



RLA Market Insights – Thursday, 12 March 2026

Strait of Hormuz Closure Sends Shockwaves Through Asian Petrochemical Markets

Asian petrochemical markets are facing significant turbulence following the escalation of the US-Iran conflict, which has severely disrupted feedstock flows into the region. The effective closure of the Strait of Hormuz which serves as a critical chokepoint for crude oil, LPG, naphtha, and condensate shipments, has sharply tightened feedstock availability for refiners and petrochemical producers across Asia.

The disruption has triggered a pronounced ripple effect across the regional petrochemical value chains. Refiners and chemical producers are grappling with steep feedstock price inflation and logistical bottlenecks, forcing many operators to reassess run rates and supply commitments. Across China, Northeast Asia and Southeast Asia, multiple petrochemical producers have announced force majeure declarations while simultaneously reducing operating rates. Market participants indicate that plant owners are struggling to absorb the surge in feedstock costs, particularly for naphtha, LPG, and condensate-linked cracking margins.

Commercial behaviour is also shifting rapidly. Several producers have begun cancelling fresh spot and term contracts, opting instead to prioritize long-standing customers with established contractual relationships. In some cases, suppliers have withdrawn from contractual commitments altogether, reflecting the severity of the supply squeeze. Elsewhere in Northeast and Southeast Asia, some producers have opted for controlled output reductions and lower plant utilization rates rather than declaring formal force majeure. These strategic run-rate cuts are aimed at managing feedstock exposure while preserving margin stability amid extreme input cost volatility.

From a market perspective, the disruption is tightening regional availability of key petrochemical intermediates, potentially driving short-term price spikes across olefins, aromatics, and downstream derivatives if feedstock flows through the Middle East remain constrained.

Refer to the table displaying list of chemical plants gone into force majeure on the next page.



Sr. No.	Company	Country	Site	Chemical Products
1	Aster Chemicals and Energy	Singapore	Bukom Island, Jurong Island	Ethylene, propylene, ethylbenzene, ethylene glycol, polyether polyols, propylene, propylene glycols, styrene, surfactants
2	Chandra Asri	Indonesia	Cilegon	Ethylene, propylene, LLDPE, HDPE, PP
3	Dairen Chem Singapore	Singapore	Jurong Island	Vinyl acetate monomer
4	Hanwha Solutions	South Korea	Yeosu	Ethylene dichloride, caustic soda
5	Kuwait Aromatics	Kuwait	Shuaiba	Paraxylene
6	LG Chem	South Korea	Naju, Ulsan	Plasticizer (DOTP)
7	PCS	Singapore	Jurong Island	Ethylene, benzene, butadiene, mixed xylenes, MTBE, propylene, toluene
8	QatarEnergy Group	Qatar	Mesaieed	Urea, polymers, methanol
9	Rayong Olefins	Thailand	Map Ta Phut	Ethylene, propylene
10	The Polyolefin Co.	Singapore	Jurong Island	Polypropylene, LDPE, EVA
11	Wanhua Chemical Group	China	Yantai, Fuqing, Penglai	Ethylene, propylene, MDI, caustic soda, methanol, styrene monomer
12	YNCC	South Korea	Yeosu	Ethylene, benzene, butadiene, mixed xylenes, MTBE, propylene, styrene, toluene



SHORT TERM OUTLOOK – OIL TANKER MARKET

A monthly report covering the next four months including trends in oil supply, demand and trade, tanker demand and supply, spot, and time charter rates for MRs up to VLCCs, comparisons with FFAs plus the latest news on developments impacting the oil and tanker sectors.

MEDIUM TERM OUTLOOK – OIL TANKER MARKET

Concise analyses of topical issues, consistent market data series and views on future trends in tanker charter rates. The report covers Oil Prices; Economic Developments; Oil Demand and Supply; Trade; Tanker Demand, Supply and Rates. Sent to clients around January, April, July and October each year

SHORT TERM OUTLOOK – VLGC MARKET

A monthly report looking four months ahead at likely trends in the VLGC Spot Market with the latest on key LPG carrier trades, benchmark LPG prices, arbitrage developments, a comparison with FFAs and recent news

MEDIUM TERM OUTLOOK – LPG CARRIER MARKET

A quarterly series of regular reviews, analyses and forecasts of the LPG Carrier Market. The report covers Economic Developments; LPG production, consumption and pricing; LPG, chemical gases and ammonia trade, LPG Carrier Demand, Supply and Rates for Fully Ref, Semi-Ref and Pressurised Ships. Reports are sent to clients around January, April, July and October each year.

CHEMICAL CARRIER WORLD SERVICE

An annual consultancy service currently providing Clients with an Annual Fundamentals Report, a Forecast Update, two quarterly Market Monitors, Monthly Commodity Trade Bulletins for key countries, an annual presentation on the market outlook and access to RLA's consultants and analysts to discuss issues arising from these reports.



SINGAPORE OFFICE

10 Anson Road
#10-11 International Plaza
SINGAPORE 079903
T: +65-6950 7561

LONDON OFFICE

Terminal House
52 Grosvenor Gardens
London, UK SW1W 0AU
T: +44-20-3386 9413

INDIA OFFICE

SCO 10, First Floor
Sector - 79, Mohali,
Punjab, INDIA 140308
T: +91-172-4105887

E: info@wademaritime.com | research@richardsonlawrie.com

w: www.wademaritime.com | www.richardsonlawrie.com