



Shell mulls sale of chemicals assets

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Body

Shell is exploring a potential sale of its chemicals assets in Europe and the US, part of a continuing drive to refocus the company's business on its most profitable operations.

The **oil** and **gas** company is working with bankers at Morgan Stanley on a strategic review of its chemicals operations. The process is in the early stages and **Shell** has yet to commit to any final decisions.

Among the assets included in the review is **Shell's** Deer Park -facility in Texas. The site produces a range of chemicals such as light and heavy olefins, which can be used to make pharmaceuticals, detergents, adhesives and wire coating. The operation is -located adjacent to a refinery, which **Shell** previously sold its stake in. **Shell** also has chemical facilities in Pennsylvania and Louisiana in the US, and in -Europe it has plants in the UK, Germany and The Netherlands.

Potential bidders for the assets could range from private-equity firms to Middle Eastern buyers wanting to expand into the West.

Since chief executive Wael Sawan took the helm of **Shell** at the start of 2023, the company has worked to focus more on its most profitable operations. To that end, the company has rolled back some of its green-energy targets and pledged to pump more **oil** and **gas**. **Shell's** chemicals business has been seen as lagging behind for years. It is capital-heavy and subject to cyclical ups and downs, resulting in losses in recent years that have weighed on the company's overall performance. Anaemic **gas** prices and rising capacity in chemical manufacturing have caused the petrochemical market to languish recently. The company has already signalled its willingness to shed lower-margin chemicals operations. Last year, it struck a deal to sell its chemicals park in Singapore to a joint venture that includes Glencore, the mining company, and Chandra Asri, an Indonesia-based chemicals producer.

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