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Commodity Insights

Challenges and opportunities in the Southeast Asian Methanol market

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Agenda

- Challenges

- Tariffs
- Supply chain vulnerabilities
- Currency depreciation, economic growth concerns

- Opportunities

- Diversifying trade partnerships, supply chain
- Investing in technology and decarbonization

- Conclusion

Challenges facing Southeast Asian economies



Tariffs

- Southeast Asian economies which have previously thrived in an open global economy, now find themselves up against US protectionism
- Countries like Thailand, Vietnam, and Malaysia are facing steep tariffs on exports to the US, which could slow down economic growth in ASEAN
- Reduced industrial activity will lower demand for methanol, particularly in sectors like formaldehyde and solvents
- With US tariffs making Chinese exports less attractive, China may redirect more goods to Southeast Asia, intensifying competition for local businesses

Cambodia	49%
Laos	48%
Vietnam	46%
Myanmar	44%
Thailand	36%
Indonesia	32%
Brunei	24%
Malaysia	24%
Philippines	17%
Singapore	10%

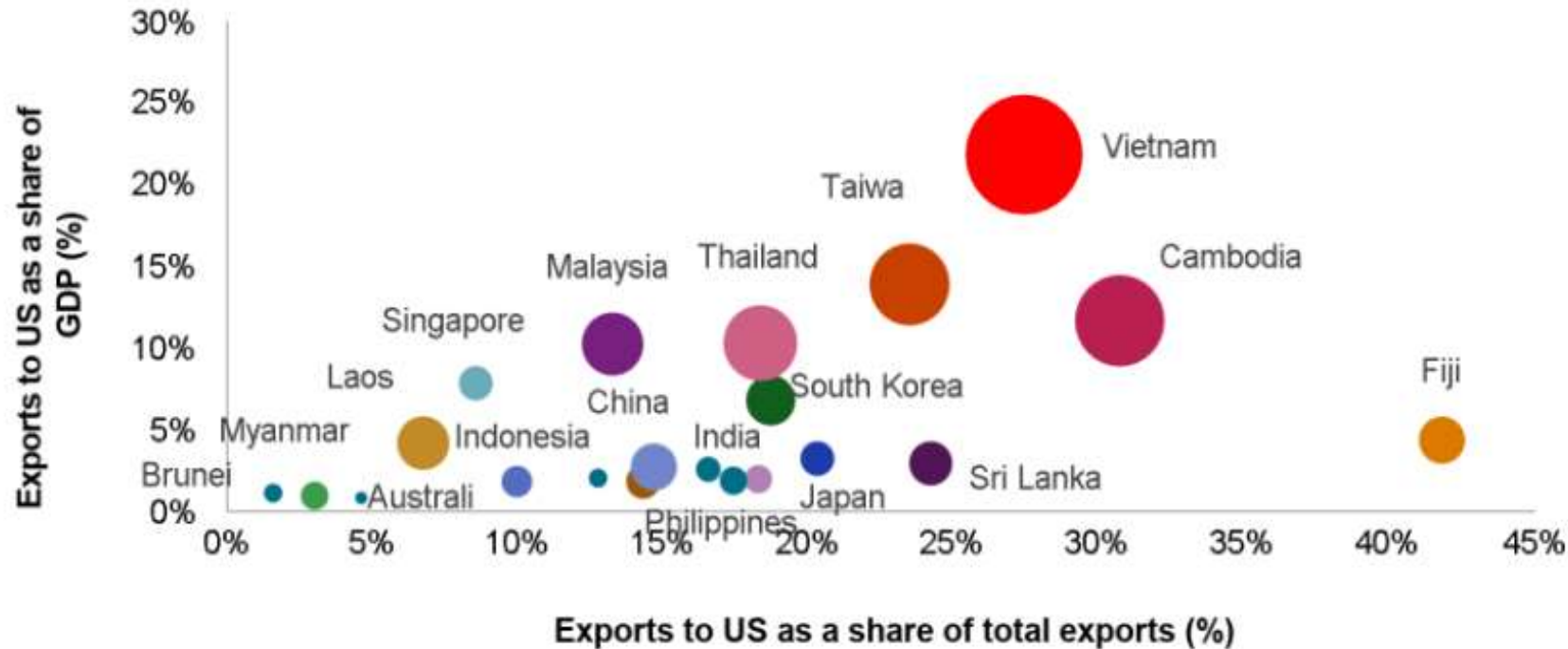
Headwinds

- Economists have steeply downgraded GDP forecasts for the next two years. The World Bank has slashed its forecast for Thailand's 2025 GDP growth to 1.6%, citing global economic uncertainty and rising trade restrictions.
- Thailand's Finance Ministry has also cut its growth forecast for 2025 to 2.1%, citing the impact of U.S. tariffs and a global slowdown.
- Q1 earnings statements have already flagged slowdowns across refining, chemicals, metals and shipping markets, sparking new appeals for policy clarity
- The International Energy Agency warned that a "paradigm shift" in the economic landscape would slash global oil demand growth by a third, and cut its GDP forecast from 3.1% to 2.4%.



Tariffs

Asia-Pacific (excluding mainland China) exposure to US reciprocal tariffs



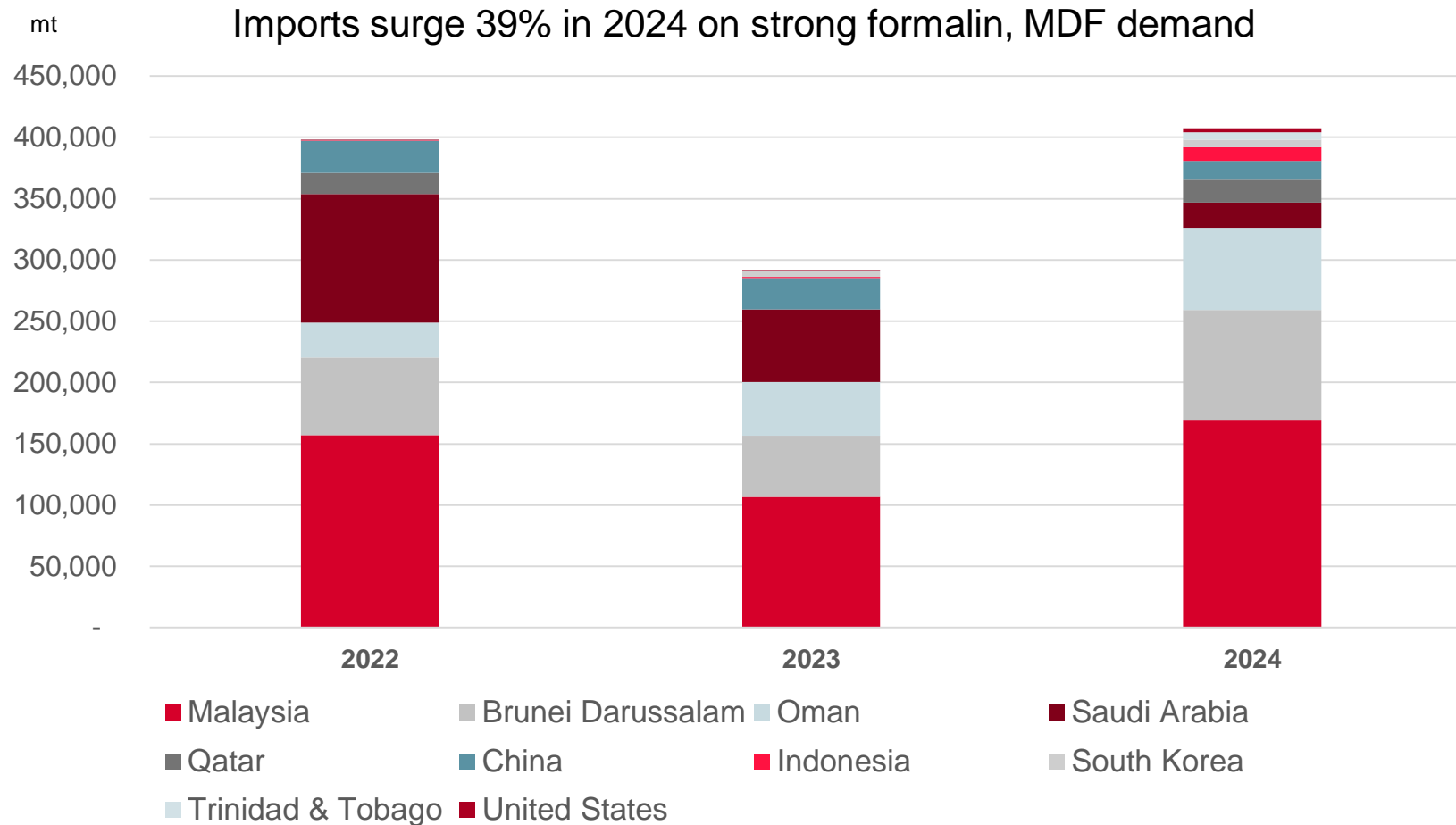
Size of the bubble represents the estimated additional tariff cost as a share of GDP, %.

Source: S&P Global Market Intelligence.

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- Vietnam most exposed economy in the region, with the estimated additional tariff cost nearing 10% of GDP, followed by Cambodia, Taiwan and Thailand, with potential additional tariff costs between 3.6% and 5.6% of GDP.
- Textiles and clothing, electrical machinery and electronics, mechanical appliances, and automotive products would be the most affected industries in Asia

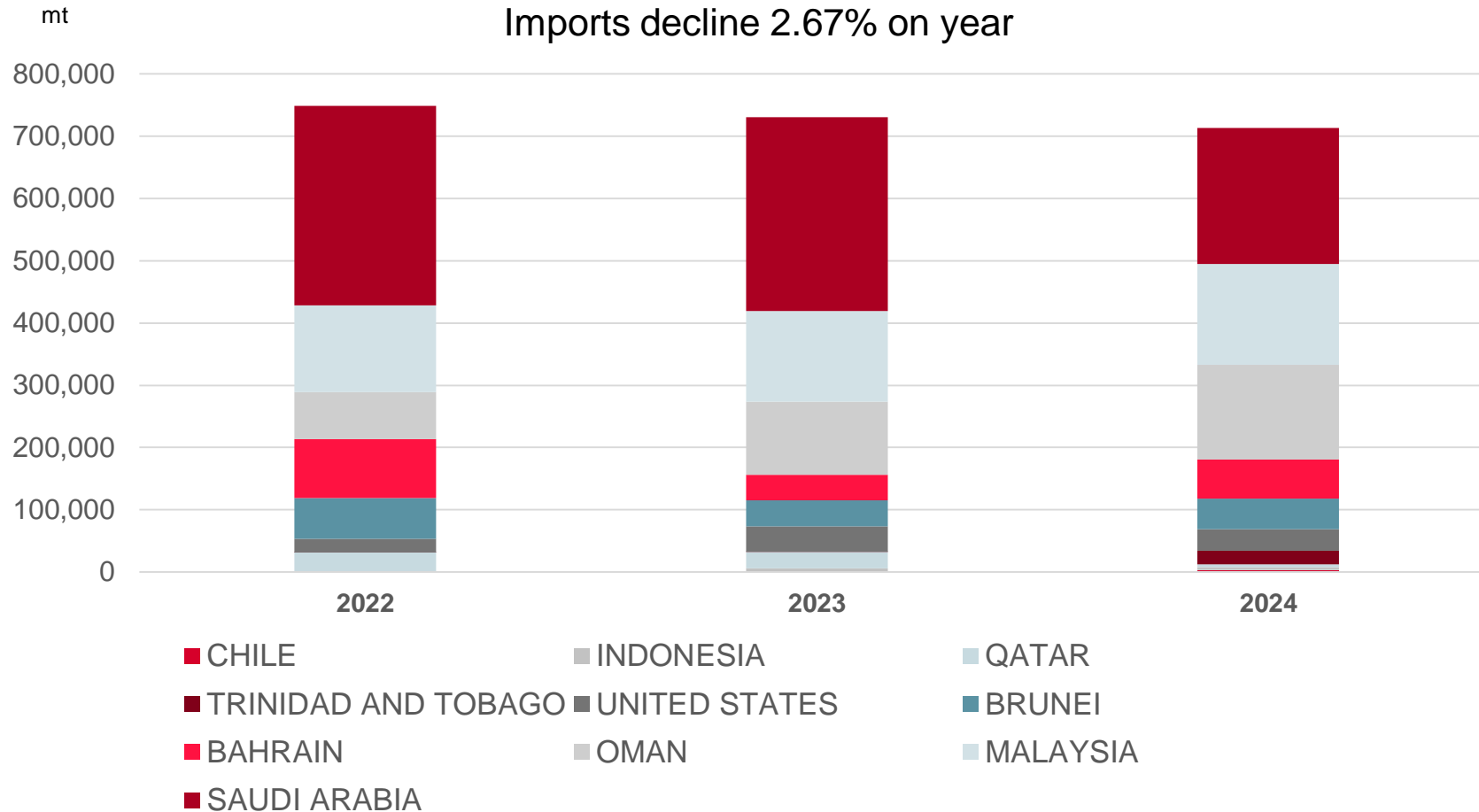
Vietnam's strong manufacturing growth drives methanol demand



- Vietnam is a top wood products exporter
- US is a primary export market for Vietnam's wood products and textiles
- Vietnam's trade surplus with the US hit record high in 2024, up nearly 20% to more than \$123 billion
- Top exporting country in ASEAN

Source: S&P Global Commodity Insights

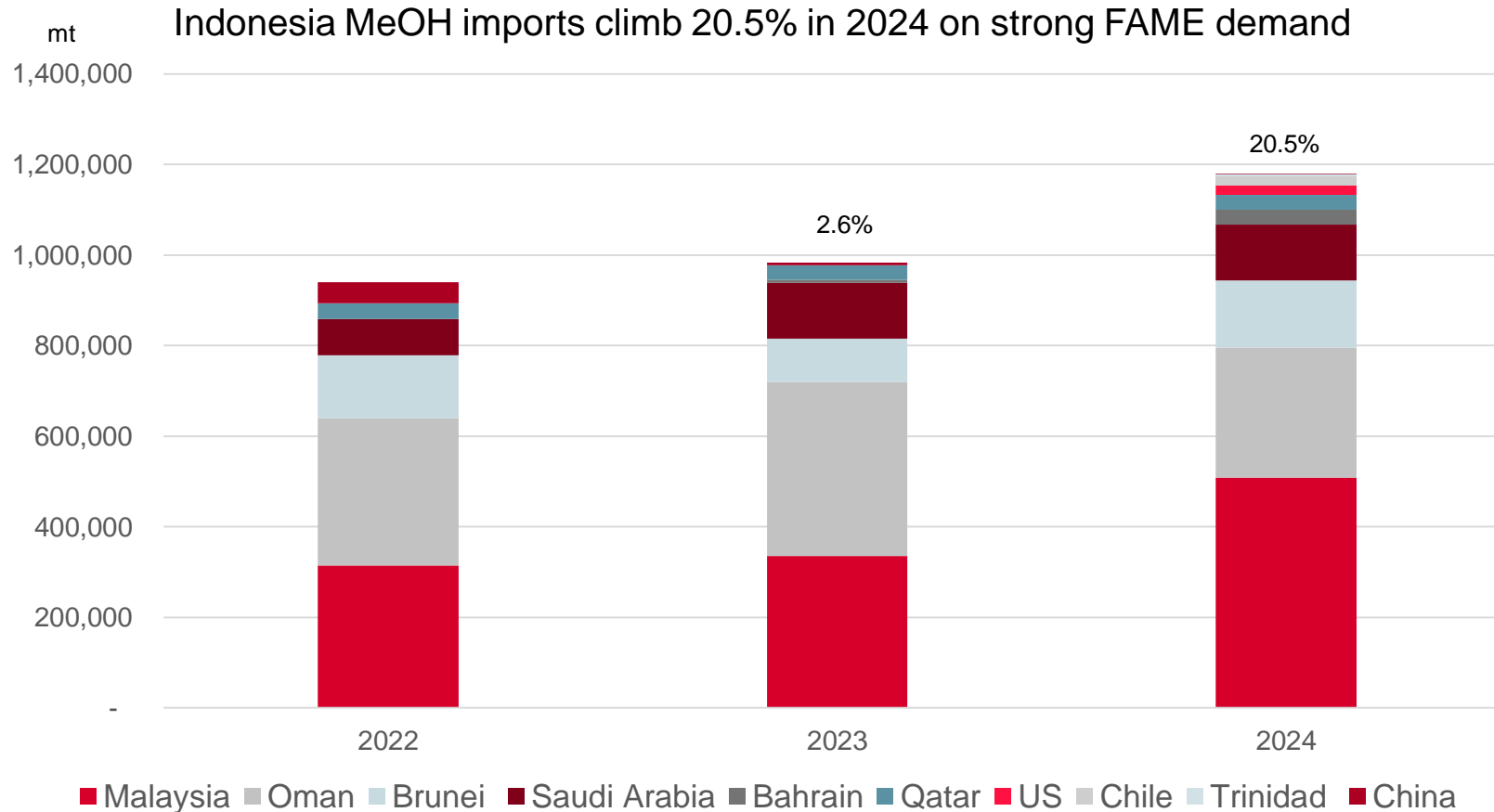
Thailand methanol market slow on weak downstream demand



- Thailand’s POM production rates drop due to expanded POM capacity in China
- PTT Asahi Chemical shut 70 kt/year MMA plant
- Silicon monomer production rates reduced
- Biodiesel blending reduced from B10 to B7 to B5
- Sluggish solvents sales
- Formaldehyde production healthy as exports of MDF to the Middle East grow

Source: S&P Global Commodity Insights, Thai customs data

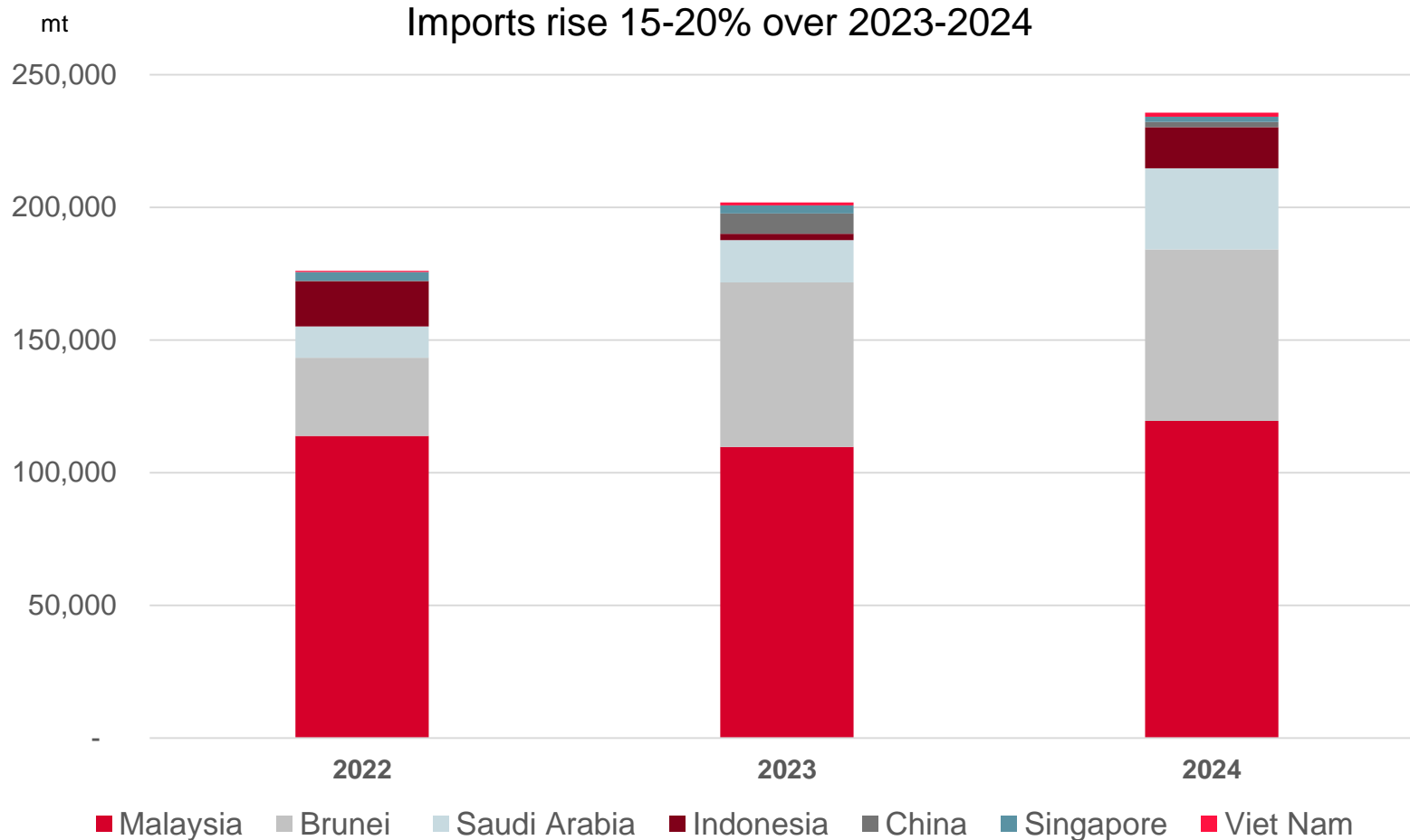
Indonesia's biodiesel mandates boost methanol trade



- Reduced exports in SEA in 2022 to focus on the domestic PME market
- Indonesia implemented B30 in 2020 before growing to B35 in 2023.
- Full implementation of B40 in 2025
- B50 in 2026

Source: S&P Global Commodity Insights, Statistics Indonesia

The Philippines methanol market grows steadily on solvent, biodiesel demand



Source: S&P Global Commodity Insights, Philippines Statistics Authority

•Growing solvent demand

•B3 Mandate (October 1, 2024):

- The Philippines implemented a 3% CME biodiesel blend in all diesel fuel sold nationwide.

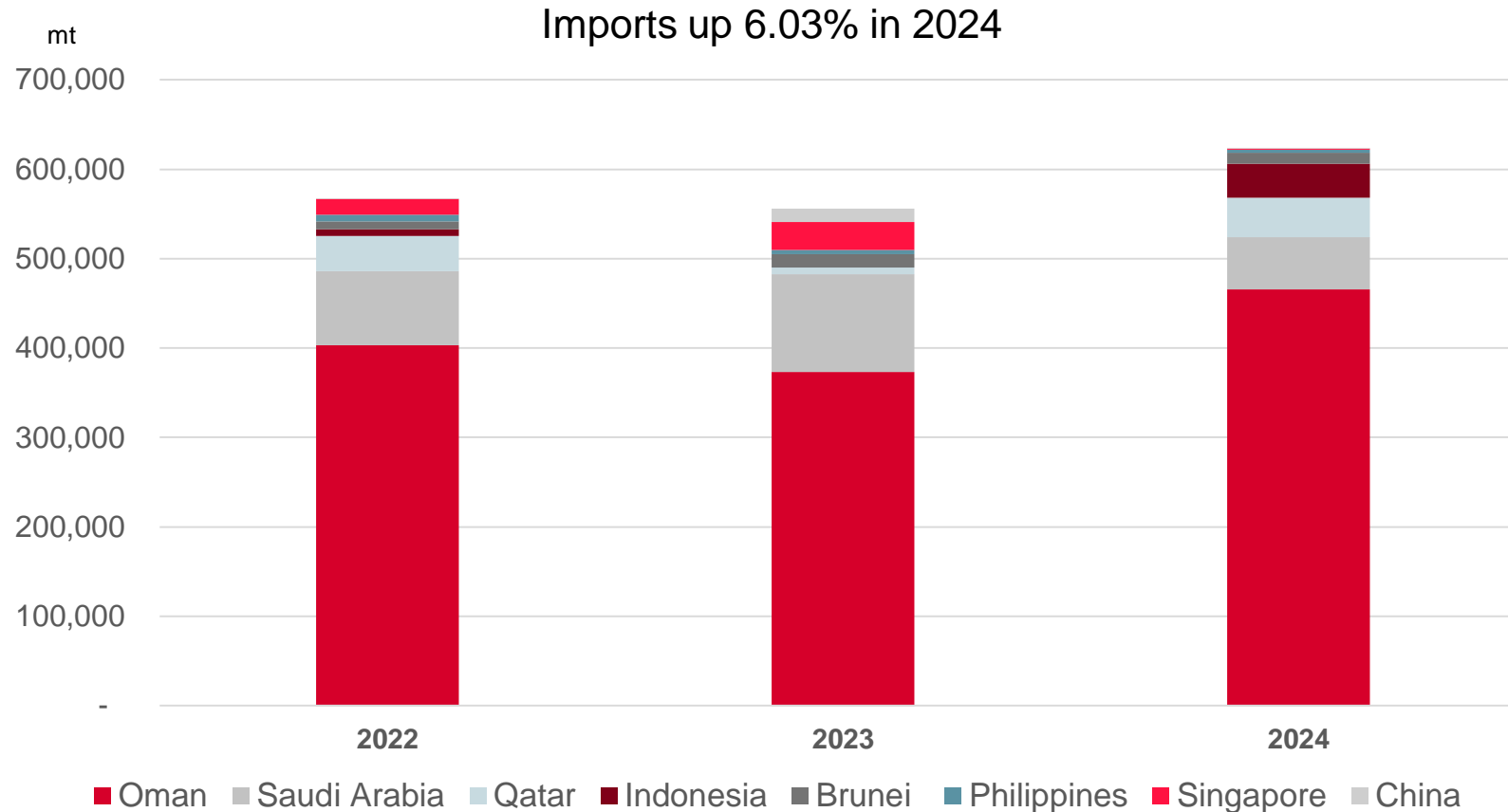
•Future Increases:

- The mandate is scheduled to increase to 4% (B4) on October 1, 2025, and then to 5% (B5) on October 1, 2026.

•Purpose of the Mandate:

- The Philippines aims to reduce dependence on imported fuels, decrease greenhouse gas emissions, and boost the local biodiesel and bioethanol sectors.

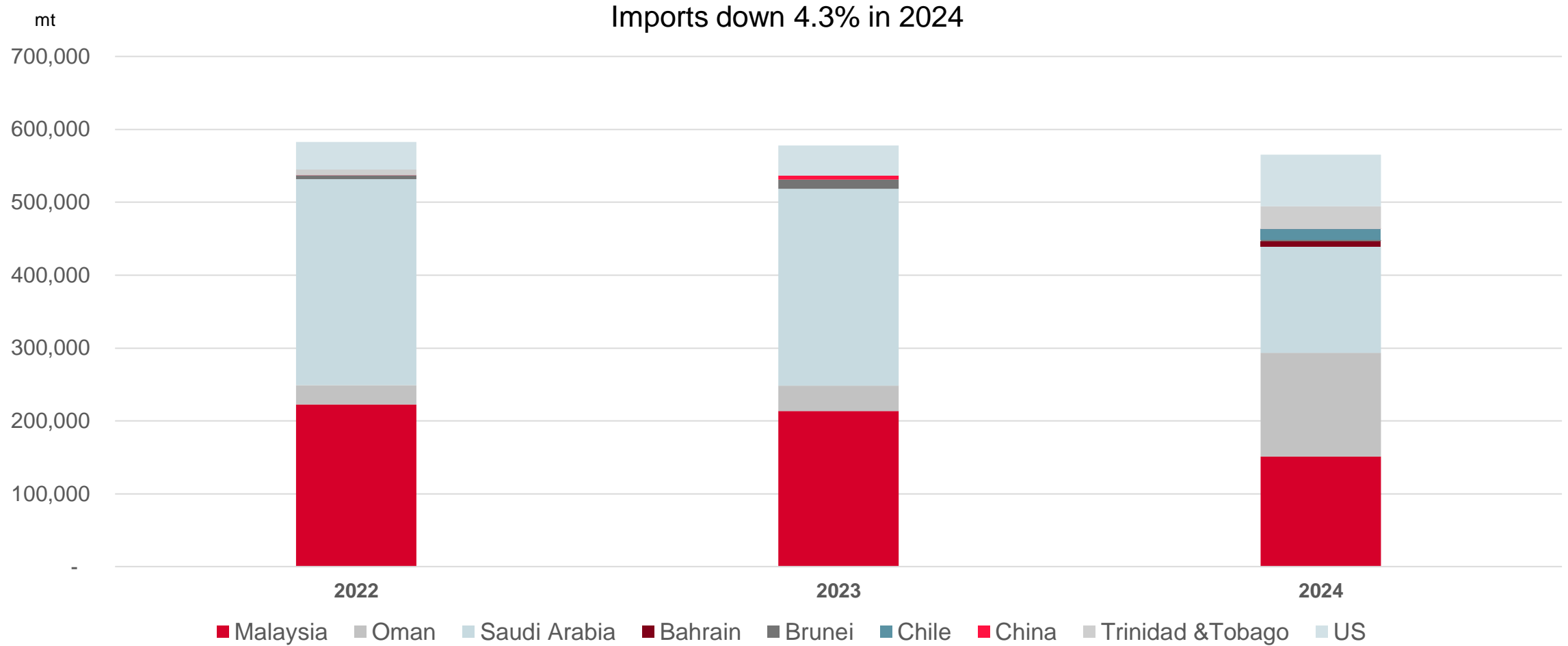
Malaysia's methanol imports rise on supply disruption, uptick in spot trading



- Uptick in spot buying activity in 2024 due to supply disruption
- Malaysia has a 10% (B10) biodiesel blending mandate
- B20 blending is already implemented in areas like Labuan, Langkawi, and Sarawak (excluding Bintulu)
- Forecast to reach 20% nationwide (B20) by 2025 and 30% (B30) by 2030
- Methanol supported by AA, POM, solvents demand & 2 MTBE plants and animal feed

Source: S&P Global Commodity Insights, Dept of Statistics Malaysia

Singapore methanol imports slip on bearish downstream fundamentals



Source: S&P Global Commodity Insights, IE Singapore

Southeast Asia methanol plant capacity stable

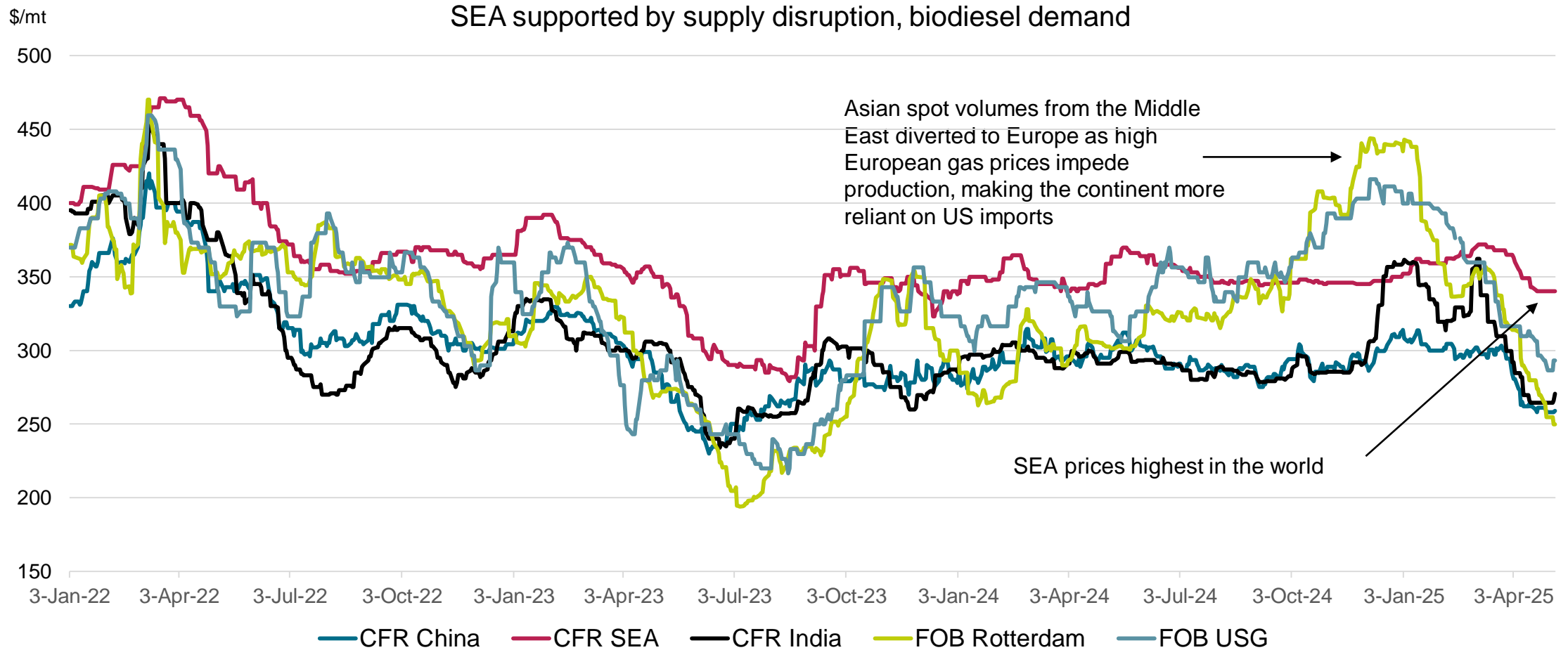
Name	City	Country	Capacity '000 mt/year
Sarawak Petchem	Bintulu	Malaysia	1,750
Petronas Chemicals Methanol	Labuan	Malaysia	720
Petronas Chemicals Methanol	Labuan	Malaysia	1,700
Petronas Chemicals Methanol	Gurun	Malaysia	60
Kaltim Methanol Industri	Bontang	Indonesia	720
Brunei Methanol Company	Sungai Liang	Brunei	850

Recent capacity additions

Name	City	Country	Capacity '000 mt/year	Year
Persian Gulf Apadana Petrochemical	Assaluyeh	Iran	1,650	Mar-25
Methanex Methanol Company Geismar 3	Louisiana	US	1,800	2024
Di Polymer Aryan Petrochemical Co	Iran	Iran	1,650	2024
New capacity				
Sabalan Petrochemical II	Assaluyeh	Iran	1,650	2025

Source: S&P Global Commodity Insights

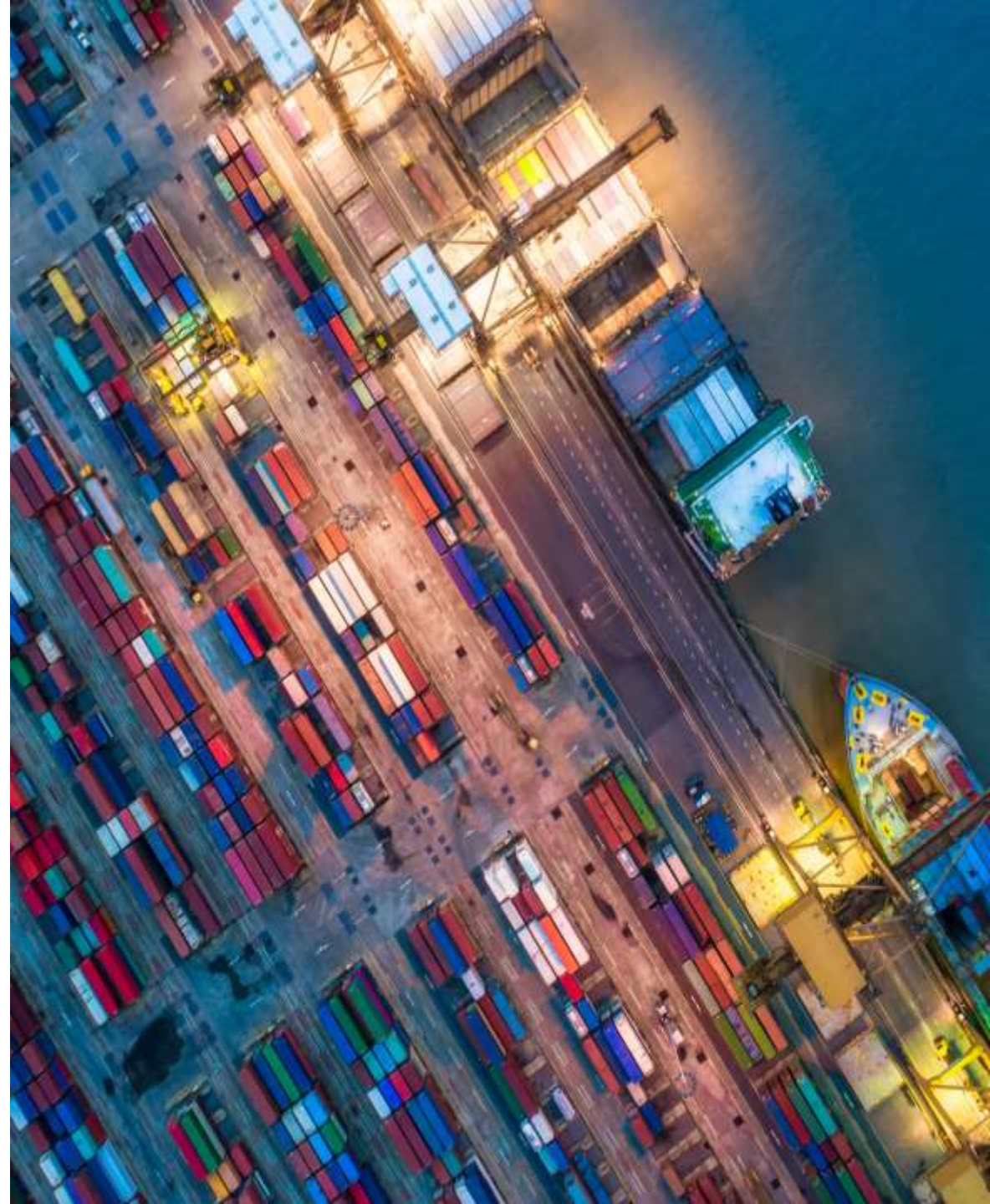
Asian methanol prices



Source: Platts

Challenging economics

- Supply chain vulnerabilities
 - Disruption on production processes, potential delays
 - Port fees on Chinese-owned, Chinese-operated or Chinese-built ships at US ports from Oct. 2025
- Diverted trade, investment uncertainty, volatile capital flows, lack of business confidence if reciprocal tariffs are reinstated
- Currency Depreciation – to make exports more competitive
- US 90-day pause on tariff rates gives ASEAN countries time to re-group and reassess their trade strategies.



Opportunities for Southeast Asian methanol markets



Opportunities

Explore new markets -- US share now only 13% of global trade

RCEP – Regional Comprehensive Economic Partnership. 15-country FTA created by ASEAN

- Members include China, Japan, S Korea, Australia, New Zealand

SEA methanol demand is expected to reach 4.6 million mt/year in 2024 and projected to grow 4.9% CAGR over the next decade to 2034. Consumption of methanol is expected to continue being primarily driven by chemical applications

Acetic Acid - second largest chemical application, consuming close to 8.5 million mt of methanol in 2024 or 9.5% of global demand.

Biodiesel, the largest application in the fuel segment, is expected to account for 41% of methanol consumption in SEA

Decarbonization

Decarbonization

Indonesia

- PT Akraya – 20-40kt/year biomethanol plant
- Singapore Methanol 70-100 kt/year biomethanol, construction in 2025
- Second plant in Sulawesi – 1 million mt/year by 2030

Malaysia

- BPO, VATA VM Synergy, and Emerald Tech Engineering plan to build a 100,000 mt/plant from non-palm feedstocks
- First deliveries at Kuantan port 2028
- BAC signs MOA with Dovechem Terminal Langsat, TLP terminal to position Tanjung Langsat as biofuels hub

Thailand




- PTT commissioned ThyssenKrupp Uhde to conduct a feasibility study on a renewable methanol project.
- COSCO signs MOU with Charoen Pokphang Group and US trader Freepoint Commodities to construct ISCC EU-certified renewable methanol plant

Singapore

- Singapore's port authority is issuing methanol bunker supplier licenses valid from Jan 1, 2026 to Dec 31, 2030

Platts low-carbon methanol prices

Carbon intensity < 32.9 gCO₂e/MJ

-  • FOB Shanghai low-carbon methanol
-  • Shanghai low-carbon methanol marine fuel
-  • Rotterdam low-carbon methanol marine fuel
- Singapore low-carbon methanol marine fuel Dlvd

Carbon intensity < 90 gCO₂e/MJ

- Singapore methanol marine fuel Dlvd

654--Platts Asia Methanol Bunker Daily Assessments - 05May25

4:47 pm • PCA

{ (Platts)--05May2025/447 am EST/0847 GMT

Methanol Bunker Singapore

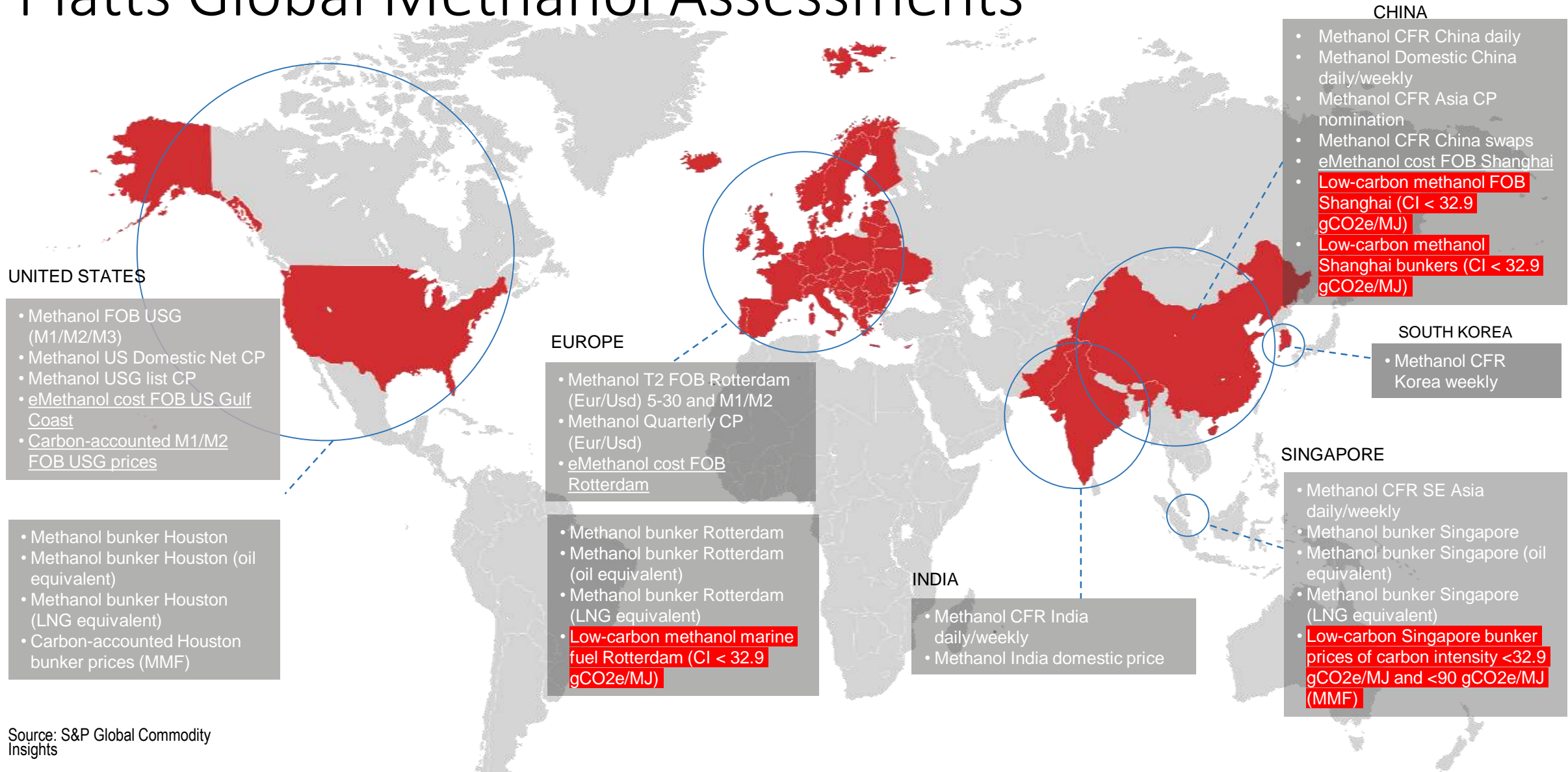
	Symbol	Price	Change
\$/mt	<MLBSG00>	395.000	0.000
\$/mt (oil)	<MLBSO00>	753.256	0.000
\$/mt (LNG)	<MLBSL00>	955.349	0.000
MMF Low-Carbon delivered Singapore			
\$/mt	<MLCSG00>	985.00	0.00
MMF delivered Singapore			
\$/mt	<MBLSG00>	513.00	0.00
MMF Low-Carbon FOB Shanghai			
\$/mt	<MLSHF00>	900.00	0.00
MMF Low-Carbon delivered Shanghai			
\$/mt	<MLCSH00>	920.00	0.00

The energy content used to calculate the \$/mt of fuel oil equivalent is 41 GJ/mt. The energy content used to calculate the \$/mt of LNG equivalent is 52 GJ/mt. The energy content of methanol used for comparison is 21.5 GJ/mt.

Methodology: spglobal.com/methodology-chemicals

PCA Master Page Index <PCA0010>

Platts Global Methanol Assessments



Conclusion

- More headwinds for Southeast Asia stemming from US reciprocal tariffs
- Vietnam, Thailand methanol markets could see diminished demand from domestic solvents, medium density fiberboard and furniture sectors
- Diverted trade, investment uncertainty, and lack of business confidence could cloud economic growth in ASEAN if reciprocal tariffs are reinstated
- Southeast Asian countries could explore new markets, trade routes within the RCEP group
- Opportunity for Southeast Asia to diversify by investing in low-carbon methanol production

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