

# Shale Gas Is Driving New Chemical Industry Investment in the U.S.

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## **Shale Gas – A Game Changer for U.S. Competitiveness**

New domestic supplies of affordable natural gas and natural gas liquids (NGLs) from shale formations have created a competitive advantage for U.S. chemical manufacturing, leading to industry growth and new jobs. Companies from around the world are investing in projects to build or expand capacity in the United States. Since 2010, the chemical industry has invested \$109 billion in new or expanded facilities. These 235 projects are completed and operating. Another 44 projects cumulatively valued at \$31 billion are under construction, while 72 projects valued at \$68 billion are in the planning phase. Total investment is \$208 billion across 351 projects. Fully 69 percent of the total is foreign direct investment or includes a foreign partner.

## **Economic Benefits of U.S. Chemical Industry Investment**

ACC examined\* 351 chemical industry investment projects cumulatively valued at \$208 billion announced as of April 2022. The projects include new facilities, expansions, and factory re-starts. We analyzed permanent economic impacts that result from ongoing increased chemical industry output made possible by lower natural gas prices and increased availability of ethane, an NGL and key chemical feedstock. Findings are summarized below.

### **Economic Contributions from Chemical Industry Investment in the U.S.**

| <b>From Higher Chemical Industry Output<br/>2010-2030 (Permanent)</b> |                |                                |                               |
|-----------------------------------------------------------------------|----------------|--------------------------------|-------------------------------|
|                                                                       | <b>Jobs</b>    | <b>Payroll<br/>(\$Billion)</b> | <b>Output<br/>(\$Billion)</b> |
| Direct                                                                | 77,991         | \$10.3                         | \$104.2                       |
| Indirect                                                              | 368,033        | \$31.1                         | \$142.9                       |
| Payroll-Induced                                                       | 339,991        | \$19.7                         | \$62.4                        |
| <b>Total</b>                                                          | <b>786,015</b> | <b>\$61.1</b>                  | <b>\$309.5</b>                |

## **Government Policies Key to Realizing the Shale Gas Opportunity**

A number of policies will influence whether domestic natural gas and NGL supplies remain robust, affordable, and accessible and, in turn, whether America's manufacturing renaissance reaches its full potential. They include:

- Allowing access to oil and natural gas reserves on federal, state, and private lands;
- Continuing responsible, state-based regulations that avoid undue restrictions on production;
- Expediting the building of infrastructure, such as pipelines, to transport supplies;
- Ensuring a timely, transparent, and efficient regulatory permitting process for projects and investments;
- Eliminating tariff and non-tariff trade barriers in domestic and international markets. Expanding access to foreign markets for U.S. goods.

\*This latest analysis builds on ACC's first report, "Shale Gas, Competitiveness, and New U.S. Chemical Industry Investment – An Analysis of Announced Projects." Originally published in May 2013, it analyzed economic benefits linked to the first 97 potential chemical industry projects cumulatively valued at \$72 billion announced from 2010 through March 2013. ACC keeps a running tally of projects and cumulative investment based on public announcements. We update the figures as new projects are announced.

