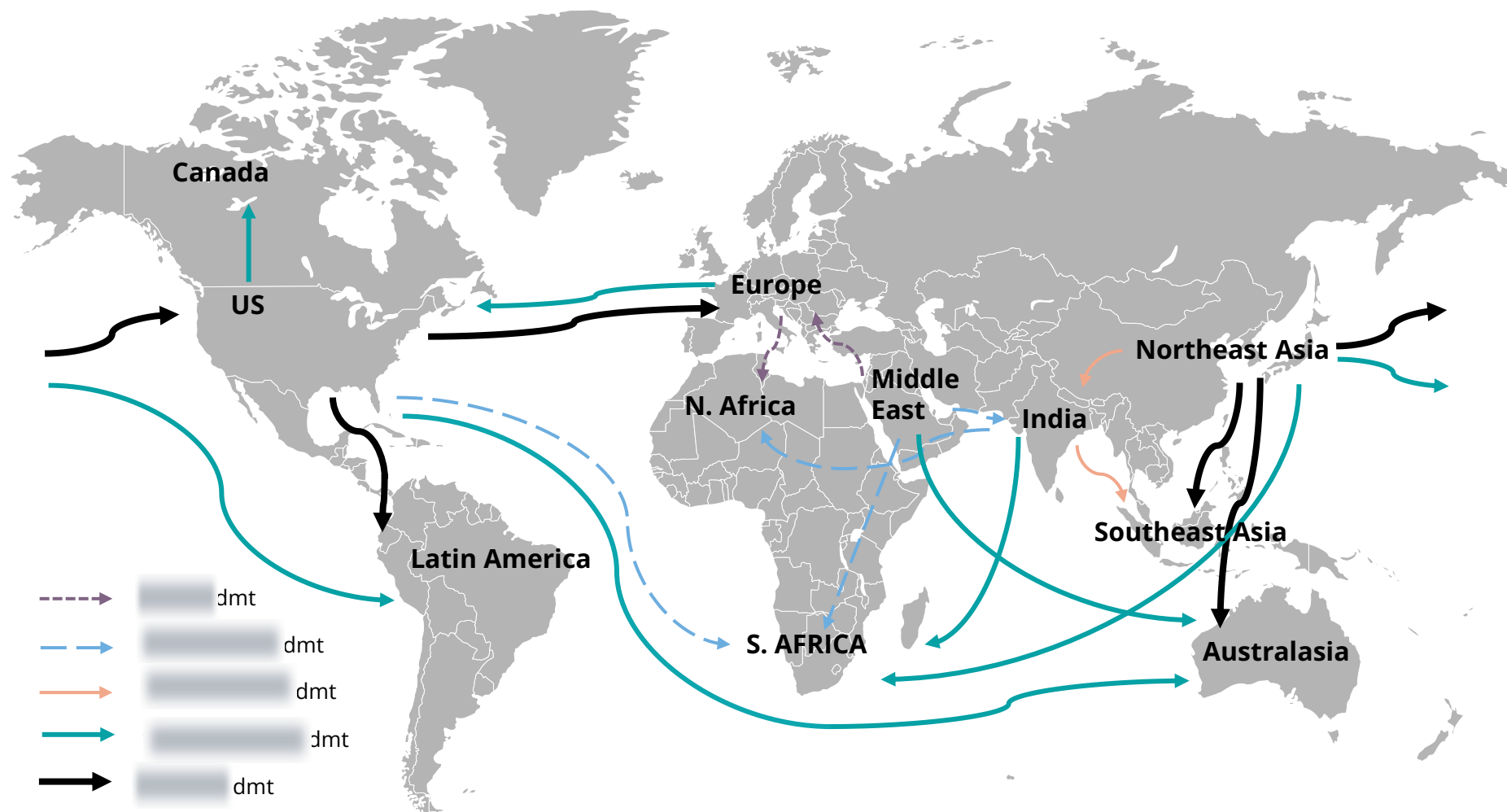


| Contents

- 1. Executive Summary**
- 2. Regional Review: Americas, Europe, Asia-Pacific**
- 3. ECU Analysis**
- 4. Global Trade**
- 5. Relative Market Insight**
- 6. Contact Us**

Global trade flows

Low freight rates bolsters trade.



- in 2026.
- Europe, with antidumping duties subsidizing domestic PVC prices is exporting more PVC and caustic soda to the rest of the world at
- Europe continues to see the closure of caustic soda demand into derivatives like oil refining and ethylene production. This will lead to an increase in caustic soda exports from the region as chlorine demand recovers into EDC, especially in the UK where the weighted average cash cost to produce EDC is well below the continent.

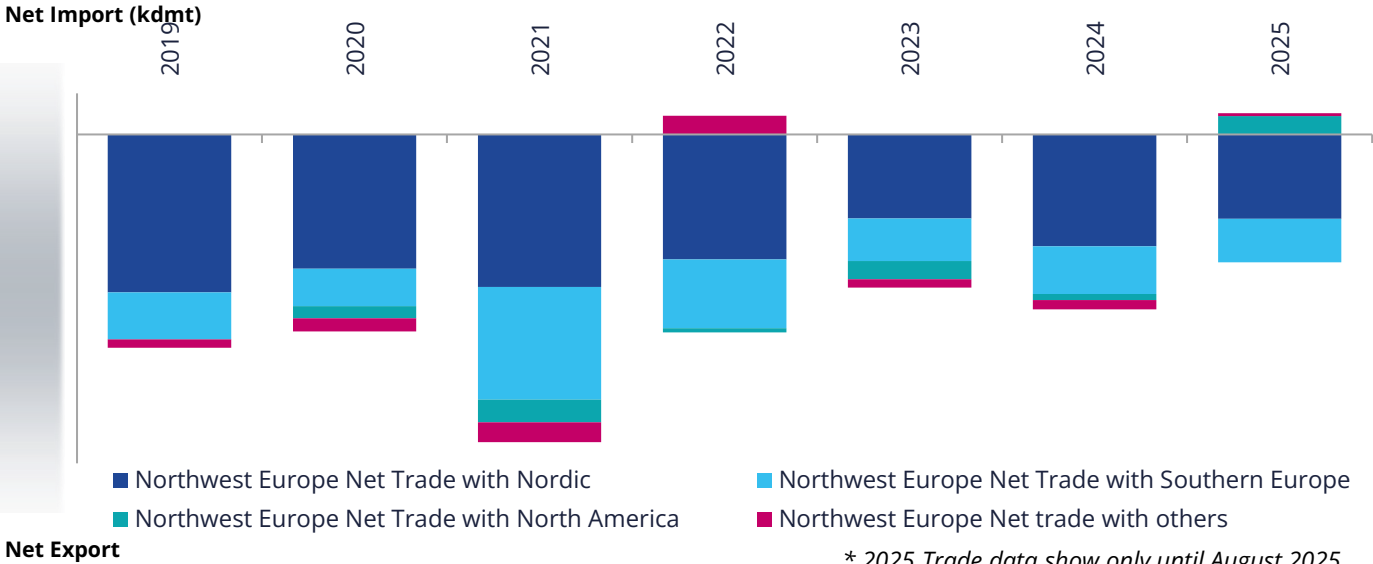
Northwest European trade analysis

Offering exceeds demand; producers consider filing for ADD.



**Largest production sites by capacity*

- Selling and buying ideas do not match, and some bids are closer to the mid-\$300/dmt fob than high \$300/dmt fob, but sellers are reluctant to compromise on margins any further.
- US imports persist but are limited to structural shipments without meaningful exposure to the spot market.
- Producers consider filing anti-dumping cases with the EU with Ineos stating that it is currently preparing to submit a claim. They have not specified against which origins this would be for, but given the prevailing trade patterns, it would be logical to include the US product.



** 2025 Trade data show only until August 2025*

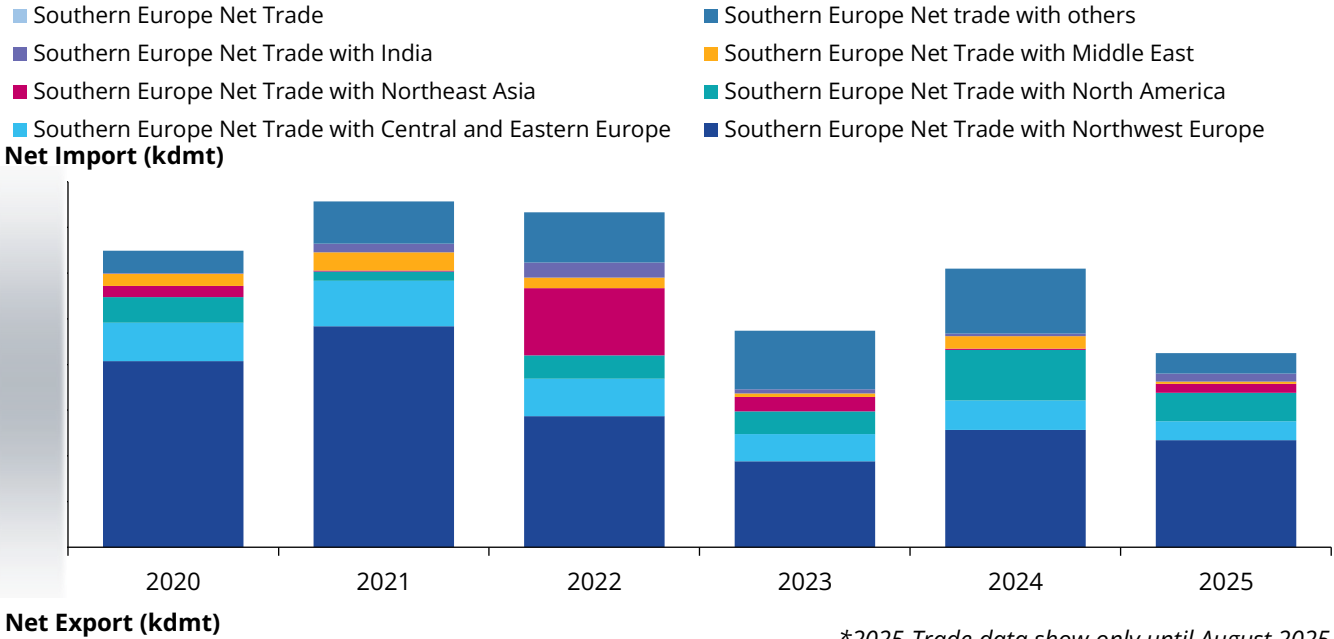
Southern Europe trade analysis

Importers favour European-origin products amidst tariff uncertainty.



*Largest production sites by capacity

- Even so, buyers' focus is on European-origin material because of its good availability, as they wonder if the EU's decision on the proposed removal of the 5.5pc import duty for US products is imminent. They would like certainty over future duties before committing to new deals in an effort to optimise pricing.
- Confirmation that at least one producer considers launching an ADD case for caustic soda may further slow down buying interest in overseas products.
- An investigation would take at least six months, but often just the prospect of an ADD might alter trade flows as buyers work to strengthen relations with sellers in closer proximity.



*2025 Trade data show only until August 2025

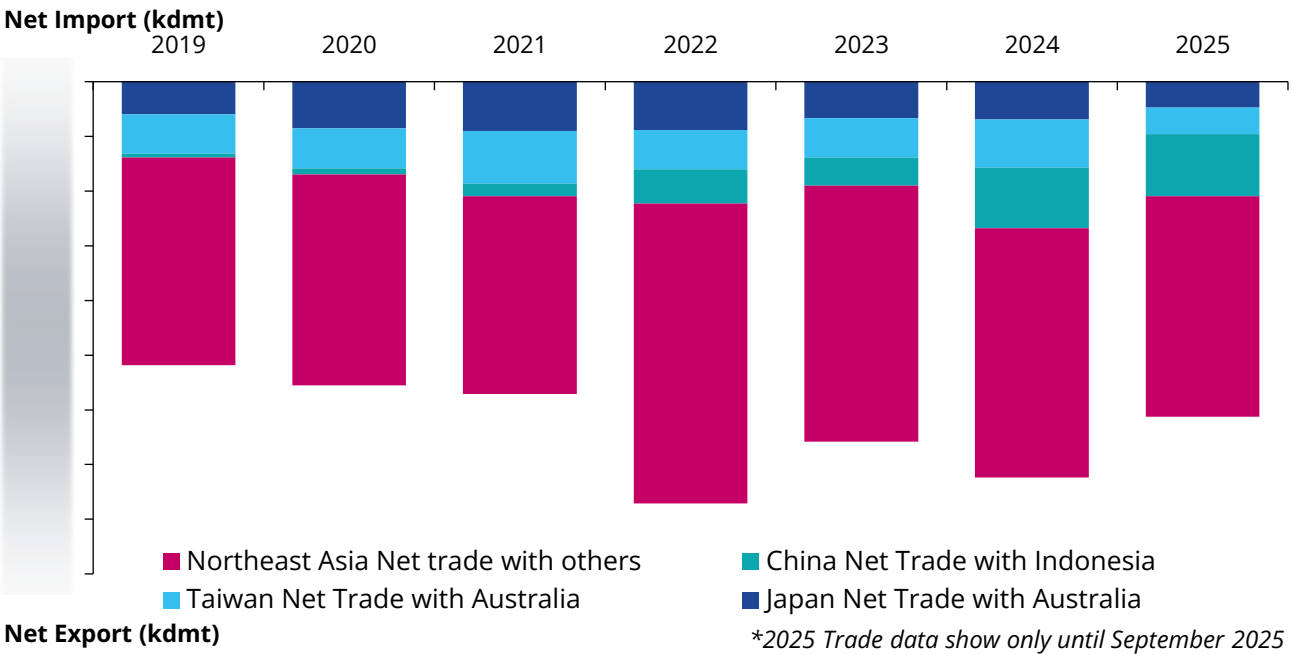
Asia-Pacific trade analysis

Flows of caustic shipments from northeast Asia slowed.



*Largest production sites by capacity

- The flow of spot caustic shipments from northeast Asia to southeast Asia has slowed as buyers are getting more cautious amid market uncertainty arising from trade and geopolitical conflicts.
-
- Export availability from the newly commissioned expanded capacity in southeast Asia and China coastal region is adding more export availability into the region from October.



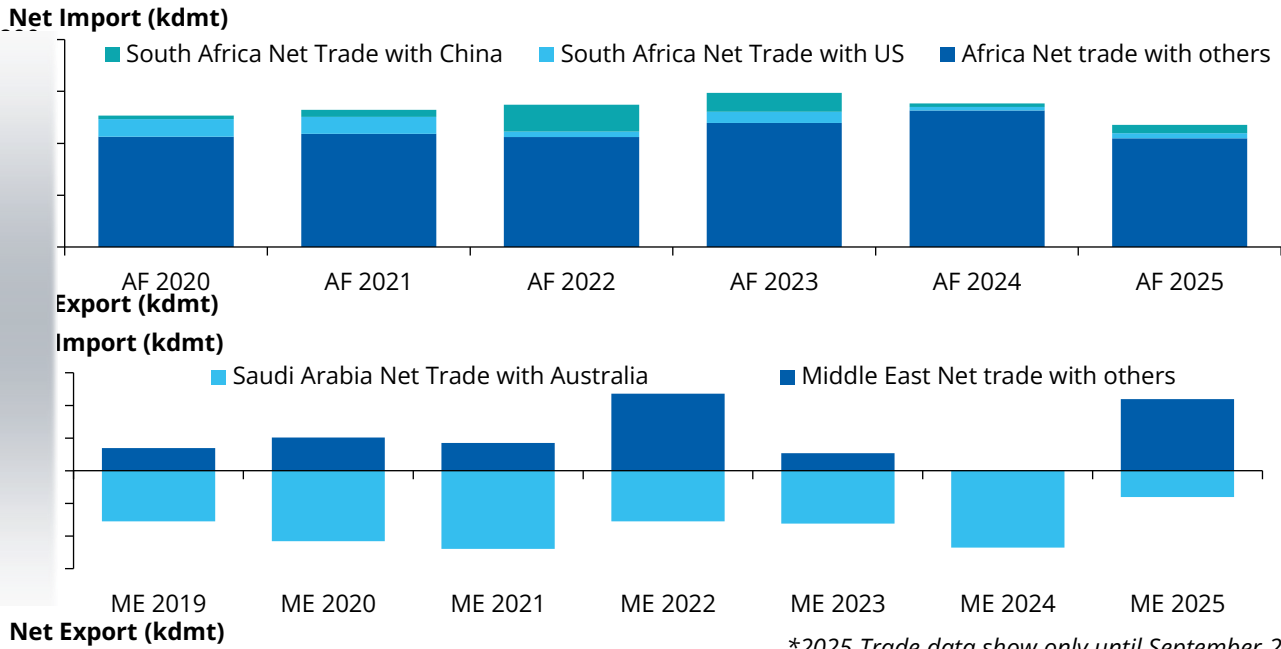
Middle East-Africa trade analysis

Middle East caustic soda market remained stable.



*Largest production sites by capacity

- Two import shipments into the Middle East were reported to supplement the supply shortfall due to a technical glitch at one of the major chlor-alkali plants.
- Most of the trades were within the Middle East.
- However, export availability to outside the Middle East is expected to shrink as domestic demand, especially from the alumina and petrochemical sector, increases.
- No exports from the Middle East are expected in the near term.



*2025 Trade data show only until September 2025

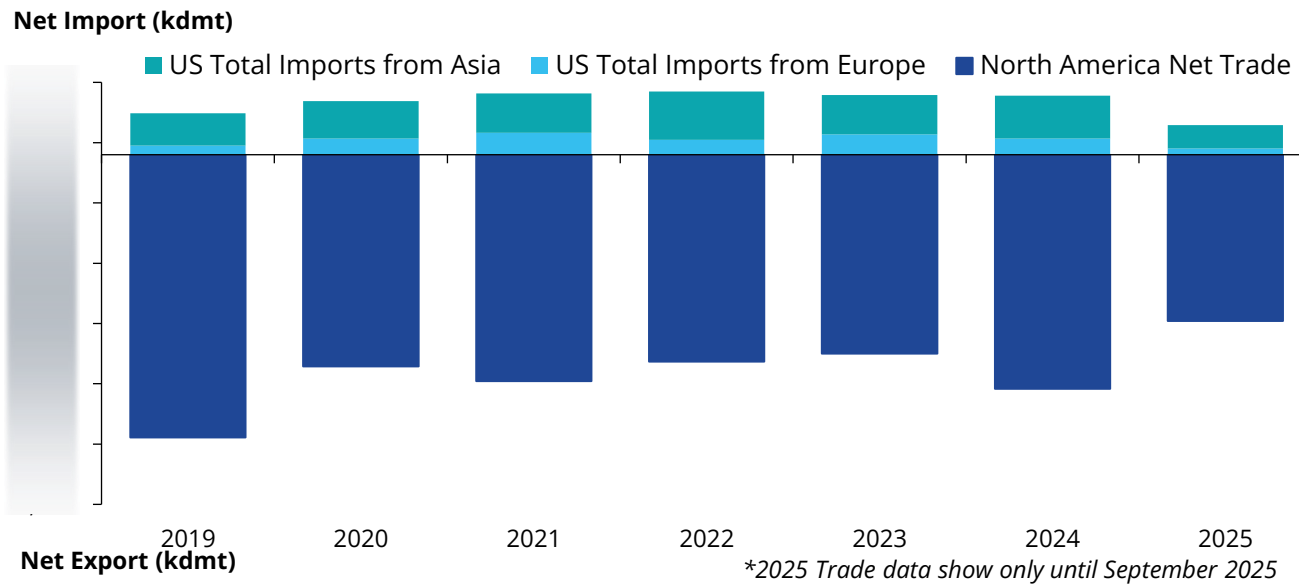
North America trade analysis

Higher vinyls production in 2026 to support record caustic soda exports.



*Largest production sites by capacity

-
-
- The implementation of antidumping duties by Mexico on the US will displace US products with products from Peru and Europe. The bulk of this change will be seen in January when supply contracts from the US Gulf coast reset.



Latin America trade analysis

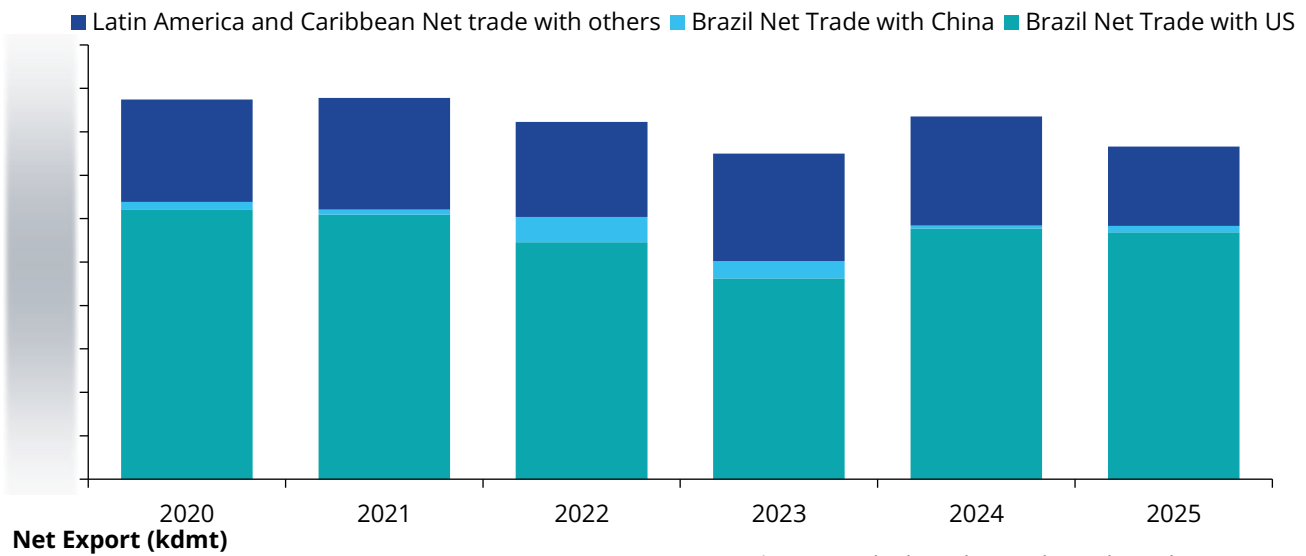
Consecutive record years of caustic soda imports to Latin America in 2025 and 2026.



*Largest production sites by capacity

- With shipping rates on containers falling and European cash costs remaining high, it is anticipated to be less solid caustic soda imported to the region from Europe in 2026 than what is forecast to be imported in 2025.
- With the \$195/dmt import duty applied to US Gulf coast exports to Mexico, this leaves the trade lane between Peru and Mexico wide open. Caustic soda exports from Peru to Mexico are anticipated to increase.

Net Import (kdmt)



*2025 Trade data show only until October 2025



| Contents

- 1. Executive Summary**
- 2. Regional Review: Americas, Europe, Asia-Pacific**
- 3. ECU Analysis**
- 4. Global Trade**
- 5. Relative Market Insight**
- 6. Contact Us**

Chlor-alkali related markets score card

Impact on chlor-alkali markets.

Chlor-Alkali Derivatives

Chlor-Alkali producer news	<div><div></div><div></div></div>	<ul style="list-style-type: none">European chlor-alkali capacity closures in the 2024-2028 period are estimated to be <div></div> dmt. <table><tr><th>COMPANY</th><th>LOCATION</th><th>COUNTRY</th><th>CAPACITY</th><th>DATE</th></tr><tr><td colspan="5"><div></div></td></tr></table> <ul style="list-style-type: none">ADNOC TA'ZIZ project, aimed to produce 1.3mn t per annum of PVC, VCM, EDC, and caustic soda, has awarded EPC contract and commissioning is expected by 4Q2028.TA'ZIZ and Sanmar have signed an agreement to import 350,000 t/yr of EDC and VCM to Egypt. This has the potential to displace the approximately 210,000 t/yr of EDC that was imported from Europe in 2023 and solve Egypt's ethylene shortage into PVC starting in 2028.<div></div><div></div>	COMPANY	LOCATION	COUNTRY	CAPACITY	DATE	<div></div>				
		COMPANY	LOCATION	COUNTRY	CAPACITY	DATE						
<div></div>												
Alumina		<ul style="list-style-type: none">Rio Tinto has decided to cut alumina production at Yarwun refinery by around <div></div> from October 2026 because of tailings storage limitations. This cut will extend the refinery life from 2031 to 2035.Rio Tinto's other operations will be unaffected by the curtailment, according to the company.										



| Contents

- 1. Executive Summary**
- 2. Regional Review: Americas, Europe, Asia-Pacific**
- 3. ECU Analysis**
- 4. Global Trade**
- 5. Relative Market Insight**
- 6. Contact Us**

Contact Us



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, before his consulting career. Before joining Argus in 2012, he was director of Chlor-Alkali for HIS. George's experience also includes roles at FMC Technologies, Dow Chemical and Union Carbide. He holds a BSc in Chemical Engineering from the University of Texas and an MBA from Rice University.

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Stephanie Koenig Head of European Chlor-alkali

Stephanie is the Editor for European chlor-alkali market. She oversees content and analytical standards across the European operations, spanning from editorial, to outlooks, analytics and events. She also contributes to single-client consulting projects and has over 15 years of experience directly related to the chlor-alkali industry. Before this, she spent time at IHS Chemical, leading the global Bleaching Chemicals Service and contributing to chlor-alkali products. Stephanie has a Master's Degree in Business Administration from the University of Leipzig, Germany.

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Bernard Law Chlor-alkali Editor

Bernard Law 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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Anshu Pandey Business Analyst Chlor-alkali

Anshu is the lead analyst for Argus' chlor alkali and derivatives services and supports fundamentals and outlook services. Prior to joining Argus, she worked in research and development on projects associated with hydrogen storage and environmental assessment of fuels. Anshu holds a master's degree in Chemical Engineering.

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Argus Chlor-Alkali Outlook

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The Argus Chlor-Alkali Outlook service gives you a comprehensive global view of the industry, including regional dynamics and feedstock insights, in a single service.

The service includes a 24-month rolling price forecast and forward-looking analysis of global chlor-alkali supply and demand, trade flows and market dynamics.

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This is a sample of the full report only.

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