CIREC monthly NEWS

Chemical industry reporting for Central and South East Europe
Supplemented by developments in Russia & neighbouring states

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Czech Republic, Hungary, Poland, Slovakia
South East Europe & Baltic States
Eurasia Russia-Ukraine-Belarus-Kazakhstan-Uzbekistan-Azerbaijan

Product coverage including supply chains from olefins and aromatics to derivatives, organic chemicals, methanol and intermediates

Issue No: 414, 19 May 2025

Main points from this issue

Central European petrochemical margins
Petrochemical margins for both Orlen and MOL were very low in the first quarter, amounting to €145 per ton and €151 per ton respectively. Both companies reported margins of €209 per ton in the comparative first quarter last year. Petrochemical margins for MOL dropped to €151 per ton in the first quarter this year against €209 per ton in the first quarter last year and €167 in the fourth quarter.

MOL's petrochemical division Jan-Mar 2025
MOL increased production of ethylene to 171,000 tons in the first quarter at its two sites at Tiszaujvaros and Bratislava against 141,000 tons in the same period last year whilst propylene increased from 73,000 tons to 89,000 tons.

Polish polyethylene market Q1 2025
Despite the fall in polyethylene production at Plock in the first quarter this year the market balance increased from 314,800 tons in January to March 2024 to 331,700 tons.

Russian chemical production Jan-Mar 2025
First quarter production and consumption in the Russian petrochemical sector showed some effects of a slowing economy but overall was balanced by export trade with China. Although US tariff policy has excluded Russia, the indirect impact of those tariffs may be inescapable for the Russian economy. A slowdown in global activity is already having an impact on crude prices which long-term represents the most important key for the Kremlin's budget and ability to conduct war.

Russian production of ethylene Jan-Mar 2025
Russian ethylene production totalled 1.138 million tons in the first quarter in 2025 against 1.246 million tons in the same period in 2024. All regions saw lower production. ZapSibNeftekhim at Tobolsk reduced production from 408,968 tons in January to March last year to 384,335 tons in January to March 2025.

Russian methanol production Jan-Mar 2025
Russia produced 1.040 million tons of methanol in January to March 2025 against 985,580 tons in January to March 2024. Production in the Central region, which includes Shchekinoazot and Azot at Novomoskovsk, reduced production from 304,891 tons to 259,480 tons. The Volga region increased production from 416,164 tons to 509,195 tons, whilst the Siberian Federal District (including Gazprom Methanol and Angarsk Petrochemical) reduced production from 193,347 tons to 190,802 tons.

Russian synthetic rubber production Jan-Mar 2025
Synthetic rubber production in Russia amounted to 399,650 tons in January to March 2025 against 376,847 tons in January to March last year. Production tended to stabilise in 2024 but is still much lower than prior to the full-scale Russian invasion of Ukraine. The main reason was the increase in Russian exports to China, rising to 208,046 tons against 138,270 tons in the same quarter last year.

SOCAR Jan-Mar 2025
Azerbaijan produced 97,700 tons of methanol in January to March 2025 versus 123,600 tons in January to March 2024. Azerbaijan exported 90,709 tons of methanol in the first quarter which was 32.2% down in the same period last year, whilst export revenues rose by 24.1% to $28.245 million.

CENTRAL and SOUTH EAST EUROPE

Czech Crude Imports (million tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Azerbaijan	656.2	595.8
Kazakhstan	255.5	333.9
Russia	521.5	909.2
Total	1433.3	1838.8
Av Price € per ton	548.5	574.6

Czech crude imports Jan-Mar 2025

Imports of Russian crude into the Czech Republic dropped from 1.839 million tons in the first quarter in 2024 to 1.433 million tons in the first quarter this year. Azerbaijan increased crude shipments to the Czech Republic to 656,200 tons against 595,800 tons.

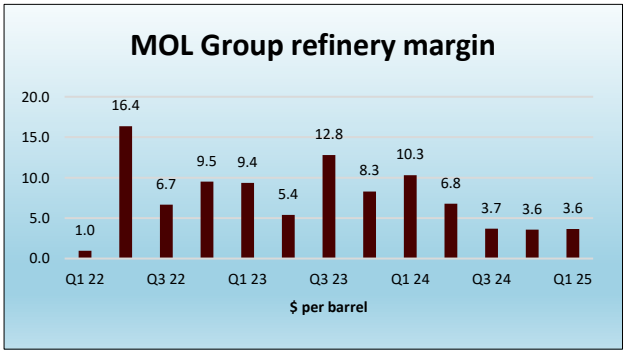
The Czech Republic officially announced that it had ended its 60-year dependence on Russian oil in April this year. It marks the end of a process that has been ongoing since Russia's invasion of Ukraine, and which aimed to break with fuel from Moscow. Previously, the Czech Republic was dependent solely on the Druzhba pipeline, which was put into operation in the 1960s.

The decision to bring forward the cancellation of Russian crude was taken finally after further interruptions of crude deliveries via the Druzhba pipeline in March. During that period the Czech government released about a third of its strategic reserves to Unipetrol to ensure the Litvinov and Kralupy refineries continued to operate at near to full capacity.

Hungarian Crude Imports (kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Croatia	11.7	0.0
Iraq	0.0	37.5
Kazakhstan	0.0	568.5
Russia	1,237.8	1,277.8
Others	57.1	46.3
Total	1,306.6	1,361.6
Av Price € per ton	483.2	478.6

Hungarian crude imports Jan-Mar 25

Hungary imported a total of 1.238 million tons of crude from Russia in the first quarter in 2025 against 1.278 million tons in 2024. In total crude imports dropped from 1.362 million tons in the first quarter last year to 1.307 million tons. The geopolitics behind Hungary's purchasing strategy of Russian crude are leading to unexpected developments such as the extension of the Druzhba pipeline to the Serbian refinery at Pancevo.



MOL is looking at possible exports of Kazakh crude to Europe and Hungary. At the same time though MOL estimates that if it stopped using Russian oil, it would cost Hungary an extra €450-540 million and claims that there is no guarantee that the Hungarian and Slovakian refineries would be able to operate without Russian oil.

MOL's refining margins remained unchanged in the first quarter this year from the fourth quarter in 2024, thus standing at $3.6 per barrel. However, this was down from €10.3 per barrel in the first quarter in 2024.

Polish Crude Imports (kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Saudi Arabia	2776.1	3679.1
Nigeria	383.9	511.5
Norway	1069.8	836.8
US	562.5	200.1
UK	188.6	94.2
Others	375.2	0.0
Total	5,356.1	5321.7
Av Price € per ton	560.0	539.7

Polish crude imports Jan-Mar 2025

From the total of 4.287 million tons of crude imported into Poland in the first quarter, supplies from Saudi Arabia totalled 2.776 million tons followed by Norway which provided 703,300 tons. Other supplies came from the US, UK and Nigeria. Future supplies from the US are uncertain against the background of US tariff policy. Average prices for Polish crude purchases increased from $539.7 per ton in January last year to $560.0 per ton. Orlen's model refining margins have been gradually declining in the past year, with prices averaging $8.4 per barrel in March against $16.8 in March 2024.

Central European Olefin Production & Trade

Polish Petrochemical Production (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Ethylene	70.5	90.1
Propylene	102.1	91.9
Butadiene	14.629	14.553
Phenol	10.024	11.531
Polyethylene	72.5	80.4
PVC	30.4	57.6
Polypropylene	121.1	82.7

MOL's Olefin Production (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Ethylene	171	141
Propylene	89	73
Butadiene	15	20
Raffinate	26	48

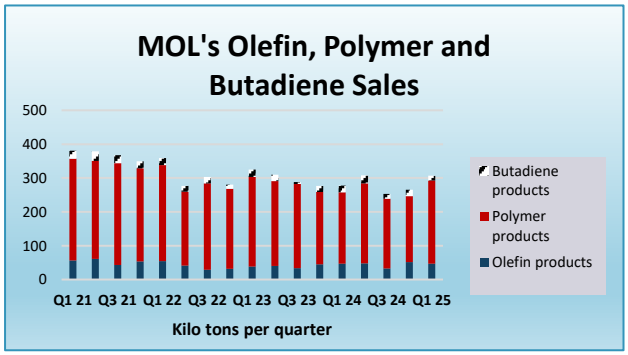
Polish petrochemical production Jan-Mar 2025

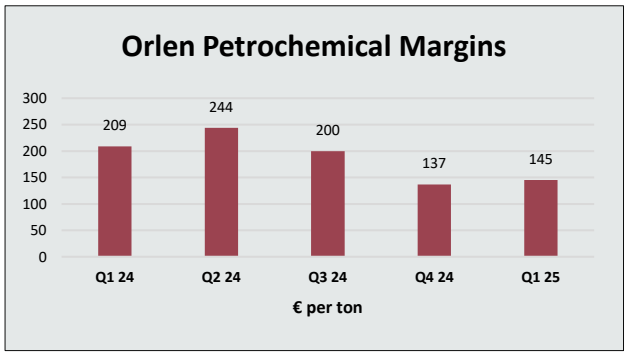
Ethylene production in Poland dropped from 90,100 tons in January to March last year to 70,500 tons in January to March 2025 as Orlen reduced cracker utilisation. At the same time Polish propylene production rose from 91,900 tons to 102,100 tons where volumes were boosted by the Polimery Police plant. Butadiene production at Plock dropped to 14,629 tons from 14,553 tons last year. Nearly all of the butadiene produced at Plock is consumed by Synthos.

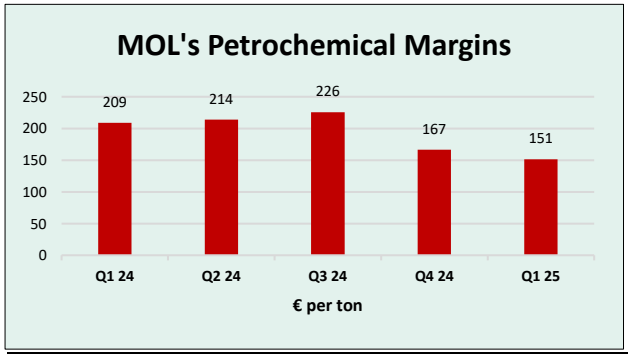
In the plastics sector polyethylene production in Poland amounted to 72,500 tons in January to March 2025 versus 80,400 tons in January to March 2024. By contrast, polypropylene production increased from 82,700 tons to 121,100 tons due to additional output from the Police plant. PVC production at Wloclawek decreased from 57,600 tons to 30,400 tons.

MOL petrochemical production Jan-Mar 2025

MOL increased production of ethylene to 171,000 tons in the first quarter against 141,000 tons in the same period last year. Production takes place at its two sites at Tiszaujvaros and Bratislava whilst propylene increased from 73,000 tons to 89,000 tons. Butadiene and raffinate production at Tiszaujvaros fell from 20,000 tons to 15,000 and from 48,000 tons to 26,000 tons respectively.







Central European petrochemical margins

Petrochemical margins for both Orlen and MOL were very low in the first quarter, amounting to €145 per ton and €151 per ton respectively. Both companies reported margins of €209 per ton in the comparative first quarter last year.

Petrochemical margins for MOL dropped to €151 per ton in the first quarter this year against €209 per ton in the first quarter last year and €167 in the fourth quarter. The decline in margins was reflected in the minus EBITDA result for the petrochemical division despite the improvement in product sales.

First quarter margins reflect the overall climate in European petrochemicals which are struggling to cope with such factors as high energy prices and competition from newer plants in Asia and the Middle East.

The model petrochemical margin for Orlen rose in April to €229 per ton compared to €195 per ton in December, but €262 per ton in Apil last year. Orlen's model petrochemical margin is calculated on the basis of revenues from HDPE, PP, ethylene, toluene, benzene, naphtha, LPG and CO2 costs.

Energy costs have not been able to recover from the market adjustments caused by Russia's invasion of Ukraine in 2022. Moreover, the petrochemical industry is witnessing newer plants being built in other regions.

Olefin-Olefiny III merger

The first notification of shareholders has been given of the intention to merge Orlen with Orlen Olefiny. The establishment of Orlen Olefiny in 2021 was based on a special purpose vehicle which would allow it to raise financing and undertake a project designated as Olefiny III Project. Orlen holds 100% of shares in Orlen Olefiny. The merger between Orlen and Orlen Olefiny will be conducted through transfer of all assets and liabilities of Orlen Olefiny target company) to Orlen (acquiring company), without the necessity to increase the company's share capital or amend Orlen's Articles of Association in connection.

Delivery of propylene tanks to Plock delayed by low river levels

Gigantic propylene tanks, which are part of Orlen's Nowa Chemia investment, are stuck on the Vistula due to a lack of rainfall. The structures floated by barges from Gdynia were stopped by low water levels in the river. The barges with gigantic tanks first got prevented from moving at Bydgoszcz, and after restarting had to stop again at Solec Kujawski. Although they should have been in place at Plock for nearly three weeks, they are still moored in the vicinity of Old Fordon. In order for them to continue their journey, the water level in the Vistula needs to rise by at least 10 cm.

Orlen suspended the Olefiny III investment at the end of 2024 due to escalating costs and medium-term doubts about the European petrochemical markets. In order not to lose what has already been done, Orlen's current management has recalibrated into a new project name Nowa Chemia.

As part of the new project the old olefin unit at Plock will shut after 2030, and be replaced by a new, less carbon-intensive and less energy-intensive unit. Previously it was assumed that both units would operate but dual-unit production is now seen as creating oversupply. Apart from increasing polymer production Nowa Chemia will also enable the use of recycled feedstock, which is to be a step towards the so-called green petrochemicals.

HIP Petrohemija Production and Sales (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
Petrochemical production	52.6	75.7
Petrochemical sales	57.1	60.9
Naphtha consumption	66.8	99.8

HIP-Petrohemija first quarter 2025

HIP-Petrohemija at Pancevo has successfully completed a planned shutdown aimed at the implementation of investment projects and regular plant maintenance activities. This is the third overhaul since June 2023, i.e. since HIP-Petrohemija became part of the NIS Group, and in which Petrohemija is working on projects to increase reliability and increase energy efficiency.

Polish Propylene Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Bulgaria	0.000	1.005
Croatia	2.066	0.000
Germany	19.362	13.994
Hungary	2.106	0.000
Others	1.010	0.000
Total	24.545	28.613
Av price	960.4	829.3

Polish propylene imports, Jan-Mar 2025

Poland imported 24,545 tons of propylene in January to March this year against 28,613 tons in the same period last year. At the same time Poland exported 8,379 tons of propylene, supplied by Grupa Azoty Polyolefins from the Polimery Police plant. In the first quarter this year Germany was the main supplier to Poland, shipping 19,362 tons against 13,994 tons in January to March 2024. Average import prices increased from €829.3 per ton to €960.4 in January to March 2025.

Polish Butadiene Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Austria	9.774	9.632
Germany	12.630	4.381
Hungary	6.102	10.248
Others	1.645	0.001
Total	29.243	24.263
Av € per ton	932.9	745.0

Polish butadiene imports, Jan-Mar 2025

Butadiene import prices for Poland rose from €745.0 per ton on average in the first quarter last year to €932.9 in January to March 2025, with import volumes rising from 24,263 tons to 29,243 tons. Synthos is the major importer of butadiene in Poland. Germany was the largest supplier in the first quarter, shipping 12,630 tons against 4,361 tons last year. The increase in butadiene imports in 2024 into Poland was

driven primarily by the increase in synthetic rubber production at Oswiecim, rising from 20,300 tons in January last year to 25,300 tons this January.

Hungarian propylene & butadiene imports, Jan-Mar 2025

Hungarian Propylene Exports (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
Kilo tons	23.731	30.342
Av € per ton	1076.1	1047.5

Exports of propylene from Hungary amounted to 23,731 tons in January to March 2025 against 30,342 tons in 2024. Shipments from MOL's plant at Tiszaujvaros to Slovnaft in Slovakia dropped from 30,342 tons to 18,714 tons. Prices averaged €1076.1 per ton in the first three months this year against €1047.5 per ton in the same period in 2024.

Hungarian Butadiene Exports (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
Kilo tons	7.107	17.466
Av € per ton	948.8	751.5

Hungarian butadiene exports dropped to 7,107 tons in the first quarter in 2025 against 17,466 tons in the same period in 2024. Shipments into Poland dropped from 17,466 tons in January to March 2024 to 5,079 tons whilst exports to Germany dropped to zero from 3,959 tons in the same period in 2024. Average prices for Hungarian butadiene exports increased to €948.8 per ton versus €751.5 in 2024.

Czech Olefin Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Ethylene	1.697	0.222
Propylene	20.815	8.516
Butadiene	17.627	12.906

Czech olefin monomer trade, Jan-Mar 2025

Czech propylene imports amounted to 20,815 tons in January to March 2025 against 8,516 tons in January to March last year. Imports came from Germany and Poland. Shipments from Poland increased to 8,380 tons in the first quarter this year from only 20 tons last year, which was mainly due to the extra availability from the Polimery Police plant. Butadiene imports amounted to 17,627 tons in January to March, rising from 12.906 tons last year.

Czech Imports of Propylene (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Germany	10.670	8.496
Poland	8.380	0.020
Slovakia	0.776	0.000
Others	0.990	0.001
Total	20.815	8.516
Av € per ton	923.1	807.3

Ethylene exports from the Czech Republic amounted to 4,191 tons in the first quarter this year, up from 2,050 tons in 2024 whilst propylene dropped from 3,053 tons to just 28 tons. Orlen Unipetrol started a planned turnaround at Litvinov on 11 April which is expected to last for around two months. During the two-month operational shutdown, the petrochemical plant will undergo regular maintenance and modernisation of technologies, along with the implementation of investment projects. It is expected that the petrochemical production technologies will be put back into operation at the beginning of June.

Hungarian styrene imports (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
Kilo tons	9.481	20.776
Av € per ton	1307.9	1380.1

Central European styrene market

Styrene imports into Hungary totalled 9,481 tons in the first quarter in 2025 against 20,776 tons in the same period in 2024. Italy accounted for 8,925 tons of styrene imports into Hungary which was down from 19,526 tons in 2024. Prices for styrene imports into Hungary amounted to €1307.9 per ton against €1380.1 per ton in 2024.

Polish Styrene Imports		
	Jan-Mar 25	***Jan-Mar 24***
Kilo tons	25.261	25.805
Av price per ton	1142.7	1287.2

Styrene imports into Poland totalled 25,261 tons in the period January to March 2025 against 25,805 tons in the same period in 2024. The largest supplier was Saudi Arabia which shipped 6,413 tons against zero in the first quarter last year. Belgium reduced shipments to Poland from 5,765 tons in the first quarter last year to 4,806 tons this year. Average prices for imports into Poland dropped from €1287.2 per ton in the first quarter last year to €1142.7 ton this year.

Czech Styrene Imports		
	Jan-Mar 25	***Jan-Mar 24***
Kilo tons	7.256	1.769
Av € per ton	1160.6	1144.6

Styrene imports into the Czech Republic amounted to 7,256 tons in the first three months in 2025, of which the Netherlands supplied 5,007 tons. Styrene is used by Synthos at Kralupy to produce different grades of synthetic rubber.

Central European Polyolefin Trade

Czech Polyethylene Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
LDPE	27.137	27.656
LLDPE	5.588	6.222
HDPE	30.564	29.414
EVA	3.791	2.899
Other	10.497	10.828
Total	77.577	77.020
Av € per ton	1500.9	1484.3

Czech Polyethylene Exports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
LDPE	8.666	9.498
LLDPE	1.724	1.403
HDPE	71.059	81.701
EVA	0.996	0.887
Other	3.773	3.555
Total	86.219	97.044
Av € per ton	1405.2	1293.4

Polish Polyethylene Supply/Demand Balance (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
Production	48.9	54.7
Exports	74.6	74.3
Imports	357.4	334.4
Market Balance	331.7	314.8

Polish Polyethylene Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
LDPE	97.261	86.967
LLDPE	57.023	52.413
HDPE	108.915	104.139
EVA	5.323	5.366
EAO	76.532	70.667
Others	12.327	14.855
Total	357.381	334.407
Av € per ton	1254.7	1305.2

Polish Polyethylene Exports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
LDPE	15.600	11.179
LLDPE	4.741	7.822
HDPE	47.138	47.620
EVA	0.547	0.950
EAO	3.487	4.972
Other	3.077	1.733
Total	74.591	74.276
€ per ton	1378.0	1113.3

Czech polyethylene trade Jan-Mar 2025

For imports of all forms of polyethylene, Czech inward shipments amounted to 77,577 tons in January to March 2025 against 77,020 tons in January to March 2024, with prices rising slightly from €1484.3 per ton to €1500.9 per ton. Germany was the largest source of polyethylene imports, followed by the Netherlands and Belgium.

Polyethylene exports from the Czech Republic amounted to 86,219 tons in the first quarter measured against 97,044 tons in January to March 2024. Average prices increased from €1293.4 per ton to €1405.2 per ton in this year.

HDPE export shipments from Litvinov comprised 71,059 tons in the first quarter against 81,701 tons in the same period last year. Germany was the largest destination for Czech HDPE supplied from Litvinov. Other important markets for Czech polyethylene exports include Poland, Italy and Belgium.

Polish polyethylene trade Jan-Mar 2025

Despite the fall in polyethylene production at Plock in the first quarter this year the market balance increased from 314,800 tons in January to March 2024 to 331,700 tons. Export volumes were similar in Q1 2025 and Q1 2024, whilst imports increased by around 23,000 tons. The outlook for polyethylene consumption has shown some tentative signs of improvement at the start of 2025, although factors such as the war in Ukraine and US tariffs make it very difficult to make short term forecasts plausible.

Polish imports of polyethylene totalled 357,381 tons in January to March 2025 against 334,407 tons in the same period in 2024, with average prices falling from €1305.2 per ton to €1254.7 per ton. In addition to the European suppliers to Poland, Saudi Arabia and the US provided 37,830 tons and 42,000 tons respectively in the first quarter.

HDPE is the largest category of imported polyethylene into Poland, amounting to 34,792 tons in January versus 36,224 tons in January 2024. Germany is the largest supplier of HDPE to the Polish market.

LLDPE imports rose from 52,413 tons in January to March last year to 57,023 tons in the corresponding month this year. Most of the LLDPE imports were sourced mostly from West Europe, including France, the Netherlands and Germany. LDPE imports increased to 97,261 tons versus 86,967 tons in January to March last year. Imports from ethylene alpha olefins increased to 70,667 tons against 76,532 tons.

Polish imports of polyethylene totalled 1.377 million tons in 2024 against 1.250 million tons in 2023, with average prices falling from €1363.1 per ton in 2023 to €1193.9 per ton in 2024. HDPE is the largest category of imported polyethylene into Poland, amounting to 439,844 tons in January to December 2024 versus 423,415 tons in 2023.

Polish polyethylene exports amounted to 74,591 tons in January to March this year, slightly up from 74,296 tons in the first quarter in 2024. Around 28,000 tons was exported to Germany in the first quarter, representing the largest destination. Average prices for polyethylene exports from Poland increased in the first quarter to €1378.0 per ton versus €1113.3 per ton in the same period in 2024. Exports of HDPE from Poland amounted to 47,138 tons in the first quarter slightly down from 47,620 tons last year whilst LDPE exports rose from 11,179 tons to 15,600 tons. Exports of ethylene alpha olefins amounted to 3,487 tons.

Hungarian Polyethylene Exports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
LLDPE	10.864	1.354
LDPE	10.357	16.453
HDPE	58.749	52.213
Total	80.977	75.909
Av € per ton	1217.9	1222.4

MOL's Polyolefin Production (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
LDPE	52	17
HDPE	76	52
PP	124	111
PE Totals	128	69

Hungarian Polyethylene Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
LLDPE	8.107	6.535
LDPE	8.975	11.121
HDPE	16.739	20.667
EAO	4.975	2.229
EVA	1.796	1.755
Other	2.712	7.526
Total	43.303	49.833
Av € per ton	1575.6	1577.2

Hungarian polyethylene trade Jan-Mar 2025

Hungarian polyethylene exports amounted to 80,977 tons in January to March this year against 75,909 tons in 2024, whilst average prices dropped from €1222.4 per ton to €1217.9 per ton. Revenues for polyethylene exports in January to March rose from €92.793 million in 2024 to €98.624 million in 2025.

In terms of category HDPE exports increased from 52,213 tons in January to March 2024 to 58,749 tons in the first quarter this year whilst LDPE exports dropped from 16,453 tons to 10,357 tons.

Hungary remains a net exporter of LDPE and HDPE, whilst continues to be a net importer of LLDPE and ethylene copolymers. In the first quarter this year HDPE consumption increased to 33,990 tons against 20,454 tons in the same period in 2024.

HDPE production in Hungary increased in the first three months to 76,000 tons versus 52,000 tons in the same period in 2024, whilst LDPE for the whole MOL Group increased from 17,000 tons to 52,000 tons.

Imports of all grades of polyethylene into Hungary amounted to 43,303 tons in January to March this year against 49,833 tons in 2024. Hungarian import prices for polyethylene decreased slightly from €1577.2 per ton to €1575.6 in 2025. The largest category of polyethylene imports comprised HDPE, which dropped from 20,667 tons to 16,739 tons.

Rompetrol[i] Rafinare-LDPE restart

Rompetrol Rafinare is set to restart its LDPE unit at the Petromidia refinery, following the completion of final technological tests. The unit had been shut down at the end of 2023 due to unfavourable market conditions and has undergone extensive maintenance. The company, which is owned by the Kazakh group KazMunayGaz, has invested around $1.5 million in the reintegration of the LDPE installation. KazMunayGaz is striving to protect its polymer business in Kazakhstan.

With a production capacity of 75,000 tpa, the LDPE unit will start producing products such as heat-shrinkable film, agricultural film, thick bags, and thin film for packaging, supporting various industries in Romania. Rompetrol Rafinare aims to increase polymer production to over 145,000 tons in 2025. The LDPE unit, originally commissioned in 1988, had been shut down intermittently, including a period from 1996 until its complete closure in 2005. After significant investments and modernisation, it was restarted

in 2006, operating exclusively with imported ethylene. The unit remained in operation until November 2023, when it was temporarily shut down due to market volatility.

Polish PP Supply/Demand Balance (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
Production	121.1	82.7
Exports	86.2	79.3
Imports	237.6	234.3
Market Balance	272.4	237.7

Polish PP Trade Jan-2025

Polypropylene consumption in Poland amounted to 272,400 tons in the first quarter against 237,700 tons in the same quarter last year. Polish polypropylene imports, including homo grade and copolymers, amounted to 237,563 tons in the first quarter against 234,348 tons last year, with prices rising from €1332.1 per ton to €1428.5 per ton.

Polish Polypropylene Imports (unit-kilo tons)		
Category	***Jan-Mar 25***	***Jan-Mar 24***
PP homo	150.448	149.320
Polyisobutylene	0.586	0.683
Propylene copolymers	80.986	79.601
Other	5.544	4.744
Total	237.563	234.348
Av € per ton	1437.3	1416.8

Homo grade polypropylene imports rose from 149,320 tons in January to March last year to 150,448 tons, whilst copolymer imports rose from 79,601 tons to 80,986 tons. Total import costs of propylene polymers were slightly higher, amounting to €341.478 million against €330.903 million in 2024. In terms of pricing, imports into Poland usually face a higher premium than exports primarily due to the volumes of propylene copolymers than enter the country.

Polish Polypropylene Exports (unit-kilo tons)		
Category	***Jan-Mar 25***	***Jan-Mar 24***
PP homo	66.000	57.988
Polyisobutylene	0.153	0.337
Propylene copolymers	19.536	17.058
Other	0.536	3.964
Total	86.225	79.347
Av € per ton	1309.3	1356.9

Exports of homo polymer grade polypropylene increased from Poland to 21,428 tons in January to March against 15,366 tons last year. Homo polymer grades comprised the main category of Polish polypropylene exports, where Germany was the largest destination.

Exports of all grades of polypropylene amounted to 86,225 tons in January to March 2025 against 79,347 tons in January to March last year. Partly due to the influence of the Police plant, export shipments of propylene polymers from Poland rose to 381,647 tons in 2024 against 213,135 tons in January to December 2023.

Grupa Azoty Polyolefins-capacity goals 2025

Grupa Azoty and Orlen plan to complete negotiations regarding the business relationship for Polimery Police by 23 June this year. Orlen has been conducting a due diligence of Grupa Azoty Polyolefins since last year to examine how it might become involved in terms of either equity or joint cooperation. Grupa Azoty and Orlen has already entered into a working capital financing agreement for up to $28 million to finance the acquisition of propane by Grupa Azoty Polyolefins. The agreement specifies the terms and conditions of this financing and the terms of repayment. Propane is used in Polimery Police for the production of propylene.

As from 31 July 2024, Grupa Azoty Polyolefins will take over full decision-making power from the contractor Hyundai, where the plant is still operating as part of temporary offtake. However, the company is still struggling with a large number of defects resulting from errors during the investment process.

The assumption is that in 2025 the use of the polypropylene production unit at Polimery Police will be similar to that in 2024 at around 50%. Polimery Police produced 211,000 tons of polypropylene in 2024 and may produce slightly more this year. The company sells most of its polypropylene in spot transactions, while the market for this product is based mainly on annual contracts. For the time being, the plant is not able to ensure stable receipt of certain grades of polypropylene.

Hungarian polypropylene trade Jan-Mar 2025

Exports of all forms of polypropylene from Hungary amounted to 57,288 tons in January to March 2025 versus 59,117 tons in the same period in 2024, with average prices rising to €1353.9 per ton from

€1182.9. Homo-grade PP provides the main category of Hungarian polypropylene exports, amounting to 29,203 tons in the first quarter versus 31,697 tons in 2024. The major destinations for Hungarian polypropylene exports included Poland, Italy and Romania.

Hungarian Polypropylene Exports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
PP homo	29.203	31.697
Propylene copolymers	26.677	18.790
Others	1.408	8.630
Total	57.288	59.117
Av € per ton	1353.9	1182.9

Regarding MOL's investment strategy, the modernisation and expansion of polypropylene is focused on Slovnaft. Slovnaft has invested €63 million in the expansion and modernization of polypropylene production at the Bratislava refinery. The comprehensive reconstruction of the existing production unit for the production of PP3 polypropylene increased production capacity, reduced the volume of emissions emitted, improved safety and brought greater attractiveness to customers. The investment should thus confirm the strategy of the parent MOL Group, which talks about reducing the production of fossil fuels and strengthening the production of basic plastics.

Hungarian Polypropylene Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
PP homo	30.644	35.146
Propylene copolymers	10.213	13.854
Others	3.074	5.179
Total	43.931	54.179
Av € per ton	1529.1	1346.4

For imports of all forms of polypropylene, Hungarian inward shipments dropped to 43,931 tons in January to March 2025 from 54,179 tons in 2024, with average prices dropping from €1726.1 per ton to €1529.5 per ton. Imports of propylene copolymers dropped from 13,854 tons to 10,213 tons whilst homo grade polypropylene imports dropped from 35,146 tons to 30,644 tons.

Czech Polypropylene Exports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
PP Homo	62.728	60.276
Propylene Copolymers	29.209	12.298
Other	0.920	1.449
Total	92.858	74.024
Av € per ton	1535.6	1437.0
Czech polypropylene imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
PP Homo	64.172	73.021
Propylene Copolymers	39.860	53.123
Other	2.769	3.711
Total	106.800	129.855
Av € per ton	1537.3	1538.8

Czech polypropylene trade Jan-Mar 2025

Exports of all forms of polypropylene from the Czech Republic amounted to 92,858 tons in the first quarter versus 74,024 tons in January to March 2024, with average prices rising from €1437.0 per ton to €1535.6 per ton. Homo-grade PP provides the main category of Czech polypropylene exports, amounting to 62,728 tons in January to March versus 60,276 tons in January to March 2024.

Orlen Unipetrol is undertaking a complete modernisation of the Polypropylene 2 control room at its Litvinov-Zaluzi plant, which will give it greater scope to achieve high rates of utilisation. With the aim of upgrading the Polypropylene 2 control room to the latest European Standards and also improving operator well-being and performance by reducing fatigue and enhancing alertness, Orlen has Unipetrol decided to install ABB's EOW-c control console solution.

For imports of all forms of polypropylene, Czech inward shipments amounted to 106,800 tons in January to March 2025 from 129,855 tons in January to March 2024, with average prices dropping very slightly from €1538.8 per ton to €1537.3 per ton. Imports of propylene copolymers dropped from 53,123 tons to 39,860 tons whilst homo grade polypropylene imports dropped from 73,021 tons to 64,172 tons.

Rompetrol Rafinare-polypropylene production Jan-Mar 2025

Rompetrol Rafinare processed 21,000 tons of propylene into polypropylene in the first quarter this year against 23,000 tons in the same period in 2024. The polypropylene (PP) plant operates with raw material produced and delivered internally by the Petromidia. The petrochemical segment is the only producer of polypropylene and polyethylene in Romania. In 2024, the petrochemical division processed 83,000 tons of propylene, with a total polymer production of around 60,000 tons.

Central European Rubber Markets

Czech butadiene rubber exports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
France	0.352	1.128
Germany	1.756	1.816
Hungary	2.038	2.263
India	4.513	3.786
Italy	1.277	1.688
Poland	3.704	3.467
Romania	2.464	2.261
Serbia	3.271	1.153
Slovakia	1.209	2.555
South Korea	2.390	0.532
Spain	1.662	1.800
Turkey	2.364	2.449
US	0.427	0.106
Others	3.231	3.893
Total	30.657	28.898
Revenues €	59.498	45.924
Av € per ton	1941.8	1561.2

Czech butadiene rubber trade Jan-Mar 2025

The Czech Republic exported 30,657 tons of butadiene rubber in January to March this year against 28,898 tons in the same period in 2024. Average prices for butadiene rubber rose from €1561.2 per ton to €1941.8 per ton. Besides exports the Czech Republic also imported 7.364 tons of butadiene rubber in January to March 2025, sourced largely from Germany and the US.

In synthetic rubber trade the Czech Republic exported a total of 36,682 tons in the first quarter in 2025 against 34,020 tons in the same period in 2024. Imports at the same time increased from 36,337 tons to 37,123 tons, which were supplemented by imports of natural rubber where imports increased from 20,480 tons to 21,179 tons.

Hungarian synthetic rubber trade Jan-Mar 2025

Hungarian imports of synthetic rubber amounted to 24,516 tons in January to March 2025 against 27,671 tons in January to March 2024. Average prices increased from €2405.4 per ton to €2534.5 in 2024. The largest source of synthetic rubber imports came from Indonesia in the first quarter, amounting to 10,471 tons. Hungary previously imported a large part of its synthetic rubber from Russia.

Butadiene rubber imports into Hungary increased from 6,889 tons to 8,576 tons, with the largest source coming from Indonesia which supplied 8,354 tons. SBR imports into Hungary dropped from 13,711 tons to 12,448 tons.

Synthetic rubber exports from Hungary amounted to 14,982 tons in the first quarter this year of which SBR grades accounted for 14,708 tons. Prices rose from €2530.2 per ton last year to €2877.9 per ton. Production of solution polymerization styrene-butadiene rubber takes place in Hungary at Tiszaujvaros with capacity of 60,000 tpa.

Hungarian synthetic rubber Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Butadiene Rubber	8.576	6.889
SBR	12.448	13.711
Other	3.200	6.178
Total	24.516	27.671
Revenues € mil	62.135	66.562
Av € per ton	2534.5	2405.4

Polish synthetic rubber imports Jan-Mar 2025

Poland imported a total of 52,860 tons of synthetic rubber in January to March 2024 against 86,580 tons in January to March 2024. By category, butadiene rubber was the largest in the first quarter, although dropping from 24,120 tons last year to 11,921 tons this year. EPDM was the second largest product, accounting for 9,710 tons against 11,022 tons in the same period last year. The largest suppliers of all grades of synthetic rubber included China, Germany, Belgium and Saudi Arabia.

Polish Synthetic Rubber Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
ESBR	1.714	6.516
Block SBR	5.503	6.965
S-SBR	7.083	7.835
Butadiene Rubber	11.921	24.120
Butyl Rubber	0.703	1.231
HBR	3.079	1.425
NBR	1.557	2.307
Isoprene Rubber	0.569	12.785
EPDM	9.710	11.022
Others	11.022	12.373
Total	52.860	86.580
Av € per ton	1747.8	1662.9

Poland imported a total of 304,512 tons of synthetic rubber in January to December 2024 against 265,947 tons in 2023. Overall Russia was the leading supplier of synthetic rubber to the Polish market in 2024, until the full sanctions took legal effect from 18 June last year. Before that date Russia accounted for 81,748 tons of synthetic rubber shipped to Poland which was up from 50,562 tons in 2023. Sanctions on Russian synthetic rubber came into full force in June 2024, which is more two years after the full-scale invasion of Russia into Ukraine

Polish Exports of Synthetic Rubber (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
SBR	60.026	53.421
Butadiene Rubber	11.912	19.012
Isoprene Rubber	0.570	10.716
Others	4.470	6.209
Total	76.978	89.358
Av € per ton	1718.2	1623.9

Polish synthetic rubber exports Jan-Mar 2025

Synthetic rubber exports from Poland amounted to 76,978 tons in January to March this year against 89,226 tons in January to March 2024. Exports of butadiene rubber from Poland amounted to 11,912 tons against 19,012 tons last year. The largest category of rubber exports focuses on SBR grades where volumes amounted to 60,026 tons in January to March against 53,421 tons in January to March last year. Prices of synthetic rubber exports from Poland increased from €1623.9 per ton last year to €1718.2 per ton. The trend for all forms of trade have been downward since the start of 2023 but have started to show an upward trajectory in 2025.

Changing dynamics in European rubber markets

Overall volumes in synthetic and natural rubber trade in Central Europe is being affected gradually by recycling. By providing a secondary source of rubber through recycling, it reduces the demand for newly produced rubber, impacting the market for virgin rubber. This can lead to price fluctuations and shifts in the supply chain for both virgin and recycled rubber. Conversely in terms of quality, changes in the automotive industry such as the growing demand for lightweight and durable materials for tyres and automotive components, are leading to an increased use of synthetic rubber. In particular, tyre technology, which uses new rubber compounds, allows for the production of more energy-efficient tyres, which is crucial for electric vehicles. The increase in the production of electric vehicles is further developing the market for synthetic rubber.

Synthetic rubber exports from Poland amounted to a total of 333,584 tons in 2024 against 278,352 tons in 2023. The increase in exports was facilitated by the increase in production by Synthos at Oswiecim. Exports of butadiene rubber from Poland amounted to 68,842 tons in January to December versus 45,985 tons in the same period in 2023. The largest category of rubber exports focuses on SBR grade.

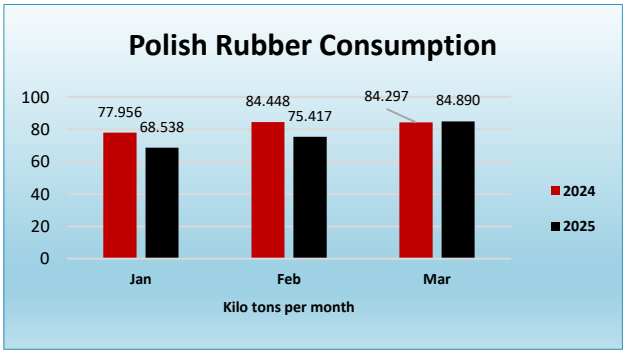
Although Europe comprises the largest regional destination for Polish synthetic rubber exports, India is the largest single country export destination. India took 42,052 tons in 2024 against 27,123 tons in 2023 and 39,816 tons in 2022. Exports to Thailand totalled 15,053 tons in 2024 versus 11,954 tons in the previous year. Brazil reduced its imports from Poland to 18,210 tons in 2024 from 18,603 tons in 2023 and 34,550 tons in 2022.

Polish synthetic rubber production and domestic market Jan-Mar 2025

Synthetic rubber production at Oswiecim for Synthos amounted to 25,400 tons in January against 20,300 tons in January 2024. Synthos has managed to diversify its export markets, which has allowed the company to increase production over 2023. At the same time the production of synthetic rubber has been affected by demand side factors which saw a reduction of consumption in 2023. Although synthetic rubber production increased in 2024 the extra output was channelled into export activity rather than domestic consumption.

Synthos Production (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Polystyrene	16.5	20.1
EPS	24.9	20.6
Synthetic Rubber	73.7	68.3

The automotive sector remains the largest consumer of synthetic rubber in Poland, driving demand for high-performance materials like styrene-butadiene rubber (SBR) and polybutadiene rubber (PBR). For the first three months this year consumption in the manufacture of tyres and other rubber products in Poland was slightly down in January and February, but then actually increased slightly in March. The problem facing domestic tyre producers include drops in sea freight costs, and a favourable exchange rate which have a positive impact on imports from Asia. As a result, their market share is expected to grow as in the past two years. However, it is worth bearing in mind that the tense trade situation between China and the US may be reflected in the European tyre and rubber markets, which is strongly linked to the global supply chain.



Central European aromatics and derivatives

Polish Benzene Exports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Czech Republic	3.241	6.924
Germany	37.351	31.891
Others	4.795	3.152
Total	45.387	41.968
Av €/ton	825.3	838.8

Polish aromatic exports Jan-Mar 2025

Polish exports of benzene totalled 14,455 tons in January against 11,320 tons in January last year. Benzene exports from Poland are supplied largely from Petrochemia Blachownia at Kedzierzyn-Kozle. PTA exports from Poland amounted to 25,566 tons in January, up from 22,430 tons. PTA is also imported into Poland, amounting to 1,485 tons in January to March this year.

Polish Aromatic Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Adipic Acid	3.475	2.948
Bisphenol A	4.141	1.063
Caprolactam	6.200	3.000
Ethylbenzene	27.492	31.801
Paraxylene	2.966	5.957
Phenol	25.147	24.190
Phthalic Anhydride	8.307	9.544
PTA	1.485	0.823
Styrene	28.215	8.447
TDI	20.352	20.975
Toluene	5.694	4.851

Polish aromatic imports Jan-Mar 2025

Average prices for phenol imported into Poland dropped to €1059.2 per ton measured against €1257.7 per ton in January to March 2024. Phenol imports into Poland amounted to a total of 25,147 tons in January to March 2025 which was up from 24,190 tons in 2024.

Germany remains the dominant supplier of phenol to Poland, shipping 21,161 tons in the first quarter against 24,190 tons in the same period in 2024. Spain and Finland accounted for smaller shipments.

Polish Phenol Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Finland	0.709	1.436
Germany	21.161	17.766
Spain	1.614	1.368
Others	1.663	3.620
Total	25.147	24.190
Av Price € per ton	1059.2	1252.7

In other product areas, styrene imports into Poland totalled 25,261 tons in the period January to March 2025 against 25,805 tons in the same period in 2024. The largest supplier was Saudi Arabia which shipped 6,413 tons against zero in the first quarter last year. Belgium reduced shipments to Poland from 5,765 tons in the first quarter last year to 4,806 tons this year. Average prices for imports into Poland dropped from €1287.2 per ton in the first quarter last year to €1142.7 ton this year.

Ethylbenzene imports amounted to 27,492 tons in January to March 2025 against 31,801 tons in January to March 2024. All the ethylbenzene was shipped from Kralupy to Oswiecim, all within the structures of the Synthos Group.

Polish Exports of PTA (unit-kilo tons)		
Producer	***Jan-Mar 25***	***Jan-Mar 24***
Belgium	0.193	0.580
France	0.000	2.508
Germany	60.604	71.792
Lithuania	0.506	2.707
Turkey	0.193	0.580
Others	2.870	3.049
Total	65.901	83.977
Av Price € per ton	716.6	795.6

Caprolactam imports into Poland amounted to 1,197 tons in January versus 647 tons in the same period in 2024. Caprolactam production remains idle at Pulawy, operated by Grupa Azoty, although the Tarnow plant produced 8,300 tons in January which was up from 8,000 tons. The PA6 product chain remains under pressure although logistical constraints caused by attacks in Red Sea resulted in a greater demand for the use of products from Europe.

Polish PTA exports Jan-Mar 2025

Exports of PTA from Poland amounted to 65,901 tons in January to March this year against 83,977 tons in January to March 2024. Germany took 60,604 tons against 71,792 tons last year, with no other single destination taking more than a few hundred tons. Prices fell from €795.6 per ton in the first quarter last year to €716.6 per ton. Orlen's PTA production increased in 2024 to 581,000 tons against 410,000 tons in 2023. This allowed total sales to increase from 413,000 tons to 575,000 tons. From the total sales, exports totalled 381,700 tons in 2024 against 238,800 tons in 2023, reflecting in an increase in revenues from €196.2 million to €286.9 million.

Czech Aromatic Exports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Aniline	13.455	20.466
Benzene	9.564	3.300
Toluene	0.678	1.735
Ethylbenzene	31.595	20.301
Styrene	7.256	1.768
Caprolactam	9.564	3.300
Czech Aromatic Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Benzene	5.585	14.320
Toluene	1.310	1.524
Styrene	7.256	1.769
Bisphenol A	8.891	8.324

Czech aromatic trade Jan-Mar 2025

Benzene imports into the Czech Republic dropped in January to March this year to 5,585 tons against 14,320 tons in January to March 2024, whilst toluene imports dropped from 559 tons to 450 tons. Benzene imports are sourced from Poland, Hungary and Serbia. Benzene imports into the Czech Republic increased in 2024 to 9,564 tons against ,300 tons in 2024. Benzene production takes place at Litvinov where Orlen-Unipetrol produces from the distillation column attached to the cracker and Valasske-Mezirici where Deza produces from coal. Deza's process involves washing coke gas to obtain crude benzol, which contains benzene, and then further refining it through hydrogenation and distillation to produce highly refined benzene.

Imports of bisphenol A into the Czech Republic rose from 8,324 tons in January to March 2024 to 8,891 tons in the first quarter this year. South Korea accounted for 8,704 tons in January to March 2025, up from 5,184 tons in January to March 2024. Aniline exports dropped to 13,455 tons in January against 20,466 tons last year. All of the aniline shipped from the Czech Republic is produced at Ostrava by BorsodChem-MCHZ, and most of the exports are shipped to BorsodChem in Hungary.

Czech Bisphenol A Imports		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Total Ktons	8.891	8.324
Av Price per ton	1332.9	1374.8
Czech Epoxy Resin Exports		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Total Ktons	13.679	13.082
Av Price per ton	2610.4	2494.0

Czech caprolactam exports dropped from 7,703 tons in the first quarter last year to 818 tons this year. Spolana is currently winding down production of caprolactam at the Neratovice plant and no further exports are expected.

Czech epoxy resin exports Jan-Mar 2025

Czech exports of epoxy resins amounted to 13,679 tons in January to March against 13,082 tons in January to March 2024. Prices rose from €2494.0 per ton to €2610.4 per ton. Germany remains the largest market for Czech epoxy resins, accounting for 5,288 tons in January to March 2025 which was up from 4,134 tons in January to March 2024. Czech exports of epoxy resins amounted to 49,063 tons in the twelve months of 2024 against 46,888 tons in 2023.

Czech Epoxy Resins (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Austria	0.749	0.889
Germany	5.288	4.134
Spain	0.829	1.092
France	0.972	1.189
Italy	1.537	1.402
Poland	0.887	0.373
Others	3.416	4.003
Total	13.679	13.082
Av Price per ton	2610.4	2494.0

Hungarian aromatic trade Jan-Mar 2025

Hungarian benzene exports dropped in the first quarter to 3,762 tons in January to March 2025 against 17,466 tons in the first quarter in 2024. Benzene production in Hungary takes place at the Danube refinery at Szazhalombatta but exports have dropped due to higher domestic demand.

Hungarian Benzene Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Czech Republic	1.209	1.017
Germany	0.057	2.142
Poland	5.883	5.231
Serbia	2.975	0.000
Others	0.971	0.000
Total	11.094	8.390
Av € per ton	810.6	1034.7

As a result, imports of benzene increased in the first quarter increased to 11,094 tons against 8,390 tons in the same period last year. Poland increased shipments to 5,883 tons against 5,231 tons in 2024.

Toluene imports into Hungary amounted to 15,137 tons in January to March this year for costs of €14.212 million. This increased from 13,162 tons in the first quarter in 2024 for costs of €13.089 million. Toluene is used mainly in Hungary by BorsodChem in the production of TDI. The main source of toluene supply last year was Germany, providing 53% of imports followed by Romania with 21% and Slovakia 13%. This trend continued in the first quarter this year with Germany supplying 8,279 tons, followed by Romania with 3,771 tons and Slovakia with 1,919 tons.

Central European isocyanates & polyols

Hungarian TDI Exports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Austria	0.939	0.980
Belgium	13.329	10.440
Germany	3.690	3.238
Italy	9.278	9.171
Poland	9.607	8.416
Portugal	3.079	2.373
Romania	2.704	3.622
Spain	3.578	3.029
Turkey	11.837	16.191
Others	23.068	15.033
Total	81.109	72.493
Av € per ton	1837.9	1917.9

Hungarian TDI-MDI exports Jan-Mar 2025

Hungarian TDI exports increased from 72,493 tons in January to March in 2024 to 81,109 tons in the same period this year. Average prices dropped from €1917.9 per ton in 2024 to €1837.9 per ton. Multiple factors influenced the decline in prices last year such as polyurethane demand and feedstock costs. TDI prices in Europe were relatively stable last year allowing an improvement of sales over 2023. This is despite the fact that demand for TDI was sluggish from the downstream polyurethane industries.

The geography of export sales has not fundamentally changed in the past few years, apart from the loss of the Russian market. Hungarian exports of TDI to Russia totalled 9,321 tons in 2021, the full year before the February 2022 invasion, and thus the volumes were relatively modest. In Central Europe shipments of TDI from Hungary to Poland increased from 8,416 tons in the first quarter in 2024 to 9,607 tons in the same period in 2025 and to Turkey reduced from 16,191 tons to 11,837 tons. Shipments to Romania fell from 3,622 tons to 2,704 tons. The major user of TDI in Romania is Chimcomplex.

Hungarian MDI Exports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Belgium	5.594	4.077
Czech Republic	2.127	2.543
Germany	4.455	6.144
Algeria	5.512	1.487
Italy	4.965	3.321
France	0.889	3.583
Spain	1.543	1.129
UK	0.460	2.839
Netherlands	1.025	1.383
Poland	15.368	11.751
Romania	4.642	5.203
Turkey	7.418	12.798
Others	7.869	6.420
Total	64.230	70.097
Av € per ton	2052.4	1833.5

Exports of TDI from Hungary to Belgium rose from 8,682 tons in the first quarter last year to 13,329 tons in January to March 2024, whilst volumes to Italy increased from 6,231 tons to 9,545 tons in the same.

For the MDI sector, exports from Hungary amounted to 64,230 tons in January to March 2025 against 70,095 tons in 2024. MDI export prices increased from €1833.5 per ton in the first quarter last year to €2052.4 per ton this year. In terms of geographical breakdown, Poland was the largest destination for Hungarian MDI exports, taking 15,368 tons in the first quarter in 2025 versus 11,751 tons in the same period in 2024. Exports to Germany dropped from 6,144 tons to 4,455 tons, and to Turkey from 12,798 tons to 7,418 tons. Shipments to Romania declined from 5,203 tons to 4,642 tons. Increases were noted for Algeria where exports amounted to 5,512 tons in the first quarter in 2025 against 1,487 tons last year and Italy where exports rose from 3,321 tons to 4,965 tons.

Polish TDI Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Belgium	0.156	3.834
Germany	4.785	4.433
Hungary	11.600	8.008
Netherlands	0.156	1.516
Saudi Arabia	0.296	0.078
South Korea	0.833	0.972
Others	0.682	1.640
Total	20.349	20.481
Av € per ton	1939.4	2058.2

Central European isocyanate trade Jan-Mar 2025

TDI imports into Poland amounted to 20,349 tons in January to March against 20,481 tons in January to March 2024. Prices of TDI imported into Poland dropped from €2058.2 per ton to €1939.4 per ton. Hungary was the largest supplier in the first quarter, shipping 11,600 tons to Poland followed by 4,785 tons to Germany. Poland previously produced TDI at Bydgoszcz, but the plant was closed in 2013 after its acquisition by BASF from Ciech.

MDI imports into Poland totalled 41,255 tons in January to March this year against 39,369 tons in January to March 2024. Average prices rose slightly from €1859.4 per ton to €1868.1 in January to March this year. Germany increased MDI shipments to Poland to 13,369 tons in the first three months in 2025 against 12,260 tons in January to March 2024, whilst imports from Hungary increased to 12,903 tons against 10,903 tons in 2024. Other suppliers included the Netherlands, Belgium and South Korea.

Polish MDI Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Germany	13.369	12.260
Netherlands	2.805	4.140
Hungary	12.903	10.903
Belgium	7.878	8.008
South Korea	3.533	2.167
Others	0.767	1.891
Total	41.255	39.369
Av € per ton	1868.1	1859.4

Czech MDI imports		
	Jan-Mar 25	***Jan-Mar 24***
Total	8.263	9.355
Av Price € per ton	2010.6	2029.4

Czech Polyol Imports (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
Total	12.235	12.097
Av € per ton	2182.6	2285.8

Hungarian Polyol Imports (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
Total	9.090	9.888
Av € per ton	1707.2	1788.9

MDI imports into the Czech Republic totalled 8,263 tons in January to March 2025 against 9,355 tons in January to March 2024. Average prices decreased from €2029.4 per ton to €2010.6 per ton. The leading supplier was Belgium which shipped 2,470 tons against 2,140 tons in January to March 2024. Imports from Hungary increased from 1,591 tons to 1,946 tons.

European polyol market challenges

One of the main challenges for European polyether-polyol producers in 2025 is striving to improve the efficiency of production costs. The geopolitical situation could moreover significantly influence the flow of imports, including propylene, the price of gas and energy.

Polyether polyol suppliers in Europe were forced to reduce production levels last year due to cost pressures partly from propylene oxide prices. The overall market is tight due to a fairly long period of weak demand, especially in the automotive and upholstered furniture sectors. The main application areas have demonstrated a significant reduction in demand for polyether polyols. The upholstered furniture industry was particularly affected last year, with many furniture manufacturers having to reduce production or even face the risk of bankruptcy due to falling demand.

Czech polyol imports Jan-Mar 2025

Czech polyol imports amounted to 12,235 tons in the first quarter this year against 12,097 tons in the same period in 2024, with average prices dropping from €2285.8 per ton to €2182.6 per ton. Polyol prices in Europe continue to suffer from weak demand. The leading supplier to the Czech Republic Belgium shipping 3,820 tons, followed by 2,151 tons from Germany.

Polish Polyol Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Belgium	7.423	3.748
China	2.200	1.485
France	1.666	0.802
Germany	7.908	8.052
Netherlands	7.364	9.217
Romania	4.080	5.032
Saudi Arabia	0.496	0.610
South Korea	2.956	1.356
Others	3.360	3.551
Total	37.452	33.855
Av € per ton	1713.2	1865.3

Polish Polyol Exports		
	Jan-Mar 25	***Jan-Mar 24***
Total volume (ktons)	14.894	9.516
Av € per ton	1937.7	2079.8
Polish Polyol Imports		
	Jan-Mar 25	***Jan-Mar 24***
Total volume (ktons)	11.920	10.929
Av € per ton	1650.7	1865.3

Hungarian polyol imports Jan-Mar 2025

Imports of polyols into Hungary dropped in the first quarter to 9,090 tons against 9,888 tons in the same period in 2024. Imports from China amounted to 3,677 tons from 2,738 tons in 2024. Prices for polyol imports amounted to €1707.2, down from €1788.9 ton in the previous year. MOL's new plant at Tiszaujvaros, still not operational, but eventually should impact on import volumes in 2025. Relatively low domestic consumption means that MOL will have to export around 75% of its polyol production at full capacity.

Polish polyol trade Jan-Mar 2025

Polish polyol imports amounted to 37,452 tons in January to March 2025 against 33,855 tons in January to March 2024. The Netherlands reduced shipments from 9,217 tons to 7,364 tons, whilst Germany reduced shipments from 8,052 tons against 7,908 tons. Polyol import prices into Poland dropped from €1865.3 per ton to €1713.2 per ton. Polish polyol imports amounted to 141,516 tons in 2024 against 145,292 tons in 2023.

Exports of polyols from Poland in the first quarter amounted to 14,894 tons against 9,516 tons in January to March 2024. Prices dropped from €2079.8 per ton to €1937.7 per ton. Destinations for deliveries were focused mostly on Europe, led by Italy taking 2,355 tons.

Central European organic chemical trade

Hungarian Maleic Anhydride Exports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Austria	0.620	0.195
Germany	0.737	0.645
Italy	0.321	0.995
Poland	0.864	2.895
Slovenia	0.210	0.396
Others	1.841	1.730
Total	4.593	6.855
Av € per ton	1137.8	958.0

Hungarian maleic anhydride exports Jan-Mar 2025

Hungary exported 4,593 tons of maleic anhydride in January to March this year against 6,855 tons in January to March 2024. Average prices rose from €958.0 per ton to €1137.8 per ton. Exports of maleic anhydride to Poland from Hungary decreased from 2,895 tons in 2024 to 864 tons in 2025.

Hungarian organic chemical exports Jan-Mar 2025

Exports of organic chemicals from Hungary totalled 150,139 tons in the first quarter in 2025, down from 176,196 tons in the same period in 2024. The largest commodity in the organic chemical sector is TDI, accounting for 41% of Hungarian organic chemical exports last year by volume and 33% by value. Overall, the value of organic chemical exports from Hungary amounted to €413.835 million which was down from €416.433 million in January to March 2024.

Hungarian Aniline Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Belgium	0.000	3.248
Czech Republic	16.289	30.103
Others	0.204	0.000
Total	16.493	33.351
Av € per ton	1340.2	1451.2

Imports of organic chemicals into Hungary amounted to 188,460 tons in the period January to March last year against 189,880 tons in 2024, with values rising from €435.900 million to €450.620 million. The major organic chemical imports include methanol, toluene, aniline and acrylonitrile.

Hungarian Acrylonitrile Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Germany	1.295	0.157
Netherlands	4.845	1.543
Total	6.143	1.699
Av € per ton	1672.7	1844.6

Hungarian aniline & acrylonitrile imports Jan-Mar 2025

Aniline imports into Hungary dropped from 33,351 tons in January to March 2024 to 16,493 tons in January to March this year. Inward shipments from BorsodChem-MCHZ in the Czech Republic dropped to 16,289 tons against 30,103 tons in 2024. Cost prices of aniline imports declined from €1451.2 per ton to €1340.2 per ton.

Acrylonitrile imports into Hungary increased from 1,699 tons in the first quarter to 2024 to 6,143 tons in the same period in 2024. Imports from the Netherlands increased from 1,543 tons to 4,845 tons. Average prices for acrylonitrile imports dropped from 1844.6 per ton to €1672.7 last year.

Polish Organic Chemical Trade		
Exports	***Jan-Mar 25***	***Jan-Mar 24***
Vol (kilo tons)	399.6	380.6
Value (€ million)	304.0	307.7
Imports	***Jan-Mar 25***	***Jan-Mar 24***
Vol (kilo tons)	1,128.0	932.7
Value (€ million)	747.1	654.6

Polish organic chemical trade Jan-Mar 2025

Organic chemical trade in Poland was higher in the first quarter this year in volume for both export and import against January to March 2024, although export values were slightly lower.

Polish Organic Chemical Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Acetic Acid	9.284	8.316
Acetone	1.816	1.616
DINP/DOP	5.975	7.166
Ethyl Acetate	3,723	4.227
Isopropanol	3.144	2.933
Maleic Anhydride	3.002	2.712
Methanol	149.980	149.775
VAM	6.526	5.567

Exports of organic chemicals from Poland increased by volume to 399,600 tons from 380,600 tons, whilst imports increased from 654,600 tons to 747,100 tons. Export values declined from €307.7 million to €304.0 million, whilst import values rose from €654.6 million to €747.1 million.

The largest organic chemical import is methanol where the inward flow into Poland totalled 149,980 tons in January to March 2025, which was up from 149,775 tons in the same period last year. Regarding methanol derivatives Poland imported 9,284 tons of acetic acid in January to March against 8,316 tons in the same period last year. The US provided 7,045 tons in the first three months this year.

Imports of ethyl acetate into Poland amounted to 3,723 tons in January to March, down from 4,227 tons. Mexico supplied 1,796 tons of ethyl acetate to Poland in the first three months this year, with other sources coming from Belgium and the Netherlands. VAM imports into Poland increased in January to 6,526 tons against 5,567 tons in January to March 2024. Over 3,000 tons of VAM were supplied this year from Saudi Arabia.

Polish Organic Chemical Exports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Acetone	2.803	3.774
Ethylene Glycol	1.697	3.324
Formaldehyde	8.934	7.189
Glycerol	10.067	10.836
Methanol	44.833	51.847
Monochloroacetic Acid	9.443	7.280
N-Butyl Acetate	1.657	2.182

Czech Organic Trade		
Exports	***Jan-Mar 25***	***Jan-Mar 24***
Value (€ million)	315.7	344.5
Vol (kilo tons)	143.1	160.6
Imports	***Jan-Mar 25***	***Jan-Mar 24***
Value (€ million)	355.1	325.8
Vol (kilo tons)	168.5	172.4

Polish EO/PO Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
DEG	7.665	7.527
Ethylene Glycol	9.722	14.720
Ethylene Oxide	5.531	5.468
Propylene Glycol	5.555	5.278
Propylene Oxide	0.491	1.721

Isopropanol imports into Poland totalled 3,144 tons in January to March 2025, against 2,933 tons in the same period in 2024. Aside Germany, imports come from the Netherlands and South Africa.

Regarding export activity in organic chemicals, Polish shipments of monochloroacetic acid (MCAA) amounted to 9,443 tons in the first quarter against 7,280 tons in January to March last year. MCAA production is undertaken by the PCC Group at Brzeg Dolny.

Other organic chemical exports from Poland include acetone where shipments amounted to 1,084 tons versus 1,362 tons in January 2024. The main markets for Polish acetone exports included Italy, Germany, Romania and Lithuania. Propylene exports increased in 2024 due to the start-up of production at the Polimery Plant.

Polish glycol-oxide imports Jan-Mar 2025

Ethylene glycol imports into Poland dropped in January to March to 9,722 tons from 14,720 tons in the same period last year. Belgium is the main supplier of glycols to the Polish market. DEG imports increased to 7,665 tons against 7,527 tons.

Ethylene oxide imports into Poland totalled 5,531 tons in January to March 2025 versus 5,468 tons in the same period in 2024. Germany currently represents the main source of inward shipments. Ethylene oxide consumption in Poland is expected to increase after the completion of PCC Exol's second line of the Ethoxylates II plant at Plock.

Czech organic chemical trade Jan-Mar 2025

Czech imports of organic chemicals are led by methanol where volumes amounted to 9.975 tons in January to March 2025 against 18,260 tons in January to March last year. 2-EH imports dropped from 5,612 tons to 5,447 tons, with Poland providing the largest source of supply. Oxygenated solvent imports include acetone and ethyl acetate, amounting to 1,343 tons and 953 tons respectively in the first quarter.

Czech Organic Chemical Imports (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Acetone	1.343	1.542
DEG	0.393	0.611
DINP	3.722	1.116
2-EH	5.447	5.612
Ethyl Acetate	0.953	0.872
Ethylene Glycol	1.633	1.378
Methanol	9.975	18.260
N-Butanol	2.046	1.117
Propylene Glycol	0.882	1.094

Organic chemical imports totalled €355.1 million in value in the first quarter this year against €325.8 million in the same period in 2024, with export volumes dropping to 168,500 tons against 172,400 tons.

Organic chemical exports from the Czech Republic dropped by value to €315.7 million against €344.5 million in January to March 2024, with volumes dropping from 160,600 tons to 143,100 tons. One of the main Czech organic exports is DINP where shipments totalled 3,722 tons in the first quarter this year against 10,704 tons in the same period in 2024.

Central European methanol markets

Czech Methanol Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Germany	1.602	1.860
Spain	0.741	0.032
Poland	4.664	12.848
Others	1.319	1.323
Total	9.975	18.260
Av € per ton	546.0	386.9

Czech methanol imports Jan-Mar 2025

Czech imports of methanol amounted to 9,975 tons in the first quarter this year against 18,260 tons in the same period in 2024. Prices per ton for methanol imports increased from €386.9 per ton to €546.0 per ton. Poland was the largest supplier in the first quarter, accounting for 4,664 tons against 12,848 tons in the same period in 2024. Czech imports of methanol amounted to 64,513 tons in the twelve months of 2024 against 76,290 tons in the same period in 2023. Prices per ton for methanol imports increased from €373.6 per ton to €406.8 per ton.

Hungarian Methanol Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Germany	14.451	17.658
Netherlands	6.403	0.086
Poland	0.047	1.070
Slovenia	4.721	4.014
Others	0.861	0.278
Total	26.744	23.236
Av € per ton	506.0	436.8

Hungarian methanol imports Jan-Mar 2025

Methanol imports into Hungary in January to March increased to 26,744 tons against 23,236 tons in the same period in 2024. Imports from Germany dropped from 17,658 tons to 14,451 tons, whilst imports from the Netherlands increased from only 86 tons last year to 6,403 tons. Imports from Slovenia amounted to 4,721 tons in the first quarter this year, against 4,014 tons in 2024. Average prices of methanol imports into Hungary amounted to €506.0 per ton in 2025 against €436.8 per ton in 2024.

Polish methanol trade Jan-Mar 2025

Polish imports of methanol amounted to 149,980 tons in the first quarter this year against 149,775 tons in January to March 2024. Average prices amounted to €409.9 per ton against €320.5 per ton last year. The US was the largest supplier of methanol to Poland in the first quarter, shipping 35,054 tons against zero in the same period last year. Belgium supplied 20,358 tons against 33,573 tons in January to March 2024, whilst imports from Venezuela dropped from 35,245 tons to 22,824 tons.

Polish Methanol Imports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Belgium	20.358	33.573
Estonia	2.200	1.828
Germany	11.939	22.797
Netherlands	10.197	30.567
Norway	17.347	25.600
US	35.084	0.000
Trinidad	28.458	0.000
Venezuela	22.824	35.245
Others	1.574	0.166
Total	149.980	149.775
Av € per ton	409.9	320.5

Imports from Trinidad totalled 28,458 tons in the first quarter against no activity in the same period in 2024. Supplies from the US this year has to some extent replaced shipments from Germany and the Netherlands. Imports from Germany declined from 22,797 tons in the first quarter to 11,939 tons in the same period in 2025.

Poland Methanol Exports (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Czech	4.184	11.052
Germany	25.272	28.140
Slovakia	9.019	5.992
Ukraine	6.235	6.216
Hungary	0.071	0.000
Others	0.049	0.181
Total	44.829	51.847
Av € per ton	481.2	376.2

Exports of methanol from Poland amounted to 44,829 tons in the first quarter declining from 51,847 tons in the same period in 2024. Volumes have fallen since the peak of Polish methanol trade whereby Polish traders could access Russian methanol for sale in Central and South East Europe.

The largest destination for Polish exports in January to March this year was Germany which took 25,872 tons against 28,140 tons in January to March 2024. Ukraine imported 6,235 tons of methanol from Poland in the first quarter against 6,216 tons. Polish methanol export prices increased from €376.2 per ton to €481.2 per ton. Exports of methanol from Poland amounted to 201,476 tons in 2024 declining from 264,289 tons in 2023. Germany took 104,380 tons in 2024 against 79,930 tons in 2023. Ukraine imported a total of 25,932 tons of methanol from Poland in 2024 against 25,175 tons in 2023.

Polish Chemical Production (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Caustic Soda Liquid	70.0	83.3
Caustic Soda Solid	10.6	11.9
Caprolactam	24.6	25.1
Acetic Acid	0.542	0.632
Ammonia (Gaseous)	547.8	494.0
Pesticides	24.7	24.3
Nitric Acid	18.1	13.6
Nitrogen Fertilisers	677.6	566.0
Phosphate Fertilisers	485.5	439.6
Potassium Fertilisers	60.8	57.7

Grupa Azoty Production (unit-kilo tons)		
Product	***2024***	***2023***
Nitrogen Fertilisers	3105	2587
Compound fertilisers	627	616
Specialty fertilisers	321	247
Pigments	23	19
Urea	948	870
Polyamide	102	92
Oxo alcohols	143	90

Grupa Azoty oxo sales increase in 2024

Grupa Azoty's sales of oxo alcohols increased by 81% in 2024, whilst melamine sales dropped by 54% and sulphur by 40%. Production of oxo alcohols increased from 90,000 tons in 2023 to 143,000 tons in 2024.

Grupa Azoty is focusing on the development of its oxo product portfolio at Kedzierzyn-Kozle based on a new product platform that diversifies the aldehydes currently used for oxo alcohols. An important strategic objective for the Oxoplast division is to reduce exposure to downturn risk by increasing production flexibility and balancing production volumes of aldehyde derivatives.

Grupa Azoty profit margins for chemicals and plastics 2024

The EBITDA margin of the Grupa Azoty's chemical division amounted to 9.4% in 2024, but that still represented an improvement by 8.7% over 2023. The EBITDA margin of the plastics segment generated in 2024 amounted to minus 16.4% and this reflected an improvement of 29.8% over 2023. The main negative impact on the plastics segment's results was exerted by Grupa Azoty Polyolefins, largely due to the underutilization of production capacities.

Grupa Azoty financial targets 2025

Grupa Azoty has set the goal of achieving a positive EBITDA in 2025 after posting an EBITDA loss of zl 330 million in 2024. This compared with a loss of zl 1.37 billion in 2023. In the largest agro segment, the company hopes to introduce additional tariffs on mineral fertilisers imported from Russia and Belarus from July this year, at the level of €40-45 per ton. Fertiliser imports to Poland increased in 2024 by 25% to 4.4 million tons, including fertilisers from Russia and Belarus increased by 127% to approximately 1.5 million tons.

In the plastics segment, the company sees no recovery in demand for the time being, but there is a reduction in supply which might help sales. An improvement in the performance of polyamide 6 has been seen in the past year. The key aspect for Azoty's plastics segment in 2025 will be the performance of polypropylene sales, and in this context talks with Orlen on Polimery Police will be crucial.

Grupa Azoty 2024

Grupa Azoty generated consolidated sales revenue of zl 13.043 billion (€3.049 billion) in 2024, with an EBITDA result of minus zl 330 million (€77.135 million) and an EBITDA margin of minus 2.5%. This represented an improvement of over zl 1 billion (€233.7 million) in EBITDA compared to 2023. In the fourth quarter Grupa Azoty achieved consolidated sales revenue of zl 3,215 million (€751.5 million) and an EBITDA result of minus zl 31 million (€7.2 million). The EBITDA margin of minus 1.0% was achieved in the fourth quarter which was better than the overall margin in 2024.

Since the end of March 2024, recovery measures have been undertaken throughout Grupa Azoty's divisions in order to ensure financial stability and improve operational performance. All main products showed an increase in production in 2024 over 2023, although due to lower prices revenues were lower for each category.

Some of the measures taken have included cost cutting and strengthening of businesses, including the renegotiation of key contracts with suppliers and business partners and the search for new business opportunities. In addition, Grupa Azoty has taken greater steps towards developing integration and creating greater uniformity between the companies that make up the group.

The issue of Polimery Police remains an important aspect. The area of regulations and the issue of introducing customs duties on fertilizers from Russia and Belarus are also very important. Since the end of March 2024, the focus has been primarily on stabilising liquidity and maintaining operations despite nearly zl 10 billion in debt and a record loss in 2023. High gas prices and market conditions, particularly fertilizer imports from Russia and Belarus, remain our biggest challenges.

RUSSIA

Prospects for Russian petrochemicals and the Russian economy

First quarter production and consumption in the Russian petrochemical sector showed some effects of a slowing economy but overall was balanced by export trade with China. Although US tariffs imposed world-wide on 2 April excluded Russia, the indirect impact of those tariffs are inescapable for the Russian economy. A slowdown in global activity is already having an impact on crude prices which long-term represents the most important key for the Kremlin's budget and ability to conduct war.

Major Issues Facing Russian petrochemical producers

- Shortage of personnel
- Higher railway tariffs and problems of logistics
- High cost of loans
- Missing components for chemical plants
- Shortage of catalysts

Moreover, with some Chinese plants being forced to stop production due to the trade war with the US, this may reduce the demand for Russian polymer and rubber exports which have become so important for Russian producers in the past three years.

Tentative hopes amongst Russian petrochemical producers that the second Trump presidency would lead to removal of some sanctions have disappeared, as has any optimism for ending the war with Ukraine. The shortage of personnel is a growing problem across the Russian economy, and for the chemical industry there is a significant lack of qualified specialists. 7At the end of the fourth quarter of 2024, the chemical industry was estimated to be deficient in employed staff by around 22,800 which was 25% more than at the end of 2023.

There are many other challenges facing the Russian petrochemical industry, including the high cost of loans, the shortage of catalysts and missing parts for chemical plants. Logistics for domestic and export sales are also becoming more expensive. The increase in railway tariffs by 13.8% between 2022 and 2024 has moreover impacted on profit margins, particularly for the lower value commodities such as methanol. All of these challenges need to be tackled at some stage but remain difficult to resolve whilst the war continues.

Russian Chemical Production (unit-kilo tons)

Product	*Jan-Mar 25*	*Jan-Mar 24*
Ethylene	1138.378	1246.419
Propylene	664.716	723.386
Benzene	340.748	365.627
Toluene	81.542	86.256
Xylenes	118.754	119.550
Orthoxylene	48.002	35.970
Paraxylene	66.688	56.398
Styrene	198.389	176.606
EB	221.711	207.792
Methanol	1039.539	985.580
Isopropanol	22.643	16.842
Ethylene Glycol	86.048	127.915
N-butanol	40.997	33.125
Phenol	67.408	67.557
Acetic Acid	52.242	65.605
Phthalic Anhydride	21.697	23.514
Maleic Anhydride	11.401	9.551

Russian petrochemical production Jan-Mar 2025

Russian ethylene production amounted to 1.138 million tons in first quarter against 1.246 million tons in January to March 2024, whilst propylene production dropped from 723,386 tons to 664,716 tons. Methanol production amounted to 1.040 million tons versus 985,580 tons, showing a stabilising trend. In the field of aromatics benzene production fell from 365,627 tons January to March last year to 340,748 tons in January to March 2025. Ethylbenzene production rose from 207,792 tons to 221,711 tons, whilst toluene fell from 86,256 tons to 81,542 tons.

Russian Polymer Production (unit-kilo tons)

Product	*Jan-Mar 25*	*Jan-Mar 24*
PE	912.607	863.870
Styrene Polymers	155.304	144.181
PVC	230.439	258.042
PP	569.106	566.749
Polyamide	33.896	34.588
PET	169.561	154.542
Synthetic Rubber	399.650	376.847

Russian polymer production Jan-Mar 2025

Russian production of polyethylene increased in the first quarter to 912,607 tons against 863,270 tons in January to March 2024. Propylene polymer production increased from 566,743 tons to 569,103 tons, whilst styrene polymer production rose from 144,181 tons to 155,304 tons. PVC production dropped from 258,042 tons in the first quarter last year to 230,439 tons in January to March 2025. The production of polyamide in Russia showed a minor drop to 34,588 tons from 33,896 tons. Russian production of synthetic rubbers increased to 399,650 tons in January to March this year from 376,847 tons in January to March 2024.

Russian-Chinese polymer trade

In the first quarter of 2025, China increased purchases of synthetic rubbers, and rubber products from Russia in monetary terms by 52.6% to $331.3 million. At the same time imports of plastics and products from China increased by 12.5% to $160.9 million.

Exports of polyethylene from Russia to China increased by 16.2% to $110.6 million, and polypropylene by 20.3% to $37.4 million. Imports of plastics and plastic products from China to Russia decreased by 0.4% to $990.3 million, polyethylene by 18.6% to $29 million, polypropylene by 19.1% to $15.8 million, polystyrene by 16.4% to $12.9 million and PVC supplies increased by 23.4% to $53.9 million.

Russian Monomers

Russian Ethylene Production (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
North Caucasus Federal District	84.740	91.594
Volga Federal District	547.720	611.049
Ural federal district	384.335	408.968
Siberian Federal District	121.583	134.807
Total	1138.378	1246.419

Russian ethylene production Jan-Mar 2025

Russian ethylene production totalled 1.138 million tons in the first quarter in 2025 against 1.246 million tons in the same period in 2024. All regions saw lower production. ZapSibNeftekhim at Tobolsk reduced production from 408,968 tons in January to March last year to 384,335 tons in January to March 2025.

Russian Propylene Production (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
North Caucasus Federal District	36.426	38.561
Volga Federal District	247.205	291.340
Ural Federal district	255.637	276.061
Siberian Federal District	125.436	134.116
Total	664.704	740.078

Production in the Volga region amounted to 547,720 tons in January to March versus 611,049 tons in the same period in 2024. The Volga region includes producers Nizhnekamskneftekhim, Kazanorgsintez, Gazprom neftekhim Salavat and Ufaorgsintez. At the end of January SIBUR-Kstovo was forced to suspend production due a fire on the site caused by drones which were targeting the Lukoil refinery at Kstovo. SIBUR-Kstovo restarted production of ethylene and propylene in March after repairs were completed.

Russian Propylene Domestic Sales (unit-kilo tons)		
Producer	***Jan-Mar 25***	***Jan-Mar 24***
Angarsk Polymer Plant	10.579	16.505
SIBUR-Kstovo	15.271	49.571
Lukoil-NNOS	54.734	36.834
Total	80.583	102.910

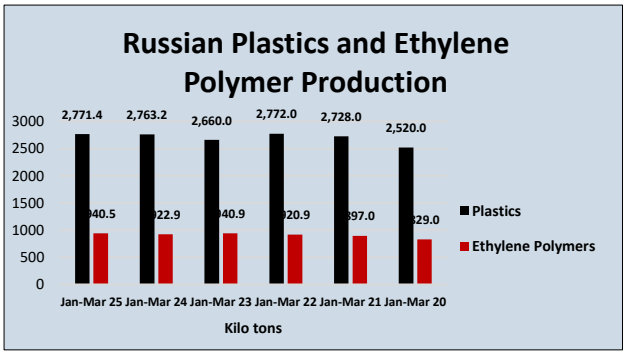
Russian propylene production Jan-Mar 2025

Russian propylene production totalled 664,704 tons in January to March 2025 against 740,078 tons in January to March 2024. ZapSibNeftekhim at Tobolsk produced 255,637 tons against 276,061 tons in the same period in 2024. The Volga-Urals region reduced production from a total of 291,340 tons in January to March 2024 to 255,637 tons in January to March 2025.

Russian Major Propylene Domestic Buyers (unit-kilo tons)		
Consumer	***Jan-Mar 25***	***Jan-Mar 24***
Saratovorgsintez	45.736	37.074
Volzhskiy Orgsintez	2.233	3.144
Akrilat	5.248	7.816
SIBUR-Khimprom	8.253	13.544
Omsk-Kaucuk	2.347	8.748
ZapSibNeftekhim	8.993	19.543
Ufaorgsintez	3.366	4.839
Stavrolen	0.975	0.000
Kazanorgsintez	1.005	1.795
Khimprom Kemerovo	1.342	1.587
Total	80.521	102.906

Russian propylene domestic sales Jan-Mar 2025

Russian sales of propylene on the domestic merchant market amounted to 31,552 tons in January against 37,399 tons in the same period in 2024. The largest propylene supplier to the domestic market was Lukoil-NNOS, shipping 54,734 tons against 36,834 tons in January to March 2024. SIBUR-Kstovo reduced propylene sales from 49,571 tons in January to March last year to 15,271 tons in the first quarter, after production was disrupted by Ukrainian drone strikes on the complex in January. As a result of the attack SIBUR-Kstovo stopped production in February creating supply problems for the Russian market. ZapSibNeftekhim purchased 8.993 tons of propylene in January against 6,858 tons in January 2024, whilst Saratovorgsintez reduced purchases from 13,814 tons to 12,620 tons. Saratovorgsintez uses propylene for the production of acrylonitrile.



Russian bulk polymers

Russian plastics production Jan-Mar 2025

Russian bulk plastics production amounted to 2.771 million tons in January to March 2025 against 2.763 million tons in January to March 2024 and then against 2.660 million tons in January to March 2023.

Production of ethylene polymers amounted to 937,020 tons in January to March, slightly up from the 922,858 tons last year. The largest plant for the production of ethylene polymers is ZapSibNeftekhim at Tobolsk, located in the Ural Federal District. Production totalled 426,445 tons in January to March last year against 397,514 tons in the same month in 2025.

The second largest region in Russia is the Volga Federal District where production increased from 270,763 tons last year to 324,115 tons in January to March 2025. The Volga district includes producers from Bashkortostan including Gazprom neftekhim Salavat and Ufaorgsintez, and from Nizhnekamskneftekhim and Kazanorgsintez.

Russian Ethylene Polymer Production by Region (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
Central Federal District	30.059	31.321
Northwestern Federal District	7.949	10.070
Southern Federal District	1.095	7.893
North Caucasus Federal District	74.664	83.639
Volga Federal District	324.115	270.763
Ural federal district	397.514	426.445
Siberian Federal District	95.248	92.706
Far East	6.376	0.021
Total	937.020	922.858

Russian polyethylene trade Jan-Mar 2025

Russian polyethylene exports to China increased from 78,947 tons in January to March 2024 to 130,349 tons in the same period in 2025, with both HDPE and LDPE showing rises. Average prices for Russian polyethylene exports to China dropped from $872.8 per ton to $848.3 per ton in 2025.

Chinese Imports of Polyethylene from Russia		
	Jan-Mar 25	***Jan-Mar 24***
Kilo tons	130.349	107.754
$ million	110.578	95.181
Av $ per ton	848.3	872.8

Chinese Exports of Polyethylene to Russia (unit-kilo tons)			
Product Category	***Jan-Mar 25***	***Jan-Mar 24***	***Jan-Mar 23***
LDPE	2.151	4.029	1.418
HDPE	1.769	4.619	7.023
LLDPE	3.526	2.195	10.974
EVA	2.938	3.310	5.677
Ethylene-hexene copolymers	4.957	6.032	6.219
LMDPE	1.330	0.664	1.161
Total	16.671	20.943	32.536

Inward shipments of polyethylene from China into Russia dropped in the first three months to 16,671 tons against 20,943 tons in January to March 2024 and 32,536 tons in the same period in 2023. Average prices fell in 2024 to $1502.5 per ton from $1739.5 in 2024.

South Korean Polyethylene Exports to Russia		
	Jan-Mar 25	***Jan-Mar 24***
Ktons	12.634	34.298
$ million	15.738	40.841
$ per ton	1245.7	1190.8

The largest volume of Chinese shipments to Russia consisted of ethylene-hexene copolymers where shipments into Russia amounted to 4,957 tons against 6,032 tons in the same period in 2024. The production of ethylene-hexene polymers is currently not possible in Russia. A hexene plant is currently under construction at Nizhnekamsk which will allow the production of ethylene-hexene polymers in 2026.

Russian polypropylene production Jan-Mar 2025

Russian production of propylene polymers totalled 568,429 tons in January to March 2025 against 584,464 tons in January to March last year. ZapSibNeftekhim at Tobolsk reduced production from 303,432 tons to 287,485 tons in January to March 2025.

Russian Propylene Polymers Production by Region (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
Central Federal District	39.805	38.487
Northwestern Federal District	0.031	0.185
Southern Federal District	1.846	2.209
North Caucasus Federal District	34.955	35.544
Volga Federal District	115.899	111.613
Ural federal district	287.485	303.432
Siberian Federal District	88.408	92.995
Total	568.429	584.464

The Moscow refinery increased polypropylene production to 39,805 tons from 38,487 tons. The Volga region, including Nizhnekamskneftekhim and Ufaorgsintez, produced 115,899 tons against 111,613 tons. The Siberian region, which includes Tomskneftekhim and Polyom at Omsk, reduced production to 92,995 tons from 88,408 tons.

Russian polypropylene trade Jan-Mar 2025

Revenues for Russian exports of polypropylene homo grade to China increased from $27.480 million in the first quarter last year to $31.780 million in January to March 2025. Volumes increased from 31,843 tons to 37,832 tons.

South Korean Exports of Propylene Copolymers		
	Jan-Mar 25	***Jan-Mar 24***
Ktons	6.223	11.554
$ million	7.763	16.135
Av $ per ton	1247.4	1396.5

Chinese exports of propylene polymers dropped in value from $19.484 million in the first three months last year to $15.764 million. By volume, shipments dropped from 9,737 tons to 6,796 tons. Prices amounted to $2319.6 per ton in 2025, up from $2001.0 in 2024. South Korean exports of propylene copolymers to Russia dropped in the first quarter to 6,223 tons against 11,554 tons in the same period in 2024.

Chinese Imports of PP Homo from Russia		
	Jan-Mar 25	***Jan-Mar 24***
$ million	31.780	27.480
Ktons	37.832	31.843
Av $ per ton	840.8	820.6

Chinese Exports of PP to Russia			
	Jan-Mar 25	***Jan-Mar 24***	***Jan-Mar 23***
$ million	15.764	19.484	36.237
Ktons	6.796	9.737	12.462
Av $ per ton	2319.6	2001.0	2907.7

Russian PVC trade and production Jan-Mar 2025

Russian PVC suspension grade production totalled 197,484 tons in January to March 2025 against 241,049 tons in the same period in 2024. The Volga region, which includes plants at Kstovo and Sterlitamak, accounted for 111,007 tons in January to March which was slightly higher from last year.

Russian PVC Suspension Production by Region (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
Southern	20.631	21.042
Privolzhsky (Volga) Federal District	111.007	138.861
Siberian Federal District	65.846	81.146
Total	197.484	241.049

Production at Kstovo was affected in February by the downtime at the SIBUR-Kstovo olefin cracker at the end of January, which meant that ethylene deliveries to the RusVinyl PVC plant were reduced. Sayanskkhimplast is the only PVC producer in Siberia, producing 65,846 tons in the first quarter against 81,146 tons in January to March 2024. The plant is supplied with ethylene from the Angarsk Polymer Plant by pipeline.

Chinese Exports of PVC to Russia (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
PVC Total	55.719	36.795
PVC S	27.178	20.860
PVC E	28.541	15.935

China exported a total of 55,719 tons of PVC in the first quarter this year against 36,795 tons in the same period in 2024. PVC suspension shipments rose from 20.860 tons to 27,178 tons, whilst PVC emulsion increased from 15,935 tons to 28,541 tons.

Privatisation of Sayanskkhimplast

Efforts are being made by the Russian government to renationalise Sayanskkhimplast, as part of its general programme of bringing private companies under the control of the state. Appeals were made in April to convert shares into state control, a process which has been carried out on many private companies in the past year. This is proving more complex some of the other companies where the seizure of assets has been undertaken. Share ownership in Sayanskkhimplast was built on strict legality, but it is fairly straightforward process if the state wants to accuse the CEO of something improper. After Russia's invasion of Ukraine, the current CEO reportedly abandoned plans to modernize the plant and began extracting funds under the pretext of dividend payments.

Russian PX-PTA-PET

Russian Paraxylene Production (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
Kirishinefteorgsintez	13.079	11.786
Ufaneftekhim	38.556	31.126
Gazprom Neft	15.053	25.272
Total	66.688	68.184

Russian PX-PTA-PET production Jan-Mar 2025

Russian paraxylene production amounted to 66,688 tons in the first quarter in 2025 against 68,184 tons in the first quarter last year. Gazprom Neft at Omsk reduced production from 25,272 tons to 15,053 tons whilst Ufaneftekhim increased production from 31,126 tons to 38,556 tons.

PTA production at Polief amounted to 84,254 tons in the first quarter down against 91,698 tons in January to March 2024. Russian PET production rose slightly from 154,542 tons to 169,561 tons in the first quarter this year of which Polief produced 55,216 tons.

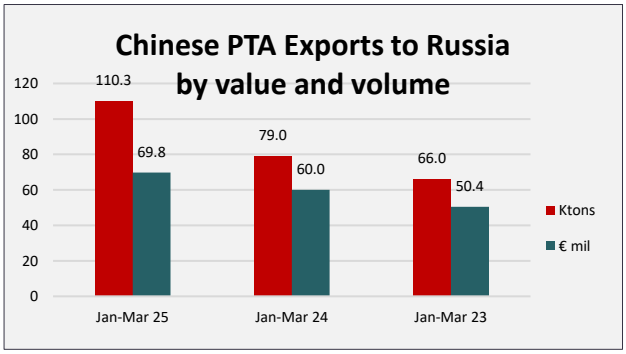
Russian PTA Production by Region (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
Volga Federal District	84.254	91.698
Total	84.254	91.698

Russian PET Production by Region (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
Central Federal District	51.638	48.734
Northwestern Federal District	62.707	51.123
Volga Federal District	55.216	54.686
Total	169.561	154.542

Ekopet produced 62,707 tons of PET in January to March making it Russia's largest producer, whilst the combined plants of Senezh and SIBUR-PETF produced 51,123 tons.

Russian PTA imports Jan-Mar 2025

Russian PTA imports from China amounted to 110,256 tons in the first quarter in 2025 versus 79,012 tons in the same period in 2024. Higher PTA imports were required to support higher PET production. This year PTA deliveries have started to be received by ship in addition to rail. A large-capacity vessel Union Faith delivered 12,000 tons of imported PTA to the Kaliningrad region in April, intended for Ekopet's PET production.



In order to prepare for safe mooring and efficient handling of large vessels, the port was required to undertake significant work to modernise berths, port infrastructure and storage facilities.

Russian PTA Imports from China			
	Jan-Mar 25	***Jan-Mar 24***	***Jan-Mar 23***
Ktons	110.256	79.012	66.002
€ mil	69.758	60.039	50.391
Av $ per ton	632.694	759.875	763.472

Russian PET Imports from China			
	Jan-Mar 25	***Jan-Mar 24***	***Jan-Mar 23***
Ktons	76.962	55.714	86.201
€ mil	61.901	49.086	78.444
Av $ per ton	804.3	881.0	910.0

Russian MEG Imports from China		
	Jan-Mar 25	***Jan-Mar 24***
Ktons	24.759	30.344
€ mil	14.857	17.489
Av $ per ton	600.0	576.3

The port is now ready to handle vessels with maximum dimensions for movement through the sea channel, including those with a length of more than 170 metres. In close cooperation with Ekopet, the transshipment of PTA is expected to rise and will act as an alternative to rail deliveries.

Chinese shipments of PET to Russia amounted to 76,962 tons in January to March this year against 55,714 tons in the first quarter in 2024. Costs of Chinese PET import shipments into Russia rose from $49.086 million to $61.901 million. Average prices dropped from $881.0 per ton to $804.3 per ton.

Chinese shipments of MEG to Russia amounted to 24,759 tons in January to March this year against 30,344 tons in the first quarter in 2024. Costs of Chinese MEG import shipments into Russia rose from $17.489 million to $14.857 million, which meant that average prices rose from $576.3 per ton to $600.0 per ton.

Synthetic rubber

Russian Synthetic Rubber Production by Region (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
Central Federal District	64.938	80.633
Northwestern Federal District	0.224	0.509
Volga Federal District	306.303	269.573
Siberian Federal District	28.186	26.132
Total	399.650	376.847

Russian synthetic rubber production and market Jan-Mar 2025

Synthetic rubber production in Russia amounted to 399,650 tons in January to March 2025 against 376,847 tons in January to March last year. Production tended to stabilise in 2024 but is still much lower than prior to the full-scale Russian invasion of Ukraine. The increase in the first quarter this year has partly been due to the overall increase in tyre production in Russia despite the fall in the volumes of passenger tyres. The main reason was the increase in Russian exports to China, rising to 208,046 tons against 138,270 tons in the same quarter last year.

Chinese Imports of Synthetic Rubber from Russia ($ million)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
SBRs	57.032	16.980
Butadiene Rubber	59.002	39.523
Butyl Rubber	57.522	44.805
HBR	33.104	56.466
NBR	10.757	11.064
Isoprene Rubber	71.993	25.852
Others	41.186	22.171
Total	330.595	216.860
Chinese Imports of Synthetic Rubber from Russia (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
SBRs	36.566	12.864
Butadiene Rubber	40.638	28.438
Butyl Rubber	36.595	27.979
HBR	20.238	27.025
NBR	6.591	8.608
Isoprene Rubber	41.642	18.243
Others	25.776	15.113
Total	208.046	138.270
Av $ per ton	1589.0	1568.4

Russian Chinese rubber trade Jan-Mar 2025

Russian export revenues from synthetic rubber shipments to China totalled $330.595 million in January to March 2025 against $216.860 million in the same period in 2024.

The largest category purchased by China was for isoprene rubber with costs rising to $71.993 million against $25.852 million in the same period in 2024, followed by butadiene rubber where costs amounted to $59.002 million against $39.523 million.

By volume Russian shipments of synthetic rubber to China amounted to 208,046 tons in the first three months in 2025, which was up from 138,270 tons in the same period in 2024. Isoprene rubber exports represented the largest category, rising from 18,243 tons in 2023 to 41,642 tons. Exports of thermoplastic elastomers increased sharply from 12,864 tons to 36,566 tons. Butyl rubber exports from Russia to China increased to 36,595 tons from 27,979 tons in 2024. Nitrile-butadiene rubber exports to China amounted to 6,591 tons in the first three months in 2025 against 8,607 tons in the same period in 2024.

Russian Synthetic Rubber Production (unit-kilo tons)		
Product	***Jan-Mar 25***	***Jan-Mar 24***
Butadiene Rubber	69.003	67.364
Isoprene Rubber	81.773	64.939
SBR SKS-SKMS	64.165	50.351
NPR	12.052	12.615
EPDM	0.649	1.022
Butyl Rubber	40.813	45.776
Halogenated BR	24.290	30.204
SBR	36.146	38.513
Other	4.251	3.087
Total	399.650	376.847

Russian synthetic rubber production by category

Isoprene rubber production in Russia amounted to 81,773 tons in January to March 2025 against 64,939 tons in January to March 2024 whilst butadiene rubber production increased from 67,364 tons to 69,003 tons. The highest value rubber produced by Russia is halogenated butyl rubber where production dropped from 30,204 tons in January to March last year to 24,290 tons this year of which most was exported to China.

The expanded halogenated butyl rubber at Nizhnekamskneftekhim is lacking market exposure to sanctioned European markets, which are helps to explain why the plant is running only at around 50% of capacity. Butyl rubber production dropped in January to March 2025 to 40,813 tons from 45,776 tons in 2024.

Methanol

Russian Methanol Production (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
Central Federal District	259.480	304.891
Northwestern Federal District	28.084	25.864
North Caucasus Federal District	26.281	28.383
Volga Federal District	509.195	416.164
Ural federal district	25.697	16.931
Siberian Federal District	190.802	193.347
Total	1039.539	985.580

Russian methanol production Jan-Mar 2025

Russia produced 1.040 million tons of methanol in January to March 2025 against 985,580 tons in January to March 2024. Production in the Central region, which includes Shchekinoazot and Azot at Novomoskovsk, reduced production from 304,891 tons to 259,480 tons. The Volga region increased production from 416,164 tons to 509,195 tons, whilst the Siberian Federal District (including Gazprom Methanol and Angarsk Petrochemical) reduced production from 193,347 tons to 190,802 tons.

Russian Methanol Exports by Producer (unit-kilo tons)		
Producer	***Jan-Mar 25***	***Jan-Mar 24***
Azot Nevinnomyssk	4.080	3.034
Azot Novomoskovsk	0.000	22.669
Metafrax Chemicals	101.473	55.524
Gazprom Methanol	86.549	77.357
Tomet	86.078	34.677
Shchekinoazot	125.094	129.140
Total	403.274	322.401

Russian methanol exports Jan-Mar 2025

Russian methanol exports amounted to 403,274 tons in January to March 2025 against 322,401 tons in the same period in 2024. Whilst Shchekinoazot reduced exports slightly from 129,140 tons to 125,094 tons, Metafrax Chemicals increased shipments from 55,524 tons to 101,473 tons. Tomet exported 86,076 tons versus 34,677 tons in January to March 2024. Gazprom Methanol increased exports to 86,549 tons from 77,357 tons.

Prior to the full invasion of Ukraine, the geography of methanol exports was extensive, supplying to almost 30 countries. The list of countries was reduced in 2024 to less than ten, including Turkey, China, Belarus, Kazakhstan, and the United Arab Emirates. Other countries included Georgia, Kyrgyzstan and Azerbaijan.

Russian Methanol Exports by Destination (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Belarus	24.223	24.171
Brazil.	41.754	0.000
China	202.299	222.878
Kazakhstan	17.229	16.832
Kyrgyzstan	0.408	0.000
UAE	25.286	7.151
Turkey	92.075	51.623
Total	403.274	322.655

Turkey has seen shipments from Russia increased from 6,000 tons in 2021 (0.3% of total exports) to 252,000 tons (20.1%) in 2024. The restrictive problem for sales to Turkey is that terminals can accept vessels with a capacity of no more than 8,000.

Despite the limitation on terminal facilities, volumes to Turkey actually increased in the first quarter last year to 92,075 tons. Export sales to Brazil were undertaken for the first time in the first quarter and amounted to 41,754 tons.

Russian Methanol Exports to China (unit-kilo tons)		
Producer	***Jan-Mar 25***	***Jan-Mar 24***
Metafrax Chemicals	67.41	41.679
Gazprom Methanol	46.289	77.294
Tomet	27.751	27.999
Shchekinoazot	61.549	75.612
Total	202.999	222.584

Exports to China amounted to 202,299 tons in January to March 2025 against 222,878 tons in January to March last year. Despite the drop in volumes supplies to China are expected to grow in the next few years. Shipments to China remain not very profitable for Russian producers, due to lower prices in China, and facing expensive logistics and railway congestion in the eastern direction.

Until 2022 there were no supplies to the Asia-Pacific countries due to significant logistics costs. It is for this reason that the specialized methanol transhipment terminal built at Nakhodka in 2004 was not used for its intended purpose. Instead, it was repurposed for light oil products and it only resumed methanol shipments in 2022. Exports through the terminal amounted to 720,000 tons in 2024.

Russian methanol domestic sales, Jan-Mar 2025

Domestic merchant sales of methanol dropped to 384,574 tons in January to March 2025 against 400,916 tons in January to March 2024. Metafrax Chemicals reduced domestic merchant sales to 124,912 tons in January to March 2025 against 129,038 tons in January to March last year, whilst Gazprom Methanol reduced domestic merchant sales to 85,350 tons which was down from 95,092 tons. Management of the sales function at Gazprom Methanol was transferred at the beginning of 2025 to Gazprom's subsidiary, Gazprom Gazonefteprodukt Holding. Shchekinoazot shipped 91,761 tons in January to March 2025 against 91,957 tons last year.

Russian Methanol Domestic Sales (unit-kilo tons)		
Producer	***Jan-Mar 25***	***Jan-Mar 24***
Azot Nevinnomyssk	0.122	2.577
Azot Novomoskovsk	0.000	5.166
Metafrax Chemicals	124.912	129.038
Gazprom Methanol	85.350	95.092
Tomet	77.679	71.178
Shchekinoazot	91.761	91.957
Ammoni (Mendeleevsk)	4.750	5.908
Total	384.574	400.916

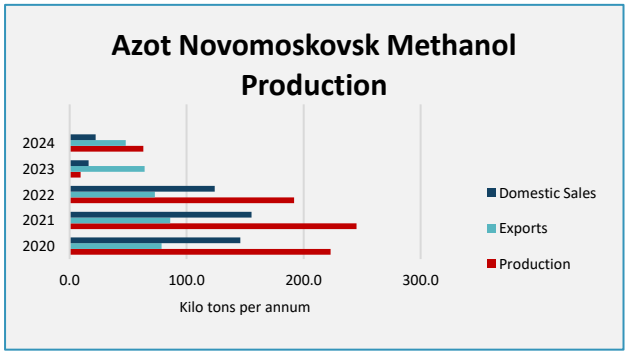
For the domestic market formaldehyde remains the most important derivative. From 2008 to 2021, the total production of formaldehyde and urea-formaldehyde concentrate (UFC), in terms of 37% aqueous solution, increased by 60% and amounted to 1.83 million tons in 2021. Over this period methanol consumption increased by 1.6 times to 1 million tons. Formaldehyde demand dropped in the 2022-2023 period which impacted on domestic methanol sales, but production and consumption recovered in 2024.

In order to minimize losses from the closure of the European market, domestic producers that can produce both methanol and ammonia have reduced methanol loading and increasing the production of ammonia and its derivatives.

Russian methanol plants with a high share of in-plant processing such as Azot at Nevinnomyssk, Angarsk Petrochemical Plant and Akron have been least affected by the fall in export activity in the past two years. In the case of Ammoni at Mendeleevsk methanol production has been reduced in place of ammonia, urea and fertiliser production. Methanol production at the Ammoni plant decreased from 221,000 tons in 2018 to 92,000 tons in 2024. Shchekinoazot and the jv Hexion-Shchekinoazot are completing the construction of the KMMP (concentrated low-methanol formalin) unit with a capacity of 110,000 tpa and the production of resins (urea-formaldehyde resins (UFRS) and urea-melamine-formaldehyde resins (KMFS)) with a capacity of 220,000 tpa.

Methanol production Central Federal District

Production increased in all Russian federal districts in the first quarter this year, except for the Central Federal District where production at Azot at Novomoskovsk has been stopped and is unlikely to resume. Whilst the main regional producer Shchekinoazot has reduced operational activity in the past two years, Azot at Novomoskovsk stopped shipping products in late 2024. The plant is currently idle and is reported to be in the process of being mothballed.



The methanol capacity of Azot is 340,000 tpa but is dependent completely on merchant sales. Since 2022 the plant has been operating at gradually lower utilisation rates with reduced exports and domestic sales. The drone attacks on the Kavkaz terminal, which was used by Azot for exporting to Turkey, was a factor in holding company Evrokhim suspending production last year.

Phasing the Novomoskovsk methanol out of the Russian market has not caused any supply problems as the some of the volumes previously exported have been redistributed amongst domestic consumers. Shchekinoazot remains the monopoly supplier in the Central Federal District, which allows it to set inflated prices for methanol in its region. Shchekinoazot, which has a combined M-450\A-135 unit, has reduced methanol production in the past two years. In 2022, when the company was

operating at maximum methanol loading, 1.513 million tons of this product were produced in 2022 falling by 24% in 2024 to only 1.160 million tons.

Organic chemicals

Russian N-Butanol Production by Region (unit-kilo tons)		
Region	***Jan-Mar 25***	***Jan-Mar 24***
North Caucasus Federal District	2.414	3.616
Volga Federal District	33.959	22.337
Siberian Federal District	4.625	7.173
Total	40.998	33.125

Russian Isobutanol Production by Region (unit-kilo tons)		
Producer	***Jan-Mar 25***	***Jan-Mar 24***
Angarsk Petrochemical Company	0.000	3.720
Gazprom Neftekhim Salavat	10.772	4.816
SIBUR-Holding	27.966	18.180
Total	38.738	26.716

Russian butanol production Jan-Mar 2025

Russian normal butanol production increased from 33,125 tons in January to March 2024 to 40,998 tons in the first quarter this year. The Volga region, which includes SIBUR-Khimprom, increased production from 22,337 tons to 33,959 tons.

Isobutanol production increased in the first quarter to 38,738 tons against 26,716 tons in the same period in 2024. Despite the plant at Angarsk being idle for the first quarter SIBUR-Khimprom at Perm increased production from 18,180 tons to 27,966 tons. Gazprom neftekhim Salavat also increased the production of isobutanol in in the first quarter to 10,772 tons against 4,816 tons in the same period last year.

Russian Acetone Production (unit-kilo tons)		
Producer	***Jan-Mar 25***	***Jan-Mar 24***
Ufaorgsintez	10.333	9.463
Kazanorgsintez	12.477	12.210
Novokuibyshevsk Petrochemical	7.549	8.580
Omsk Kaucuk	10.827	10.842
Total	41.186	41.095

Russian acetone production Jan-Mar 2025

Russian acetone production dropped from 41,095 tons in January to March 2024 to 41,186 tons in January to March 2025. Omsk Kaucuk produced 10,827 tons of acetone against 10,842 tons in the previous year whilst Kazanorgsintez increased production from 12,210 tons to 12,477 tons. The other two producers Ufaorgsintez and Novokuibyshevsk Petrochemical Combine both came under drone attacks in March reflecting the continuing threats posed to Russian plants.

Russian Acetic Acid Production (unit-kilo tons)		
Producer	***Jan-Mar 25***	***Jan-Mar 24***
Azot Nevinnomyssk	38.983	38.680
Volga region	12.629	10.325
Total	51.914	51.276

Russian acetic acid production Jan-Mar 2025

Russian acetic acid production amounted to 51,914 tons in January to March 2025 against 51,276 tons in the same period in 2024.

The largest producer in Russia, Azot at Nevinnomyssk, increased production from 38,680 tons to 38,983 tons. Aside using acetic acid for the production of butyl acetate and methyl acetate Azot supplies merchant acetic to the Russian domestic market. The two largest customers include Polief which purchases acetic acid for PTA and Stavrolen which uses acetic acid in the production of vinyl acetate monomer (VAM).

Russian Isopropanol Production (unit-kilo tons)		
Producer	***Jan-Mar 25***	***Jan-Mar 24***
Plant of Synthetic Alcohol	9.040	10.640
Omsk Kaucuk	5.974	6.202
Total	15.014	16.842

Isopropanol production in Russia amounted to 15.014 tons in January to March 2025 against 16,842 tons in the same period last year. Omsk Kaucuk reduced production from 6,202 tons to 5,974 tons whilst the Plant at Synthetic Alcohol at Orsk reduced production from 10,640 tons to 9,040 tons.

Russian phthalic and maleic production Jan-Mar 2025

Phthalic anhydride production in Russia totalled 21,697 tons in the first quarter in 2025 against 23,514 tons in the same period in 2024. Kamteks-Khimprom at Perm is the largest producer followed by Gazprom neftekhim Salavat, and together these two plants produced 75,446 tons in 2024.

Maleic anhydride production in Russia totalled 11,401 tons in the first three months in 2025, against 9,551 tons in the same period in 2024. Consumption of maleic anhydride in the Russian market in 2024 in amounted to 11,200 tons against 11,000 tons in the previous year. The market has been helped by the start-up of the plant at Tobolsk in 2022, which was constructed using Italian technology.

Russian polyurethane raw materials

South Korean Exports of TDI to Russia		
	Jan-Mar 25	***Jan-Mar 24***
Ktons	3.236	3.162
$ million	6.175	6.323
Av Price $/ton	1908.5	1999.6

Russian TDI imports Jan-Mar 2025

TDI imports into Russia from South Korea amounted to 3,236 tons in January to March 2025 against 3,162 tons in January to March 2024. Prices of imports from South Korea amounted to $1908.5 per ton against $1999.6 per ton in 2024.

Chinese Exports of TDI to Russia		
	Jan-Mar 25	***Jan-Mar 24***
Ktons	4.482	8.173
$ million	9.155	16.926
Av Price $/ton	2042.5	2071.0

TDI imports from China into Russia amounted to 4,482 tons in January to March 2025 against 8,173 tons in the same period in 2024. Due to much lower prices, costs of Chinese imports dropped from $16.926 million to $9.155 million in 2024.

Chinese Exports of MDI to Russia		
	Jan-Mar 25	***Jan-Mar 24***
Ktons	21.308	19.579
$ million	40.930	37.914
Av Price $/ton	1920.9	1936.5

Russian MDI imports Jan-Mar 2025

MDI imports from China into Russia amounted to 21,308 tons in January to March 2025 against 19,579 tons in the same period in 2024. Due to lower prices in 2025, costs of Chinese imports increased from $37.914 million to $40.930 million in 2024.

The main isocyanate imported into Russia is MDI, which accounted for 75.4% of all imports in this segment in 2024. The share of Chinese MDI in imports increased from 22.7% in 2021 to 53.5% in 2023. After encountering shortages of MDI in the second and third quarters, Russian consumers benefited in October from an increase in shipments from China. Russian companies faced significant difficulties last year in paying Chinese suppliers and banks. The revival of the rouble this year has made purchases easier than in 2024.

Chinese exports of polyols to Russia Jan-Mar 2025

Polyol imports into Russia from China fell from 31,079 tons in January to March 2024 to 27,222 tons in the first quarter in 2025. Import costs dropped from $43.963 million in the first three months in 2024 to $37.308 million in the same period this year. Average prices dropped from $1414.6 per ton to $1370.5 in 2025.

Chinese Exports of Polyols to Russia		
	Jan-Mar 25	***Jan-Mar 24***
Ktons	27.222	31.079
$ million	37.308	43.963
Av Price $/ton	1370.5	1414.6

Russian dependence on polyurethane raw materials

The raw material situation and dependency on imports has represented a long-term issue for the Russian polyurethane foam sector. For polyols, there are plants in the country such as Nizhnekamskneftekhim that produce certain volumes. However, domestic production is insufficient to meet demand, and Russia still needs to import polyols.

For isocyanates, supply is more complicated where Russian companies almost exclusively depend on imports. The lion's share of supplies currently come from China which has become a world leader in this sector. Polyurethane foam manufacturers state that without Russia developing its own raw material base the country will continue to remain in a vulnerable position in depending on world prices and logistics chains. Whilst polyurethane foam is produced in the country in large volume, the raw material base of isocyanates and polyols is a difficult issue for the sector.

SIBUR, pilot plant for isocyanates 2025?

By the end of 2025, SIBUR Holding plans to launch a pilot plant for the production of isocyanates and the company will be able to calculate the financial model taking into account domestic aniline. The

pilot plant was aimed for start-up by the end of 2024 and thus facing more delays. The aim is to build the entire production chain, but this goal is not particularly new. Even if the pilot plant is successful the domestic production of isocyanates would not be expected for at least five years. The problem comes down to cost which probably even SIBUR cannot finance alone and thus there are calls for the state to provide 50-60% of the cost.

Kazakhstan-Central Asia

Kazakh Exports of PP to China		
	Jan-Mar 25	***Jan-Mar 24***
Kilo tons	30.814	34.700
$ million	23.524	25.983

Kazakh polypropylene exports and domestic market

Kazakhstan Petrochemical Industries (KPI) exported 30,814 tons of polypropylene to China in the first quarter in 2025 against 34,700 tons in the same period in 2024. In the first quarter of KPI increased its polypropylene sales volumes in the domestic market, bringing its share to 70% against 40% last year. KPI's goal is to promote the development of Kazakhstan's industry, support processors and contribute to the sustainable development of the country's economy.

SIBUR has bought 60% of the shares of Polymer Production in Kazakhstan from KazMunayGaz (KMG). The parties will jointly continue to develop the production of biaxially oriented films (BOPP) and polymer bags in the republic. At the moment, the company can produce 11,000 tpa of BOPP and 27,000 tpa of polypropylene bags.

Azerbaijan Methanol Market (unit-kilo tons)		
	Jan-Mar 25	***Jan-Mar 24***
Production	97.7	123.6
Exports	90.7	122.4
Exports ($ mil)	28.2	24.6

SOCAR Jan-Mar 2025

Azerbaijan produced 97,700 tons of methanol in January to March 2025 versus 123,600 tons in January to March 2024. Azerbaijan exported 90,709 tons of methanol in the first quarter which was 32.2% down in the same period last year, whilst export revenues rose by 24.1% to $28.245 million. Azerbaijan started shipping methanol to Gibraltar in April for the first time, after having started shipments to Israel at the start of the year.

Chinese Exports of PET to Central Asia

PET exports from China to Kazakhstan amounted to 29,528 tons in the first quarter in 2025 against 14,930 tons in the same period in 2024, whilst exports to Uzbekistan increased from 29,497 tons to 39,497 tons.

Chinese Exports of PET to Uzbekistan and Kazakhstan (unit-kilo tons)		
Country	***Jan-Mar 25***	***Jan-Mar 24***
Kazakhstan	29.528	14.930
Uzbekistan	39.497	29.497

Silleno polyethylene project update May 2025

As part of the Silleno polyethylene project the main contractor Tecnicas Reunidas has signed a memorandum of cooperation to increase local content. Within the framework of the memorandum, it is planned to launch an annual program for the training of 30 graduates of Kazakh universities of engineering specialties in Spain with subsequent employment at Tecnicas Reunidas. The EPC contract with Tecnicas Reunidas was signed in September 2024 and together with Sinopec Engineering Incorporation preparations have been underway for the construction of a pyrolysis unit.

The main equipment with a long production cycle (44 units) has been ordered, including an order for the two largest columns from local company Atyrauneftemash. In addition, Tecnicas Reunidas has opened a regional centre in Astana and intends to provide priority reception and training of local personnel. KazMunayGaz (KMG) expects more than 8,000 temporary jobs to be created during the construction of the plant, and about 800 permanent jobs during operation.

Chimcomplex project in Turkmenistan	
	Capacity tpa
Chlorine	100,000
PVC	140,000
Polyol	40,000

Chimcomplex considering chemical project in Turkmenistan

Romanian company Chimcomplex has proposed the creation of the Turkmen Romanian Chemical Company, which would be Turkmenistan's Turkmenhimiya Concern. The Turkmen Romanian Chemical Company (C.T.R.C.) includes the

construction of four large production complexes. These include a chlorine oxide plant with a capacity of 100,000 tpa, a polyol plant with a capacity of 40,000 tpa, a PVC production plant with a capacity of 140,000 tpa and a complex for the production of special chemicals.

Contents from Issue No 414

i