

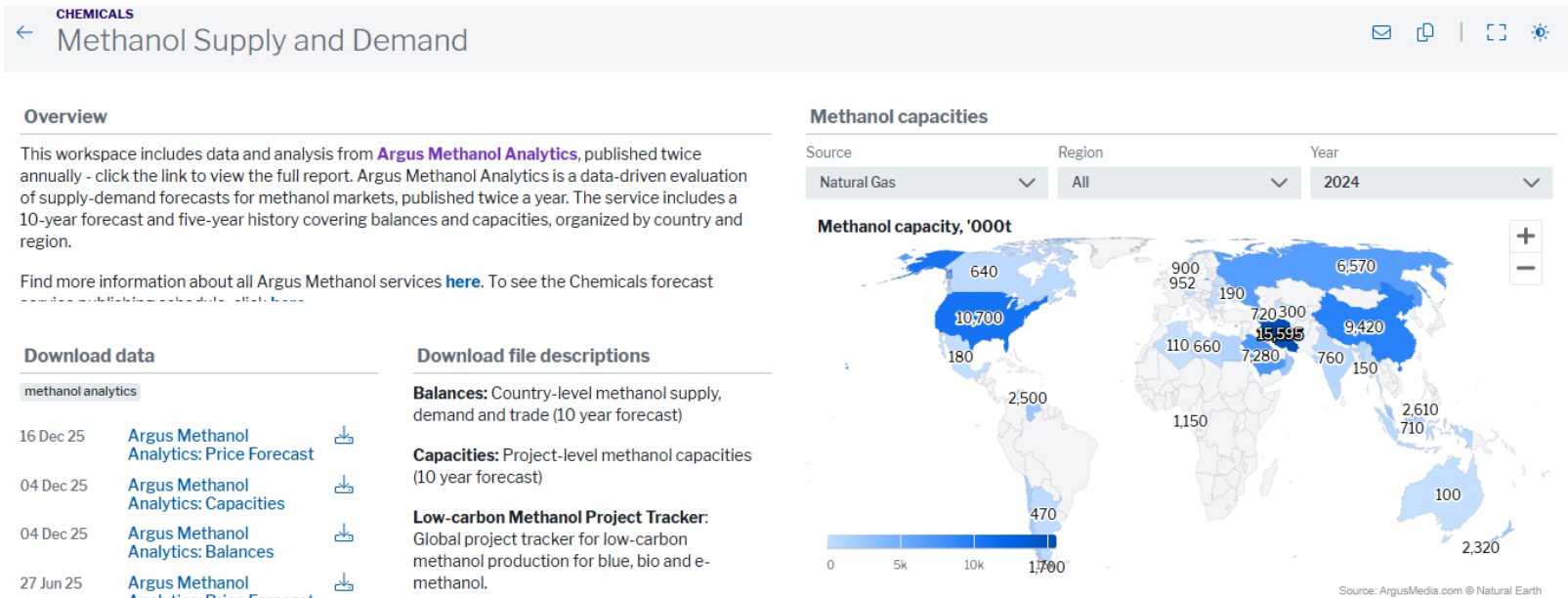
Argus *Methanol* *Analytics*

Methanol analytics service

Access Excel data and more content on *Argus Direct*.

This presentation package is based on an update of the *Argus Methanol Analytics* 10-year supply/demand forecast, which was first published in June 2025. Fall changes are directionally limited, with (ideally) small changes in methanol demand and the delay of a few methanol projects. This package highlights (at a global level), the differences between this version and the previous June 2025 base analysis.

Note: The analytics and discussions presented excludes China's captive CTO/CTP (coal-to-olefin/coal-to-propylene) sector. This sector has its own captive methanol exclusively for the production of olefins and is thus not considered merchant methanol. For reference, the first graphic (to the right) shows the contribution of the CTO/CTP sector to total methanol demand. The remainder of this presentation package excludes the CTO/CTP sector and volumes from analysis and/or discussion. Further, while this study acknowledges a potentially large market for low carbon methanol as a bunker replacement, Argus believes the bulk of this new demand will be based on "green" methanol, and not existing "fossil" methanol. There is a small amount of methanol to bunkers demand included in this study, but this is more as future proof demonstration.



Methanol capacities

Source: Natural Gas

Region: All

Year: 2024

Methanol capacity, '000t

Region	Capacity ('000t)
North America	10,700
Europe	15,595
Asia	9,420
South America	2,500
Africa	1,150
Oceania	100
Other	470

0 5k 10k 17,000

Source: ArgusMedia.com © Natural Earth



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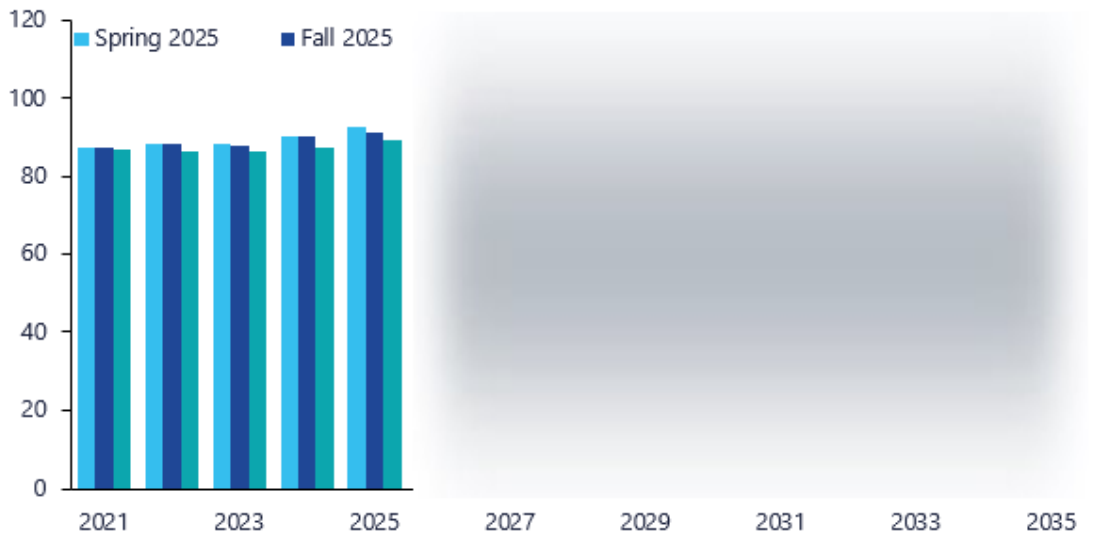
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Executive Summary - Methanol Analytics, 2021-2035

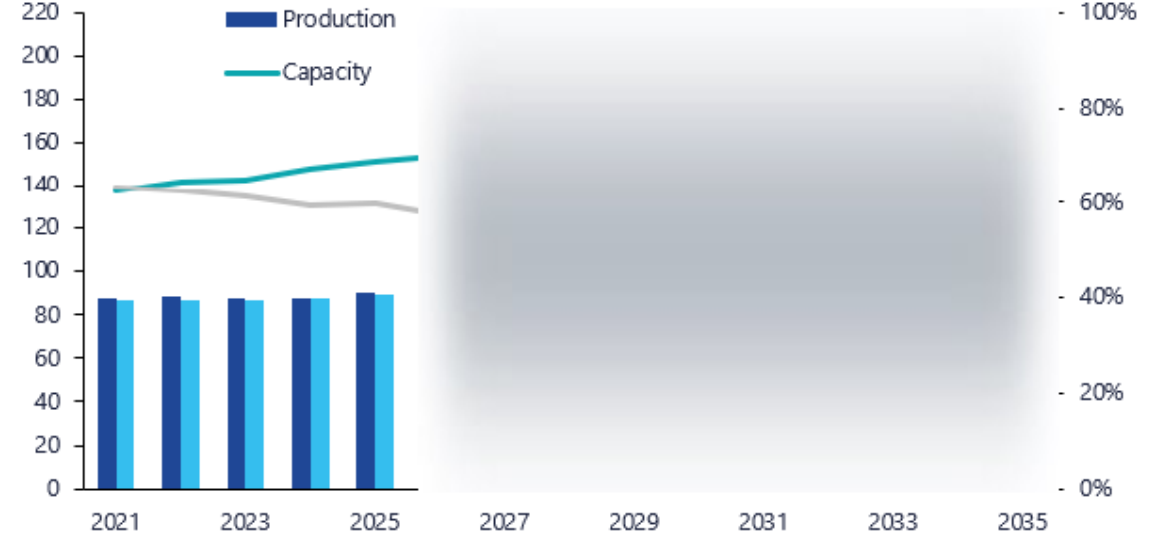
Methanol demand growth ██████ as Covid-19 and the Russia-Ukraine conflict underpinned inflation/recession fears. Now the Iran war drives demand ██████ once again. Industry transitioning to “only” GDP-type growth.

- The 2026-based forecast again is more ██████ as a result of the Iran war. Spiking market prices and supply losses have driven demand ██████ Again, poorer GDP forecasts hurt demand forecasts from an expected lower 2026 base. Two new (China) MTO units will help boost demand post 2026, but clearly overall growth productions have again stalled.
- Industry operating rates have ██████ in recent years as new capacity has ██████ stalled demand. While new capacity additions have clearly slowed, they still (cumulatively ██████ demand growth.
- Much of the new methanol capacity will be low-carbon based, targeting both low-carbon and traditional “grey methanol” markets.
- China still dominates industry supply and demand, but moving forward, industry growth has to look more to global GDP improvement and non-bunker fuels demand growth.

Methanol industry demand/forecast, 2026 vs. Spring/Fall 2025 mn t



Methanol industry supply/demand mn t / %



Executive Summary – Methanol Analytics, 2021-2035

Historic industry oversupply is shrinking, becoming less of a limit to higher pricing. Some rationalization of “higher-cost” production is expected, along with a notable slowdown in new capacity build timing.

- Past strong growth in China methanol-based olefins production (naphtha cracking alternative), plus steady penetration into a number of energy substitution applications underpinned strong methanol industry average annual growth up to this decade. In the run up to 2020, industry annual growth rates averaged 6pc (2014-2019). Methanol industry average demand—2020-2026 forecast—is on “at par” with 2019 demand levels. The industry may struggle to achieve annual growth rate looking ahead.
- New capacity additions have been delayed, namely in Iran and Russia and to a lesser extent in North America—with all remaining industry wildcards. China’s rampant historic capacity expansions have slowed, all combining to help bring the industry into better balance.
- However, there is a list of potential new facilities growing, albeit targeting low-carbon markets.

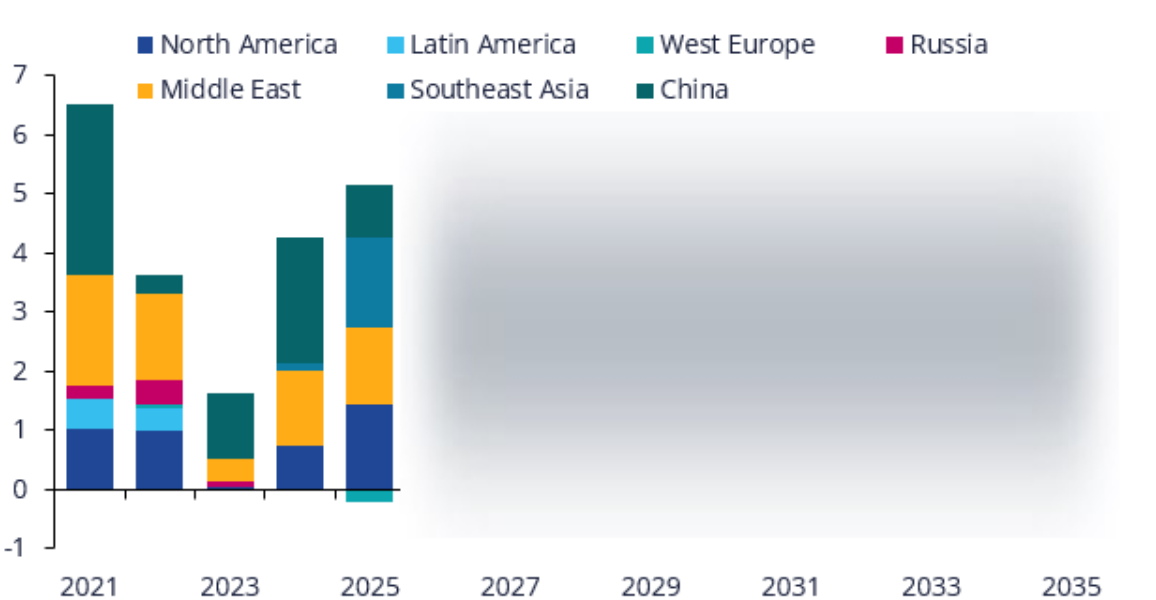
Major global capacity additions/losses

’000t

Region/Country	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
North America															
Latin America															
West Europe															
Russia and C Asia															
Middle East															
Southeast Asia															
China															
Total															

Global capacity additions/deletions by major region

mn t

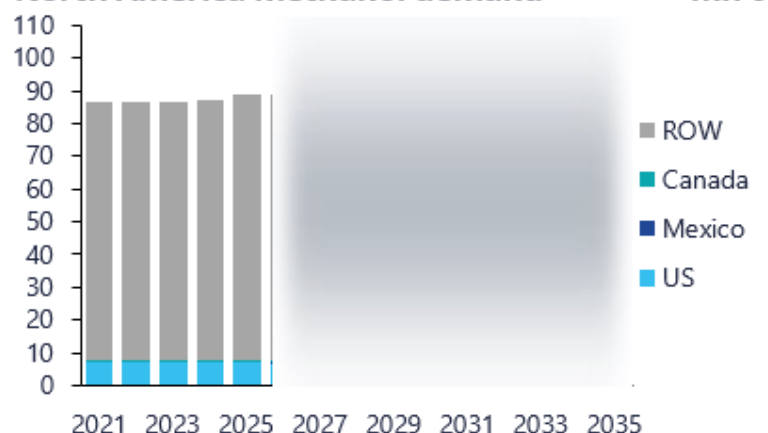


Executive Summary: North America

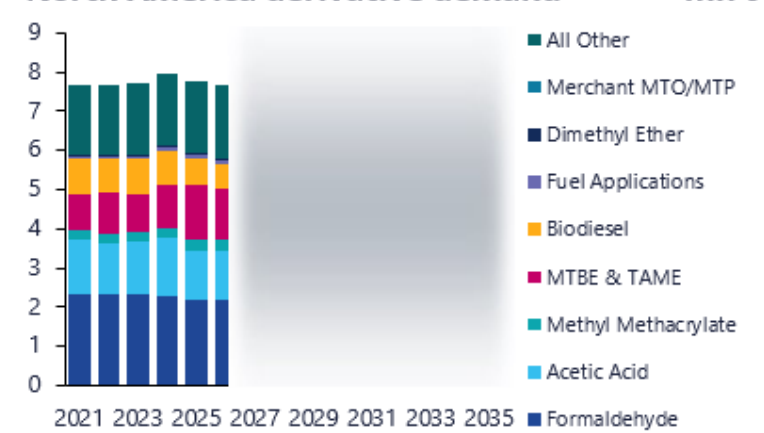
The region represents about █ of world demand with little change expected. Derivative demand revolves around GDP-drivers and fuel production. With excess production the region is a net exporter.

- With a very mature market, methanol demand will see minor █ looking forward, with █ change in industry ranking, driven by conservative GDP growth outlooks.
- The US dominates region demand, supply and exports. The region has moved from a net importer to a large net exporter with the return of significant capacity in the US and to a lesser degree returning production in Canada. New capacity is expected to continue in the US, with Mexico adding new capacity this decade as well—although for both, some will be low-carbon targeting the bunkers sector.
- North America has traditionally been a price taker, with well lower production costs compared to other regions. However, in recent years North American marketers have become more aggressive in pricing ideas in the Atlantic basin, relying on supply/demand fundamentals and/or region arbitrage to more influence price level and direction.
- The rest of the world (non-China) is “sold out” be design, exporting excess methanol to China, keeping the rest of the world in balance.

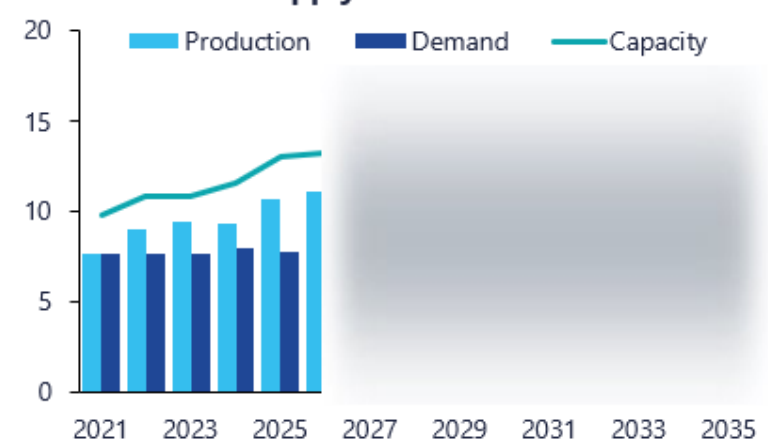
North America methanol demand



North America derivative demand



North America supply/demand



North America methanol prices

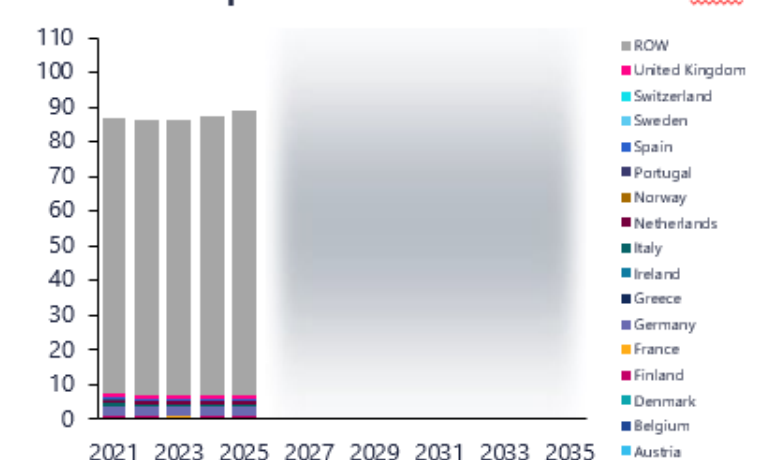


Executive Summary: Western Europe

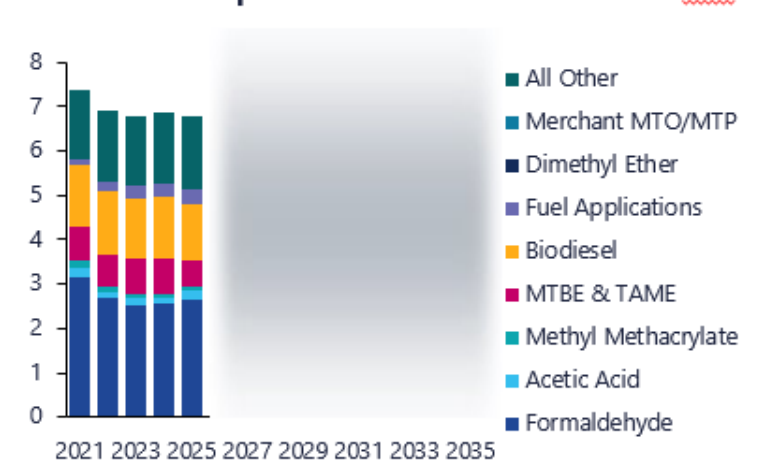
The region represents about █ of world demand with no change expected. Derivative demand revolves around GDP-drivers and fuel applications. With declining production, the region is a net importer.

- Methanol demand in this region is mature and often under pressure from high manufacturing costs. Like North America, derivative demand growth will be driven by conservative GDP forecasts, with █ expected over the forecast period.
- With the methanol industry in many of the European countries driven by formaldehyde demand and/or other construction or auto related methanol derivatives, the ongoing Russia-Ukraine conflict, stalled economies and financial crises negatively impacting consumer spending have limited demand growth for methanol.
- Methanol production capacity is declining as many of the German refinery-based methanol units are shutting down as refiners move towards more environmentally friendly operations to reduce green house gas emissions. Traditional methanol feedstocks are being eliminated as a result
- As the region has become more dependent on imports to satisfy methanol demand, the region is forced to compete with global prices, essentially "buying-away" product from other markets. As a █

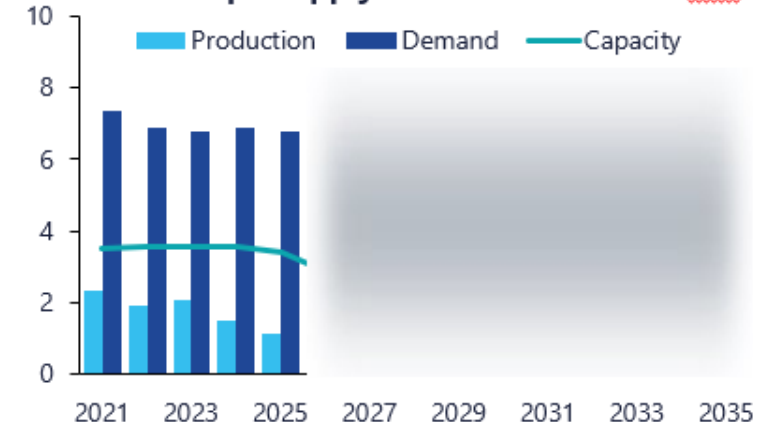
Western Europe methanol demand



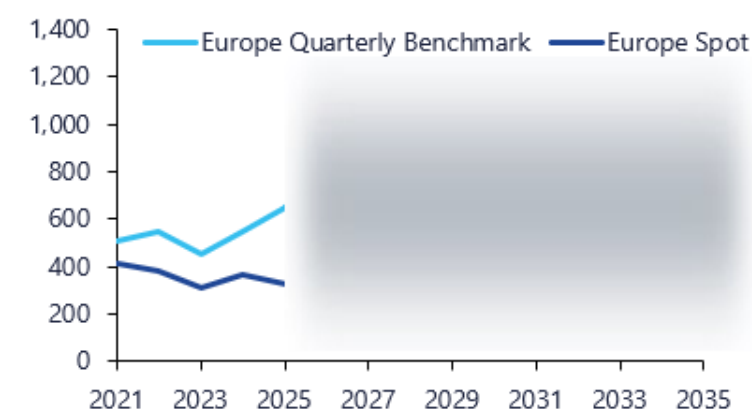
Western Europe derivative demand



Western Europe supply/demand



Western Europe methanol prices

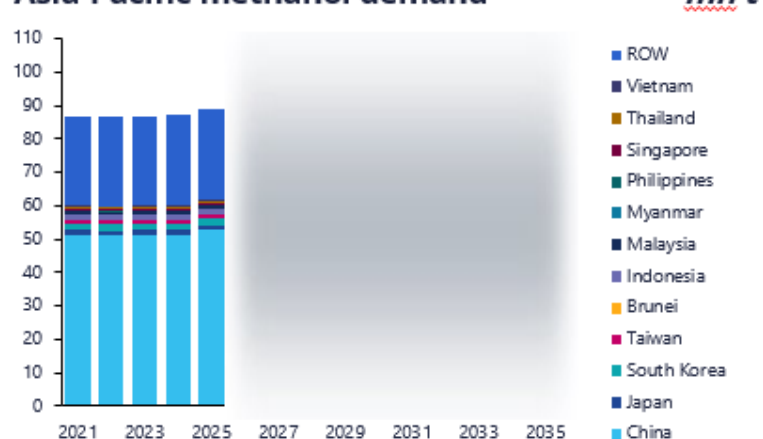


Executive Summary: Asia-Pacific

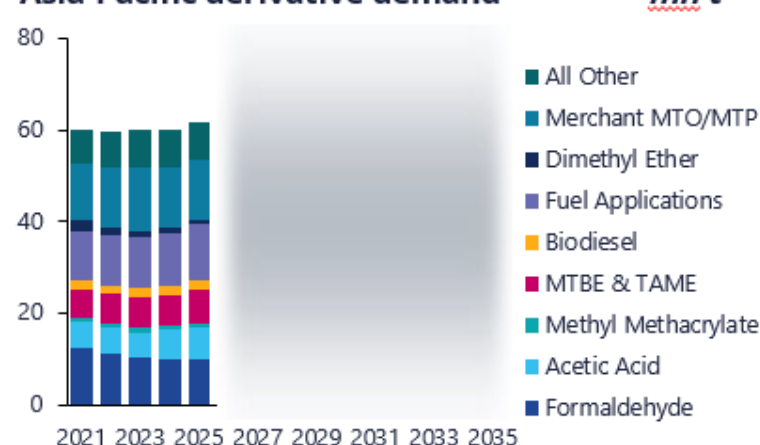
Asia-Pacific dominates world supply and demand (China leading both categories). Demand is diverse, with China home to MTO, the sectors incremental appetite. China is often the lowest priced market in the world.

- Methanol demand in this super-region accounts for nearly 60% of the world's appetite for methanol, with China alone representing about 35%.
- The dominance of region methanol production resides in China, serving to "balance" the industry.
- Historically, the region has witnessed the highest year-to-year growth rates as China has pioneered methanol-gasoline blending, DME for LPG substitution and more recently methanol-to-olefins (MTO). Looking ahead, demand growth is expected to remain robust.
- With the large MTO sector reaching maturity, China (and region) growth slows, with forward growth more underpinned by biodiesel growth, which is expected to drive demand in the long term.
- China's incremental methanol affordability into MTO production typically sets the methanol floor price for China and the industry in total.

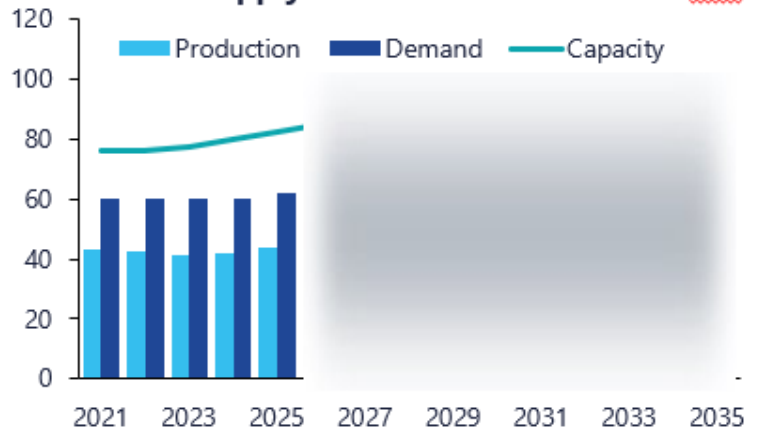
Asia-Pacific methanol demand



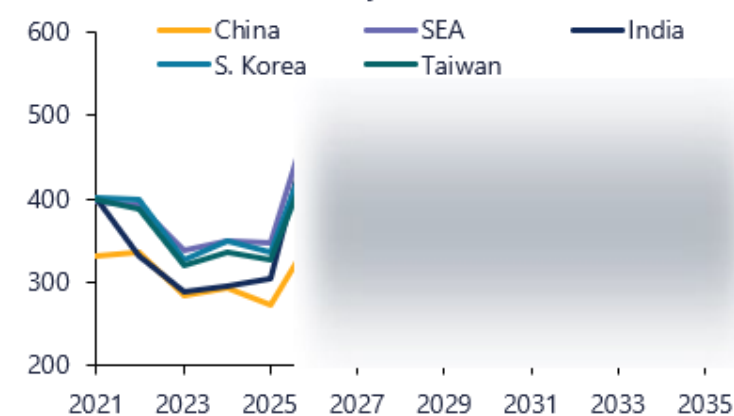
Asia-Pacific derivative demand

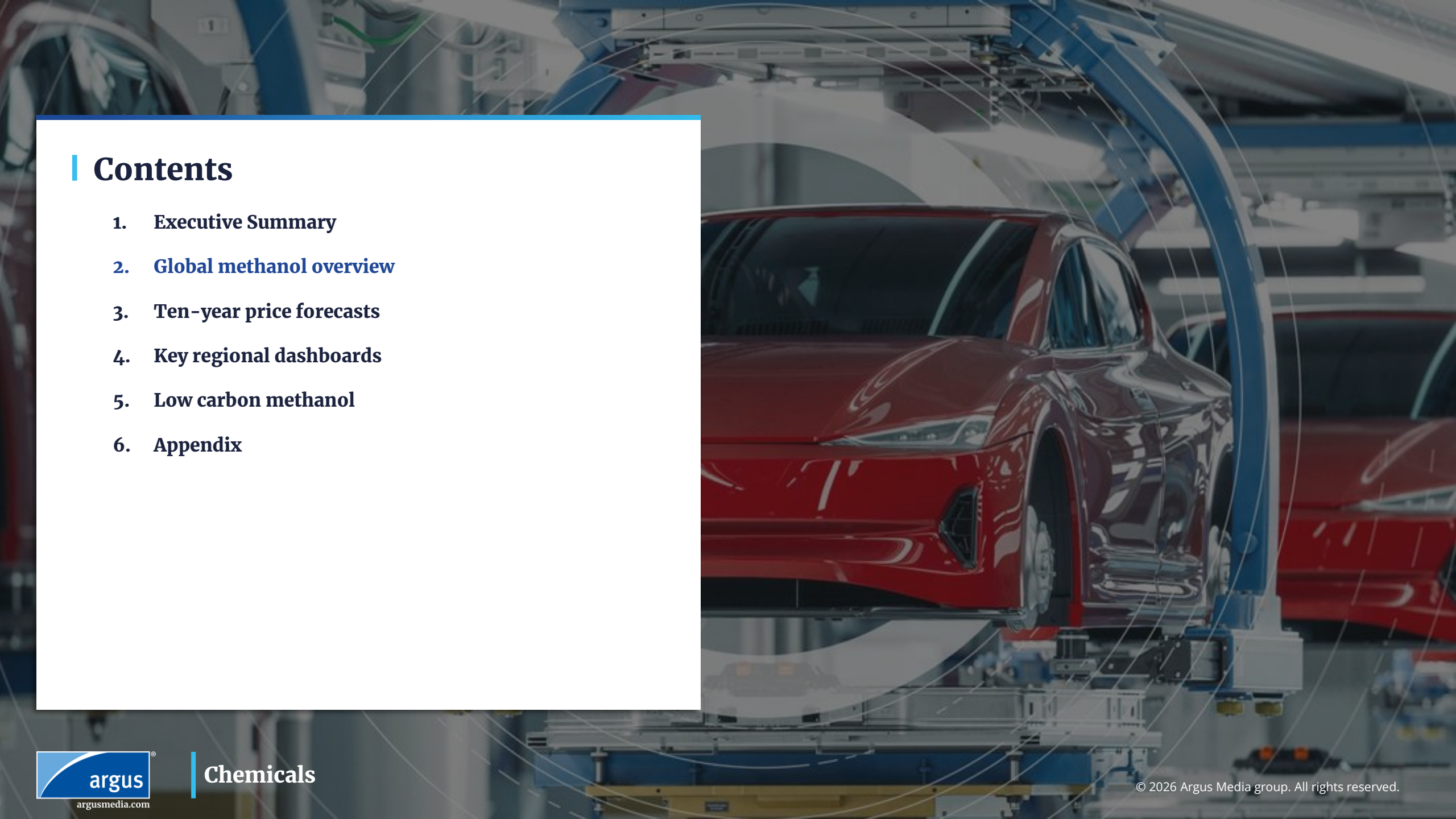


Asia-Pacific supply/demand



Asia-Pacific methanol prices





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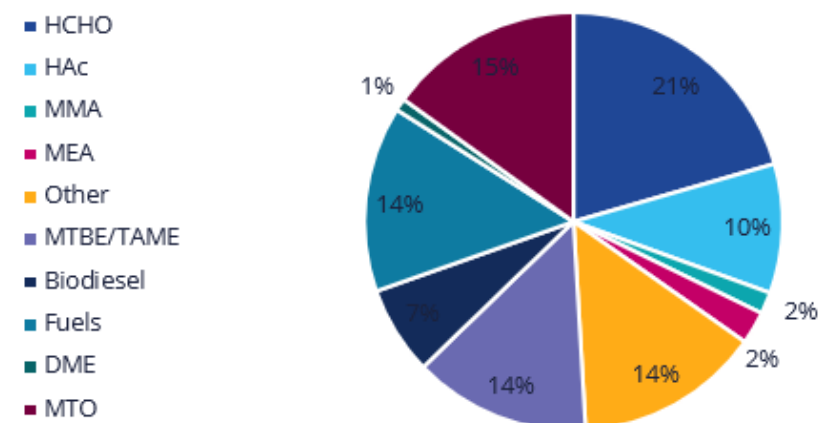
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Methanol Global Review, 2025

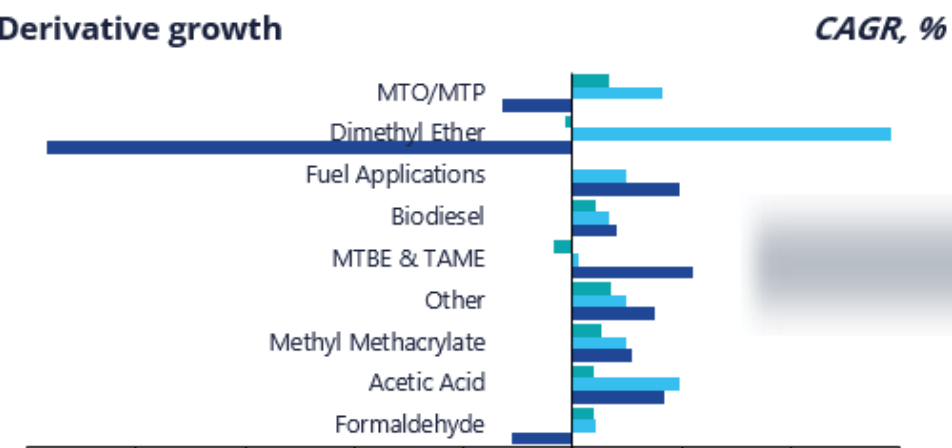
Including the MTO as an oil-derivative (naphtha), fuel related products still account for █ of total industry demand, “linking” methanol prices to the price of crude oil and/or olefin prices and underpinning demand.

- Traditional GDP-driven products (formaldehyde, acetic acid, methyl methacrylate, solvents, etc.) now represent █ of methanol industry demand and have been the core of industry demand for decades. However, these products are very much connected with the housing, automotive, paints/coatings and appliance industries and thus are driven by GDP and seeing demand move sideways, or in some cases weaken) since 2021. The forward outlook █
- Methanol fuel related applications or fuel enhancers (octane improvers) continue to grow, representing about █ industry demand in 2025. This composite sector includes MTBE (methyl tertiary butyl ether), biodiesel as a blend component into diesel fuels, DME (dimethyl ether) as an LPG blendstock, as well as methanol blended directly into gasoline or even as a █ fuel substitute for gasoline in China. Methanol is also growing in industrial cooking stove applications as well as boiler fuel (versus more expensive coal, fuel oil and/or natural gas). Methanol is becoming one of (many) fuels of choice as bunker fuel substitution, but as we’ve said before, long term low-carbon methanol, and not “fossil” methanol, will have greater success.
- China’s merchant MTO industry was non-existent just a decade ago, growing to █ of total methanol consumption in 2020, but falling to █ in 2025 █. Further growth is expected as two new units have recently commissioned (█) but is currently stalling in 2026.
- Methanol industry growth over the last decade has been fueled by gasoline blending demand, then DME into LPG demand and in the last decade MTO. The industry is currently without the “next big thing” and is transitioning to GDP-driven increases.

Industry derivative demand, 2025 = █



Derivative growth

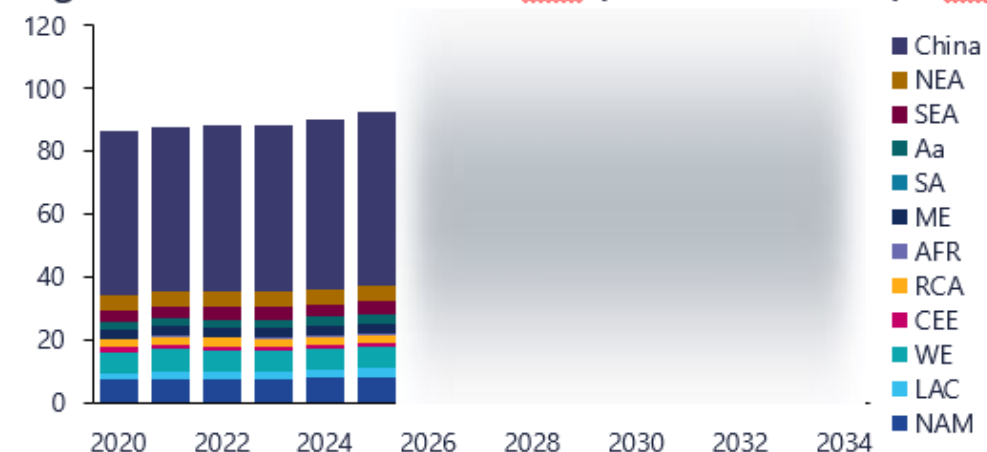


World Methanol Demand Metrics, 2021-2035

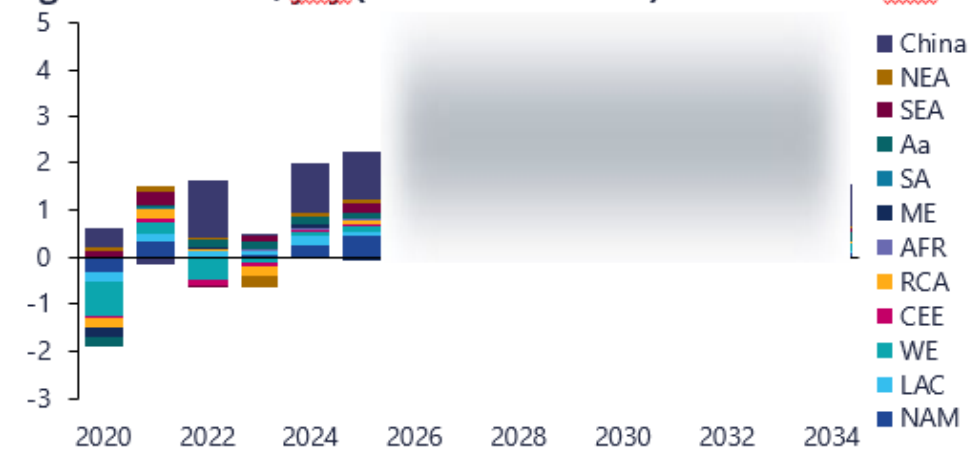
China continues to dominate methanol industry demand, underpinning significant growth through the past decade. Since 2021, however, the industry has struggled to grow. The forward outlook sees

- Through the 2021-2025 period, global methanol demand witnessed a cumulative annual growth rate (CAGR) of under ongoing Russia-Ukraine conflict, as well as general economic stagnation. Losses could have been worse had China's MTO sector not performed unexpectedly well.
- 2024 and 2025 did see improvement, but less than originally forecast. As the lingering impact of issues noted above, plus ongoing fears of recession, stagnation and the reality of rising interest rates and energy prices, GDP growth rates were stymied. Now, through the forecast period, marginally better GDP projections, hopes for increasing MTO methanol demand and methanol into other fuel uses suggests but global confrontations in 2026 may drive demand decline yet again, and again hurt forward views.
- MTO demand had declined over the past several years but was expected to see recovery in 2025/2026 as two new units have commissioned. 2026 sees high
- Through the forecast period, non-China markets must contribute more to industry growth but unfortunately will rely on GDP-driven derivatives and/or fuel applications.
- Year-over-year growth averaged under 2020-2025 period, penalized by the loss of almost returning only to 2019 levels in 2022. Annual demand growth is projected to jump to over average) through the 2025-2030 period, then average through the 2030-2035 time period.

Regional methanol demand act/fcst, (excludes CTO/CTP) mn t



Regional demand, voy (excludes CTO/CTP) mn t

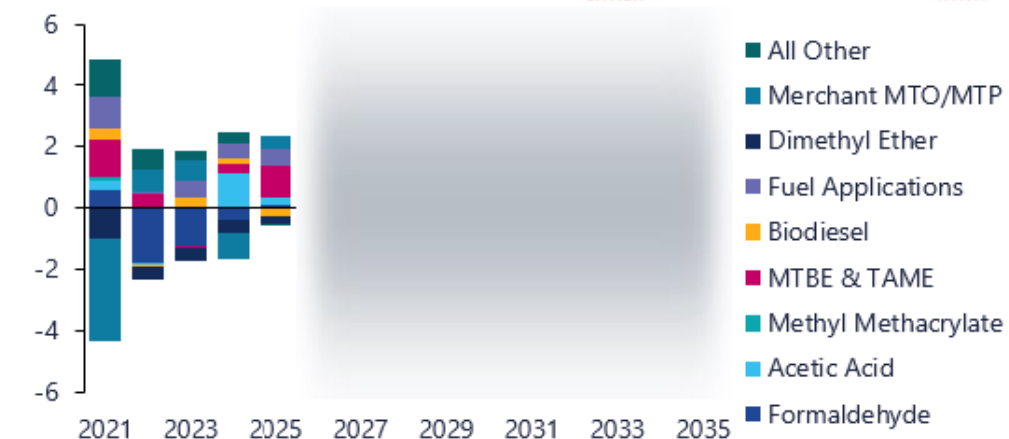


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- derivatives look poised to step-up and contribute more to industry growth looking ahead.

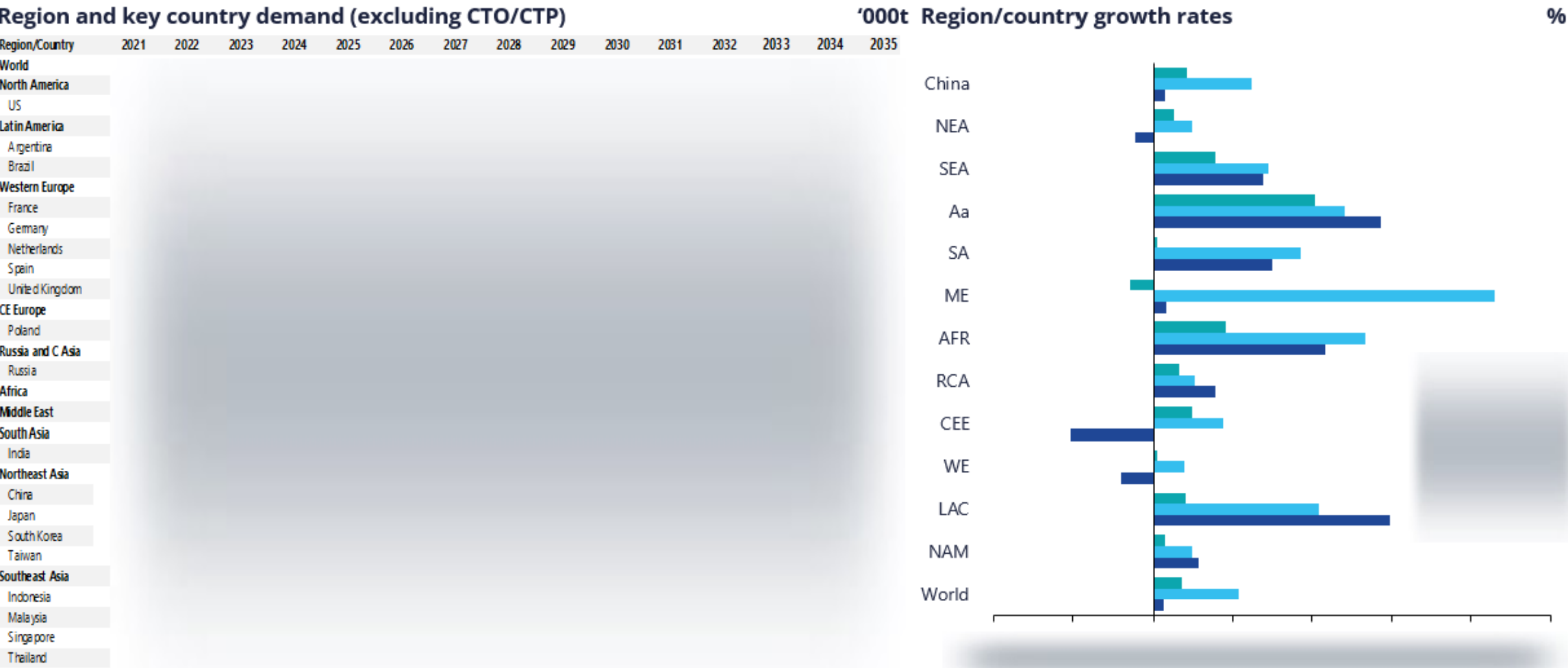
The traditional methanol derivatives (formaldehyde, acetic acid, methyl methacrylate, methylamines, etc.), still represent solid core demand, but are driven by GDP-type growth. As such, these products will deal with more conservative GDP forecasts than pre-2020 views, forecast to grow near

- one time it appeared MFC would climb to the largest single consumer, but this no longer appears likely.



World Methanol Demand Metrics, 2021-2035

Most country growth rates slowed as a result of poorer economic conditions. China sees its dominant in the next five years, but then



World Methanol Supply Metrics, 2021-2035

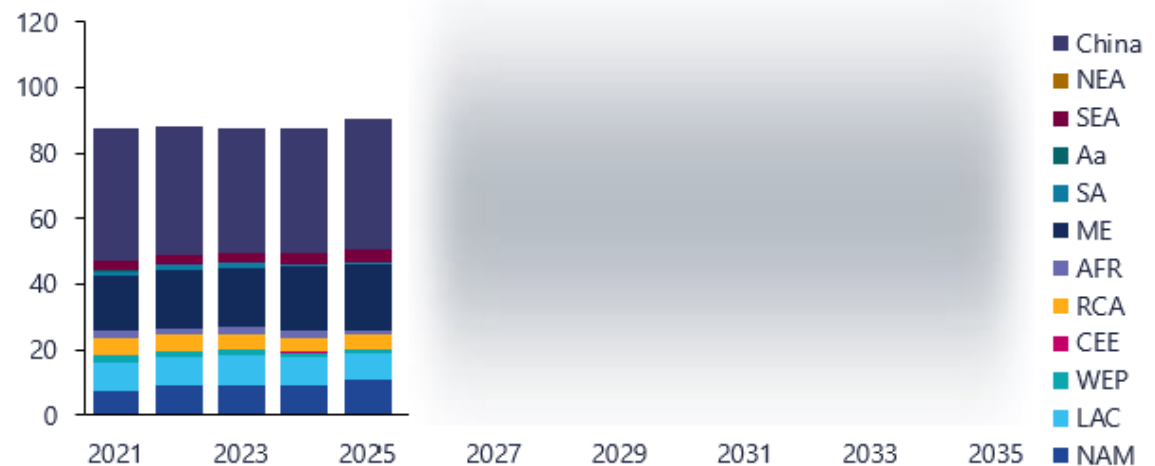
Long ago, excess industry capacity was limited, but this dramatically changed across the 2015-2023 timeframe. Looking ahead, capacity additions will ; the next 10 years.

- China and the export oriented Middle East block dominate industry production and

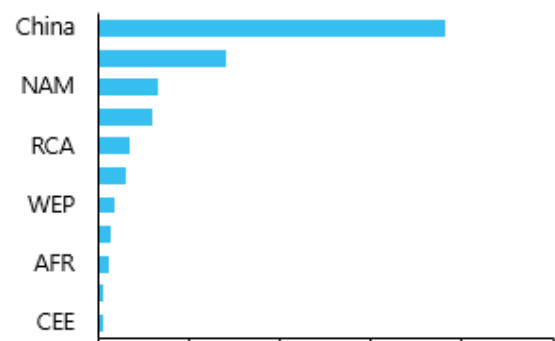
respectively. North America now has the third largest methanol capacity in the world. Actual production (operating rates) varies notably around the world, with China operating rates typically the lowest in the world as a their capacity is based on higher cost natural gas feedstock and thus mostly idled. In the Middle East block, Iranian production (operating rates) are generally lower than industry norms due to a number of ongoing technical issues and/or limited natural gas feedstocks—particularly in their winter months.

- Obviously tracking stalled methanol demand the last five years, industry production too was mostly flat. Region production has been proportionally similar since 2021, although clearly the industry saw capacity additions in the US, Iran and southeast Asia.
- Looking ahead, the industry sees a notable in planned capacity additions, eliminating some of the overhang that currently exists. Capacity additions will be led by Iran

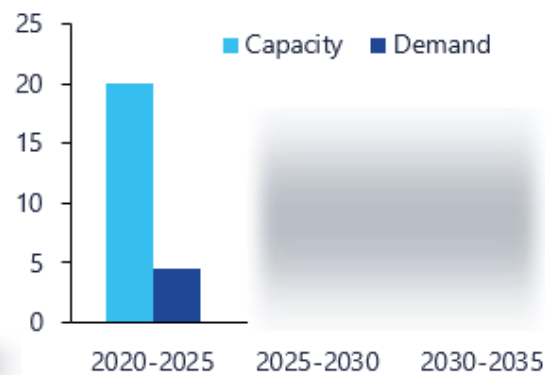
Regional methanol supply actual/forecast



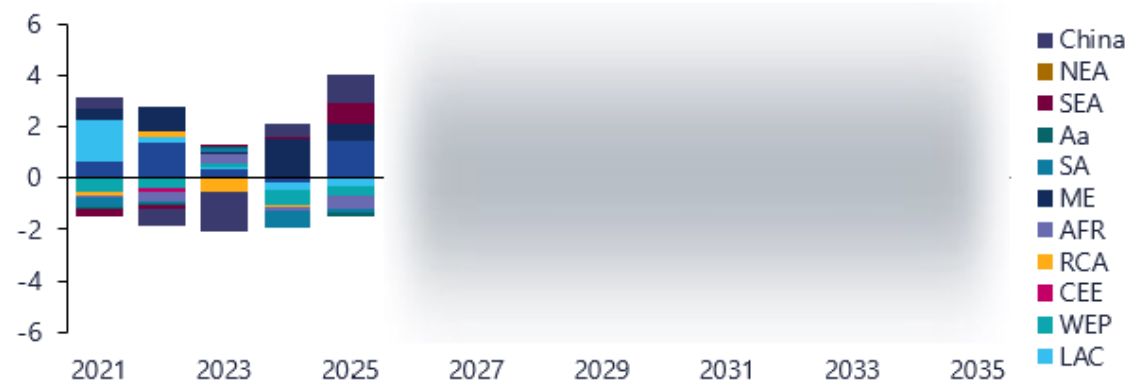
2025 Capacity to consume methanol mn t



Capacity vs demand growth mn t



Regional methanol supply yoy, actual/forecast mn t



World Methanol Supply Metrics, 2021-2035

The industry sees [redacted] across 2026-2031, dominated by the Middle East North America, with smaller additions elsewhere, but more than likely barely ahead of expected demand growth.

- During the 2021-2025 timeframe, [redacted] of new methanol capacity was commissioned, excluding China. China alone added almost [redacted] CTO/CTP). Units were commissioned in Iran (4), the US (3) and Trinidad/Southeast Asia each (1). As a note, much of the expected North America capacity will be low-carbon, targeting the bunker sector.
- Currently looking ahead, [redacted] additions are expected in China, Iran, North America and Russia, Russian capacity additions have been [redacted] for many years but now appear likely, although far fewer than once planned. Geopolitical events and poor economic outlooks have far delayed many potential projects.
- The timing of further additions through the end of the decade critical to supply/demand balance. Should Iran capacity enter the industry as planned, the industry will [redacted] supply position, in spite of an expected rebound in China's MTO sector.
- Also of note, with Iran capacity forced to target China as its major outlet, these additional large supplies place downward pressure on methanol prices in the Asia-Pacific region. Low prices hinder expansion plans in other countries—particularly the US, where financing requirements seem to be more challenging than in other locales.
- The US became "self-sufficient" as of 2020, rolling to oversupply in 2021, with oversupply growing further since. A good portion of this new capacity, and any further new capacity, targeted export markets—Europe, Latin America and Caribbean and Asia-Pacific.
- As stated previously, capacity additions are slowing. [redacted]

Major global capacity additions

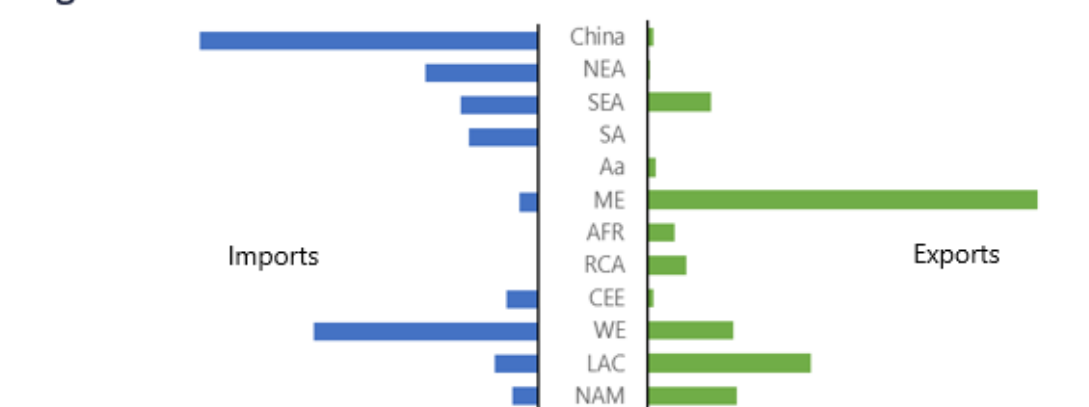
	'000t														
Region/Country	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
North America															
Latin America															
West Europe															
Russia and C Asia															
Middle East															
Southeast Asia															
China															
Total															

World Methanol Supply Metrics, 2021-2035

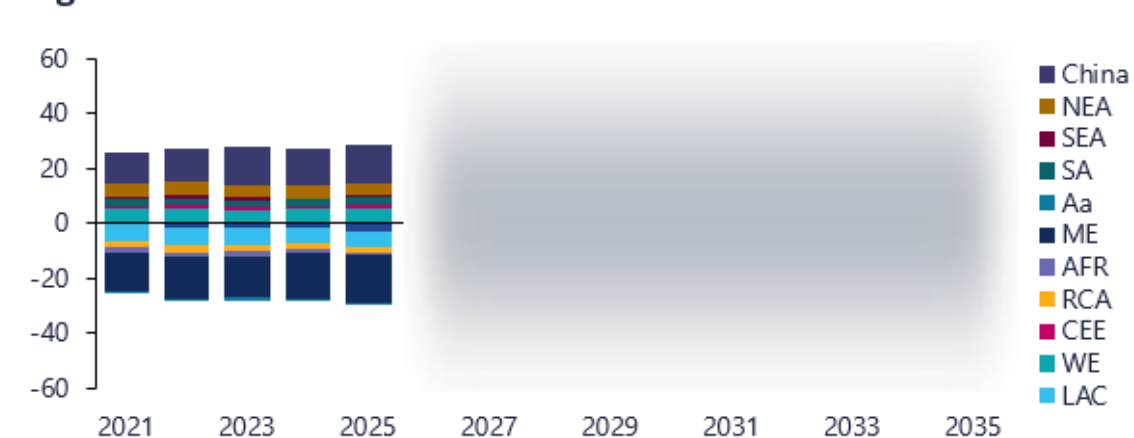
Trade comprises █ of production/demand, with China and west Europe the largest importers and the Middle East and South America the largest exporters.

- Of 2025's █ Methanol capacity/production was built over the past decades across the Middle East and South America for export to other markets around the world. At the time, cheap and abundant natural gas provided some of the lowest cost methanol production in the world and ultimately forcing rationalization of higher cost production around the world.
- The rest of the world (non-China) essentially produces all the methanol possible, far in excess of ROW demand, resulting in the ROW being well oversupplied. This excess methanol can then be viewed as shipped to China, forcing China production to cut-back to meet net demand. In this way, world methanol supply and demand is "balanced". But at the same time, the ROW can be looked at as "sold-out", by design, by shipping all excess methanol to China, which likewise balances the ROW and thus often supporting higher methanol prices.
- Although China has nearly as much methanol capacity as the ROW, much of this capacity is of very high production costs. As such, much lower cost of production from the Middle East (and other countries) can deliver methanol to China as a lower cost that China can make itself.
- As new capacity is built outside of China, after the small growth in ROW demand is satisfied, incremental production will continue to target the large China market as well. Under most circumstances, this underpins "lower" methanol prices in China, which then often have trickle-down effect on prices around the world.

Regional trade 2025



Regional trade flows actual/forecast

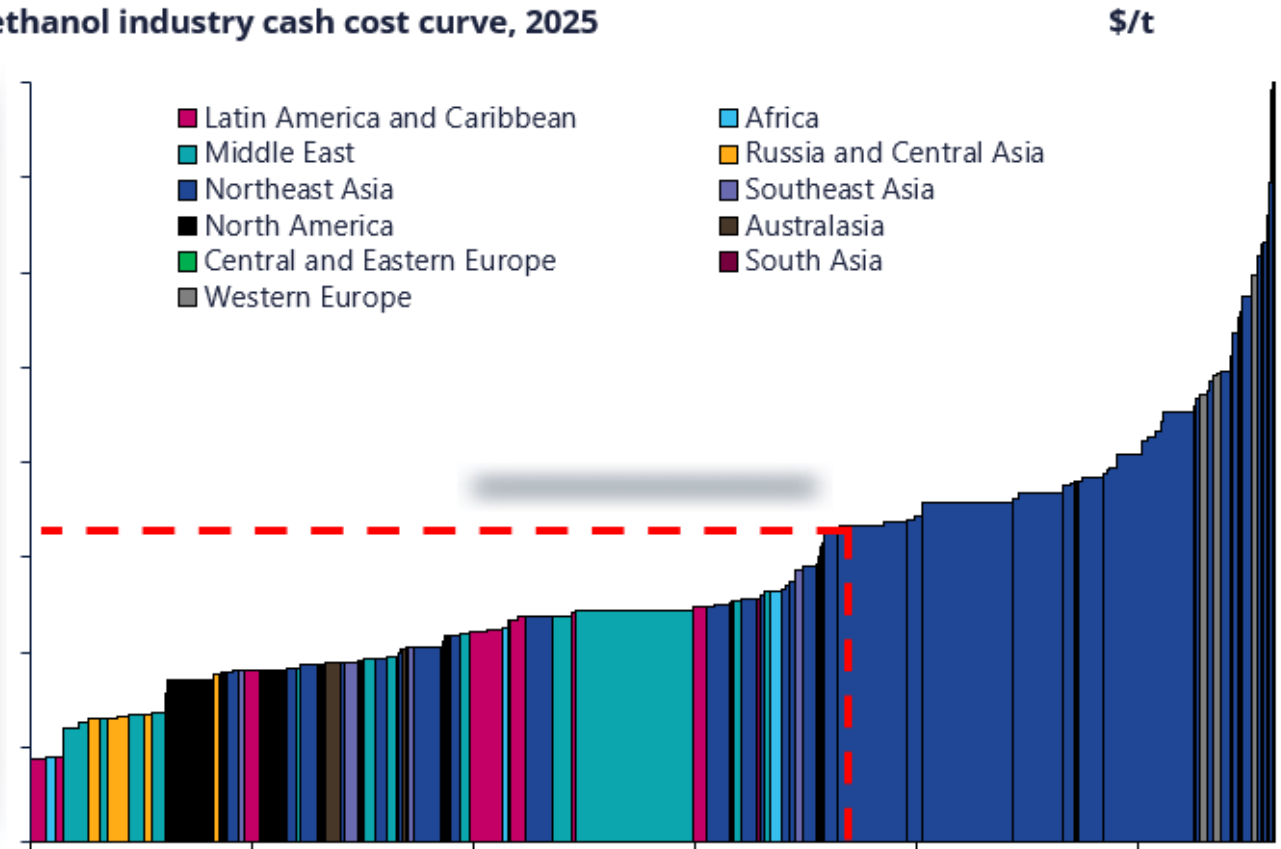


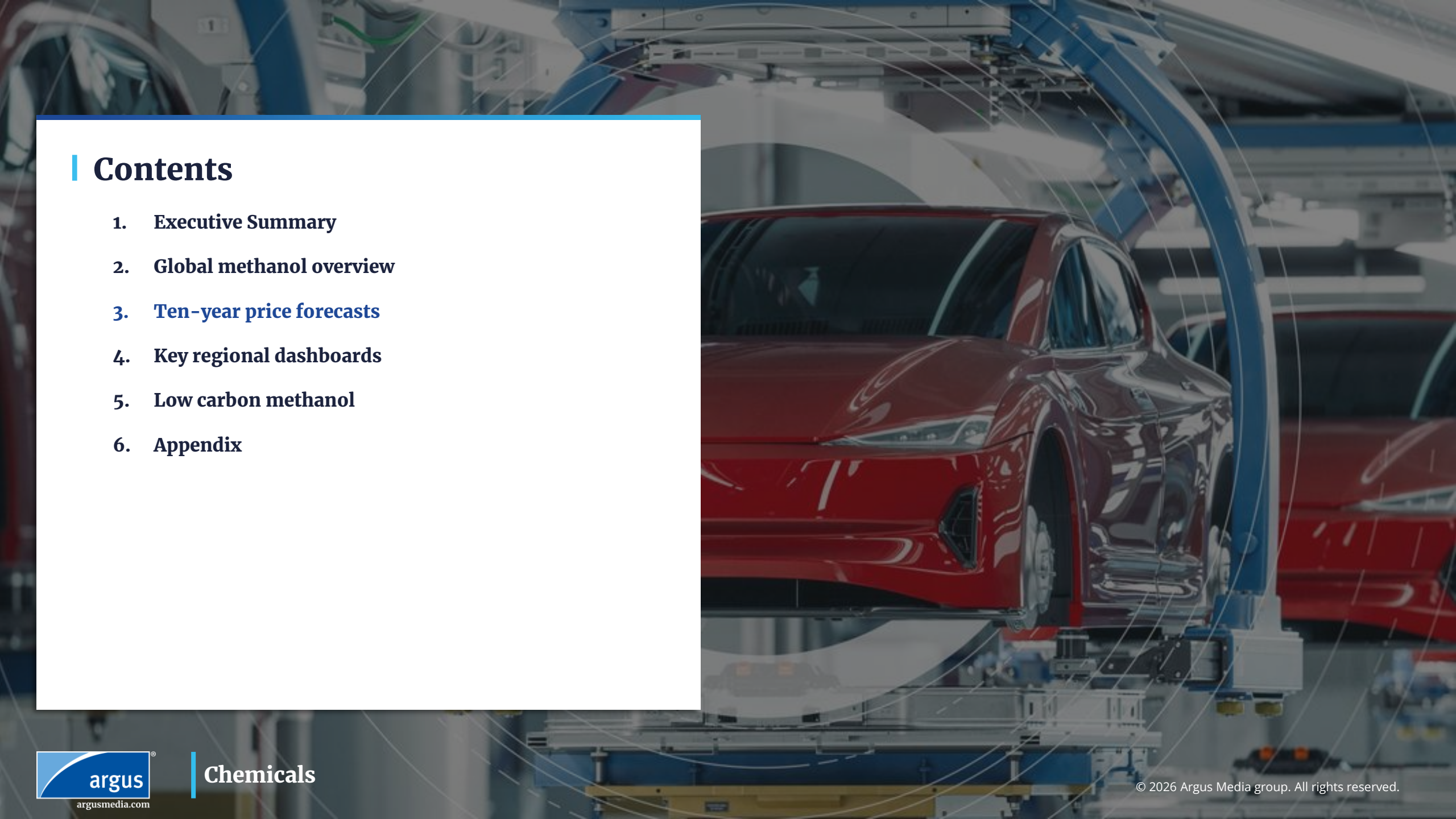
Methanol Industry Cost Curve, 2025

Methanol industry cost of production varies from [REDACTED]. Lower end of the curve made up of Latin America, the Middle East and North America. High end of the curve is predominantly China production.

- For this example, *Argus* defines methanol cost of production as the collective out of pocket costs of feedstocks, other raw materials, labor, maintenance, overhead, etc. Depreciation and/or cost of capital expenses are not included. Basis is fob. plant gate. This also assumes [REDACTED].
- Within the limit of production, totaling about [REDACTED] in 2025, the industry cost curve is relatively flat. Low end cash costs are sub [REDACTED] with incremental cost of production meeting demand near a [REDACTED] structure.
- Again, this is fob plant gate basis, meaning added logistics costs of freight, storage, duties, etc. would have to be included in looking at the cost of methanol delivered to different markets.

Methanol industry cash cost curve, 2025





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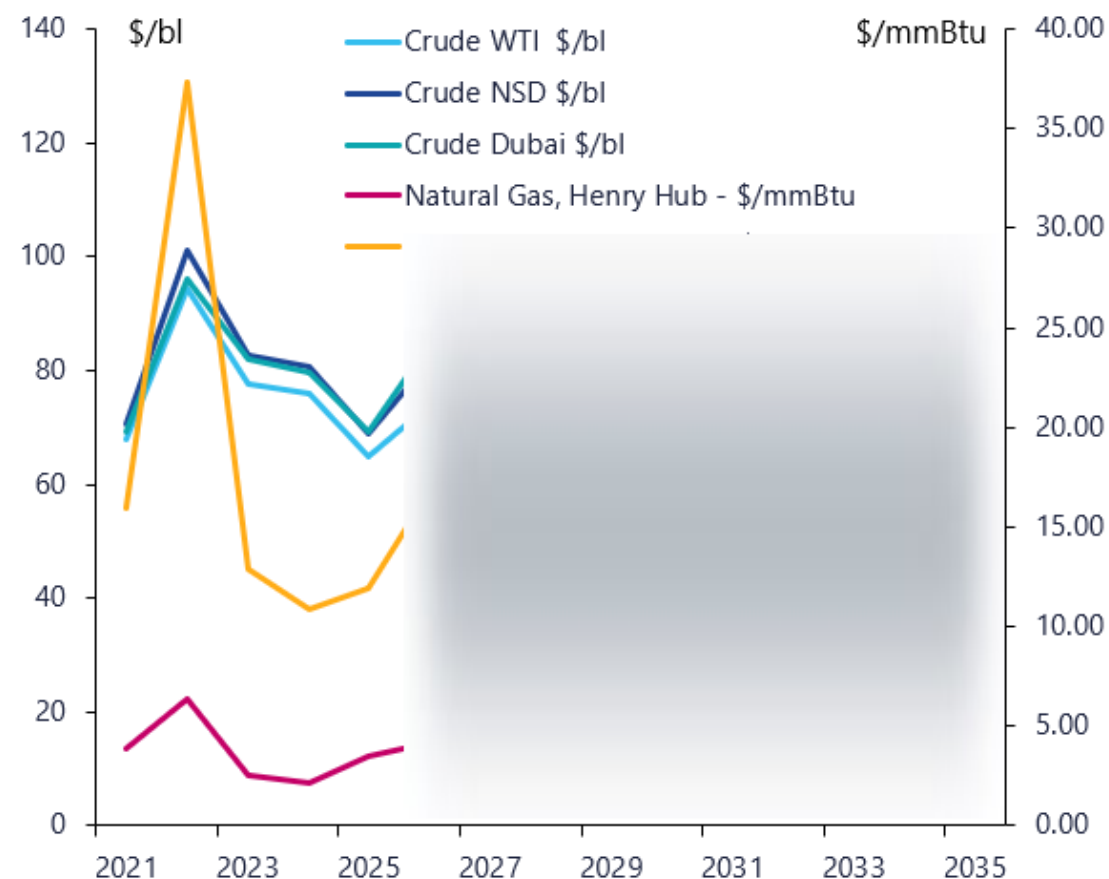
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Methanol Price Forecast, 2021-2035

Oil prices expected to return to production, but still oil prices are expected to rise through the forecast period. The Opec+ alliance may struggle to regulate oil upwards as LNG exporting returns.

- The current war between Iran and the US has sharply reduced crude trade through the strait of Hormuz. This accounted for over trade before the crisis. Most of these volumes move to Asia and the effective halt of flows has left the region critically short of supply. The diversion of crude flows through spare pipeline capacity, the release of strategic stocks, and access to the large volume of Russian crude left unsold because of tighter sanctions can partly offset the loss of supply, but only on a temporary basis. Therefore, current high crude and product prices will persist until flows through the strait of Hormuz return to normal. Currently the market expects this to be by late summer 2026.
- The Opec+ alliance will need to adopt a new quota system to regulate crude production in early 2027. The market faces potential structural oversupply, as matches growth in global oil demand. This leaves Opec+ with a static or even shrinking market share and difficulties in apportioning this across the alliance will keep crude prices under pressure. Only effective market
- The most considerable change in the natural gas forecast is to 2026-28, driven by a combination of project delays and the US-Iran conflict. The forecast for because it assumes damage to Qatari LNG trains 4 and 6 at the Ras Laffan complex, a longer two-month period of conflict, and a slower ramp-up of the assets.

Energy price forecast



* Note: 10-yr price forecasts in analytics use a March 2026 base case for energy and feedstock fundamentals.

Methanol Price Forecast, 2021-2035

World methanol prices are peaking in 2026 as a result of the Iran war. Assuming peaceful resolution in the coming months, prices will

Asia-Pacific

- As China is the largest methanol consumer and producer in the world, China's prices drive rest of Asia prices "most" of the time. There will always be intra-country upsets causing pricing to disconnect from China for periods of time.
- MTO methanol affordability continues to dictate China's methanol prices. This is not expected to change. For the most part, MTO methanol affordability is often the ceiling, while domestic methanol production cash costs and or delivered cash cost of imports determine the floor.

North America

- North America has been a price taker, well aware of traditional arbitrage differences to China/Asia market prices, but well poised to capitalize on "opportunistic leverage" situations. This opportunistic leverage position isn't likely to change going forward.

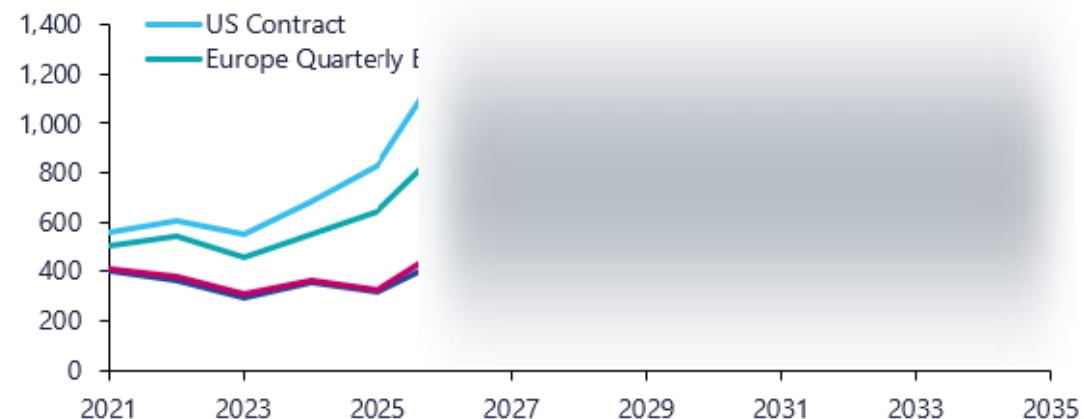
Europe

- As Europe relies more and more on imports, this market must "buy away" exports from other countries/regions. Thus, Europe pricing directionally is expected to operate at a premium to North America looking forward.

Note: 10-yr price forecasts in analytics use a March 2025 base case for energy and feedstock fundamentals. Many of these markets are subject to extensive short-term price volatility and the elapsed time since the energy forecast was produced may have seen real changes to market prices and/or drivers.

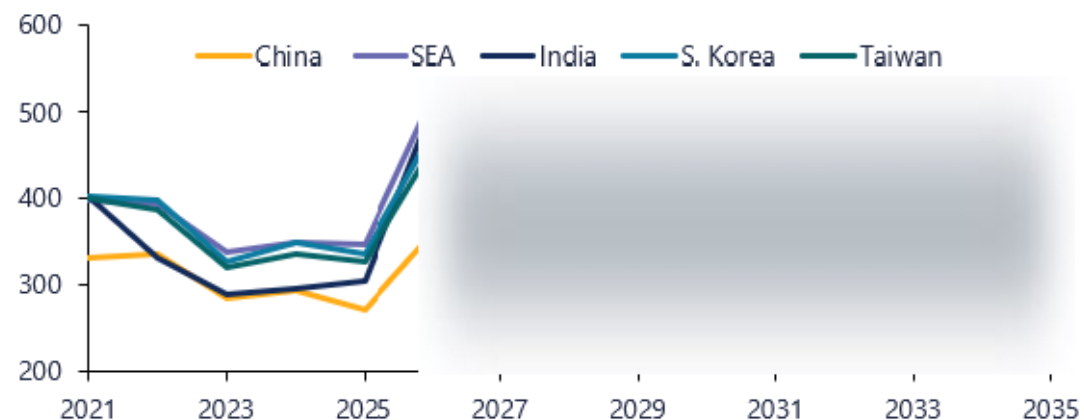
Atlantic basin methanol price forecast

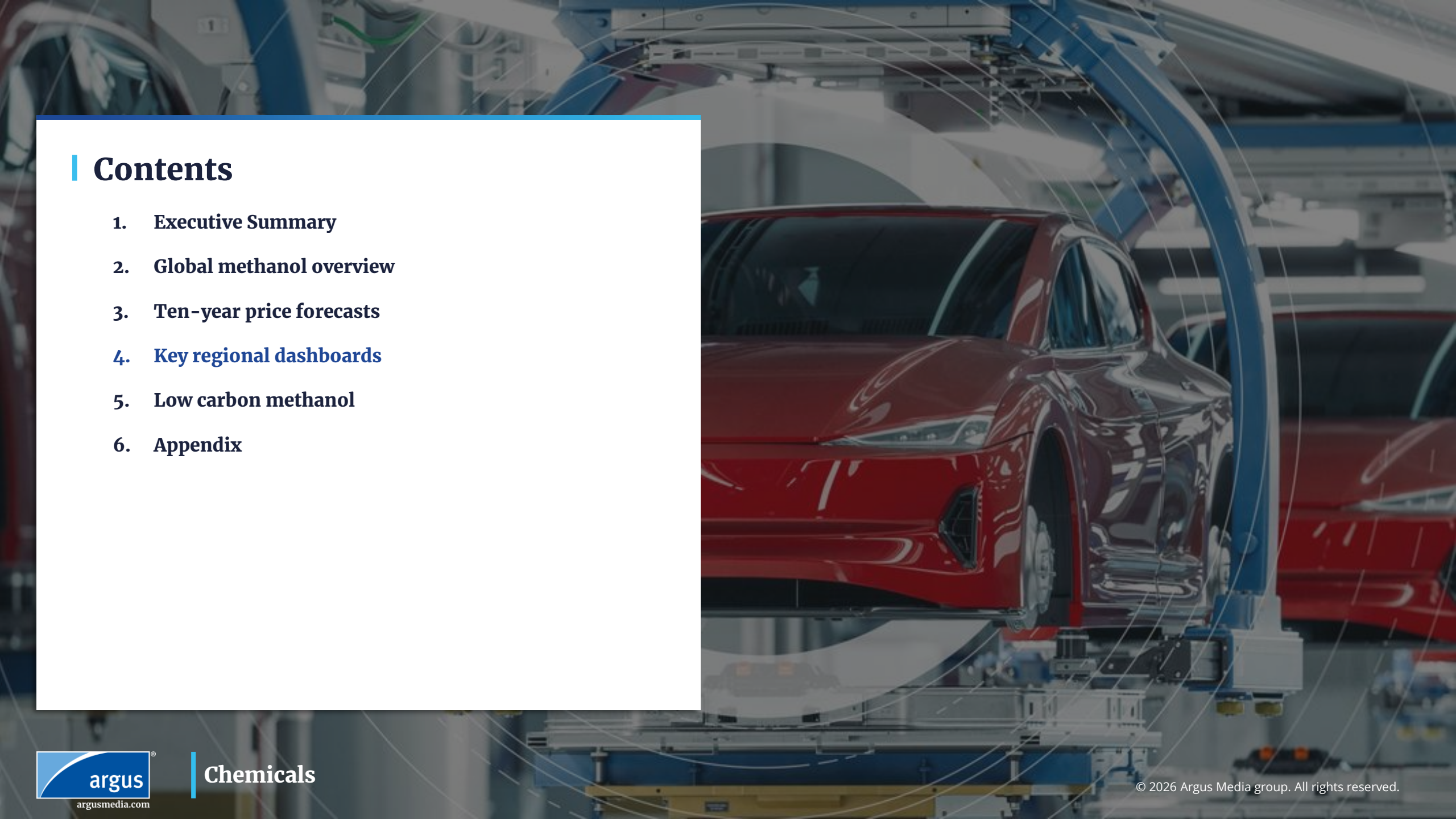
fob, \$/t



Asia-Pacific methanol price forecast

cfr, \$/t





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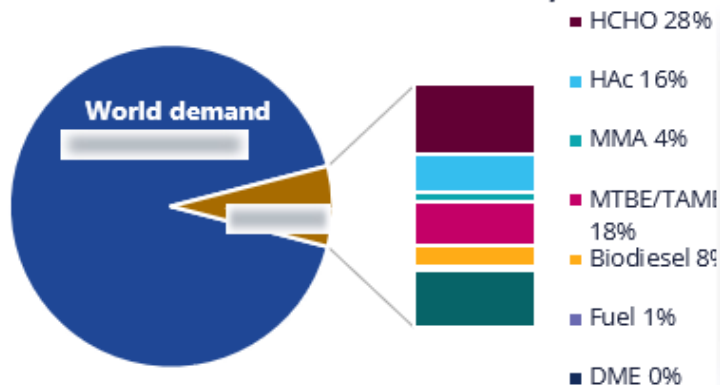
1. **Executive Summary**
2. **Global methanol overview**
3. **Ten-year price forecasts**
4. **Key regional dashboards**
5. **Low carbon methanol**
6. **Appendix**

North America Methanol Dashboard

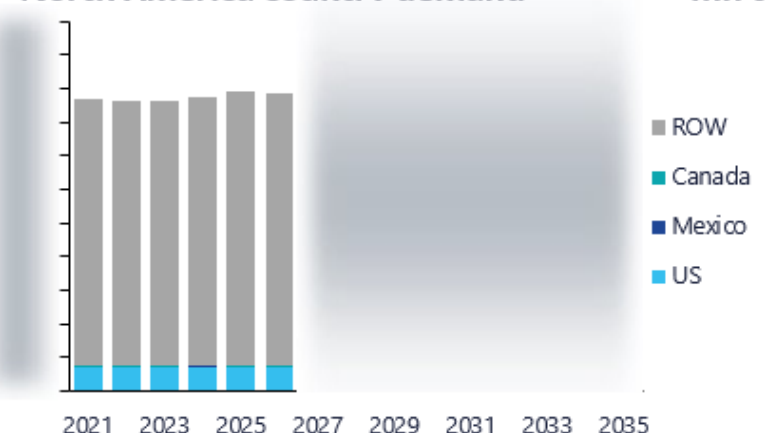
The US dominates supply and demand, transitioning from a net importer of methanol in past years to a still growing net exporter, from 2022 onward. Expansion plans continue but focusing more on low-carbon.

- With a very mature market, methanol demand will see minor growth ahead (economic outlook remains very conservative).
- The US dominates region demand, supply and exports. The region has moved from a net importer to a relatively large net exporter with the return of capacity in the US and to a lesser degree returning production in Canada. New capacity is expected to continue in the US, with Mexico adding new capacity this decade as well—although for both, some will be low-carbon targeting the bunkers sector.
- North America has traditionally been a price taker, with well lower production costs compared to other regions. However, in recent years North American marketers have become more aggressive in pricing ideas in the Atlantic basin, relying on supply/demand fundamentals and/or region arbitrage to more influence price level and direction.

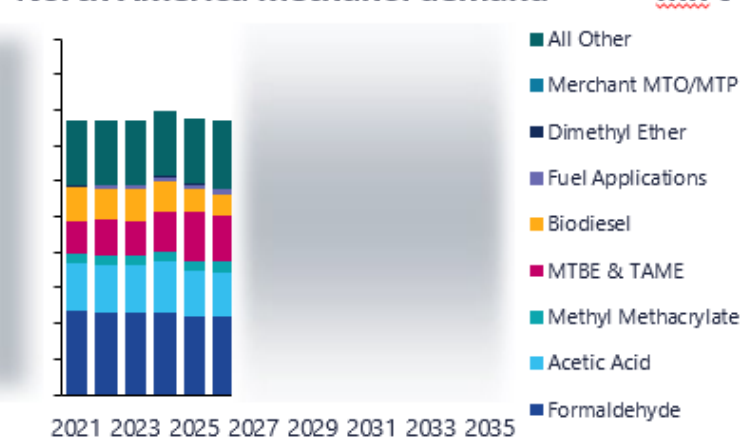
North America methanol demand, 2025



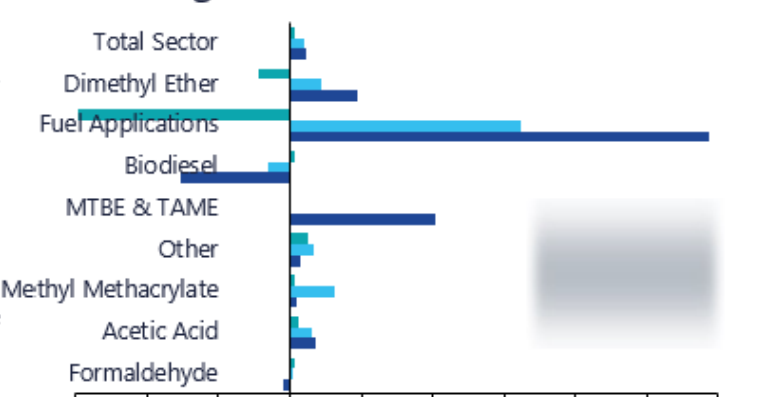
North America country demand



North America methanol demand



Derivative growth/decline

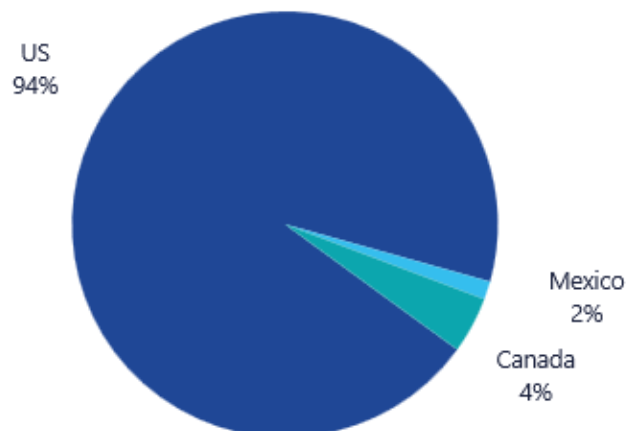


North America Methanol Dashboard

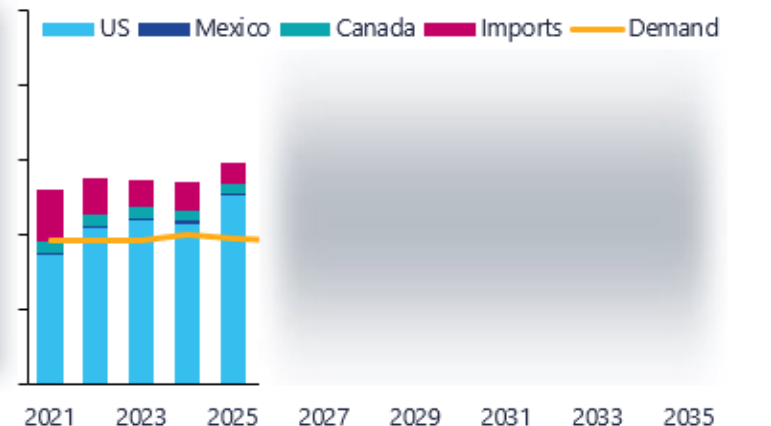
North America demand is **growing** total and only growing **slowly**. Net new capacity will have to be export oriented. New, low-carbon based methanol capacity will still rely on the “grey” merchant market.

- A decade ago, the North America supply/demand relationship changed significantly, moving from a small producer and large importer to a large producer and large exporter. Idled methanol capacity was restarted or relocated from other regions, with several new facilities commissioned as well, all taking advantage of lower natural gas prices.
- Looking forward, North America (US and Mexico) will see further capacity expansion. Most will target export markets and/or low-carbon applications.
- The impact of European and US government programs to move away from fossil fuels present issues and/or opportunities. A portion of expected new capacity will be low-carbon, focusing on bunker substitution primarily, and to a lesser degree finding opportunities in the traditional “grey” market.
- A slower growing merchant market alongside a slower than expected low-carbon market will likely “stress” a growing oversupplied region.

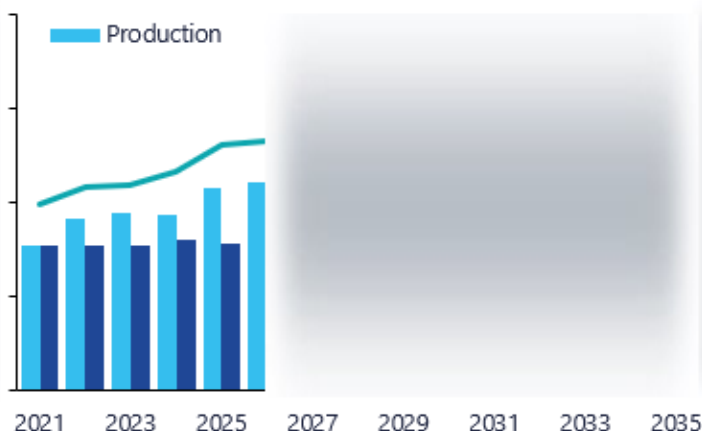
North America methanol capacity, 2025



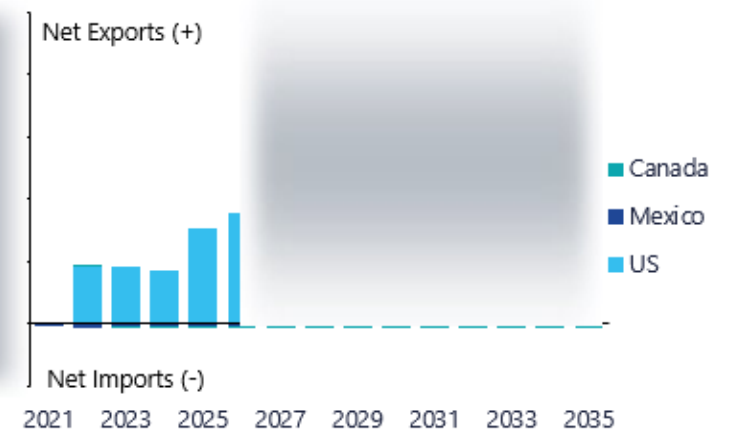
North America methanol supply



North America supply/demand



North America trade flows



Latin America Methanol Dashboard

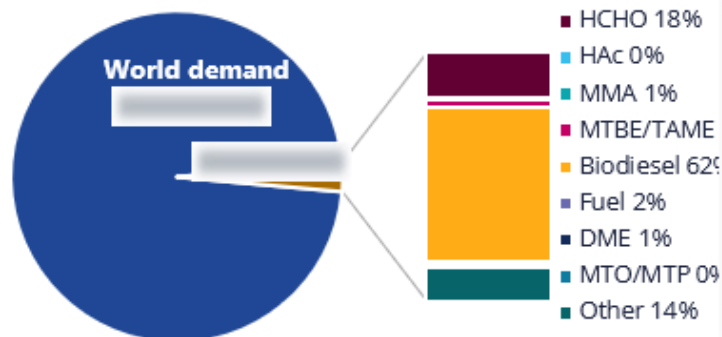
Methanol demand is small, underpinned by biodiesel and formaldehyde production/consumption. Growth is expected to mostly follow reserved GDP-growth, still led by biodiesel demand.

- Methanol demand in the Latin America and Caribbean region represented **1.1%** of global methanol demand in 2025 and is not expected to change notably looking ahead. The region's methanol consumption is not particularly diverse, with biodiesel (Brazil and Argentina) and formaldehyde representing **18%** of demand.
- About a quarter of the methanol produced in Latin America and Caribbean is consumed domestically, with the remainder exported to Europe, Asia-Pacific and in recent years, to a far less extent, to North America.

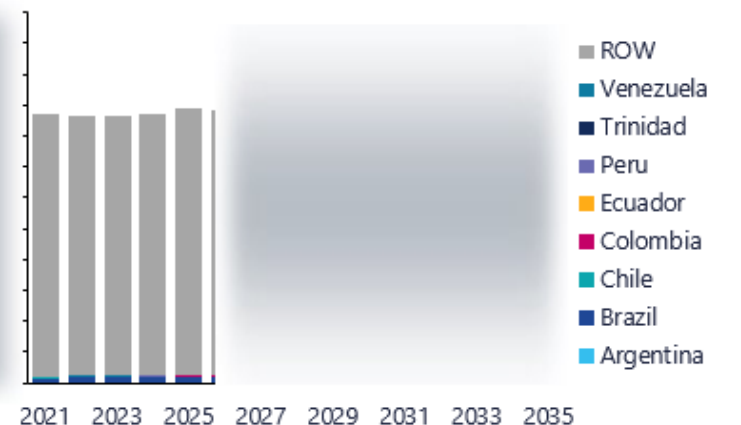
methanol demand is capably supplied, the significant methanol volumes from Trinidad and Venezuela—traditionally exported to the US—have been re-directed to Europe and Asia-Pacific. Small export volumes to the east coast of the US do remain viable and are expected to continue.

through 2030, as the historic large increase in biodiesel demand slows. New DME demand and etc. a small bump in methanol as a bunker substitute help offset slowdown elsewhere.

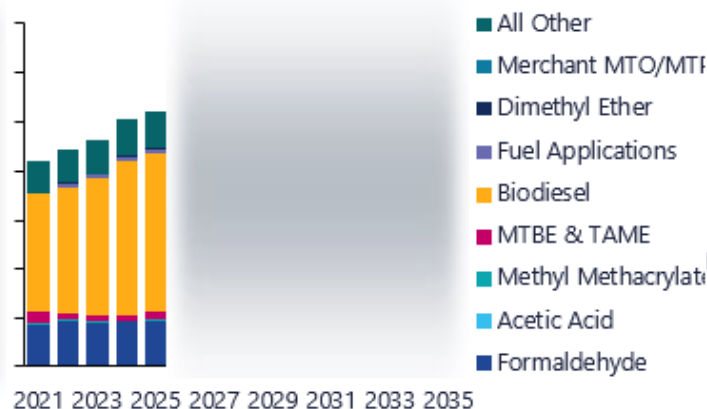
Latin America methanol demand, 2025



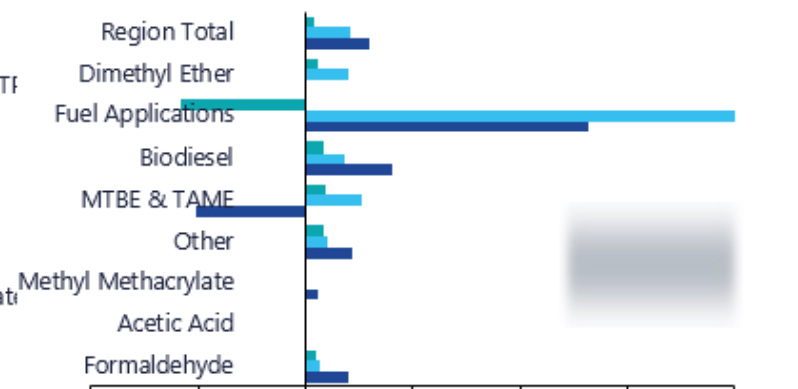
Latin America country demand



Latin America methanol demand



Derivative growth/decline

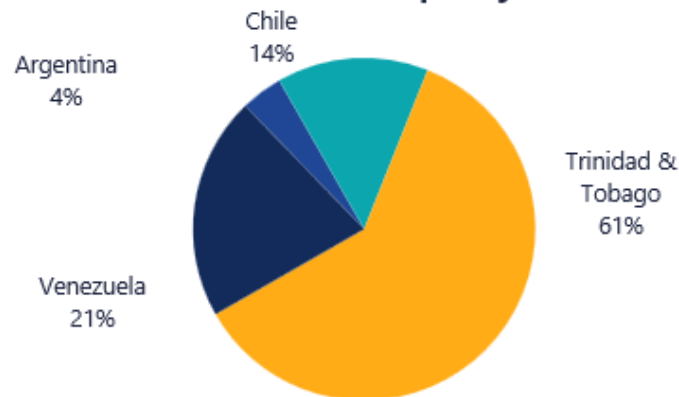


Latin America Methanol Dashboard

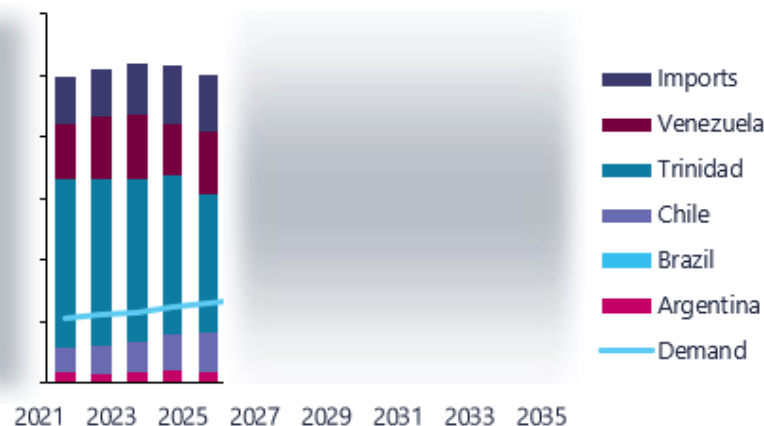
Trinidad and Venezuela dominate methanol capacity/production, targeting export markets. Rising natural gas prices and/or supply limitations are likely to challenge production in upcoming years.

- Latin America and the Caribbean is a larger producing than consuming region and thus a major methanol exporter to other markets around the world. The region has shown steady demand growth (albeit small) over the last many years but is expected to see a slowdown in demand growth as biodiesel demand matures.
- Dominant methanol production capacity resides in Trinidad, Venezuela and Chile, although units continue to be restricted at times in Chile and Trinidad due to natural gas limitations, or high gas costs combined with low methanol prices.
- Methanex idled the large Atlas unit in September 2022, restarting the smaller Titan unit at the same time. This 3-year Titan agreement ends in 2H'26. With concerns about lack of natural gas feedstock coupled with now higher natural gas costs, rationalization versus continued operation is likely under review.
- Besides typical region supply from domestic production, imports from the US and the Middle East are common. In 2025 and 2026, Russia looks to now be targeting South America as an export market as well.

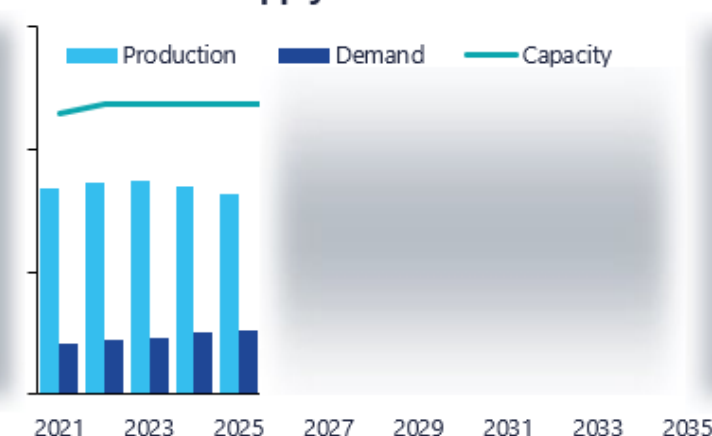
Latin America methanol capacity, 2025



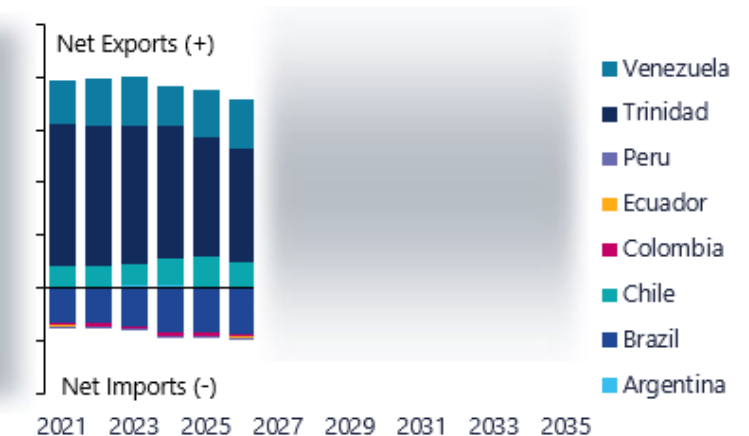
Latin America methanol supply



Latin America supply/demand



Latin America trade flows

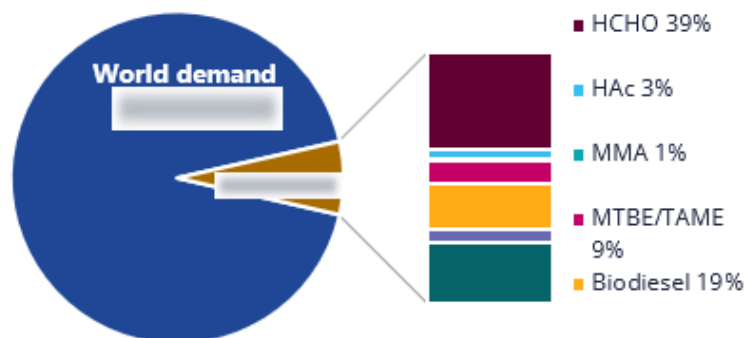


Western Europe Methanol Dashboard

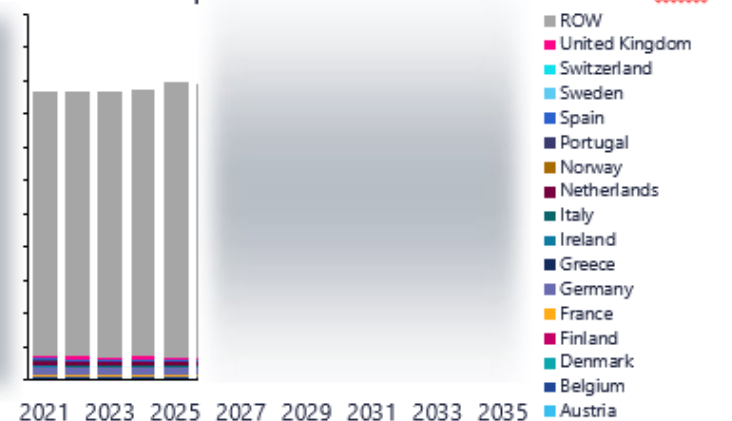
Methanol demand is very mature, relying on the construction, automotive and fuel sectors. Demand, negatively impacted since 2021 and unfortunately is not expected to see any rebound of note.

- Methanol demand in this region accounted for [redacted] of total methanol industry demand in 2025 and looking forward sees little opportunity for growth. Formaldehyde and biodiesel demand represent the two single largest methanol consuming derivatives for the region. Methanol into MTBE consumption is now only about half that of biodiesel but still the third largest single derivative demand. MTBE production fluctuates depending on companies producing ethyl tertiary butyl ether (ETBE) as the preferred alternative.
- Covid, the Russia-Ukraine conflict, stalled economies, financial crises and other geopolitical events all have negatively impacted the region's growth opportunities—in fact resulting in decline in some areas. High manufacturing costs (natural gas for utilities and methanol feedstock) hurt manufacturing economics and thus the region is susceptible to imports from lower cost derivative production around the world.
- Argus expects forward growth opportunities for the region in [redacted]. There will be upside from bunker fuel use. But here too, we expect fossil methanol will yield to low carbon methanol as a preferred bunker fuel of the future.

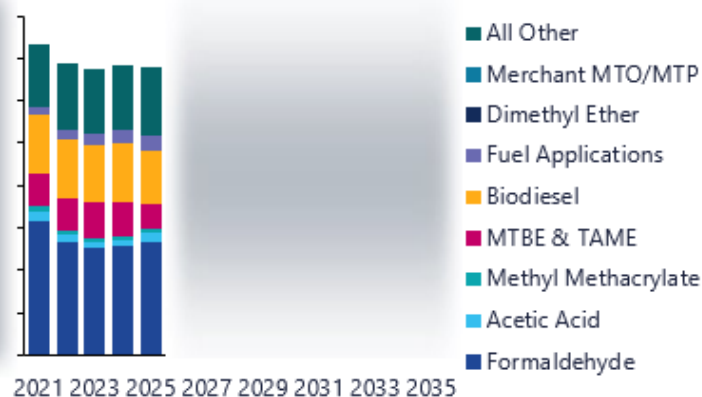
Western Europe methanol demand, 2025



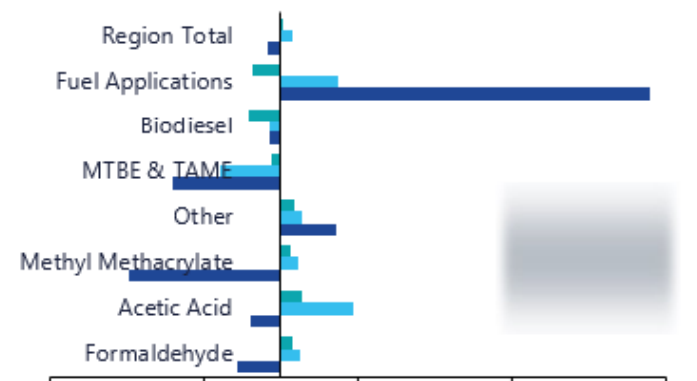
Western Europe country demand



Western Europe methanol demand



Derivative growth/decline

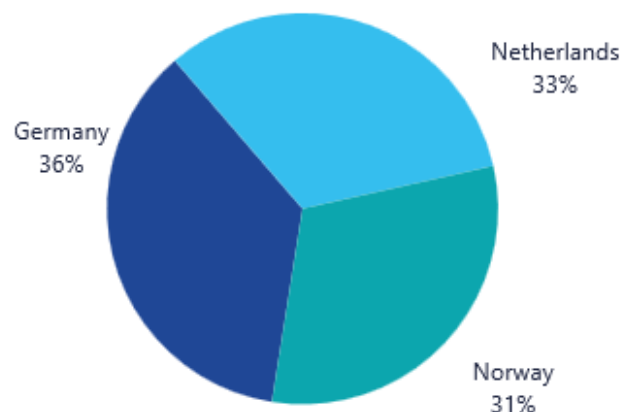


Western Europe Methanol Dashboard

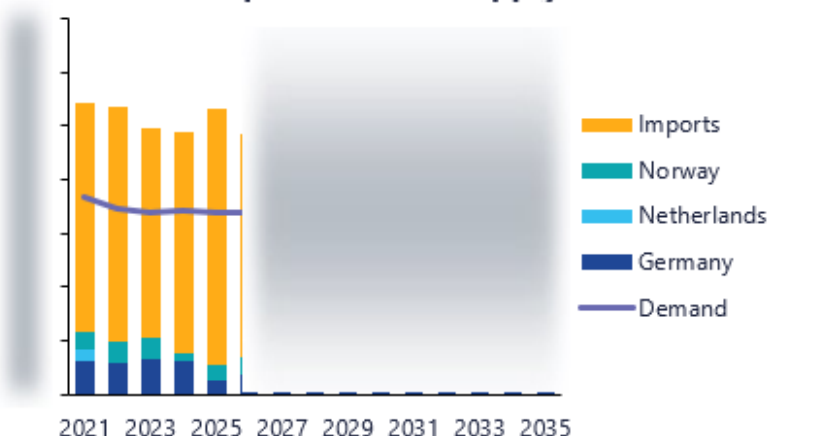
Increasing imports to meet the bulk of demand. Countries like the US and South America (along with others) have comfortably filled the void of traditional Russian exports. Domestic production declining.

- Western Europe has a diverse and well-established methanol industry, tied to the construction, automotive and transportation fuel sectors—but extremely mature. As such, methanol demand seldom sees significant change and continues to be influenced by GDP-type growth and the world's overall economic direction.
- Like other major regions, slowed/conservative GDP forecasts and high energy costs have negatively impacted Europe methanol demand.
- Existing domestic methanol production likely peaked in 2024, with methanol manufacturing facilities based on refinery fuel oil residues in Germany embracing greenhouse gas emission reduction and forced to shut by-product methanol production.
- Argus expects further rationalization of German methanol production in the forecast, which already began in 2025.
- The region becomes more dependent on imports and is forced to “buy-away” methanol from other regions, leaving western Europe towards the highest priced market in the world.

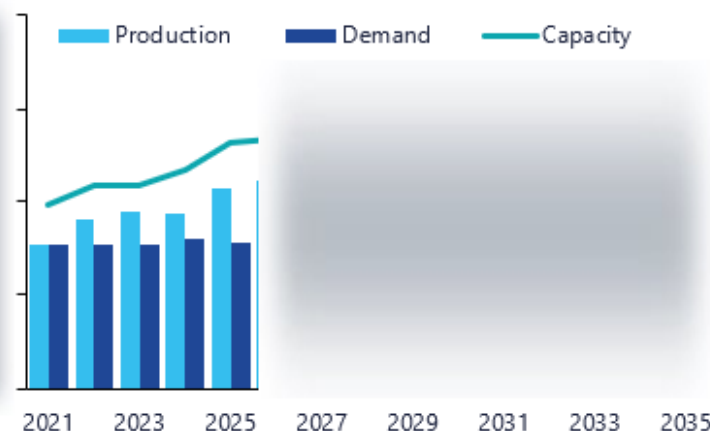
Western Europe methanol capacity, 2025



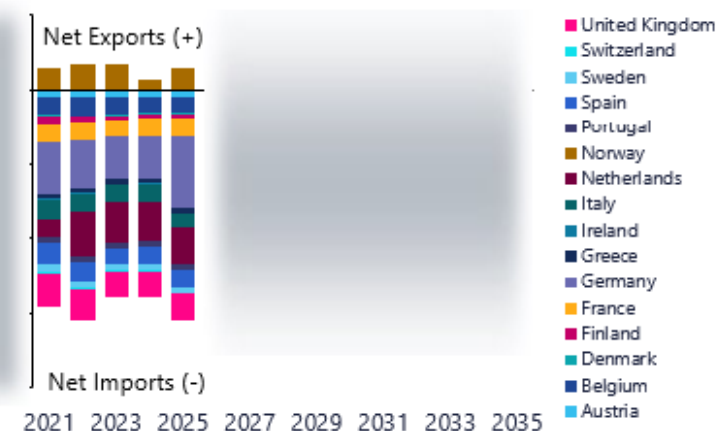
Western Europe methanol supply



Western Europe supply/demand



Western Europe trade flows

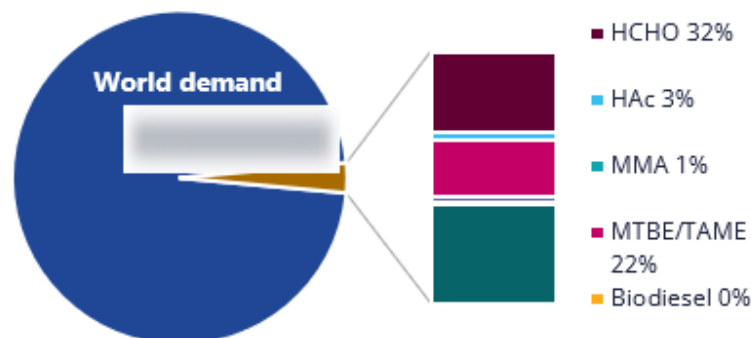


Russia and Central Asia Methanol Dashboard

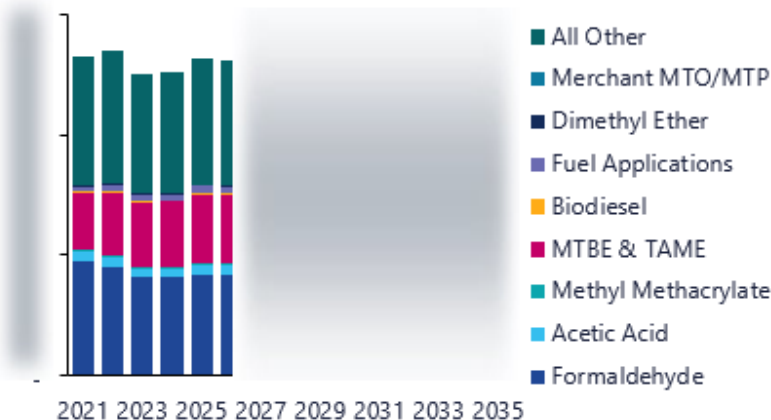
A less sophisticated demand slate across the region easily supplied by captive methanol; requiring minimal imports. Russia aggressions, then sanctions, has delayed aggressive methanol capacity additions plans.

- The Russia and central Asia methanol industry is not as diverse as Europe or North America and has seen limited growth the last several years due to the economic penalties the country/region is experiencing.
- industry) and expected to see minimal growth through the forecast period.
- Russia dominates current regional methanol demand, representing as much as total regional methanol consumption.
- Methanol consumption in this region is expected to grow with GDP—thus very slowly with the still-conservative GDP forecast. Recent new MTBE capacity has supported the domestic gasoline pool and planned DME production will help to offset losses/stagnation in other product areas, but demand growth has ground to nearly a halt.

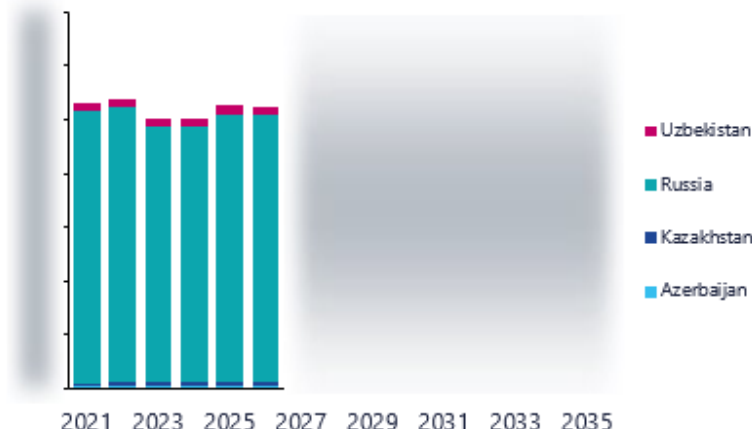
Russia/Central Asia methanol demand, 2025



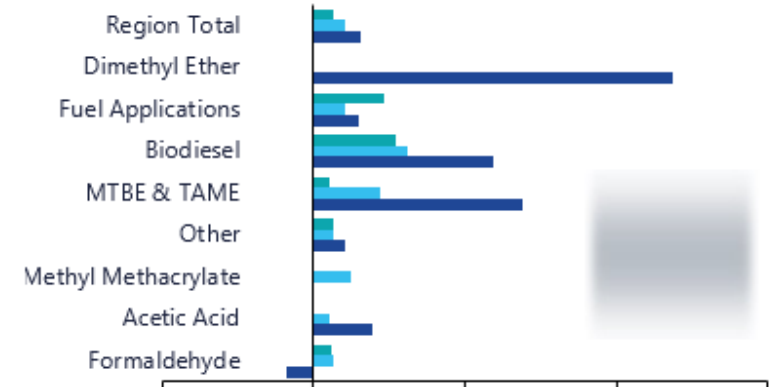
Russia/Central Asia methanol demand mn t



Russia/Central Asia country demand mn t



Derivative growth/decline CAGR%

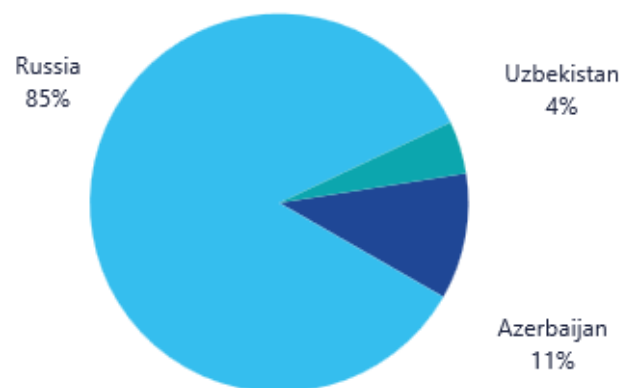


Russia and Central Asia Methanol Dashboard

Prior aggressive methanol capacity expansion plans have stall since the Ukraine conflict, but now one new unit is likely to commission in Russia methanol production relegated most to China.

- Despite a massive geography and population, methanol demand in this region is small. Apart from Russia, the region does not have a particularly sophisticated methanol industry nor consumption profile.
- While Russia is rich in natural gas reserves, it has been traditionally disadvantaged to many parts of Europe, Asia-Pacific and the Americas.
- In 2022, Russia chose to invade Ukraine. Europe and the US responded with sanctions and product bans, including methanol. West Europe soon after rejected Russia methanol and in mid-2023, central Europe sourced methanol from elsewhere as well. These “bans” remain in place today.
- The bulk of Russia exports now move to China, both via inland and water routes. India and South America are secondary target outlets.
- There were a number of new methanol units planned which quickly were shelved in the last several years. Now, at least one new methanol

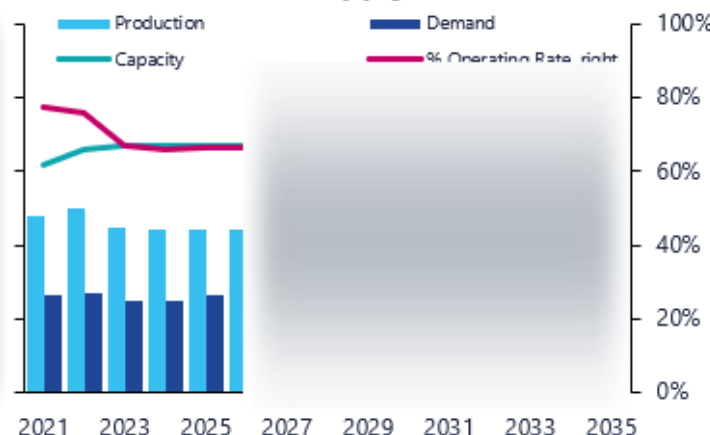
Russia/Central Asia methanol capacity, 2025



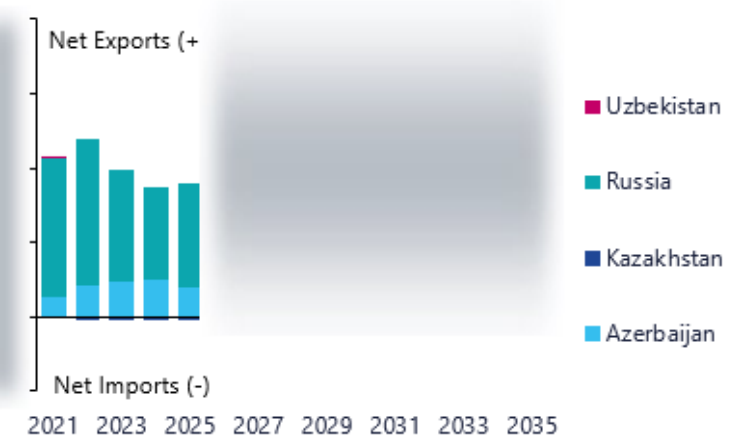
Russia/Central Asia methanol supply *mn t*



Russia/Central Asia supply/demand *mn t*



Russia/Central Asia trade flows *mn t*

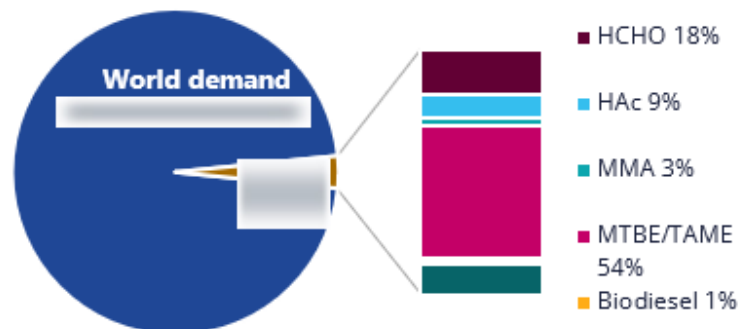


Middle East Methanol Dashboard

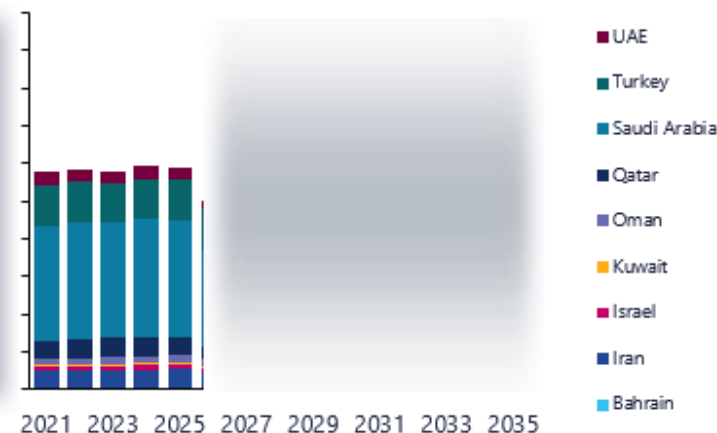
Methanol demand is small while production is large, thus targeting major consumption markets. The Middle East continues to dominate industry exports with ongoing capacity additions the last several years.

- With abundant natural gas reserves, Middle East export-oriented methanol production has served the region as an avenue to monetize these natural resources. Iran has led industry capacity growth for years and will likely continue, although new capacity is scheduled for the UAE and possibly increases in Oman.
- Methanol demand and consumption in the region is far from reaching the breadth or size in Europe, North America or Asia-Pacific, but diversification continues.
- Iran's ongoing plans for large methanol capacity additions remains key for the methanol industry. However, new capacity additions have slowed through the forecast period—and possibly further impacted by increasing tensions in 2026.
- Still, in the next several years, added capacity will underpin an either oversupplied market or a much more balanced market. Should facilities not materialize per assumed timelines, methanol demand could better challenge supply.
- As an alternative, should Iran peace be achieved, and sanctions removed, global trade patterns (and pricing) could be notably altered.

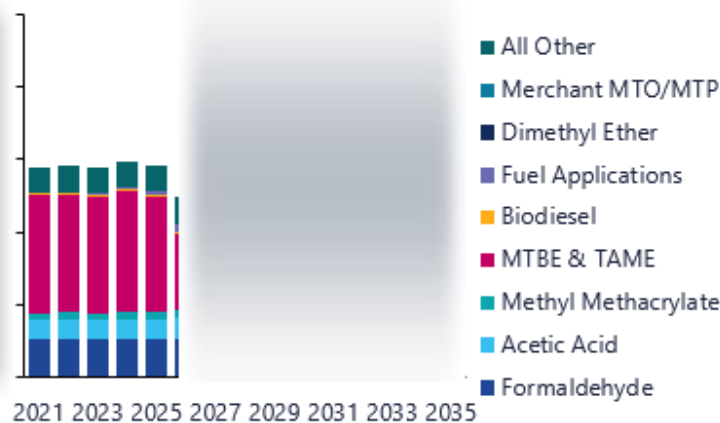
Middle East methanol demand, 2025



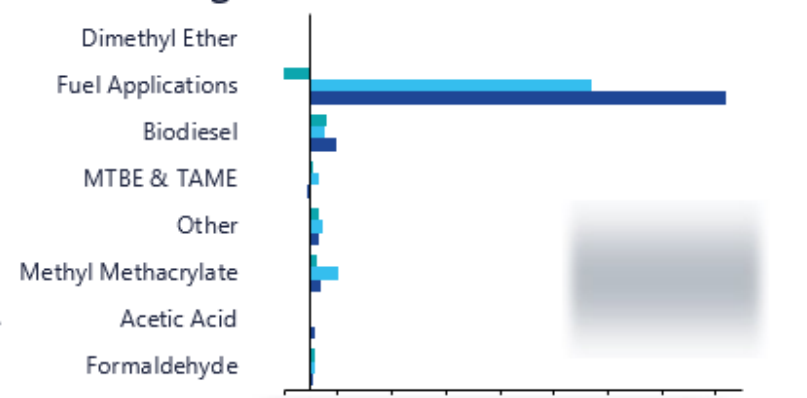
Middle East country demand



Middle East methanol demand mn t



Derivative growth/decline

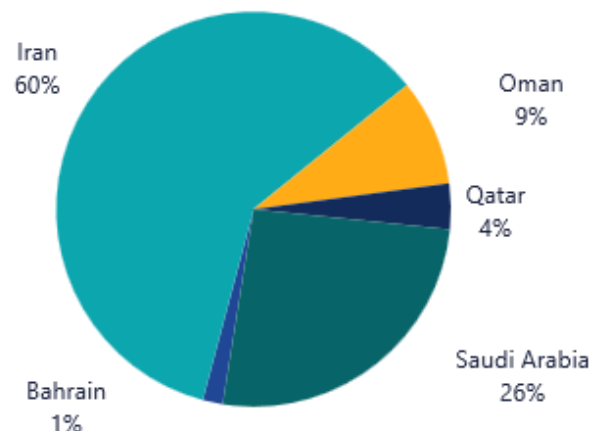


Middle East Methanol Dashboard

Methanol demand in the region is small, while the second largest producing region (behind only to China). Iran continues to have aggressive plans for new methanol capacity but again impacted by 2026 events.

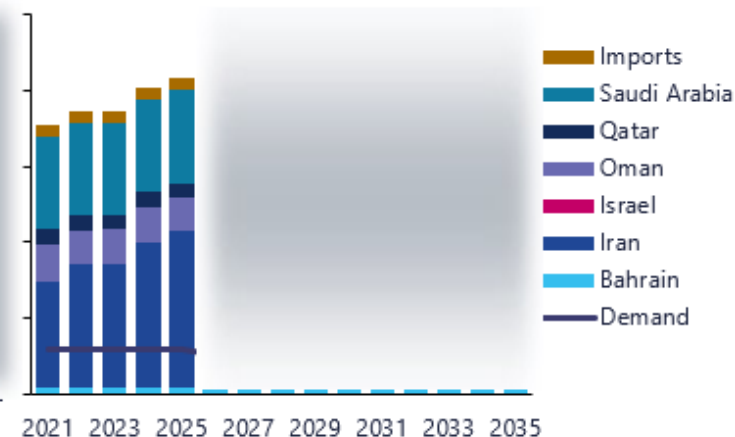
- Unlike demand, this region is a dominant methanol production hub, now with almost
- For numerous reasons, the regions operating rates—compared to other major production—are lower. The Middle East region produced
- expected to be well lower, the result of the Iran war and blockage of the strait of Hormuz, limiting shipping from several Middle East producing countries.
- Iran's ability to produce methanol and/or add new capacity is one of the industries biggest variables. If production is able to directionally return towards capacity, the industry becomes more awash in methanol. If aggressive capacity plans return, here too the industry will see potential supply far above expected demand.
- Should peace with Iran be achieved, and sanctions lifted, allowing exports to other major markets, trade patterns and likely world pricing would also be more impacted.

Middle East methanol capacity, 2025



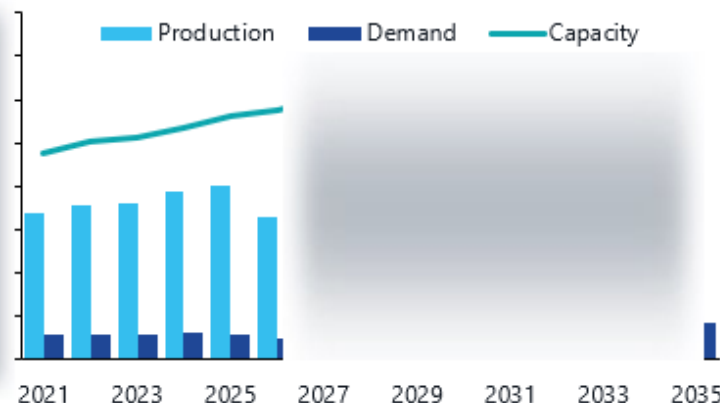
Middle East methanol supply

mn t



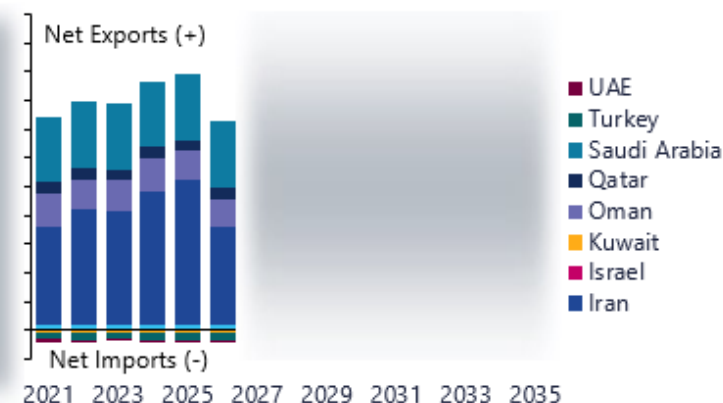
Middle East supply/demand

mn t



Middle East trade flows

mn t

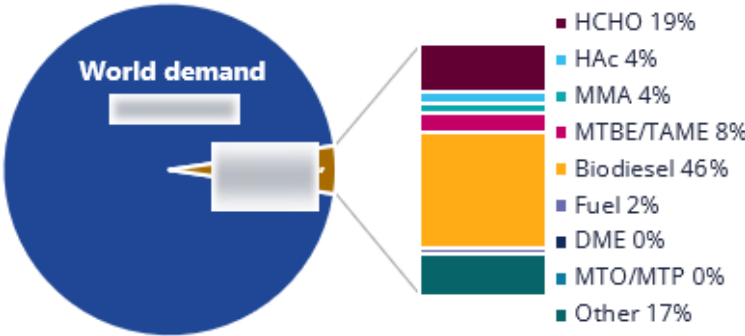


Southeast Asia Methanol Dashboard

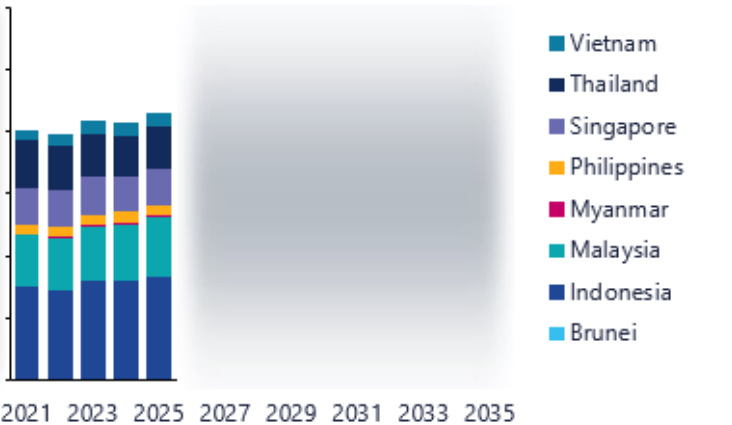
Biodiesel production/demand dominates the derivative demand slate and continues to grow as governments support blending directives. New methanol capacity commissioned late 2024.

- With a diverse economy, the methanol consumption slate in southeast Asia is well divided among the major core derivatives. Methanol demand in this Asia region remains small compared to the global methanol industry, totaling **mn t** in 2025, growing along GDP forecast lines and as noted underpinned by steady biodiesel blending mandates.
- Formaldehyde and biodiesel production continues to be the backbone of demand across this region,
- Biodiesel production has more than doubled in the last five years and is expected to see solid **mn t** through the forecast period as countries **mn t** blending mandates. Fuel blending (bunker substitution) will see **mn t** through the decade but then **mn t** as low-carbon methanol becomes more available.
- The region has had well-established acetic acid production in Singapore/Malaysia and MTBE production in Singapore/Indonesia. However, the Singapore acetic acid unit is understood to have been idled in 2025 but is looking to sell the complex to other parties.
- mn t** study period.

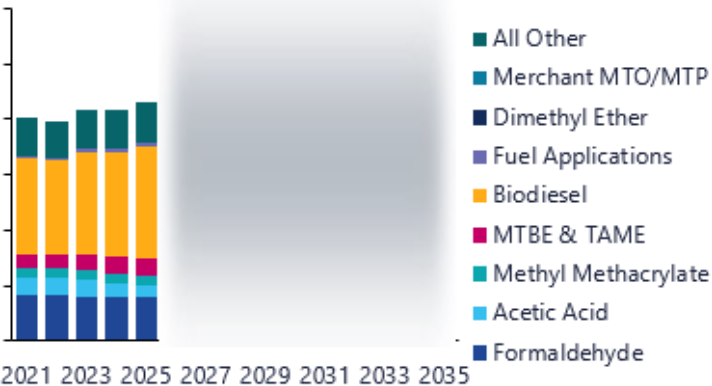
Southeast Asia methanol demand, 2025



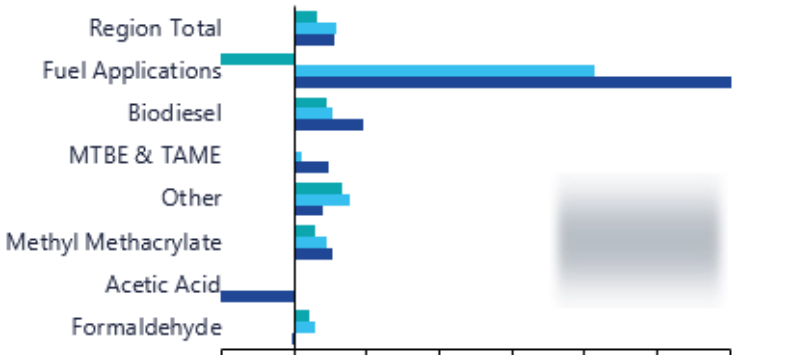
Southeast Asia country demand



Southeast Asia methanol demand mn t



Derivative growth/decline

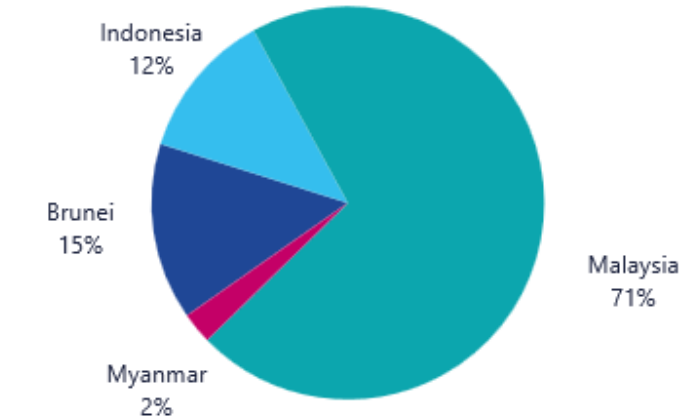


Southeast Asia Methanol Dashboard

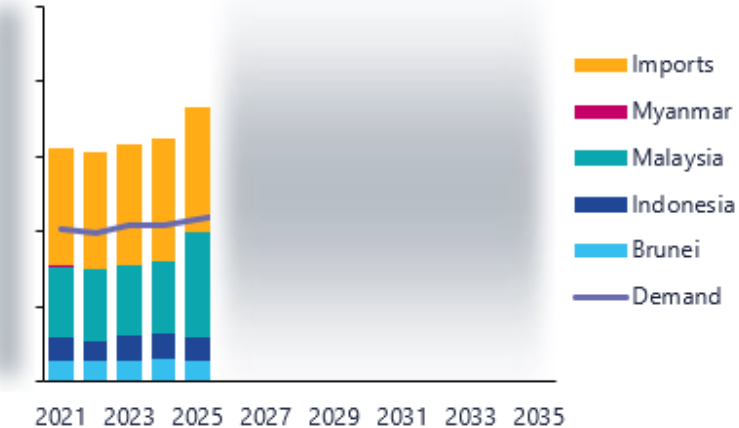
The region’s methanol derivative slate is diverse. Methanol production is more than capable of meeting demand, but the region strategically exports production, requiring imports to meet regional demand.

- The southeast Asia region produced about 4mnt of methanol in 2025 (4.4pc of industry).
- Methanol demand is diverse, with Malaysia, Indonesia, Singapore and Thailand the largest consuming countries in the region. Biodiesel production has led methanol demand the last five years and will continue to lead regional methanol consumption growth.
- Methanol production capacity had been mostly flat since the 2010 timeframe (totaling about 4.2mn t/yr), until the newest Sarawak (Malaysia) 1.65mn t/yr unit commissioned in late 2024, bumping 2025 capacity to 5.8mn t/yr. Further new capacity is time.
- Although the region’s methanol production now , the region imports (intra-region, Middle East, New Zealand) and exports (other southeast Asia countries,

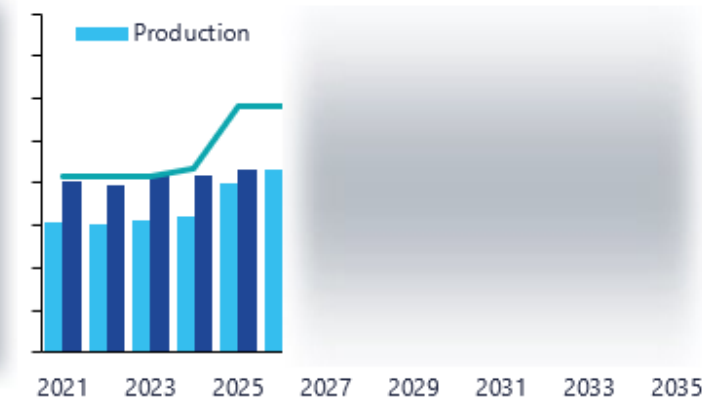
Southeast Asia methanol capacity, 2025



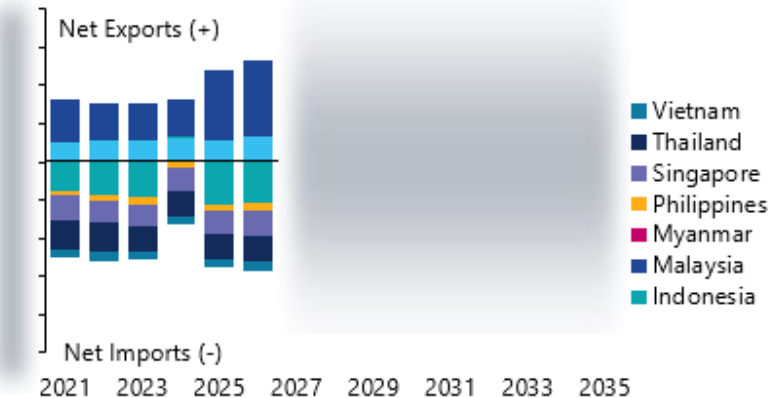
Southeast Asia methanol supply mnt



Southeast Asia supply/demand mnt



Southeast Asia trade flows mnt

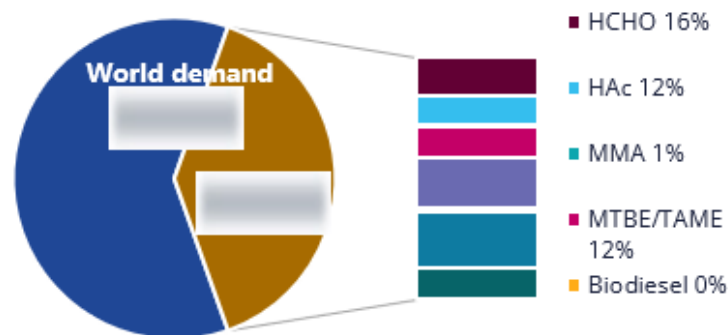


Northeast Asia Methanol Dashboard

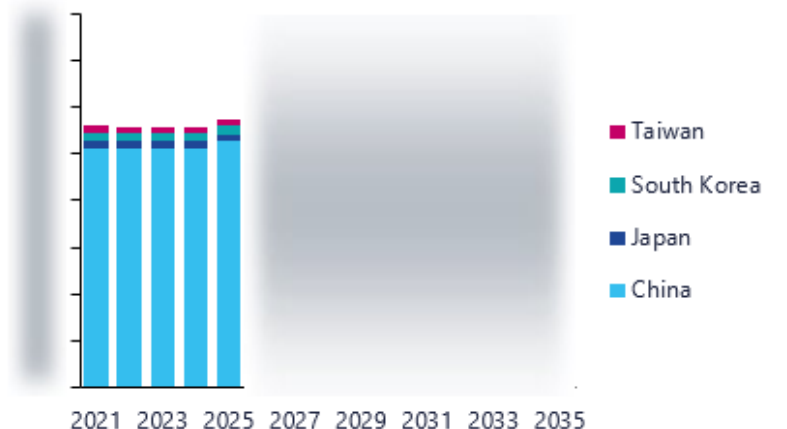
Methanol demand is very diverse and growing slowly. The region constitutes [redacted] world methanol demand but regional growth rebounds from [redacted]

- Methanol demand in northeast Asia, [redacted]: [redacted] of world demand in 2025 (57.4mn t). Like Europe and North America, the 2020 Covid pandemic and subsequent economic and geopolitical events resulted in essentially no growth in overall demand in the region, through 2024 with only China's more stable demand offsetting losses elsewhere. China was less impacted by the turndown as growing methanol-into-gasoline blending, fuel substitution and higher than expected MTO production offset losses seen from the traditional derivative sectors across the region. However, no country escaped the negative impact of 2020-2025 events. Recovery rates have clearly been slowed the last five years. China will still lead world growth, but to a lesser extent than in the past.
- For the region in total, formaldehyde has traditionally been the largest single consuming methanol derivative but has given way to China's MTO sector for the last several years. The bucket of fuel uses is now second, at [redacted] a mix of gasoline blending, boiler/cook stove fuel, biodiesel and DME combine to represent the largest grouping, accounting for as much as [redacted] northeast Asia methanol demand.

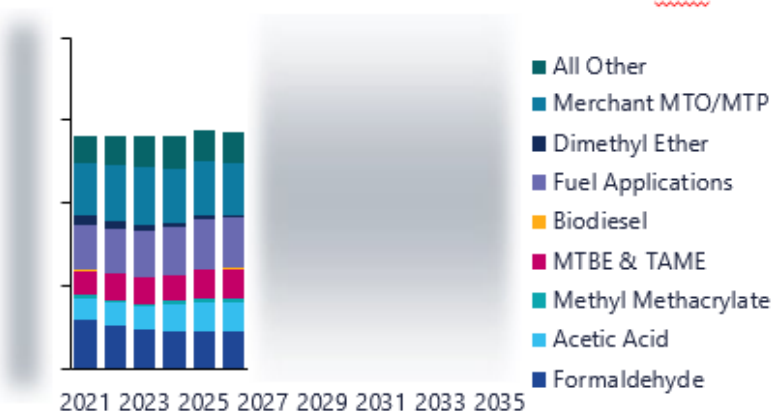
Northeast Asia methanol demand, 2025



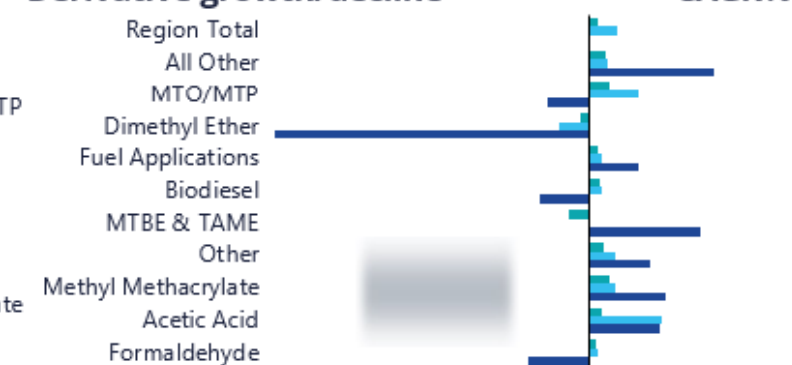
Northeast Asia country demand



Northeast Asia methanol demand



Derivative growth/decline

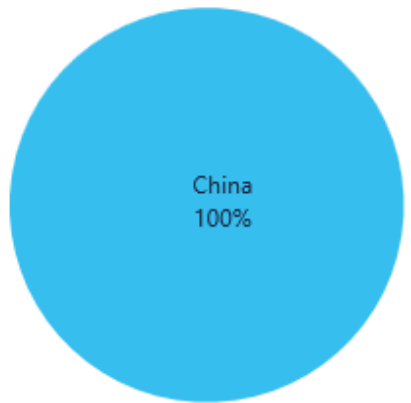


Northeast Asia Methanol Dashboard

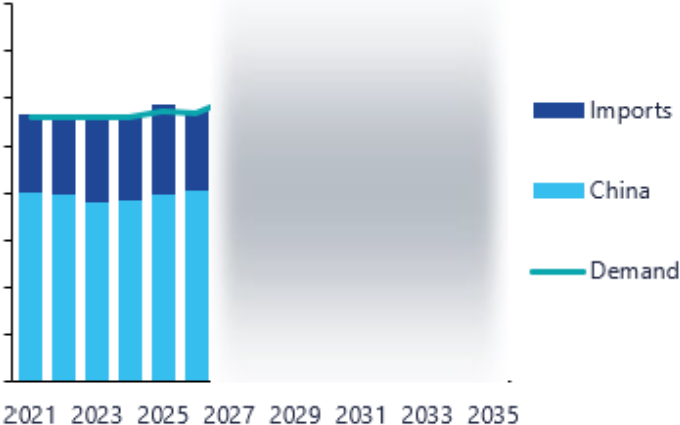
China dominates the world and region's methanol demand and is the lone producer in the region. China accounted for 100% of world methanol demand and 100% of methanol industry production in 2025.

- Argus studies exclude CTO/CTP as this methanol produced is assumed to be production of olefins and has no supply/demand impact on the merchant methanol industry. This difference in assumptions can lead to very different views of methanol industry supply and demand, but both equally valid.
- As now well seen, the resurgence of US methanol capacity, the surge of capacity ex Iran, and China's ongoing methanol industry dominance remain keys to this year's forecast. Even with the expected significant slowdown in China's economy, the industry will still be heavily influenced by China's supply/demand performance.
- Across more than 10 years' time, China's appetite for methanol into gasoline blending, other fuel uses and methanol-to-olefins/methanol-to-propylene redefined the methanol industry. MTO production plateaued in 2025 and is expected to see further capacity expansion.

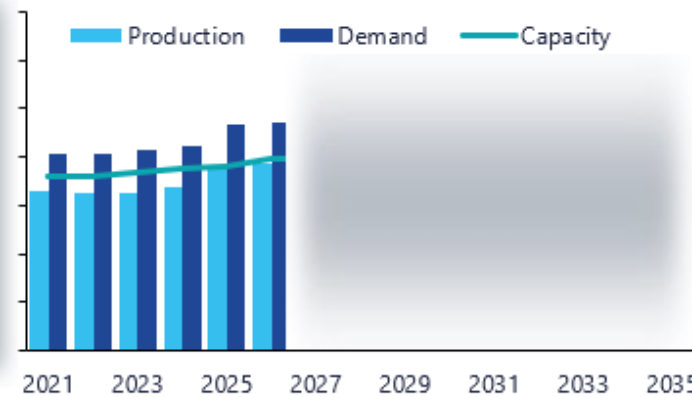
Northeast Asia methanol capacity, 2025



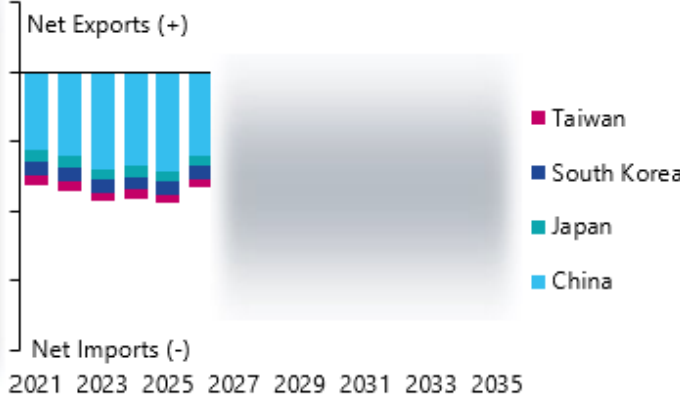
Northeast Asia methanol supply mn t

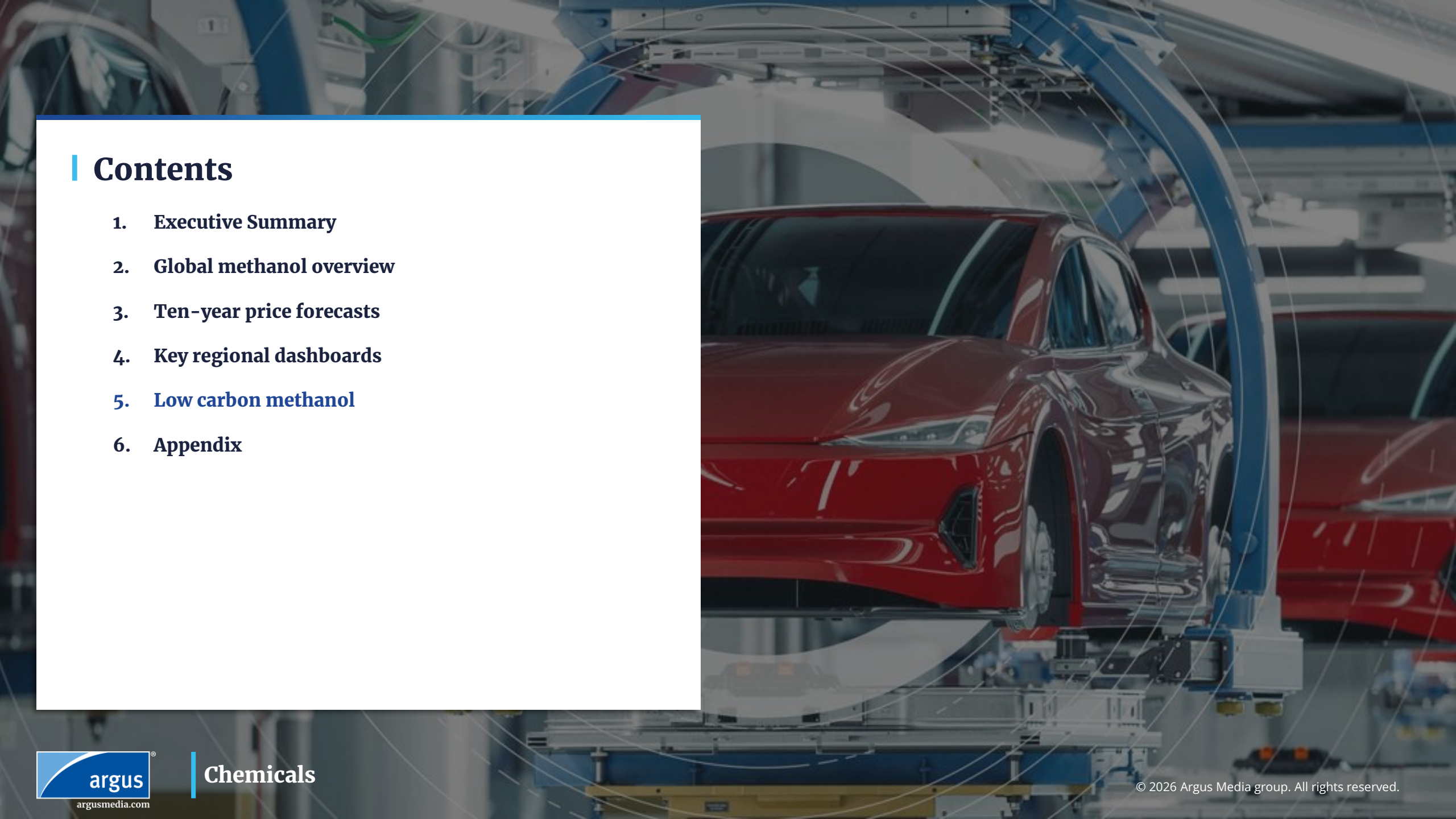


Northeast Asia supply/demand mn t



Northeast Asia trade flows mn t





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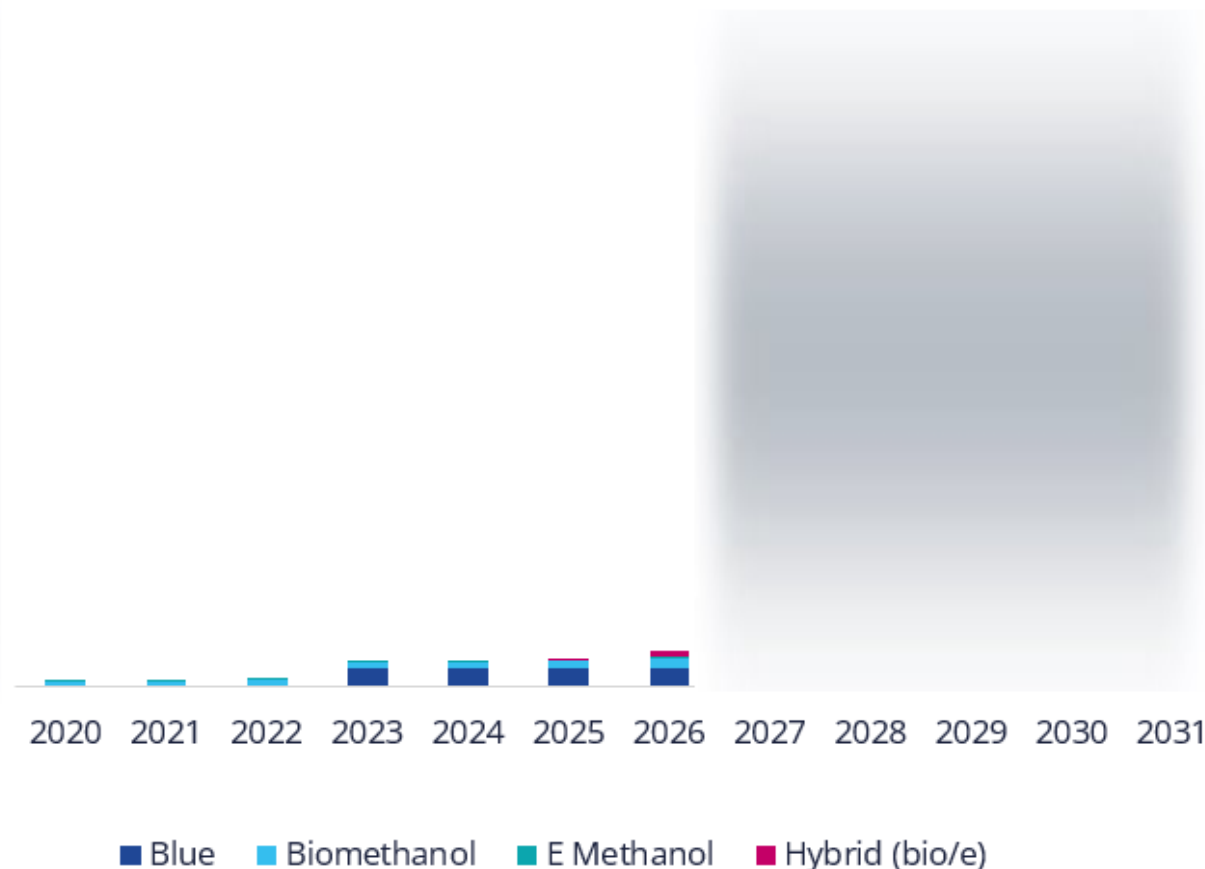
1. **Executive Summary**
2. **Global methanol overview**
3. **Ten-year price forecasts**
4. **Key regional dashboards**
5. **Low carbon methanol**
6. **Appendix**

Global overview

Low-carbon methanol continues to face headwinds due to cost, lack of regulation.

- Argus' coverage of low-carbon methanol provides insight into project capacity, regional market dynamics and its importance in maritime decarbonization.
- The Argus [low-carbon methanol project tracker](#) follows over 320 global projects and indicates a capacity pipeline of approximately [redacted] December 2025 forecast and down 1.2pc from the June 2025 forecast), with potential to reach [redacted]
- Low-carbon methanol's momentum has been driven by proposed maritime policy, which has yet to pass into global regulations. In October, with no further progress made in IMO's proposed framework, many projects experience difficulty in reaching FEED status. The next six months will be a critical time for low-carbon methanol projects.
- Asia-Pacific (China) continue to lead the way in project progression particularly for hybrid (bio/e) methanol. Europe has seen some progress due to EU ETS and FuelEU Maritime. North America has made strides but is particularly affected by lack of regulation.
- While methanol as a marine fuel is providing the largest incentives for the switch to low-carbon methanol, increasing online capacity has opened the door for conversations about implementation for chemical product derivatives such as MTBE and formaldehyde.

Global low-carbon methanol capacity



Analysis: IMO GHG intensity limits

MEPC 84 meeting recognizes adjustments should be made, continues negotiations.

What happened in at MEPC 84 in April 2026?

- Parties of opposition and parties of support remain generally the same as in previous sessions. However, both sides recognize adjustments are needed to potentially reach a compromise for MEPC 85 ES.2 in November/December 2026.
- As of now, the timeline for IMO's Net-Zero Framework is unknown, but [REDACTED]
- NZF alternatives are being discussed with hopes to reaching an agreement on pivotal items such as GFI calculations and the carbon pricing and trading framework (including pooling, compliance, penalties and rewards). Further work on life-cycle emissions must be discussed.
- The US has notably objected to all economic aspects of the Net-Zero Framework.

What happens in the next 6 months?

- Progressing projects and agreements are likely hinged on the defined and stable European decarbonization policies like EU ETS and FuelEU Maritime and should move forward as planned. However, if global regulation is further delayed, these projects may stall as well.
- China, a leading region in low-carbon methanol, continues to progress projects and increase volumes sold for ship routes going to the EU. China's cost advantage in producing low-carbon methanol is significant and will allow them to be the front runner for capacity when global regulation is enforced.
- The EU will also continue its efforts and support for maritime decarbonization, noting the success of transition to lower carbon fuels already being seen through current regional policies.
- US Gulf coast blue methanol projects are unlikely to be hindered by IMO policies as technology advancements have shown carbon capture methanol to be feasible.

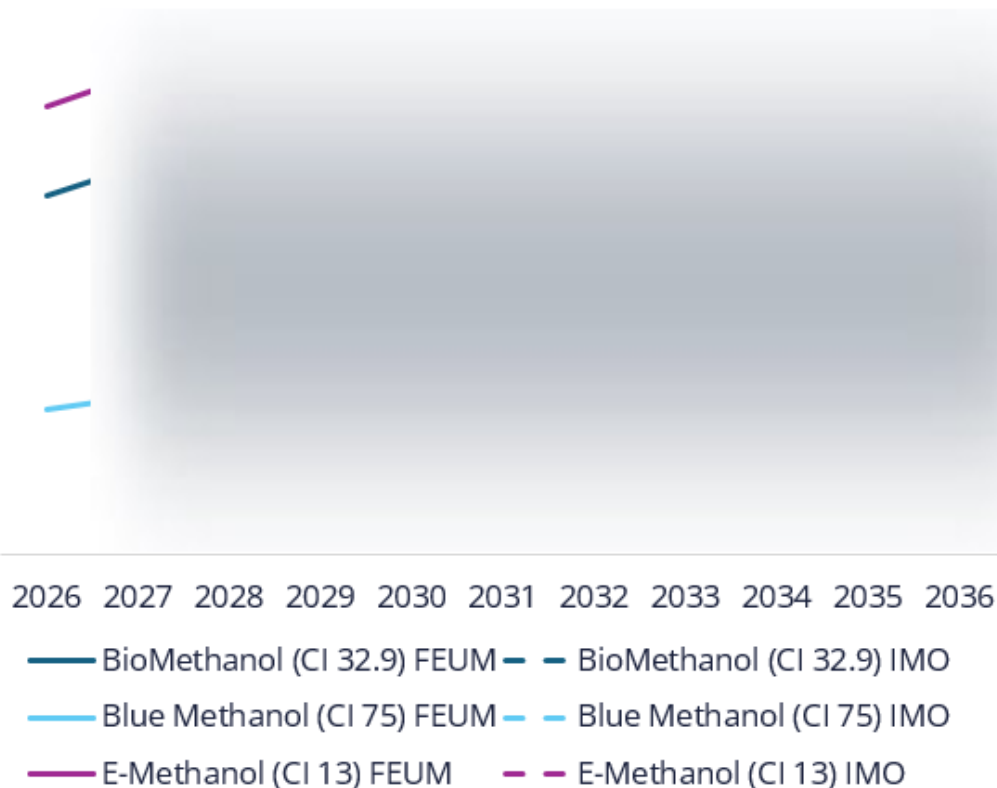
What are the implications?

- The next six months could see projects [REDACTED] especially those that were not first-movers into the EU market and were more dependent on pending IMO regulations. Globally, several low-carbon methanol projects have [REDACTED] but one of the major reasons is the lack of progression in global regulation, thus not incentivizing the market to secure low-carbon alternatives.
- Some regions or countries may decide to not wait upon global regulation and pursue more localized policies that could be amended if a global policy were to be successfully implemented.

Low-carbon methanol forecast pricing

Argus' willingness-to-pay (WTP) prices increase slightly, but methodology has changes with IMO delay.

Willingness-to-pay FEUM & IMO

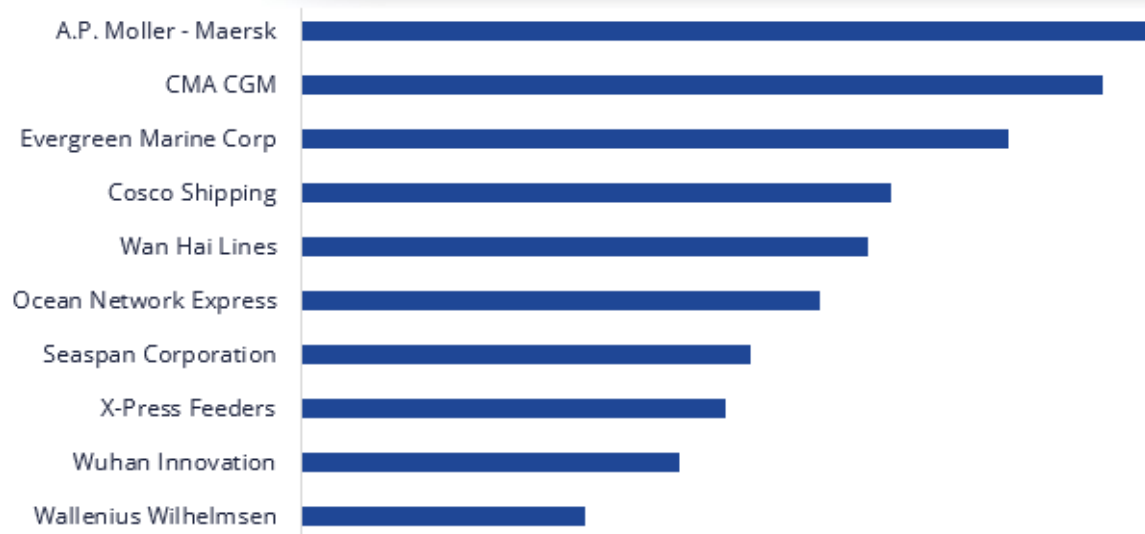


- Argus' WTP price forecasts for low-carbon methanol shows a slight increase in FuelEU Maritime prices for all three types of methanol. Once the shift to majority IMO-regulated waters, the willingness-to-pay will be comparatively lower, but experience a slight increase from previous forecasts.
- Methodology:** Argus analyzed low-carbon methanol options as an alternative marine fuel, in comparison with VLSFO. The willingness-to-pay prices provide context at which price a buyer is likely to seek another alternative marine fuel option. This methodology considers:
 - CAPEX
 - Fuel costs
 - EU ETS carbon credits & FuelEU Maritime penalties/credits for 2026-2029
 - Tentative IMO remedial and surplus units for 2030-2036
 - Argus forecasts IMO's Tier 1 and Tier 2 penalties to remain the same from 2030 onwards after voting delays).
 - All for the lifetime of a newbuild containership (approximately 25 years)
- Argus anticipates low carbon fuels will be the highest-paying buyers due to current regulations, as buyers in this region are the highest-paying buyers due to current regulations.
- With ongoing delays with IMO regulation, Argus forecasts this regulation will likely be delayed.
- The market continues to watch IMO regulations which are heavily affecting prices throughout the world. Further delay would hinder low-carbon methanol's ability to scale globally.

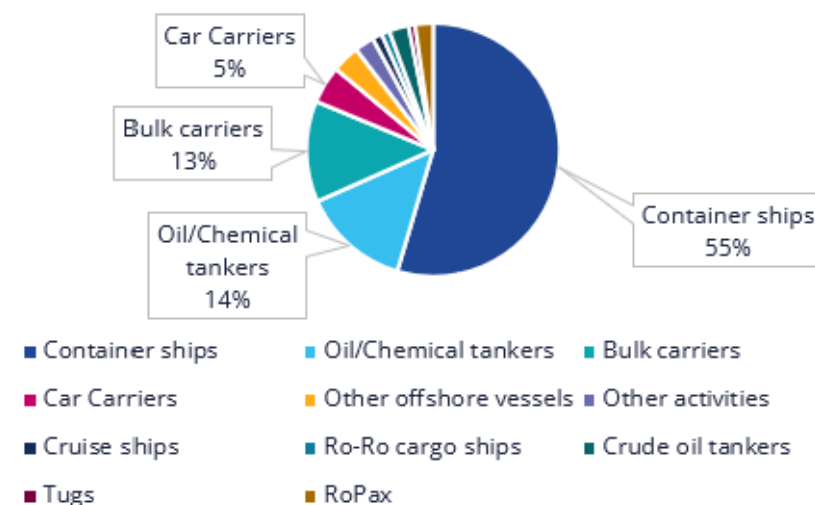
Ship data

Shipyards are still receiving methanol-capable vessel orders, but lag LNG count.

Number of vessels on water & on order by 2030



Methanol ship type on water & on order by 2030

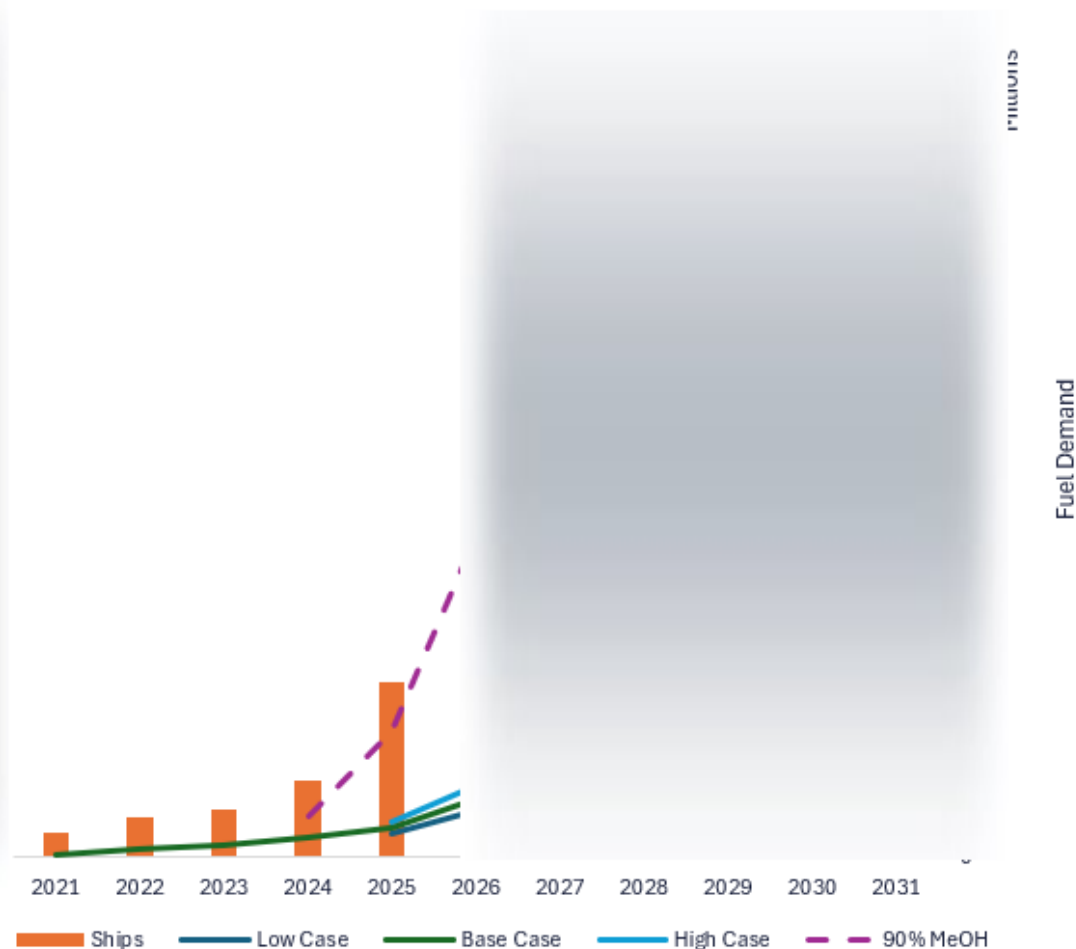


- Since the *Argus* fall analysis, the methanol-capable order book has grown. Evergreen still lead vessel orders, but more mid-size companies are following suit to diversify their fleets.
- Methanol-capable vessels comprise of nearly 15% of second in count behind orders for LNG-capable vessels at Ammonia ship orders stand at only 5% alternative vessels but is an area to follow in the next decade.
- Container ships continue to lead the transition for all alternative fuel types, comprising of nearly 55% of methanol-capable vessels, followed by oil/chemical tankers,

Methanol demand in maritime industry

Maritime demand for methanol sees a gradual amid uncertain global regulation.

Methanol consumed as marine fuel scenarios

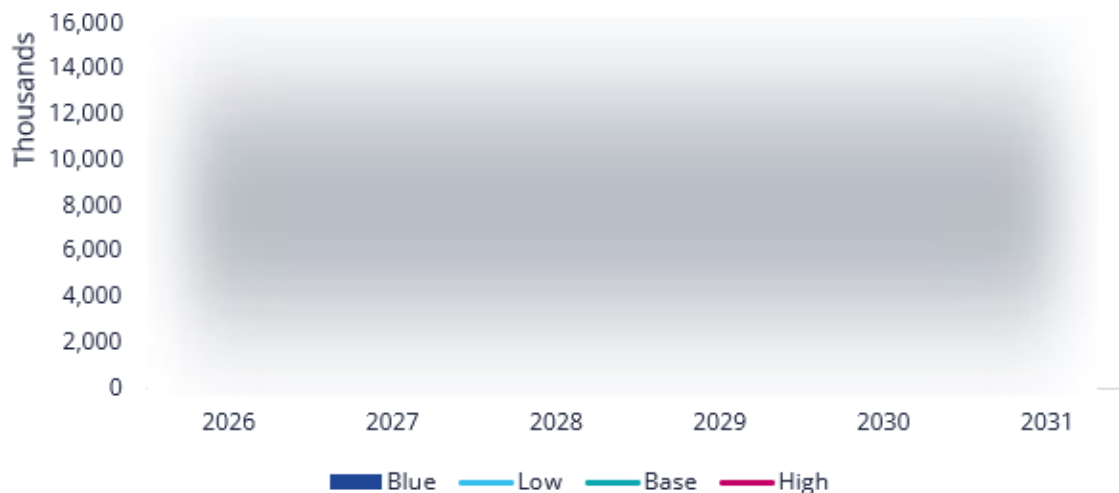


- Global bunker demand declines for 2026, largely due to the Strait of Hormuz closure that will remain likely through the summer with hopeful gradual return starting in September and ramping up through January.
- Argus forecasts global alternative fuel demand to rise 2026 and by t in 2027. Methanol looks to have a steady presence of availability and accessibility in the European region, where most of the growth is likely to occur due to FuelEU regulations.
- LNG remains the most widely utilized alternative marine fuel, with 2026 Q1 demand at Antwerp-Burgess increasing the highest quarter on record per the port's data. LNG-capable vessels also comprise more than of the global alternative fuel fleet according to DNV data.
- Port infrastructure is still lacking for methanol globally but continues to improve. In May 2026, Rotterdam port authority recorded its first ethanol-methanol bunkering operation, with
- Argus forecasts nearly : of methanol demand for marine fuel in 2031. This forecast has been revised down about from last year. The two key factors driving the decline are the postponement of global IMO regulations and a highly-variable capacity pipeline for low-carbon methanol volumes.
- Argus expects the capacity pipeline in the coming years to meet the maritime industry's demand for methanol with a slight surplus of about However, with of low-carbon methanol being carbon-capture blue methanol in North America, those volumes would be less desirable for the European market and may be utilized more in the traditional gray methanol market.
- Additionally, projects in Asia-Pacific, especially China have a large growth trajectory, but also have the largest percentage of projects not proceeding. China technology and economics alongside of IMO regulation will be areas to watch closely in the next year as the low-carbon methanol market continues to take shape.

Global capacity forecast

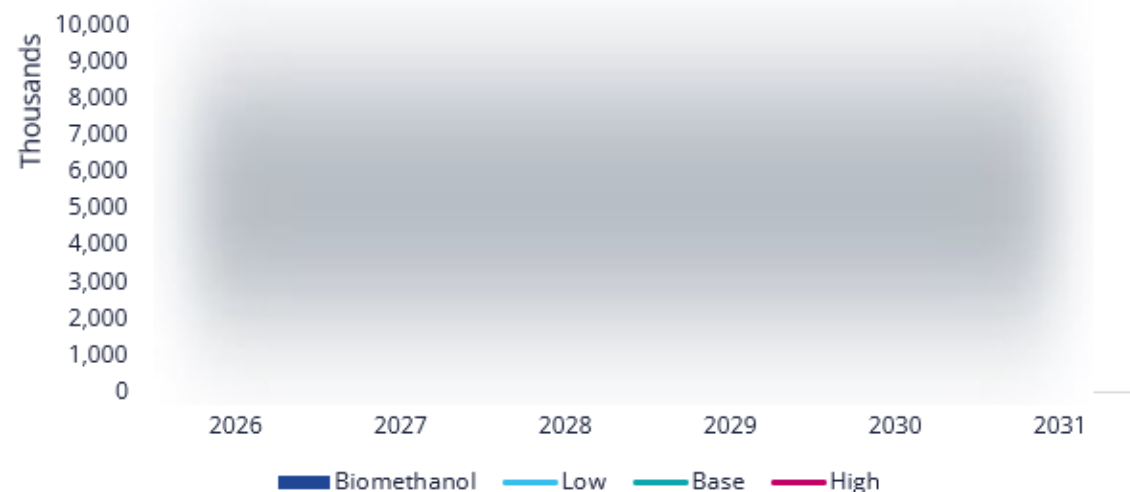
Blue methanol is slow but steady while biomethanol progress awaits further policy implementation.

Blue methanol capacity forecast



- Argus estimates approximately [redacted] of blue methanol will be available globally by 2031. This is a down from [redacted] in the previous forecast as many project continue to experience delays. Majority of projects are aiming for production state in late Q4 of 2030, but it could very easily roll into 2031.
- The window of opportunity for blue methanol (depending on CI) hinges on maritime regulation. FuelEU Maritime does not support premium prices for blue methanol, but IMO regulation could as they are still exploring life cycle assessment for alternative fuels.
- Blue methanol projects in North America continue to make progress, albeit delayed. As of publication, none of the recently announced projects have declined to proceed, signaling their robust viability from both a cost and environmental perspective.
- Biomethanol capacity projects continue to experience delays with recently halted entirely. Approximately [redacted] of annual capacity is at risk of not proceeding if IMO

Biomethanol capacity forecast



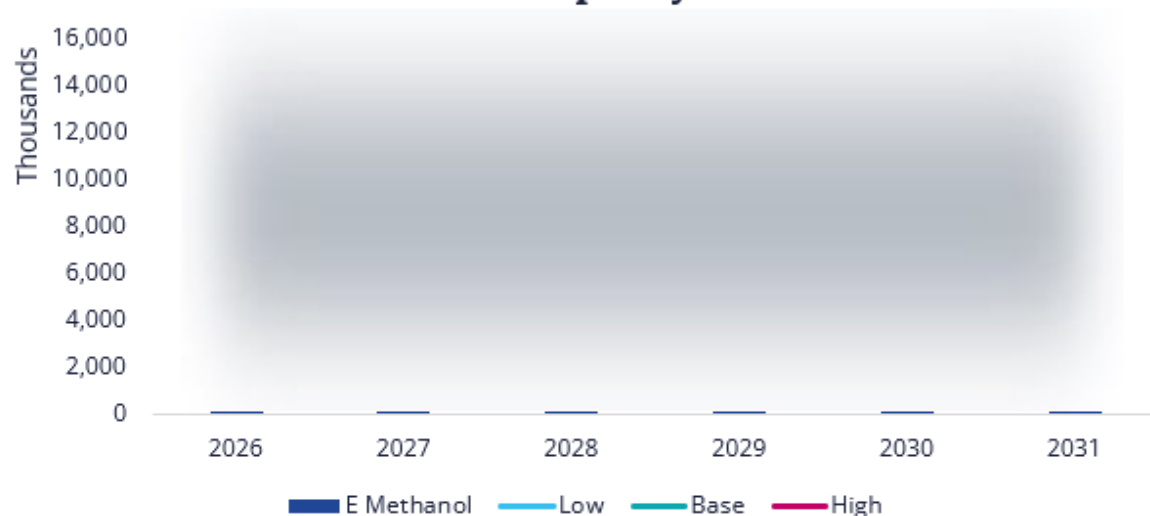
regulations do no progress this year.

- Recently, the Beaver Lake SunGas Renewables (Louisiana) project announced their decision to not proceed. The project was in the final investment decision stage and had planned to start construction in Q3 2026 with operations beginning in 2028.
- Argus forecasts [redacted] of biomethanol will be available by 2031. In recent years, over [redacted] of potential biomethanol capacity has been halted. China leads regions in biomethanol project progression with [redacted] currently under construction with completion dates between 2026-2028.
- Currently, there are two projects in Europe under construction, totaling [redacted] with several more in the pre-feasibility or FEED stages. In North America, particularly in the US, several large gray methanol producers are certified to sell biomethanol, but do not have a strong pipeline of customers requesting any significant volumes.

Global capacity forecast

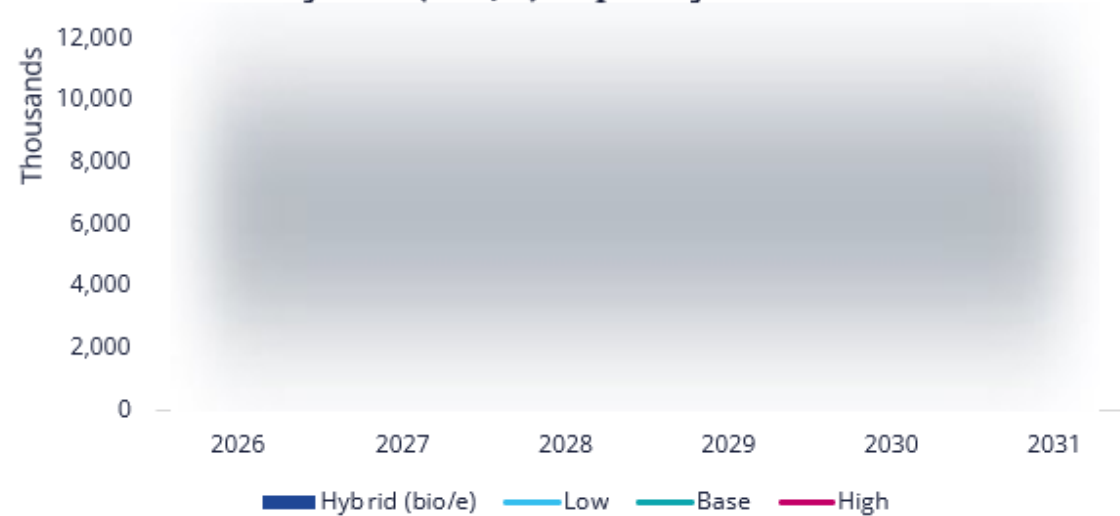
E-methanol slowly progressing, hybrid (bio/e) methanol in China remains frontrunner.

E methanol capacity forecast



- E-methanol projects are progressing slowly and variably, ultimately very regionally dependent. As with low-carbon fuel alternatives, e-methanol projects await a decision from IMO for their largest offtake segment, the maritime industry.
- European projects boast nearly 10% of global e-methanol capacity, not surprisingly due to regulatory environments which require higher compliance to decarbonization efforts.
- Additionally, European Energy's Kasso plant in Denmark has widened their customer base by converting e-methanol to e-gasoline to utilize in road transportation.
- Projects in the US continue to be under tight timelines with the new IRA guidelines outlining that construction must begin by end-2027 to qualify for incentives. Most notably, the first North American e-methanol project, Rattlesnake Gap from ET Fuels, has broken ground on construction with other projects in FEED, hopeful to advance to FID in the next 12 months.

Hybrid (bio/e) capacity forecast

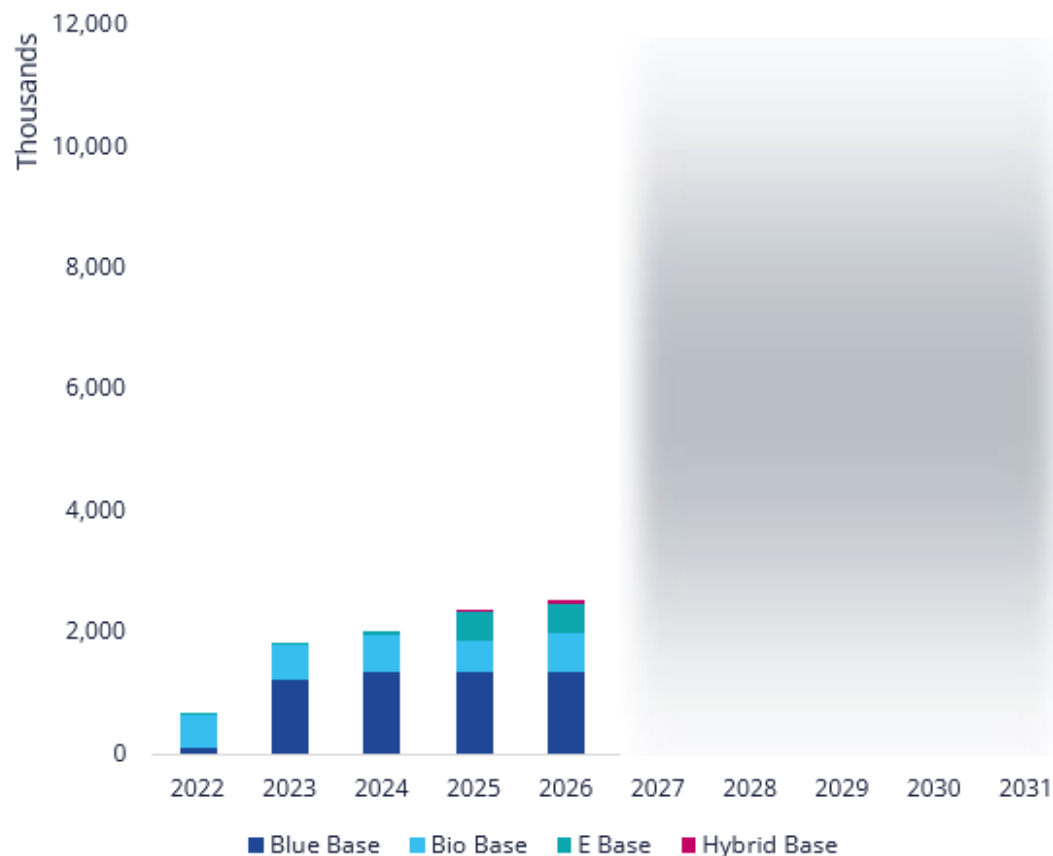


- China continues to be the largest producer of hybrid (bio/e) methanol. China's project pipeline is up to 10% of hybrid (bio/e) methanol, with the Argus forecast estimating nearly 10% of the methanol production online by 2031. Approximately 10% of Chinese projects are currently under construction.
- It is also worth noting in recent years, China has had approximately 10% of potential hybrid (bio/e) capacity not proceed to the next stage of development. So while the capacity pipeline is large, it is not without limitations that could withhold half of the country's projects in succeeding.
- Recently, China's Sungrow hybrid (bio/e) methanol project has advanced out of FID into a detailed engineering phase with hopes to produce 100kt. China Coal has also advanced its 100kt project into FID earlier this year.

Global capacity forecast

Cumulative low-carbon methanol capacity fluctuates amidst uncertain regulatory environment.

Cumulative low-carbon methanol capacity forecast

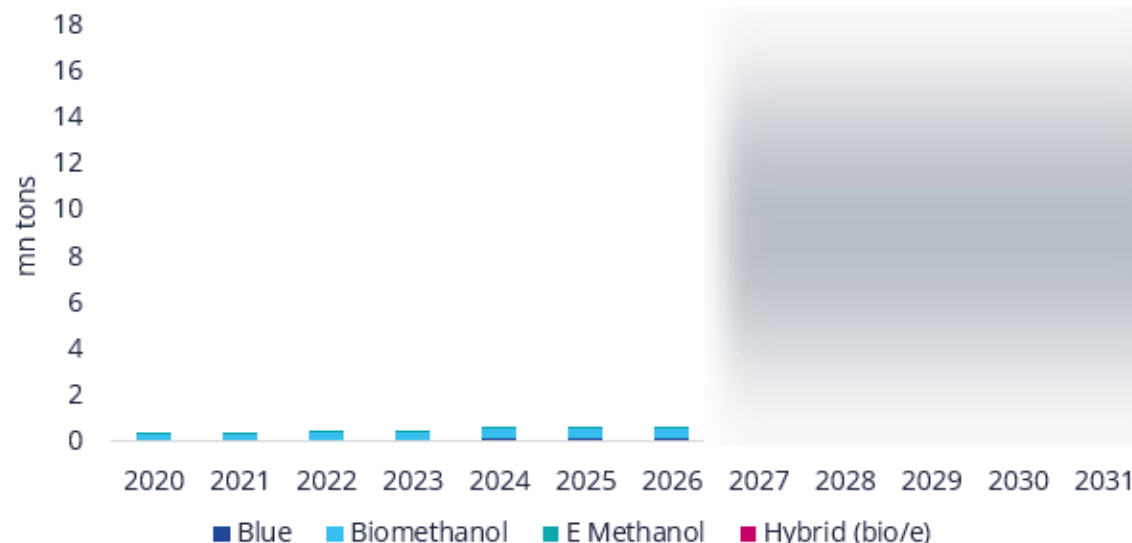


- Low-carbon methanol is experiencing months of regulatory instability on the global stage, especially due to the maritime sector. FuelEU Maritime has supported select low-carbon methanol projects with offtake agreements. Most of the partnerships between methanol producer and shipowner have already been secured. For second-movers into the low-carbon methanol space, the industry has been more unpredictable; hinged on IMO's NZF decisions and indecisions.
- Over [redacted] of low-carbon methanol capacity is included in the *Argus* low-carbon methanol database, however, projects are slowly progressing and even pausing and halting regularly. Thus, *Argus* forecasts [redacted] of this capacity [redacted] to be available in 2031 [redacted] from the December 2025 forecast projection).
- Many low-carbon methanol projects await regulatory decisions made by the IMO. The failure for IMO to vote in October 2025 has hindered many projects who eyed the maritime industry as their majority off takers. We have since seen a divergence in projects globally, with those who were early and well-secured progressing to FEED, FID and Under construction to those who had a later start who are struggling to secure offtake agreements and obtain incentives from their local governmental policies.
- Hybrid (bio/e) methanol, produced almost entirely in China, has seen the greatest growth in the past year. With several cost advantages over other regions, China has been able to build low-carbon methanol projects at-scale and quickly.

North America

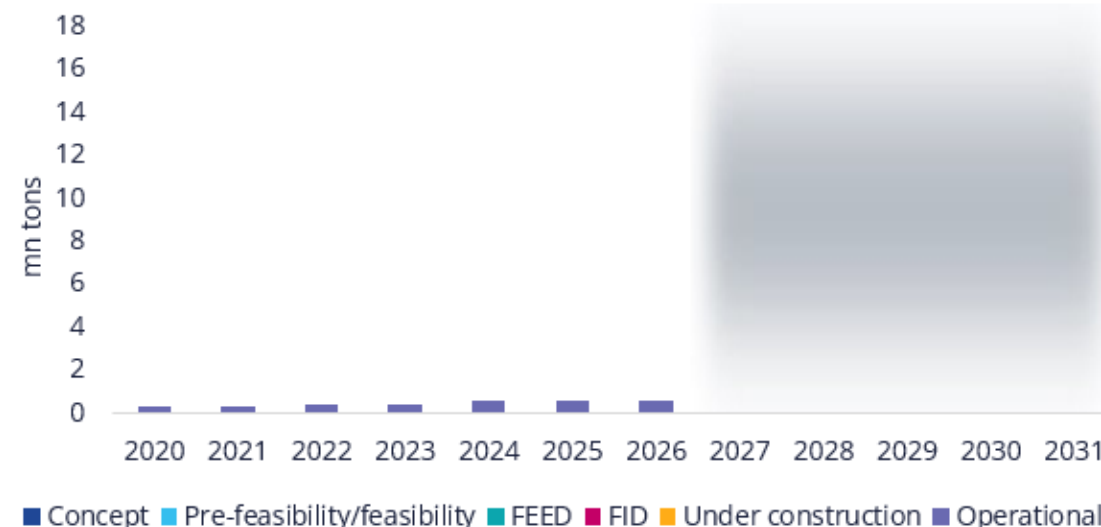
Low-carbon methanol projects either stumbling or rising to the top.

North America capacity by type



- North America continues in the race to produce low-carbon methanol, with capacity leading in the US Gulf coast with blue methanol projects totaling [REDACTED]. However, due to IMO and regulation delays, initial target production dates set for 2027-2028 have now officially slipped to 2030-2031 and potentially 2032.
- Notable projects initially targeted earlier that are being planned for 2030-2032 include Lake Charles Methanol II, HIF Matagorda and Star e-Methanol. Pacifico Mexinol, Energy Allied International (Sandpiper Chemicals) and ET Fuels have all made progress in varying forms.
- Pacifico Mexinol has secured natural gas supply with CFEnergy, signed an offtake agreement with Japanese Mitsubishi Gas Chemical (MGC) and tapped Siemens Energy and Techint for the project's technology and engineering.

North America capacity by phase

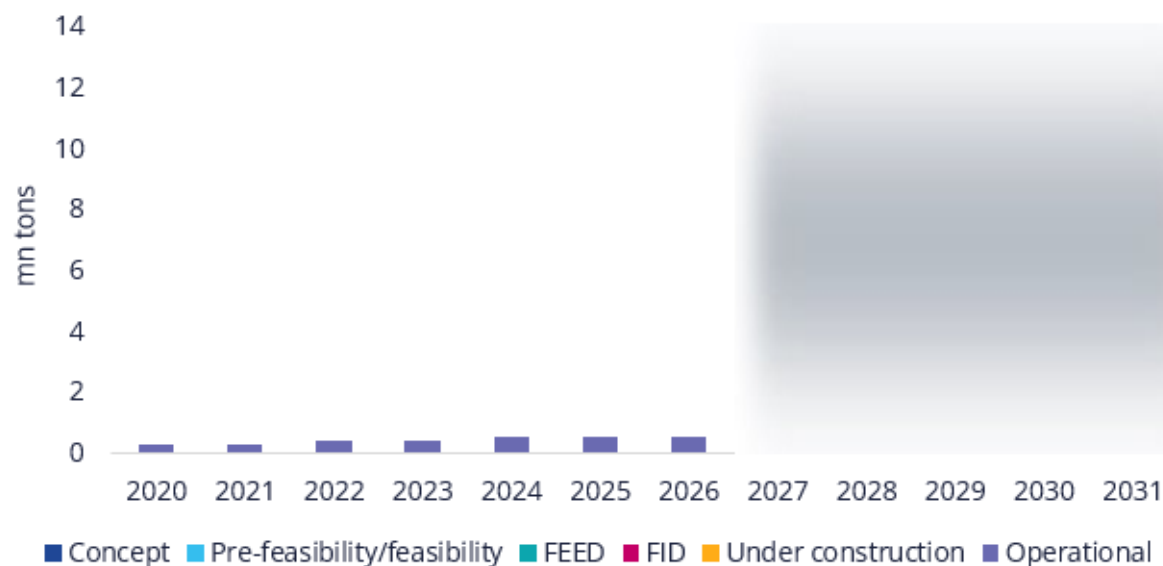


- HIF Matagorda has completed the FEED process but has not yet reached FID as initially targeted. Their large-scale capacity unit of [REDACTED] ear of e-methanol would help place Port of Houston as a destination for low-carbon methanol as a marine fuel.
- Aligning with global trends, many low-carbon methanol producers are awaiting an IMO decision to boost project viability. Policies like the US' Inflation Reduction Act (IRA - 45V, 45Q and 45Z) and Canada's Clean Fuel Regulations (CFR) have aided in providing incentives but simply do not have the level of impact of global policies.
- Large and notable projects in North America have discontinued in recently, including SunGas Renewables [REDACTED] project, Nauticol's Blue Grand Prairie [REDACTED] methanol project and the joint venture of Enkern, Proman, Shell, Suncor, Quebec Govt project in Varennes that was slated for [REDACTED].

North America

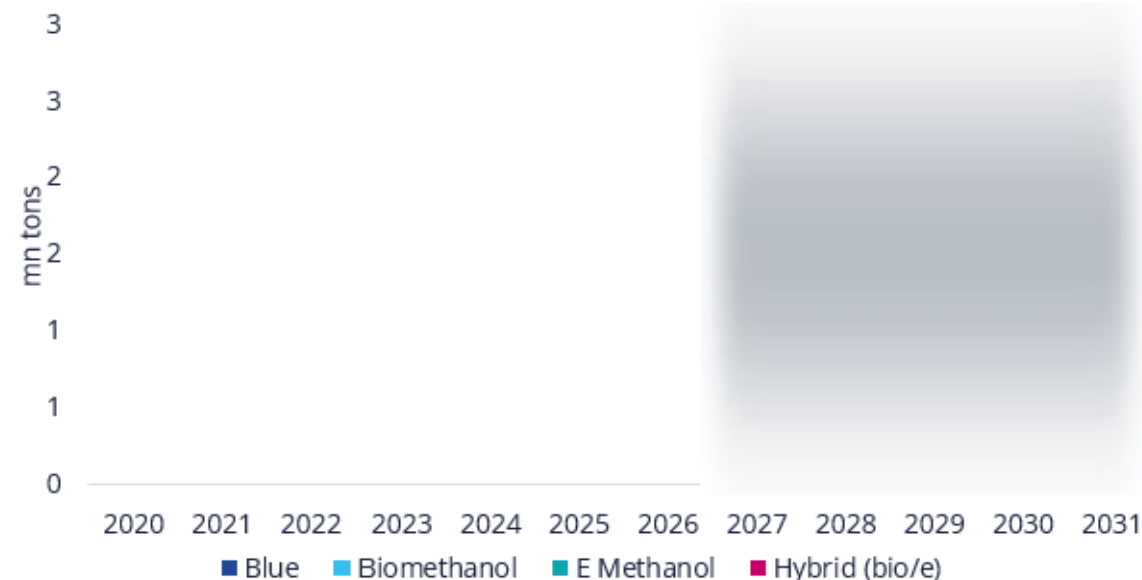
Slow progression in North America, few projects eyeing FID.

US capacity by phase



- Projects in the US have begun to diverge in timing, with a few projects moving through FEED to FID and some to under construction, while other projects struggle in pre-FEED and to obtain adequate offtake agreements to advance.
- Energy Allied International (Sandpiper Chemicals) is working alongside Air Water Gas Solutions for its gas supplier and Topsoe for technology, while Ineos has secured its methanol for their acetic acid production.
- E-methanol progress in North America is led by ET Fuels' Rattlesnake Gap (Texas) location with groundbreaking in March 2026. By doing so, ET Fuels has established IRA support through 45Y and 45Z with total amounts reaching almost [REDACTED] large advantage in a high-priced and competitive market.

Canada capacity by type

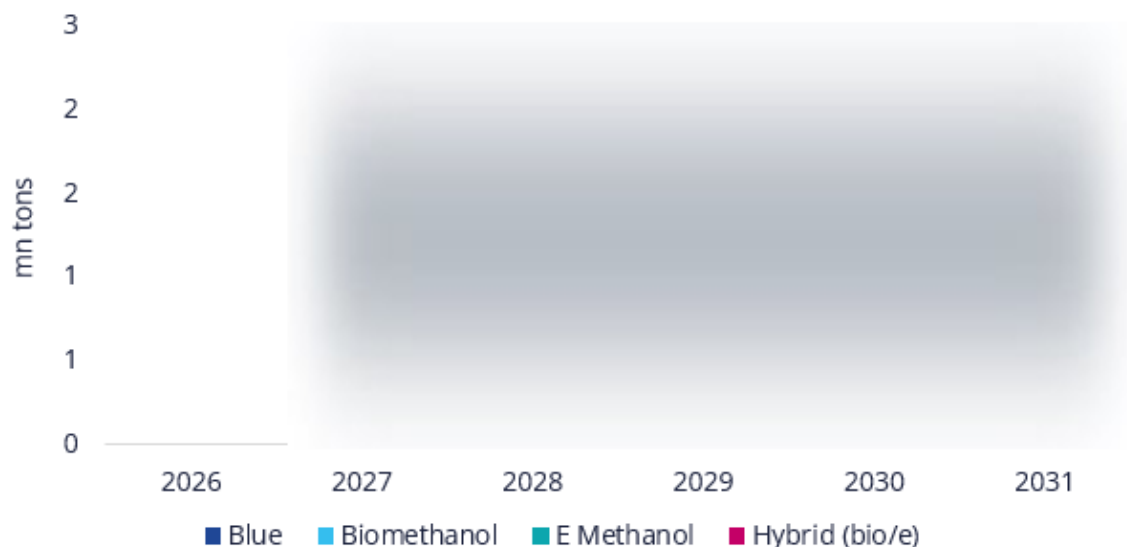


- Canada's StormFisher Hydrogen has been making waves in the market, first acquiring nearly a billion dollars of assets amid the bankruptcy of Recyclage Carbone Varennes (RCV) in early 2025. They are also advocating for the clean hydrogen investment tax credit (ITC) to cover e-methanol, e-methane and eSAF projects in Canada. Most recently, they have teamed up with the Dutch carbon solutions firm CarbonLeap to help cargo owners cut Scope 3 emissions in transatlantic routes.
- Leading Canada's low-carbon methanol efforts is Renewable Hydrogen Canada's [REDACTED] t blue methanol and [REDACTED] en methanol project in Tumbler Ridge, expected to be in production in late 2028, possibly 2029. Additional in Medicine Hat, Methanex is adding a carbon capture element to make [REDACTED]

South America

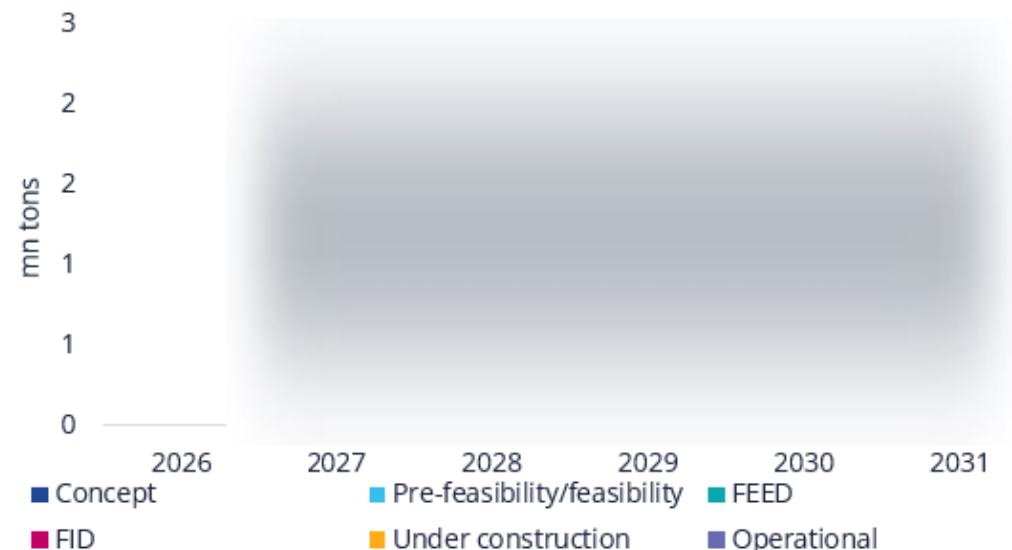
Focus stays on e-methanol as a marine fuel with HIF Global leading the region.

South America capacity by type



- South America's low-carbon methanol projects are solely focused on producing e-methanol, with up to [redacted] in the project pipeline in the next 5 years. Majority of these volumes plan to sell into the marine fuel sector with major shipping ports in Brazil, Colombia, Peru, Argentina and Chile.
- HIF Global's large scale projects, including Paysandu and Port of Acu totaling over [redacted] t, comprise [redacted] of South America's potential capacity. Although the Paysandu, Uruguay plant has changed its CO2 source from Alur to utilizing CO2 from their own plant.
- Additionally, Vast Infraestrutura and HIF Global have partnered to bring a tanking yard for e-methanol to the port of Acu for the next 15 years, a major step for the region. Last year HIF signed a non-binding offtake agreement with Mabanaft to supply [redacted] methanol.

South America capacity by phase

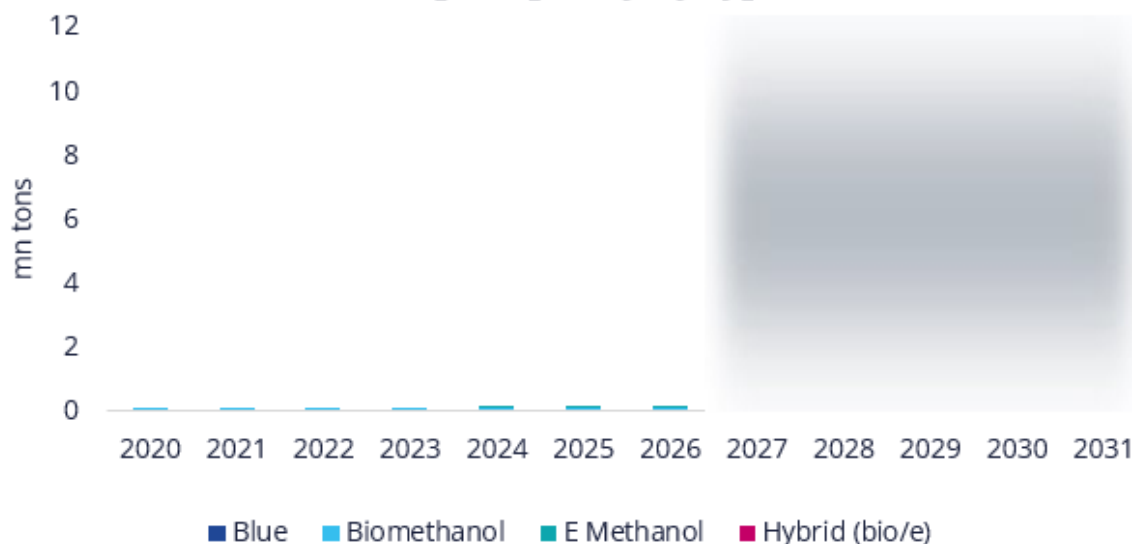


- Near [redacted] of the capacity is still in the pre-feasibility/feasibility and FEED stages in South America. No project has yet to advance to FID, although five projects in the past 2-3 years did not proceed as planned.
- Chile's government proposed a bill for [redacted] credits for the country's renewable hydrogen sector – a credit that would be applicable to e-methanol should it pass. To receive credits, producers and offtakers would need to reach agreement before applying for the governmental credit. Should the tax credit scheme pass, it would boost the two projects totaling [redacted] capacity to progress.

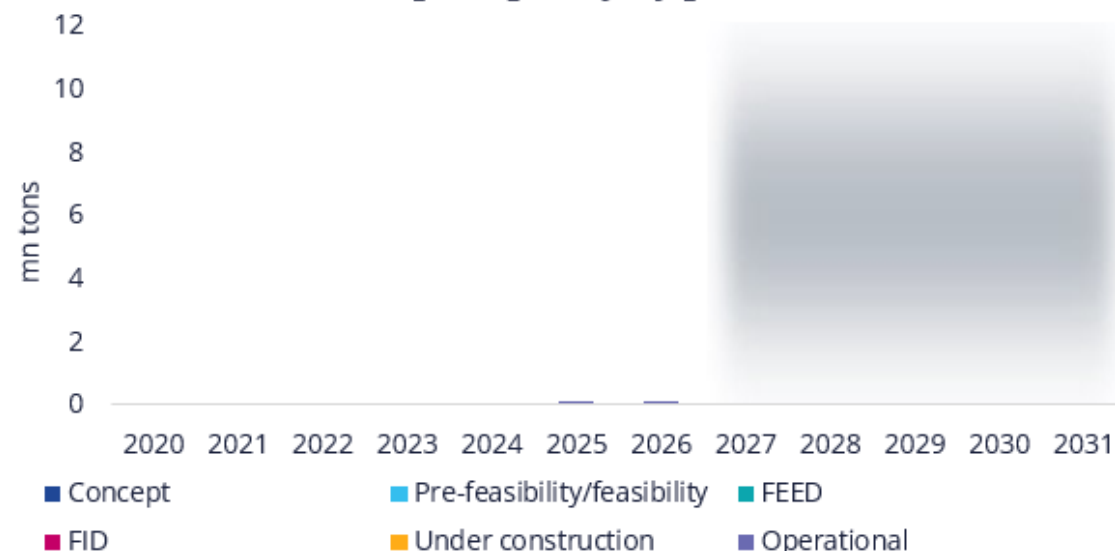
Europe

Regional regulation pushes European low-carbon methanol projects forward.

Europe capacity by type



Europe capacity by phase



- Europe continues to make strides in energy transition and decarbonization efforts with low-carbon methanol. Europe's potential capacity by 2031 is over 10 mn t of the global capacity pipeline. Majority of this low-carbon methanol is e-methanol followed by biomethanol. However, nearly 1mn t of capacity has halted in recent years.
- Majority of Europe's projects are targeting the maritime industry, where ReFuelEU and EU ETS incentivize utilizing low-carbon fuels. There is starting to be a growing interest from other sectors, however, including e-SAF, plastics and road transport, including gasoline blending.
- In April 2026, Germany passed the national RED III transposition, imposing even stricter guidelines than recommended. Maritime fuel is not eligible for quota generation under

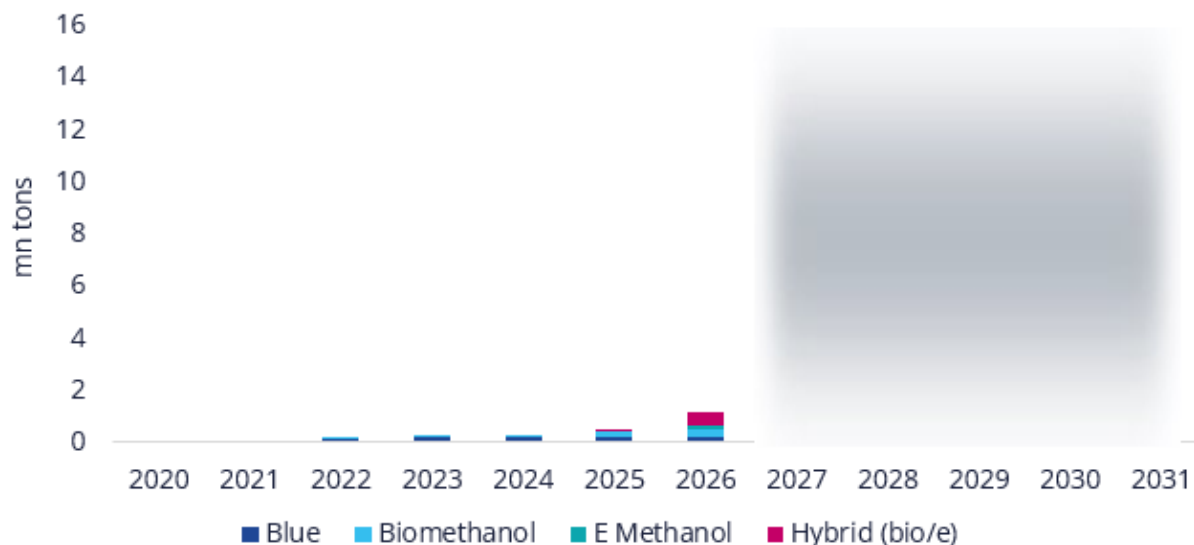
this scheme, so there is likely to see a diversification of use for e-methanol and biomethanol to met impending requirements.

- ReFuelEU Aviation has also gained more traction in the e-methanol market as it provides a viable option for methanol-to-jet and e-SAF. This regulation offers clearer mandates, quotes and penalties – thus, providing answers to regulatory uncertainties currently experienced with other policies.
- Huelva, Spain has become a growing destination hub for renewable projects. Recently, Spanish utility Iberdrola has announced to move its planned Meiga e-methanol plant to the Huelva area as a result of their pre-FEED extensive study on location and logistics.

Asia-Pacific

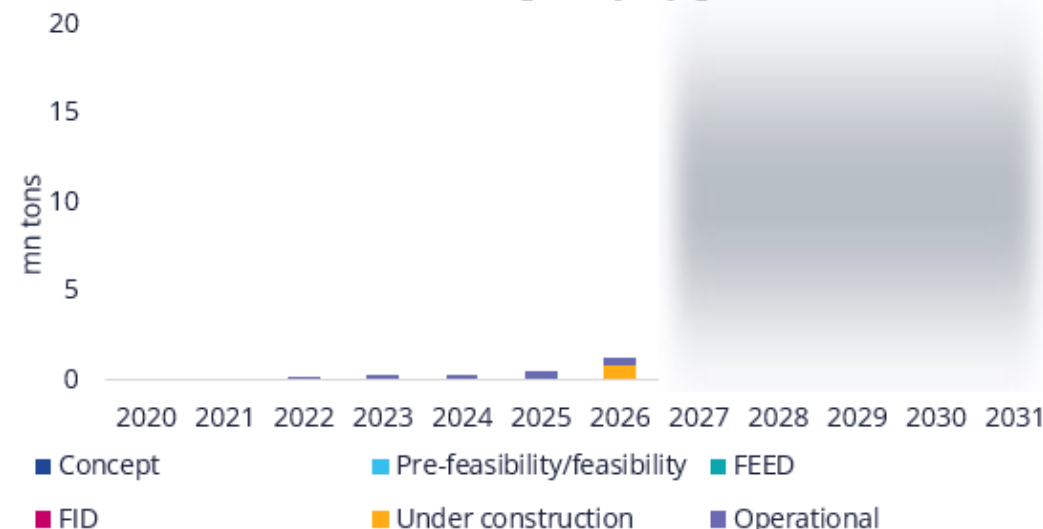
The Asia-Pacific region continues to lead global growth in investing renewable methanol projects.

Asia-Pacific capacity by type



- Asia is actively building new low-carbon methanol facilities. But ongoing projects decreased to [redacted] among which 59 projects with [redacted] t of capacity reside in China, up from [redacted] in the previous publication. China suspended or cancelled over [redacted] of green methanol project over the past year in consideration of uncertain demand, high technology and ROI risks.
- There are 13 ongoing projects outside China, with combined [redacted] of capacity. Investment is led by e-methanol projects in India and biomethanol developments in Indonesia. While some smaller pilot projects are progressing more quickly, the larger-scale projects are mostly at the FEED stage at best, with start-up timelines generally approaching 2030.
- Hybrid (bio/e) capacity is dominant in the region, reaching [redacted] by 2031, accounting for [redacted] Asia's total. Hybrid projects are mainly located in northeastern and northwestern China where renewable power and agriculture residuals resources are

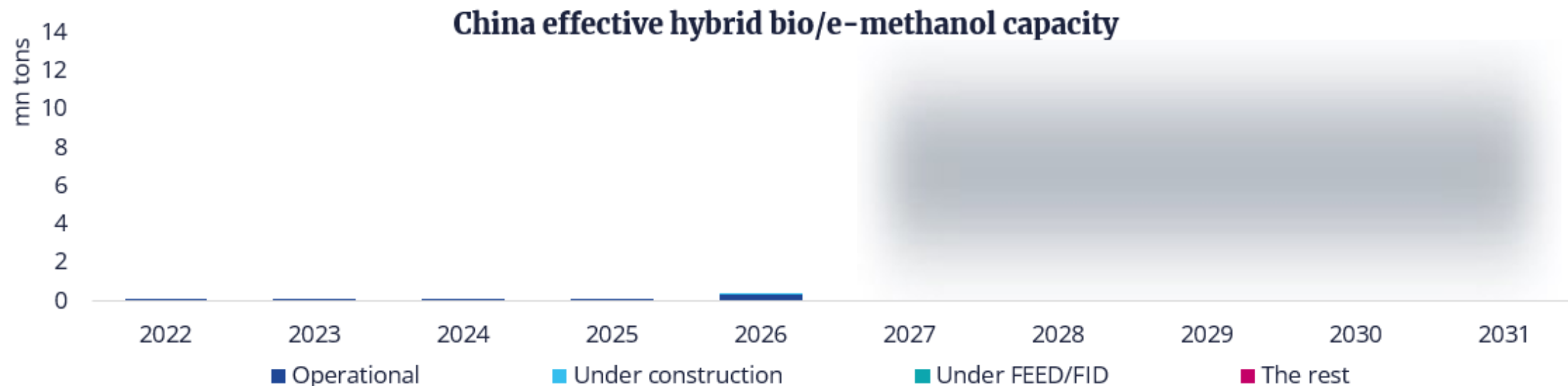
Asia-Pacific capacity by phase



- abundant. Biomethanol totals [redacted] t, accounting for [redacted] the total. E-methanol growth stays slow with around [redacted] planned or [redacted], constrained by relatively higher investment cost and limited biogenetic CO2 resources.
- On the policy side, China government released renewable energy consumption framework and 15th Five-Year Plan in June 2026, signaled stronger policy support for green methanol. The 15th FYP calls for renewable methanol production bases and transport infrastructure, and the renewable energy policy incorporates biomethanol into the decarbonization accounting framework, alongside green hydrogen, green ammonia and e-methanol. Separately, Hong Kong announced two new green marine fuel incentive schemes coming into effect on 16 June 2026 to encourage the use of low-carbon marine fuels in Hong Kong, including providing a [redacted] rebate on port dues for eligible low-carbon fuels and a subsidy of [redacted] per year for each green vessel currently or newly registered in the Hong Kong Shipping Registry (HKSR).

Asia-Pacific

China advances projects, but price, policy, demand, technology, renewables constrain utilization.



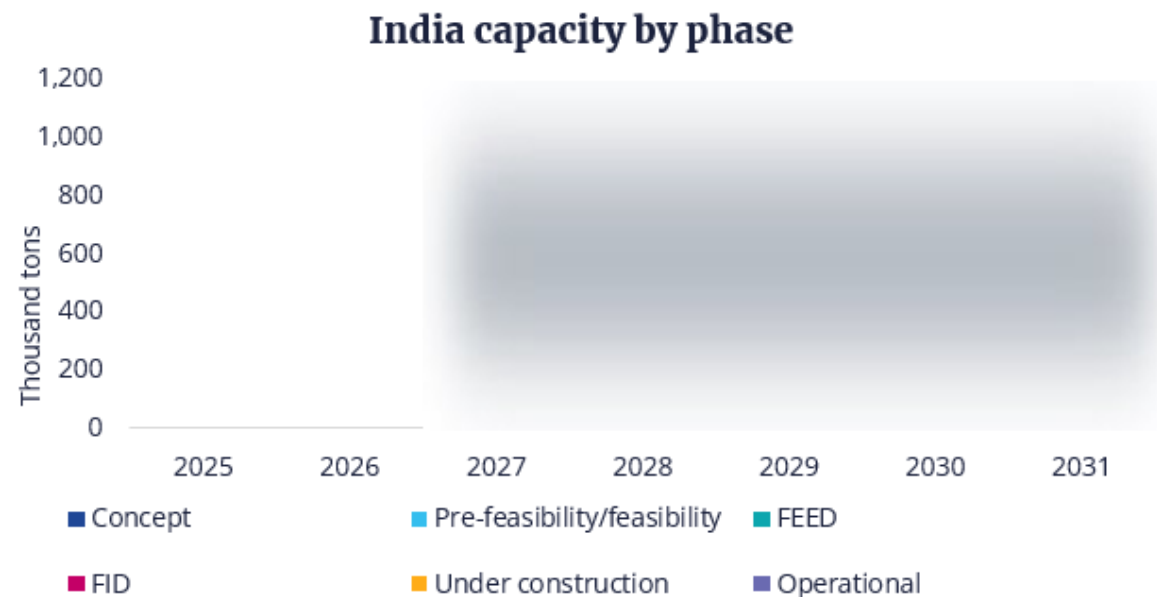
- China has made solid progress over the past year, bringing online three landmark biomethanol projects—Shanghai Electric’s [redacted] hybrid unit, CIMC Enric’s 50,000 t/yr biomass gasification unit, and Shanghai Shenji’s [redacted] mass-balanced unit—alongside six other co-processing plants, all of which are ISCC EU certified; as of June 2026, annualized capacity reached [redacted] and effective capacity at [redacted] t/yr.
- Rapid scaling will continue, with [redacted] under construction and [redacted] approaching FEED/FID, likely to materialize by 2029, bringing China’s firm green methanol capacity to around [redacted] by the decade’s end. Notably, China is set to bring online the first commercial e-methanol plant—CNTY Liaoyuan’s [redacted] unit—and the largest hybrid methanol project to date, Goldwind’s [redacted] plant, both expected to start up in Q4 2026.
- However, it is important to note that China’s green methanol project pipeline is

shrinking and investment is becoming more cautious, with planned (concept-stage) capacity falling sharply from [redacted] and suspended capacity surging from [redacted]—mainly due to unclear IMO policy and weak demand visibility, reluctance from shipowners to sign long-term offtake, and ongoing technical and profitability challenges.

- Besides, capacity does not equal output—early-stage growth faces key constraints including high price, limited voluntary demand, immature biomass gasification technologies, and unstable renewable power supply, all of which limit utilization.
- Despite these challenges, the industry continues to grow organically as many stakeholders see green methanol as an essential future fuel; China’s biomethanol bunkering started in 2025, reaching [redacted] in H1 2026, with nine ports conducting bunkering—led by Shanghai—and key shipowners including HMM, Evergreen, CMA CGM, and COSCO.

India & Indonesia

India advocates e-methanol through government-led tender and port anchored projects

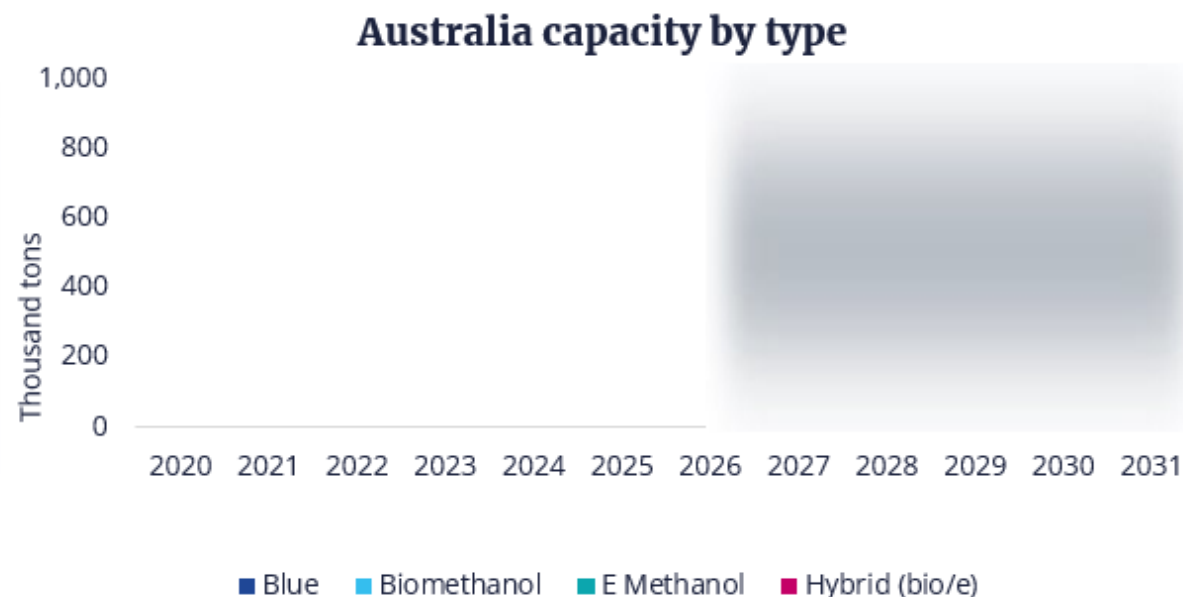


- India is advancing green methanol production through a government-led tender mechanism and port-anchored projects, though regulatory uncertainties and infrastructure constraints are slowing near-term commissioning.
- India launched a [redacted] e-methanol tender through SECI (Solar Energy Corporation of India) on 7 May 2026 with reverse auction offtake agreements, offering subsidies of [redacted] (Year 2), and [redacted] with 4-year commissioning timelines across three designated port hubs—Deendayal, Paradip, and VO Chidambaranar. The focus of India's primary policy initiatives is e-methanol for maritime bunkering.
- Individual developers are pursuing diverse pathways: Deendayal Port's in-house facility targeting [redacted] currently in FEED phase), Agastya Green Fuels signed a [redacted] supply agreement with Sri Lankan SAR Maritime (targeting up to [redacted]

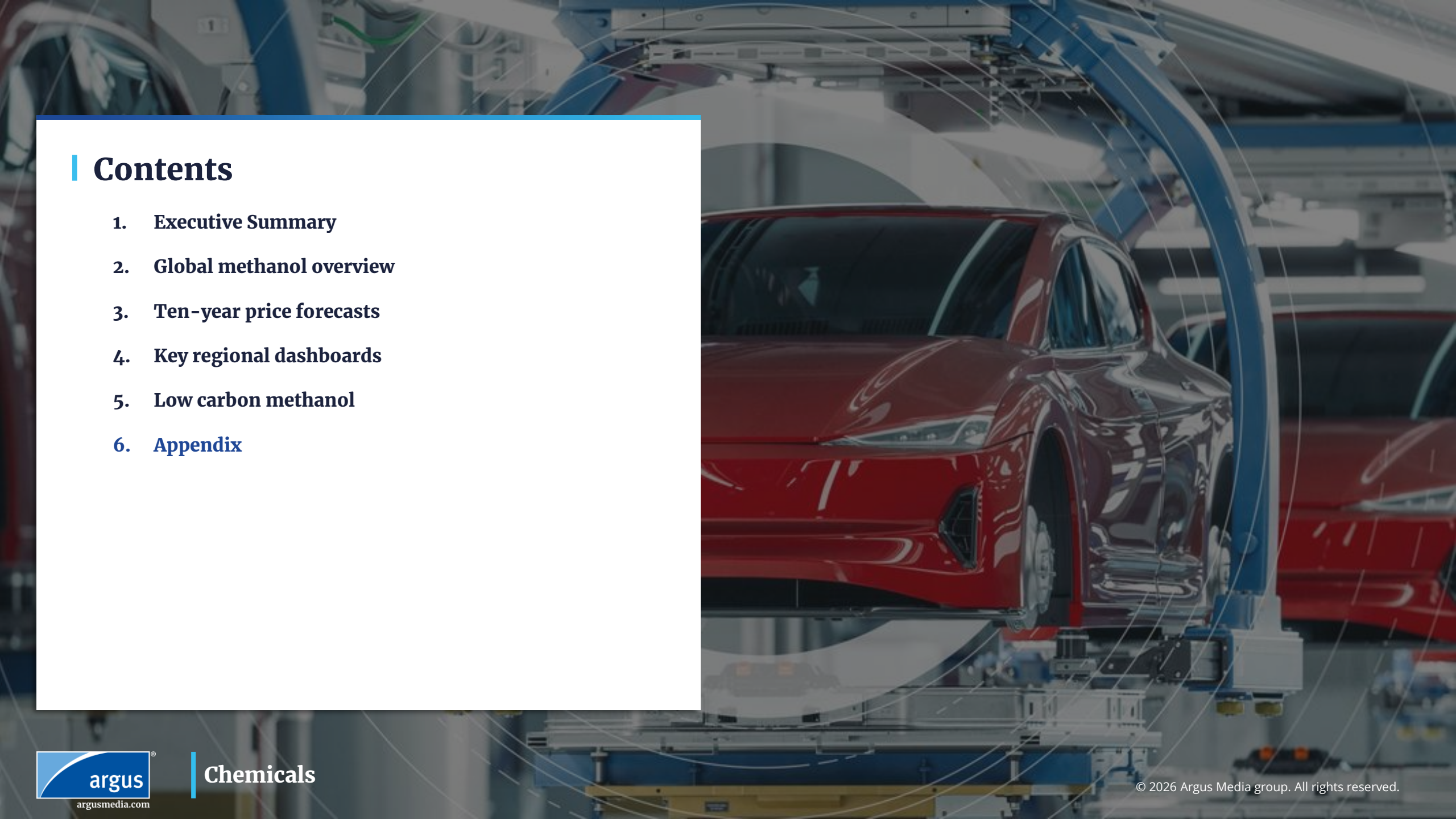


- t/yr), JSW Steel/Bharatia/Carbon Iceland assessed a [redacted] project in Maharashtra, and ReNew, NGEL/Eneos, and Acme announced projects ranging from [redacted] at varying development stages.
- Indonesia's green methanol pipeline remains early-stage and are mostly biomass and biogas pathways in leveraging Indonesia's biomass resources. Developments range from small-scale [redacted] in Papua and Sulawesi), alongside pilot initiatives such as Pertamina NRE's biogas-to-methanol project and Sojitz's Kaltim Methanol plant's [redacted] biogas co-processing upgrade.

Australia subsidizes green methanol projects and the fastest project phases to FID.



- Australia's green methanol sector is accelerating project development through government subsidies and industry partnerships, though regulatory uncertainty and the absence of binding demand mandates continue to constrain final investment decisions across the pipeline.
- On 13 May 2026, the Australian Renewable Energy Agency (ArenA) announced a shortlist of projects for the 2nd round Hydrogen Headstart subsidy scheme, including four methanol projects: Bell Bay Powerfuels's [REDACTED] in Tasmania, HIF Asia Pacific's [REDACTED] project in Tasmania, HAMR Energy's Portland Renewable Fuels's [REDACTED] in Victoria, and European Energy Australia's early-stage e-methanol project in southeastern Queensland.
- HAMR Energy's Portland Renewable Fuels : [REDACTED] project proceeded the fastest among others to FID stage after closing a [REDACTED] s A funding round on 11 February 2026, drawing investment from Airbus, Qantas and Thyssenkrupp Uhde. The project aims to start construction in 2027 with first fuel expected in 2030.
- Meanwhile, Abel Energy announced on 2 October 2025, it had paused development work on its [REDACTED] Townsville Powerfuels e-methanol project in Queensland, citing the absence of a partner to develop the required renewable power assets.



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Argus acronyms

- Aa – Australasia
- AFR – Africa
- ARA – Amsterdam Rotterdam Antwerp
- b/d – barrels per day
- bl – barrel
- bn – billion
- Btu – British thermal unit
- CAGR – Compound annual growth rate
- CEE – Central and Eastern Europe
- CTO/CTP – Coal to olefins/Coal to propylene
- DME – Dimethyl Ether
- DMT – Dimethyl terephthalate
- EIA – Energy Information Administration
- EPA – US Environmental Protection Agency
- ETBE – Ethyl tertiary butyl ether
- HAc – Acetic acid
- HCHO – Formaldehyde
- INO – Indonesia
- kl – Kiloliter
- LAC – Latin America and Caribbean
- LPG – Liquid petroleum gas
- ME – Middle East
- MDF – Medium density fiberboard
- MDI – Methylene diphenyl diisocyanate
- MEA – Methylamines
- MeOH – Methanol
- MMA – Methyl methacrylate
- mn – million
- MTBE – Methyl tert-butyl ether
- MTO/MTP – Methanol to olefins/Methanol to propylene
- NAM – North America
- NEA – Northeast Asia
- NZE – New Zealand
- OSB – Oriented strand board
- PET – Polyethylene terephthalate
- POM – Polyoxymethylene
- PBT – Polyethylene butyl terephthalate
- pc – percent
- RCA – Russia and Central Asia
- RFS – Renewable Fuels Standard
- ROW – Rest of world
- SEA – Southeast Asia
- SA – South Asia
- t – metric ton
- t/yr – metric tons per year
- TAME – Tertiary amyl methyl ether
- VAM – Vinyl acetate monomer
- WE – Western Europe
- yr – year

Disclaimer

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