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Commodity Insights

A trade shift of PVC amid tightening regulations

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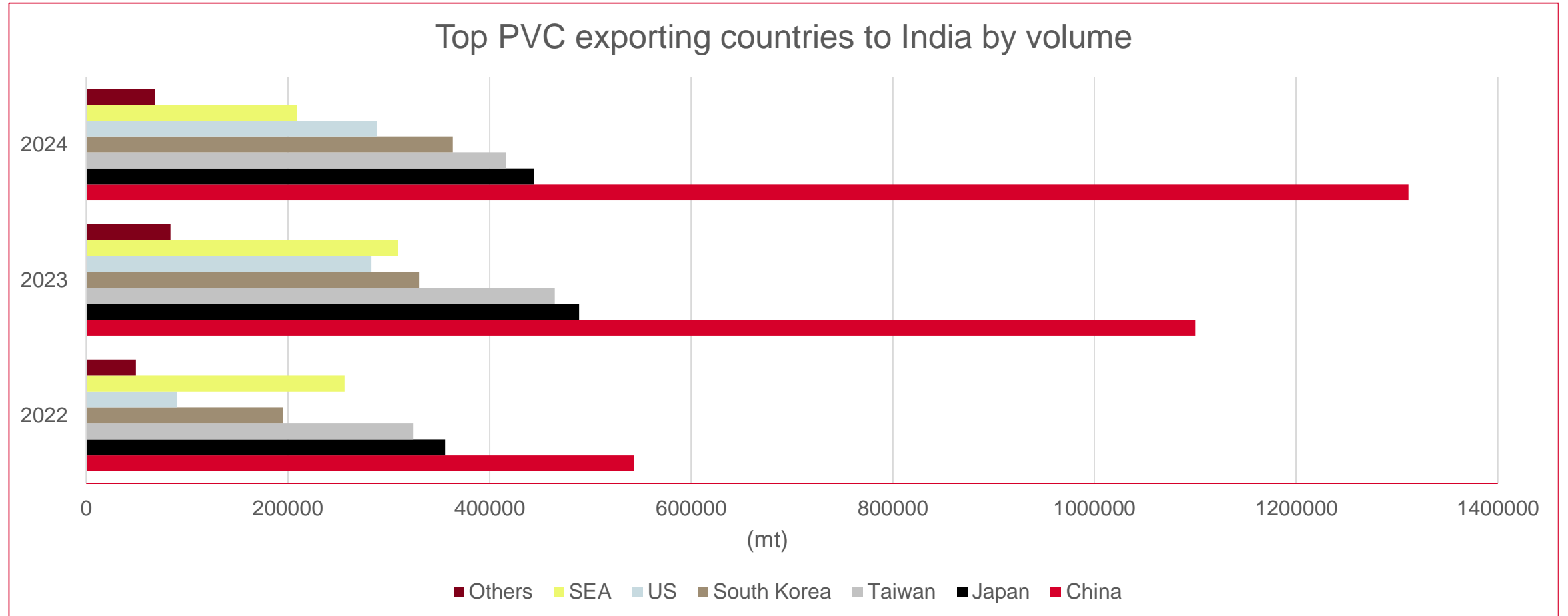
May 16, 2025

Overview

- India's status as the world's largest importer of PVC
- China, as the biggest exporter to India
- New requirements/regulations introduced by the Indian government
- The effect of the above on trade flows in the region



China dominates nearly half of India's PVC imports



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

India's new regulations could shift trade flows

- **Mandatory BIS certification**
 - Original date: Aug 26, 2024
 - First extension: Dec 24, 2024
 - Second extension: Jun 24, 2025
- **Anti-dumping duties:**
 - Preliminary decision on Oct 30, 2024 to impose ADD on PVC imports from China, Indonesia, Japan, South Korea, Taiwan, Thailand, US
 - For Chinese PVC set at \$82-\$167/mt, others at \$51-\$339/mt depending on origin
 - Final decision still pending



Source: S&P Global Commodity Insights, BIS website

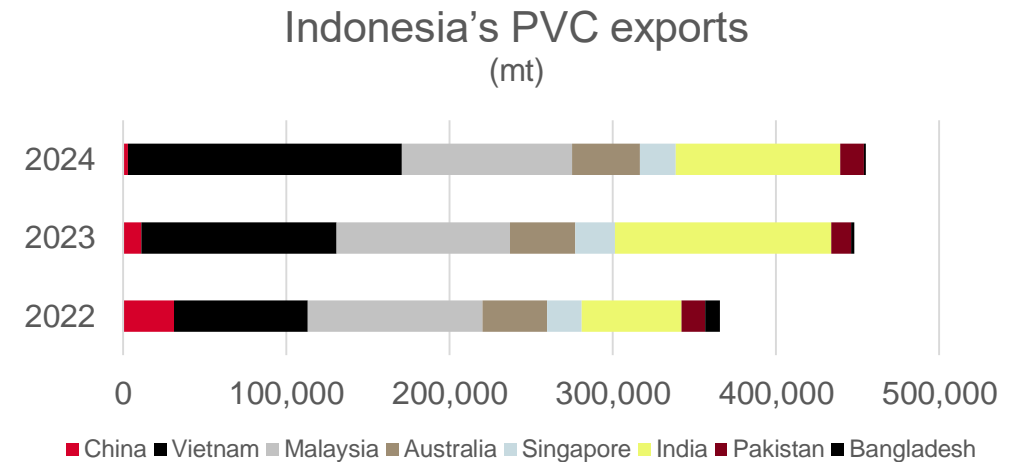
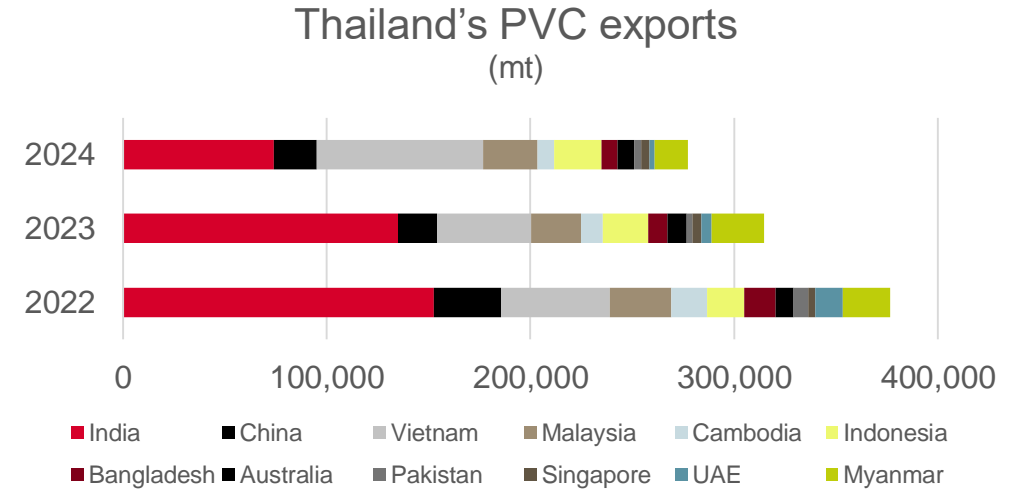
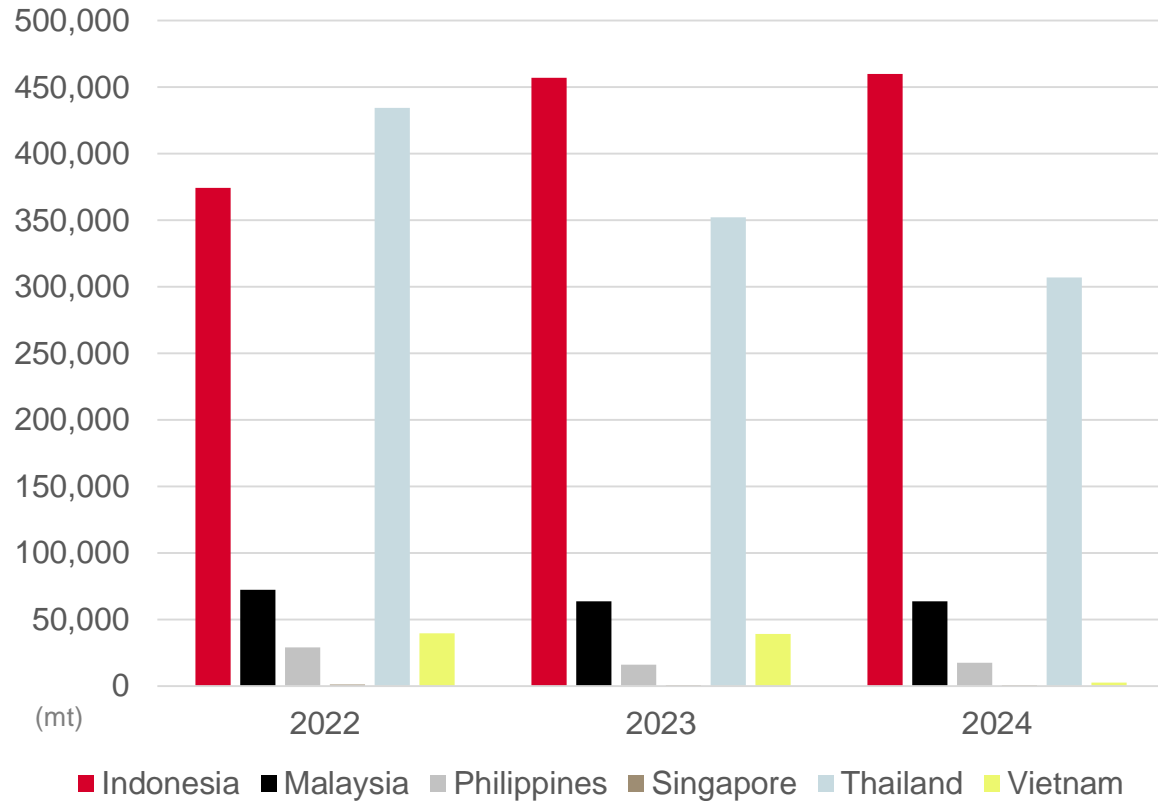
BIS certification: The status thus far

- **25 plants from 17 companies certified to date***
 - From Japan, South Korea, Taiwan, Thailand, Indonesia, Malaysia, US, Mexico, Germany
 - Mainland China producers have yet to obtain certification

Source: BIS website *As at May 9, 2025



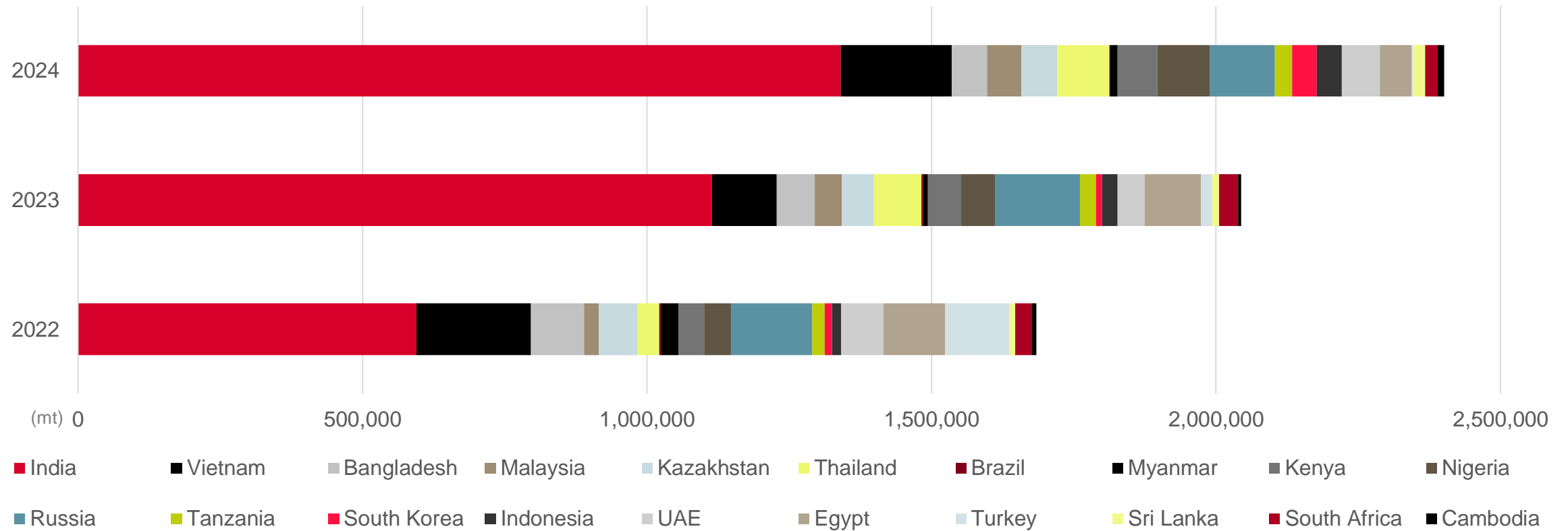
Thailand, Indonesia lead Southeast Asia's PVC exports



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

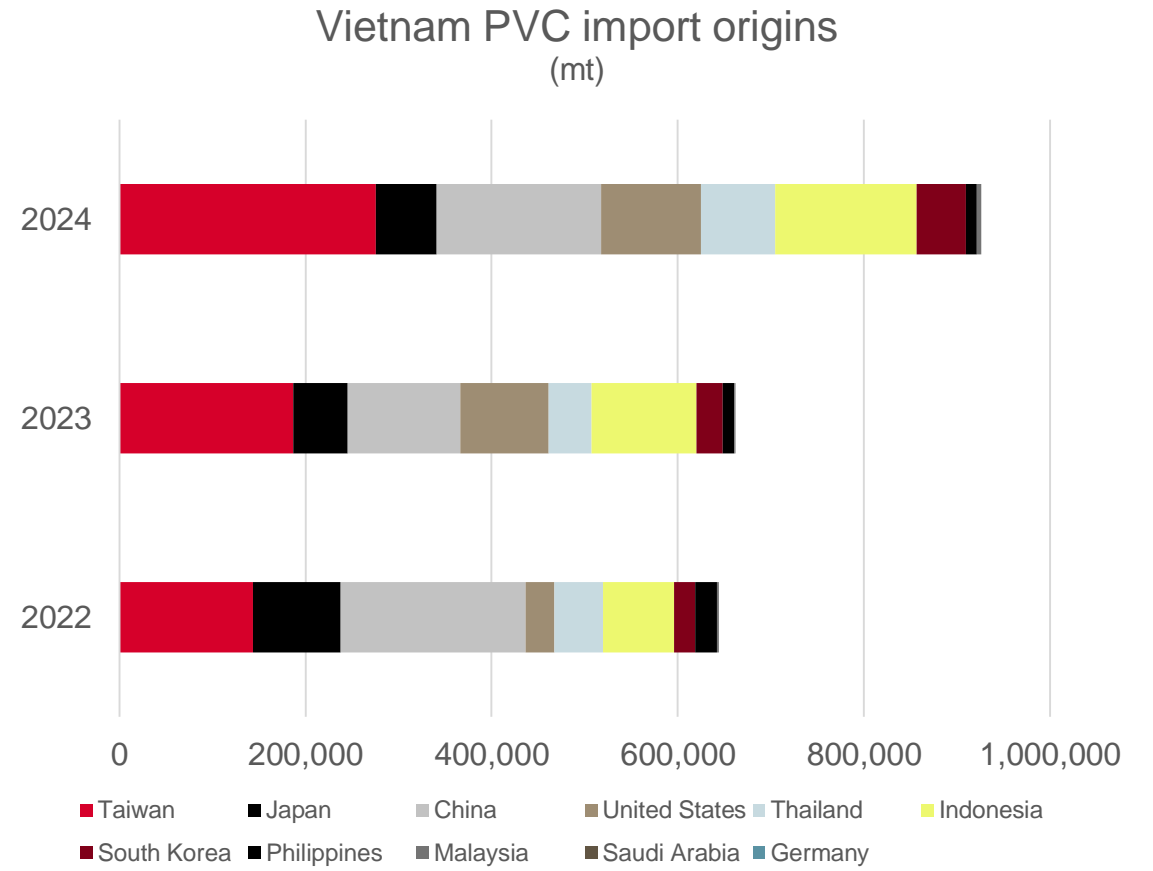
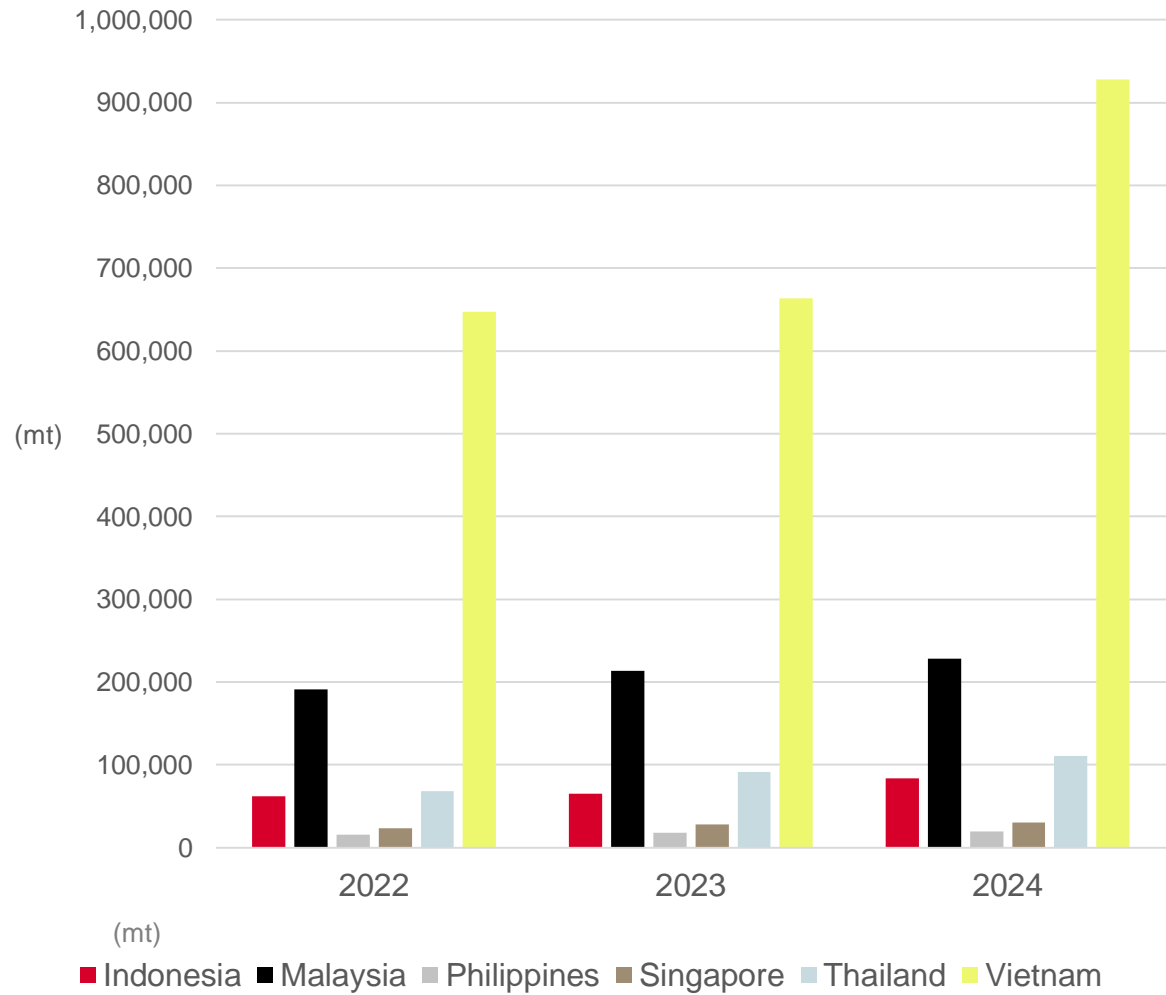
India tops list of Chinese PVC buyers

Top destinations for Chinese exports



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

Vietnam, the biggest Southeast Asian PVC importer



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

Capacity expansion plans face challenges ahead

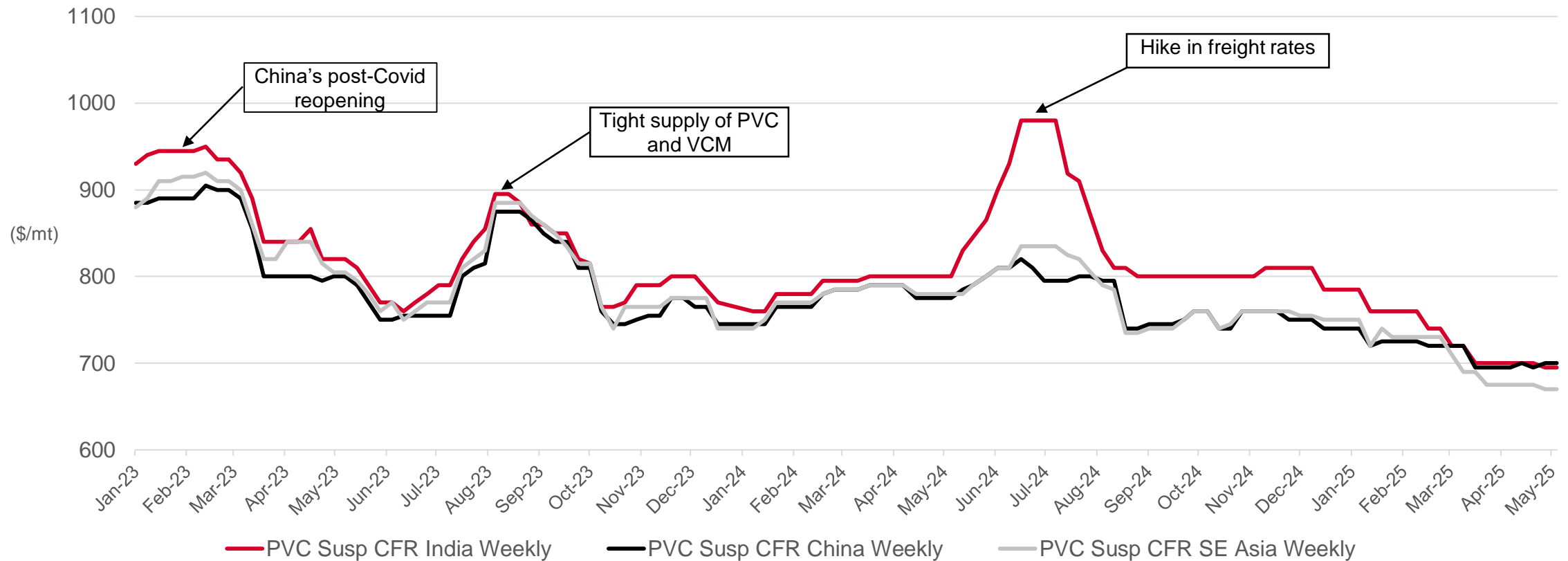
Company	Expected Capacity (mt/yr)	Expected Year	Total (mil mt)
Wanhua Chemical	400,000	2025	
SP Chemical	500,000	2025	
Qingdao Haiwan Chemical	200,000	2025	
Jiahua Chemical	300,000	2025	
Tianjin Bohua Chemical	400,000	2025	
Shaanxi Jintai Chlor-Alkali	300,000	2025	2.10 (2025)
Xinjiang Jinhui Zhaofeng Energy	500,000	2026	
Gansu Yaowang Chemical	300,000	2026	
Qinghai Salt Lake Haina Chemical	120,000	2026	0.92 (2026)
Reliance Industries	750,000	2027	0.75 (2027)
Reliance Industries	750,000	2028	
Inner Mongolia Zhonggu Mining Industry	300,000	2028	1.05 (2028)
Indian Oil Corporation	800,000	2029	
Tianjin Bohua Chemical	400,000	2029	1.20 (2029)
Adani Group	350,000	2030	
Shandong Hengtong Chemical	300,000	2030	0.65 (2030)

Source: S&P Global Commodity Insights

The impact of trade flow on prices

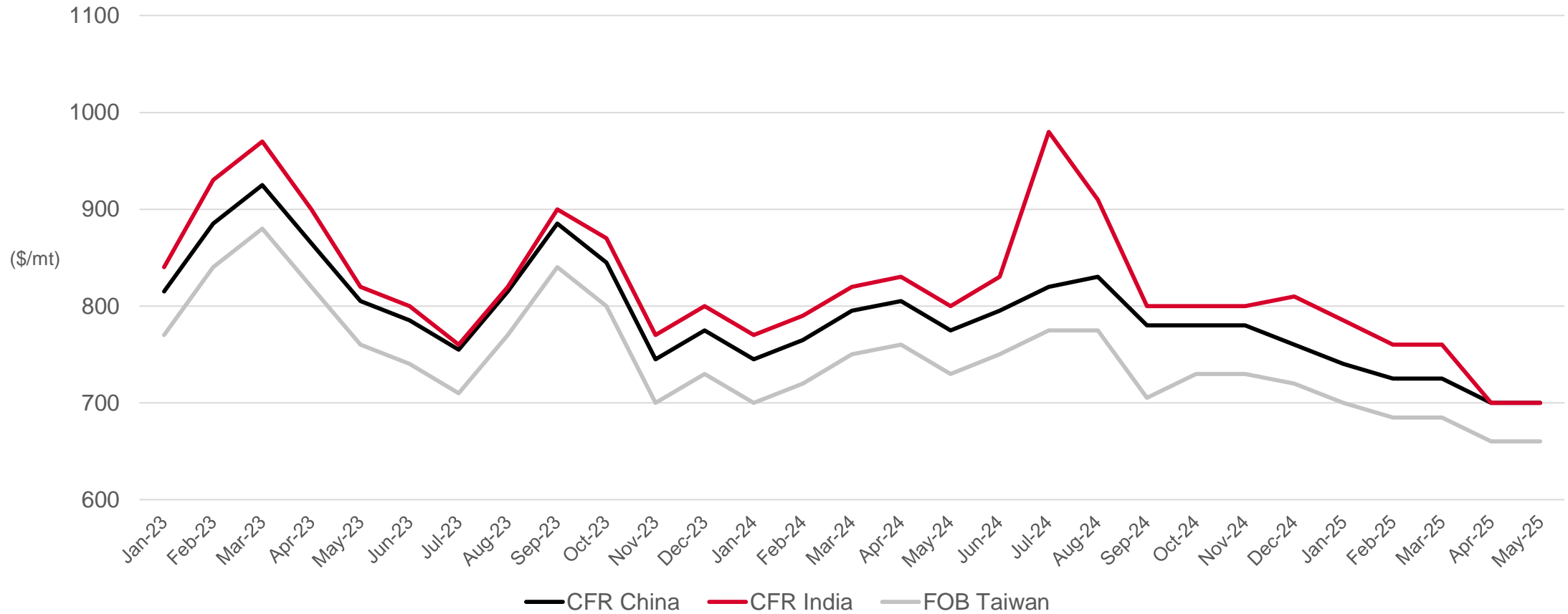
Prices rangebound with sporadic support from key events

CFR China vs CFR India vs CFR SEA



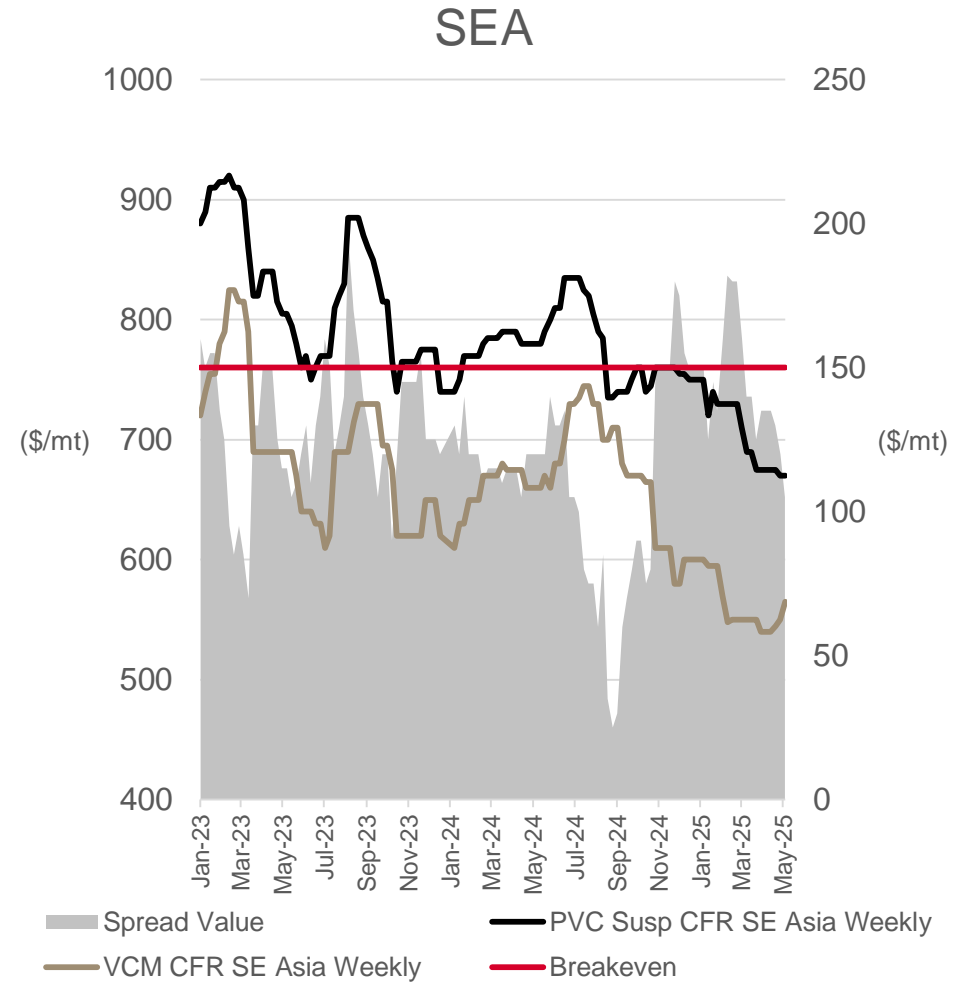
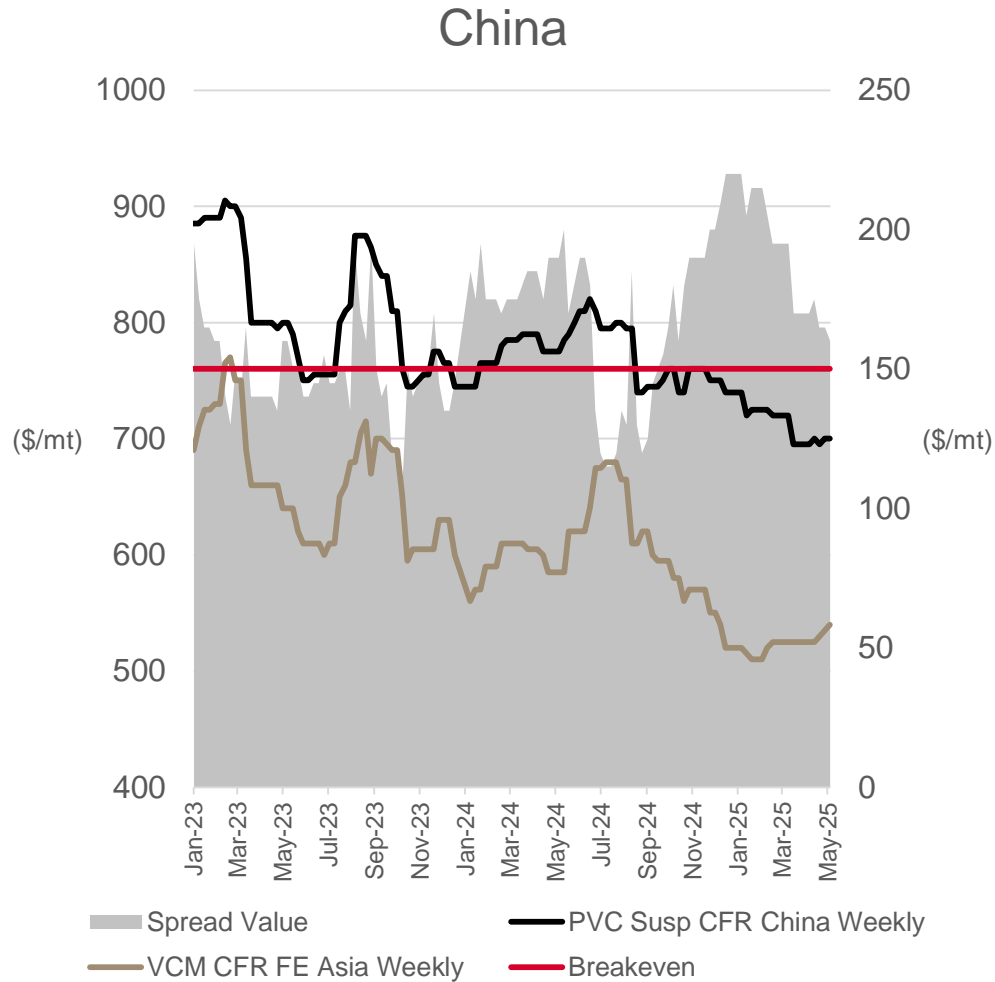
Source: S&P Global Commodity Insights

Formosa's PVC monthly offers display same trend



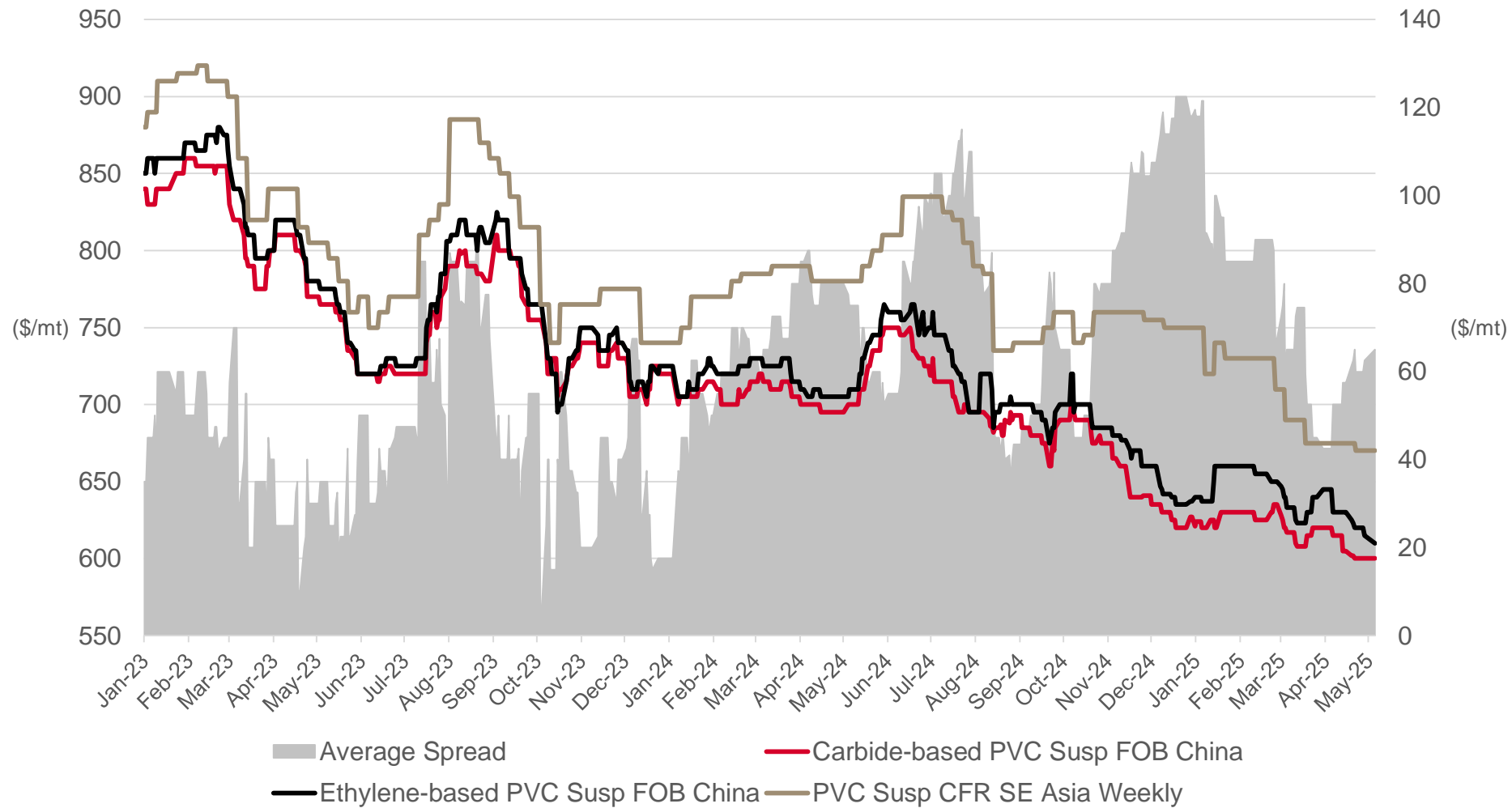
Source: Company and market survey

Profitability affected by spread between PVC and feedstock VCM



Source: S&P Global Commodity Insights and market survey

FOB China and CFR SEA price spread still feasible



Source: S&P Global Commodity Insights

Ocean freight remains a crucial factor in PVC price competitiveness



Route	China-India	China-SEA
Dec-Jan	\$90-100/mt	\$50-60/mt
Mar-Apr	\$50-60/mt	\$20-30/mt

*Rates are based on market survey

Source: Market survey

Recap of key points

- India to impose BIS certification requirements for PVC imports (wef 24 June 2025)
- Only 25 plants certified to date, none from mainland China
- Would they be able to meet India's requirements?
- Price direction post-implementation of BIS certification
- If China is unable to export to India, what are the likely scenarios - exploring new markets, reducing operating rates, scaling down capacity expansion?



Thank you for your time!

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