Press Release

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Contact: Jennifer Scott (202) 249-6512
Email: jennifer_scott@americanchemistry.com

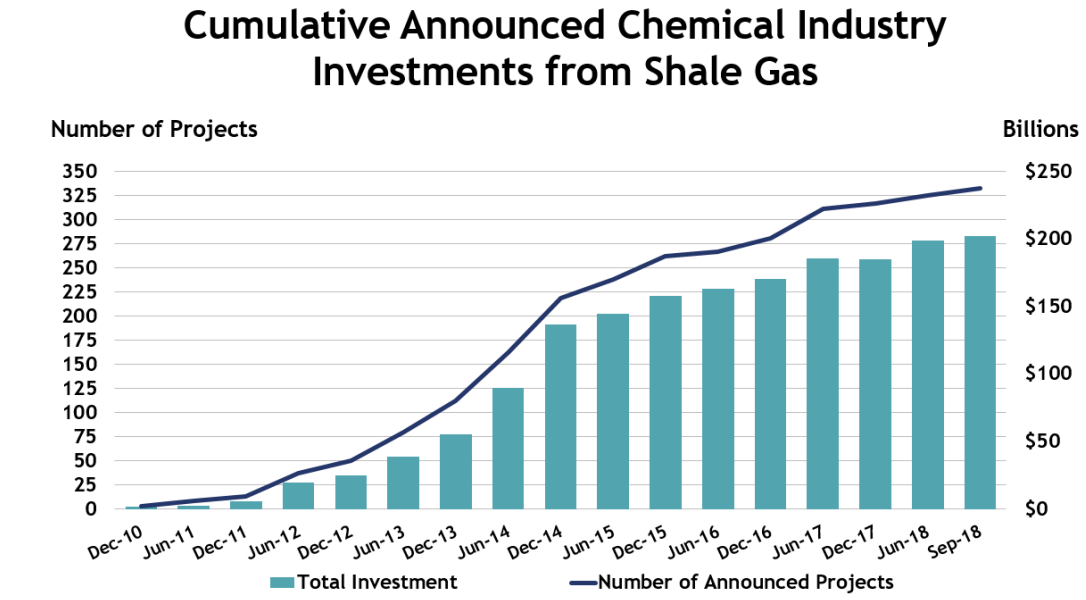
U.S. CHEMICAL INDUSTRY INVESTMENT LINKED TO SHALE GAS REACHES $200 BILLION

America Remains Destination for Major Capital Projects

WASHINGTON (September 11, 2018) – The American Chemistry Council (ACC) today announced that U.S. chemical and plastics industry investment linked to plentiful and affordable domestic supplies of natural gas and natural gas liquids (NGLs) from shale formations has surpassed $200 billion.

Since 2010, 333 chemical industry projects cumulatively valued at $202.4 billion have been announced, with 53 percent of the investment completed or under construction and 41 percent in the planning phase. Fully 68 percent of the total is foreign direct investment or includes a foreign partner. Project types include new facilities and capacity expansions.

"This is an exciting milestone for American chemistry and further evidence that shale gas is a powerful engine of manufacturing growth," said ACC President and CEO Cal Dooley. "The U.S. remains the most attractive place in the world to invest in chemical manufacturing. We look forward to continuing to transform energy into a stronger economy and new jobs."



Source: ACC analysis

ACC analysis shows that $202.4 billion in capital spending could lead to $292 billion per year in new chemical and plastics industry output and support 786,000 jobs across the economy by 2025. These include 79,000 chemical industry jobs, 352,000 jobs in supplier industries, and 355,000 jobs in communities where workers spend their wages. Additional, temporary jobs are created during the capital investment phase.

Robust supplies of NGLs, especially ethane, are key to the U.S. chemical industry's competitiveness. NGLs are the main feedstock for basic petrochemicals and plastics in the United States, while companies overseas mostly use naphtha, which is oil-based. Since feedstock comprises about 75 percent of the cost of ethylene production, lower prices favor U.S. chemical makers in global markets.

A note of caution is in order. U.S. manufacturers often rely on inputs that are not available or made in the U.S. to create products that cost less, yet perform at the high level our downstream customers have come to expect from us. Protectionist trade policies such as tariffs and quotas unnecessarily raise the costs of those inputs, deter innovation and economic growth, and could ultimately weaken our country's competitive advantage.

Today's announcement provides another update to ACC's first report, "Shale Gas, Competitiveness, and New U.S. Chemical Industry Investment – An Analysis of Announced Projects." Released in May 2013, the report analyzed 97 chemical and plastics industry projects totaling $72 billion in potential investment that had been announced as of March 2013. As new projects are announced, we update our tally of announced projects and cumulative investment.

ACC analysis employs the IMPLAN input-output methodology, an economic model that quantifies interdependencies among industries or economic sectors. IMPLAN is used by government agencies including the Army Corp of Engineers, U.S. Department of Defense, U.S. Environmental Protection Agency, and over 20 others, and by over 250 colleges and universities, local governments, non-profits, consulting companies, and other private sector companies.

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through Responsible Care®; common sense advocacy designed to address major public policy issues; and health and environmental research and product testing. The business of chemistry is a $768 billion enterprise and a key element of the nation's economy. It is among the largest exporters in the nation, accounting for fourteen percent of all U.S. goods exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.