# US Midterm Elections & the Chemical Industry (2027-2028)

**Political gridlock between Congress and the Trump administration could limit major policy changes, creating uncertainty for chemical markets through 2027-2028.**

**Potential tariff adjustments could reshape PE, PP and PVC trade flows, intensifying competition between US and Asian producers.**

**Potentially tighter environmental regulations and fluctuations in energy and feedstock prices could impact production costs and profitability.**

**Global oversupply, subdued demand and regulatory uncertainty could delay new chemical capacity expansions, while India, Southeast Asia and the Middle East may witness emerging trade opportunities.**

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# Trade & Petrochemicals

**Potential tariff relief could intensify competition between US, Chinese and other Asian producers across PE, PP and PVC markets. US producers would remain heavily dependent on competitive ethane-based feedstocks and access to international markets.**

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# Environmental Regulations

## PFAS & Chemical Safety

**Increased congressional oversight could drive pressure for stricter regulations on PFAS and chemical safety standards.**

## Emissions & Plastics

**Tighter controls on emissions and plastics could raise compliance costs for commodity and specialty chemical producers.**

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# Energy Policy & Investment Climate

## Energy Supply

**Changes in energy policy could influence natural gas and ethane availability and pricing - critical feedstock inputs for US chemical producers.**

## Investment Headwinds

**Policy uncertainty, global capacity oversupply and subdued demand could collectively discourage fresh chemical capacity investments through 2027-2028.**

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# Global Market Outlook

## Shifting Trade Flows

**India, Southeast Asia and the Middle East could witness shifts in chemical trade flows amid evolving US-China trade dynamics.**

## Policy Uncertainty

**Greater policy uncertainty, rather than immediate structural change, is likely.**

## Key Determinants

**Tariffs, feedstock economics and regulatory costs remain key determinants of global chemical market competitiveness during 2027-2028.**

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# Chemical Carrier Freight Rates

**Chemical frieght rates seen rebounding in the 4th quarter given the extended crisis in the ME.**




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