S&P Global
Energy

Methanol Long-Term Outlook

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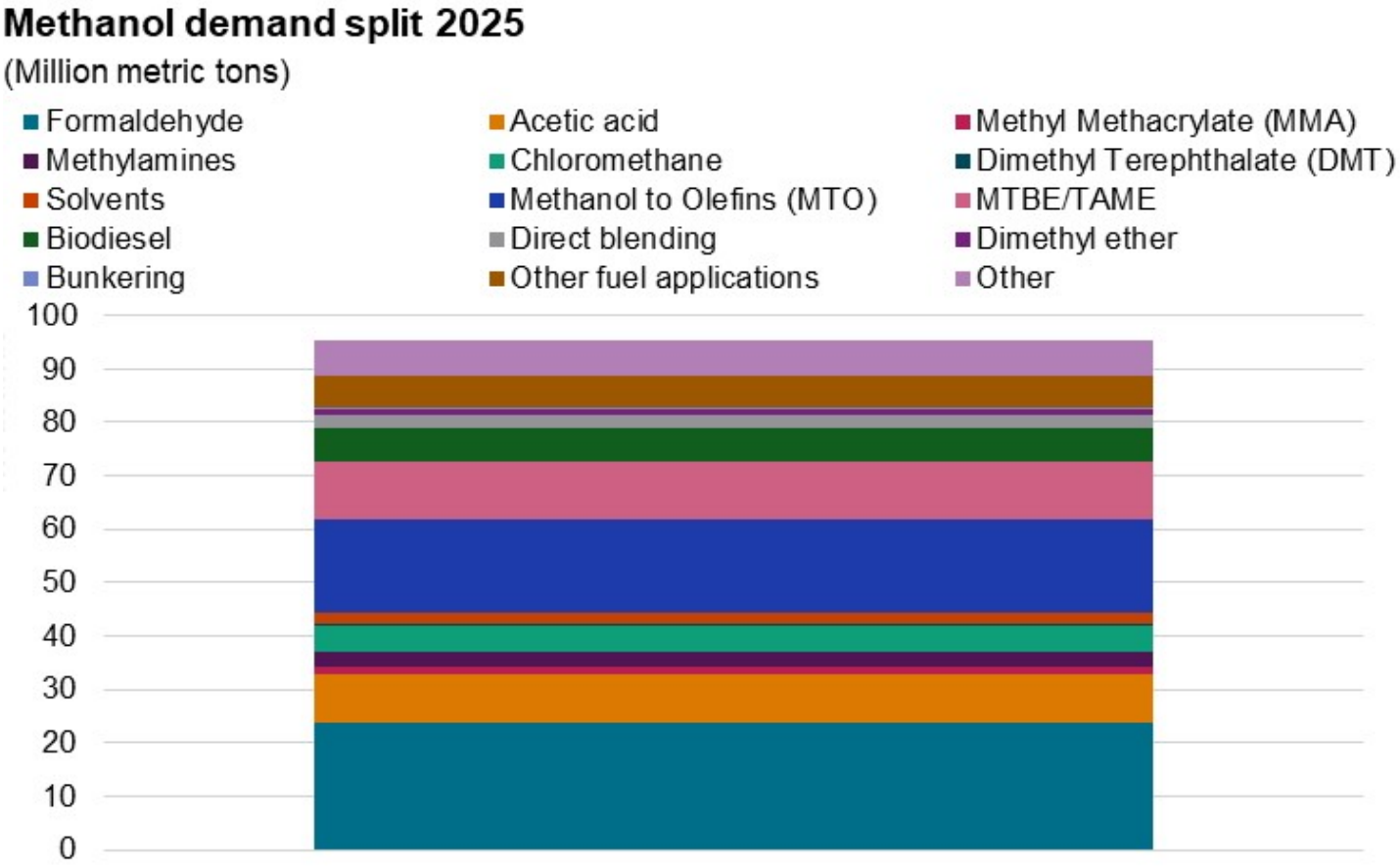
Methanol | Petrochemicals

Global methanol demand is expected to grow by 3.1% CAGR from 2025-2030.

Consumption growth is set to be primarily driven by chemical applications.

Global operating rates are forecast to remain below 70% over the next five years.



As of Q4, 2025.
Source: S&P Global Energy.

Global methanol demand is estimated to reach 95.4 million metric tons (mt) in 2025 and is projected to grow 3.1% CAGR over the next five years to 2030 at 110.9 million mt. By 2035, global methanol consumption is expected to reach 123.7 million mt, up 28.3 million mt compared to current levels. Consumption of methanol will be primarily driven by chemical applications, including the methanol-to-olefins (MTO) outlet owing to the size of these markets. Although smaller, the fuel segment is expected to support methanol demand with above average CAGR; driven by decarbonization trends and consumption into the bunker fuel segment.

Formaldehyde has historically been the largest end-use for methanol, accounting for 25% of global methanol demand in 2025. Although its relative share has declined over the past decade compared with other fast growing applications, particularly MTO, formaldehyde is expected to remain the largest application over the forecast period. By 2035, formaldehyde is expected to account for 22.5% of global methanol consumption.

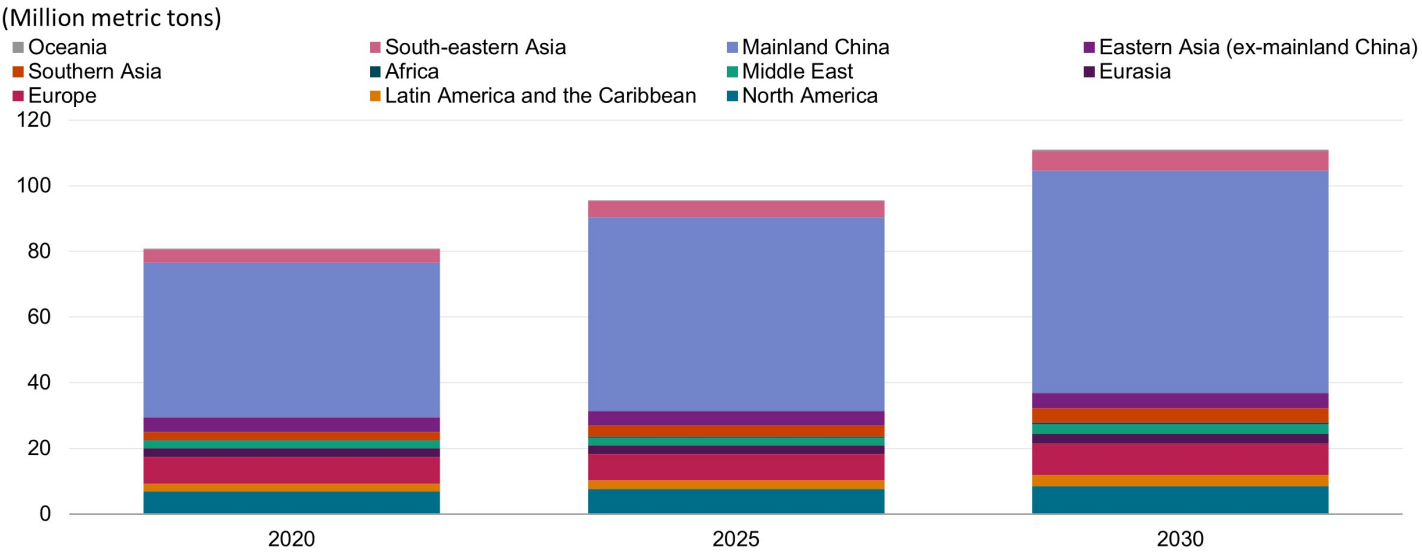
Acetic acid is the second largest chemical application, consuming close to 9.1 million mt of methanol in 2025 or 9.5% of global demand.

Other chemical applications include chloromethanes, methylamines, methyl methacrylate (MMA), solvents, dimethyl terephthalate (DMT) as well as consumption of methanol into a myriad of smaller applications aggregated into Other and accounting for 16.8% of global methanol demand.

MTO has been the fastest growing application for methanol since the start up of the first plant in Mainland China in 2011. With 16 units exclusively located in Mainland China, MTO is the second largest derivative for methanol globally and the largest end-use in Mainland China with 17.3 million mt of demand in 2025.

Besides the applications mentioned above, methanol is also used either directly or as a feedstock for fuel applications. MTBE and biodiesel are the two largest applications in this segment, accounting for 10.6% and 6.7% of global methanol consumption, respectively. Methanol is also used directly, blended into the gasoline pool or as a fuel for coking stoves and industrial boilers. Finally, methanol also serves as a feedstock for dimethyl ether (DME) which is primarily used as a substitute fuel to LPG for cooking gas usage. Outside of Mainland China, DME is usually sold in high purity form and used as a gas propellant.

Methanol demand by region

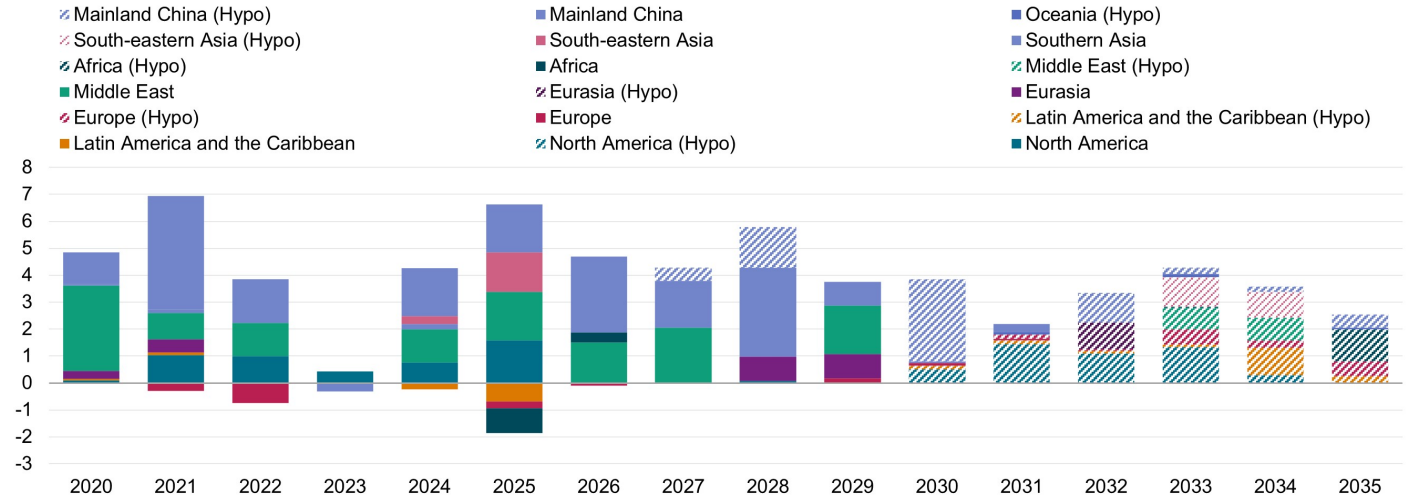


As of Q4 2025.
Source: S&P Global Energy

The shipping industry is estimated to account for around 3% of global GHG emissions making it one of the largest emitters. Over the last five years, the push from public policies to decarbonize the maritime industry and actions taken by corporations have supported the emergence of methanol as a potential alternative bunker fuel. Initial developments started more than 10 years ago, promoted by methanol producers and engine manufacturers. In recent years, a wave of announcements for new dual-fuel methanol ready vessels and the retrofitting of existing fleets have propelled this potential new application for methanol into a new era. At the end of 2025, 110 vessels with dual-fuel capabilities are in operation with 63 vessels commissioned over the past year. By 2030, over 300 vessels with the potential to consume over 20 million mt/year of methanol are projected to be operational. In Europe, regulations promoting alternative bunkering fuels include the FuelEU Maritime and the inclusion of the shipping sector into the ETS. At a global level, the IMO Net-Zero Framework published in early 2025, was initially approved in April but not ratified in October and postponed by one year at the minimum. Despite the IMO setback, S&P Global Energy anticipates this new application, currently estimated to consume close to 195,000 mt of methanol in 2025, to grow double digit CAGR over the next decade to reach 7 million mt by 2035.

Methanol capacity growth

(Million metric tons)



As of Q4 2025.

Source: S&P Global Energy

As of 2025, 55.6% of global methanol capacity is based on natural gas reforming, 33.3% is based on coal gasification (almost exclusively located in Mainland China), 9.6% from coking gas and about 1.0% on refinery residues. Biomass gasification and green hydrogen process routes are two dedicated pathways to low carbon methanol production. In 2025, five plants including four in Mainland China and one in Denmark were commissioned with a total capacity to produce low carbon methanol of over 492,000 mt/year (this does not include the two plants in Mainland China commissioned in 2024 and based on recycled feedstock). As global methanol capacity grows over the coming decade, the share of low carbon methanol is expected to grow at the expense of traditional production routes, although the capacity mix is projected to remain largely unchanged. By 2035, natural gas reforming and coal gasification will moderate to around 54.0% and 28.6% of global capacity, respectively. Biomass gasification and green hydrogen-based methanol production are forecast to account for over 7% of the total, equivalent to 12.8 million mt of capacity.

In 2025, only one world scale methanol plant was commissioned globally. In Iran, Veniran Petrochemical (also called Persian Gulf Apadana Petrochemical) started its 1.65 million mt plant located in Asseluyeh, Bushehr Province around April 2025. Several medium scale methanol plants with a capacity range of 100,000 mt/year - 1 million mt/year, totaling close to 3 million mt and based on coal or coking gas feedstock, were commissioned in Mainland China.

Besides these new units, 2025 was marked by the full implementation of units being commissioned in 2024 as well as closures during the year.

- In the Americas, Methanex commissioned its 1.8 million mt/year Geismar 3 plant in 2024. After experiencing technical issues, the plant resumed full scale commercial production in 2025. Koch debottlenecked its existing 1.8 million mt/year plant in Saint James by approximatively 450,000 mt to 2.25 million mt/year in Q2 2024. Finally, Methanex closed its 1.8 million mt Atlas plant in Trinidad & Tobago and restarted its smaller Titan plant with a capacity of 850,000 mt/year in Q3 of 2024.

- In South-eastern Asia, Sarawak Pethem Sdn Bhd commissioned its 1.75 million mt/year in July 2024 and produced on-spec methanol in December 2024.

- In Africa, the AMPCO methanol plant with a capacity of 1 million mt/year in Bioko Island, Equatorial Guinea closed in Q4 2024 following a technical issue at the site and decision to decommission the unit.

- In the Middle East, Di-polymer Aryran Petrochemical commissioned its 1.65 million mt/year methanol plant in Q2 2024, located in the Bandar Asseluyeh.

- In Europe, Shell stopped production at its 400,000 mt methanol plant in Wesseling, Germany in late 2024.

Methanex Corporation completed the acquisition of OCI Global’s methanol business in June 2025, including assets in North America as well as the mothballed plant located in the Netherlands.

S&P Global Energy anticipates new projects to be commissioned in the coming years. Dena Petrochemical’s 1.65 million mt/year plant is anticipated to start up in Q2 2026 while Siraf Energy is expected to make slow progress with a potential commissioning early 2027 at the earliest. Iran’s persistent natural gas supply issues will continue to affect methanol production in the foreseeable future. Meanwhile, Proman’s 1.8 million mt/year TA'ZIZ project, based in the UAE, was awarded the contract to Samsung E&A to build the new plant, with the project planned for commercial production in early 2029 at the earliest. Finally, S&P Global Energy included the Nakhodka Fertilizer Plant, JSC project located in Nakhodka, Russia, back in its capacity list with an expected start-up in Q3 2028. The 1.8 million mt/year project, on hold for a couple of years was reported to resume construction work in late 2024. With its location and planned export facility, the plant is expected to target markets in Eastern Asia with a focus on Mainland China.

Biomass gasification and green hydrogen process routes, two paths to low carbon methanol production, are currently negligible but are expected to increase to 7.7 million mt once combined by 2030 and over 12.5 million mt by the end of the forecast period. At present, most projects tend to favor the biomass gasification route or a hybrid configuration including biomass gasification complemented with green hydrogen. Mainland China and Europe have the largest pipeline of announced projects, although many companies are contemplating investments in low carbon methanol in several other regions, including North America, Latin America and the Caribbean, Africa, South-eastern Asia and Southern Asia. In the short term, Mainland China has taken the lead with the commissioning of several units. In late 2022 and in 2023, both Anyang Shunli and Jiangsu Sailboat added 110,000 mt/year and 100,000 mt/year, respectively based on the CRI technology. These units are based on recycled hydrogen and/or CO feedstocks, derived from industrial operations nearby. In 2025, four low carbon methanol plants were commissioned in Mainland China: Taonan Green Source Fuel Co ltd., Shanghai Huayi Industrial Gas Co ltd., Goldwind Green Energy Chemical Co ltd. and ECO Coal Chemical Technology Co ltd. with a combined capacity of 450,000 mt/year. By 2035, Mainland China could add more than 8 million mt/year of low carbon methanol capacity, process routes of which include biomass gasification, green hydrogen, and others, where others refers to a combination of low carbon feedstock. In Europe, European Energy commissioned it's 42,000 mt/year e-methanol plant in Kasso, Denmark in early 2025. Repsol reached FID on its gasification project and is looking for a start up by 2029. Low carbon methanol projects are being investigated in many other countries including, France, Iceland, Italy, Portugal, the Netherlands, Spain and Sweden. In North America, the Varennes project developed by Canada-based Enerkem faced financial challenges and has been taken over by Stormfisher now looking to develop an e-methanol facility. The US Inflation Reduction Act has been an important support to accelerate investments into US low carbon and green hydrogen projects through a combination of carbon and hydrogen production tax credits and direct grants. In 2025, however, US methanol producers faced a substantially revised incentive landscape shaped by the One Big Beautiful Bill Act (OBBA) updates and new Treasury/IRS regulations governing 45V, 45Z, and 45Q tax credits.

Methanol key low carbon capacity changes

Name	Country	Production Route	Capacity ('000 mt/year)	Start-up
Taonan Green Source Fuel Co Ltd	Mainland China	Green Hydrogen	14	2025
Taonan Green Source Fuel Co Ltd	Mainland China	Biomass Gasification	36	2025
Shanghai Huayi Industrial Gas Co., Ltd.	Mainland China	Biomass Gasification	100	2025
Goldwind Green Energy Chemical (Xing'an League) Co., Ltd.	Mainland China	Biomass Gasification	180	2025
Goldwind Green Energy Chemical (Xing'an League) Co., Ltd.	Mainland China	Green Hydrogen	70	2025
Solar Park Kasso ApS	Denmark	Green Hydrogen	42	2025
ECO Coal Chemical Technology (Inner Mongolia) Ltd.	Mainland China	Biomass Gasification	50	2025
Liaoyuan Tianying Hydrogen Production Technology Co Ltd	Mainland China	Green Hydrogen	170	2026
China Coal Erdos Energy & Chemical Co., Ltd.	Mainland China	Green Hydrogen	100	2026
CRRC Shandong Wind Power Co Ltd	Mainland China	Green Hydrogen	50	2026
China Energy Engineering Group Hydrogen Energy Co., Ltd.	Mainland China	Green Hydrogen	20	2026
China International Marine Containers (Group) Co Ltd	Mainland China	Biomass Gasification	56	2026
Mingyang Smart Energy Group Ltd	Mainland China	Biomass Gasification	15	2026
Sedin Engineering Co Ltd	Mainland China	Biomass Gasification	80	2026
Goldwind Green Energy Chemical (Xing'an League) Co., Ltd.	Mainland China	Biomass Gasification	180	2026
Goldwind Green Energy Chemical (Xing'an League) Co., Ltd.	Mainland China	Green Hydrogen	70	2026
China Energy Engineering Group Investment Co Ltd	Mainland China	Biomass Gasification	60	2027
China Energy Engineering Group Investment Co Ltd	Mainland China	Green Hydrogen	240	2027
Xuchang Longi Bioenergy Co., Ltd.	Mainland China	Biomass Gasification	20	2027
Jiangsu Lanze Energy Technology Co., Ltd.	Mainland China	Biomass Gasification	300	2027
Zhongke Chemical Industry Co., Ltd.	Mainland China	Green Hydrogen	70	2027
Zhongke Chemical Industry Co., Ltd.	Mainland China	Biomass Gasification	30	2027
Huadian Liaoning Energy Development Co Ltd	Mainland China	Green Hydrogen	100	2027
Daqing Oil Field Chemical Co., Ltd.	Mainland China	Biomass Gasification	40	2027
Goldwind Green Energy Chemical (Xing'an League) Co., Ltd.	Mainland China	Biomass Gasification	360	2027
Goldwind Green Energy Chemical (Xing'an League) Co., Ltd.	Mainland China	Green Hydrogen	140	2027
China International Marine Containers (Group) Co Ltd	Mainland China	Biomass Gasification	200	2027
Goldwind Green Energy Chemical	Mainland China	Green Hydrogen	600	2028
LONGi Green Energy Technology Co., Ltd.	Mainland China	Biomass Gasification	112	2028
Ordos Yuanhuang Energy Technology Co Ltd	Mainland China	Biomass Gasification	500	2028
China Energy Engineering Corporation Ltd	Mainland China	Green Hydrogen	200	2028
LONGi Green Energy Technology Co., Ltd.	Mainland China	Green Hydrogen	288	2028
LONGi Green Technology Co Ltd	Mainland China	Biomass Gasification	54	2029
LONGi Green Technology Co Ltd	Mainland China	Green Hydrogen	126	2029
Ecoplanta Molecular Recycling Solutions S.L.	Spain	Biomass Gasification	237	2029
Liquid Wind AB	Sweden	Green Hydrogen	100	2030

Source: S&P Global Energy

Hypothetical capacity will be needed from 2030 to meet growing global demand. The US would be an ideal site for at least one world-scale plant, benefiting from cheap, abundant natural gas feedstock and a selection of projects in advanced stages of development awaiting FID. Similarly, potential projects in Canada looking at a combination of conventional & low carbon methanol could be a realistic contender for a new world scale project in North America. In Latin America and the Caribbean, gas developments on the continent and particularly in Argentina could lead to potential investments downstream into methanol with an existing facility operated by YPF. Brazil is also ideal for biomass gasification and green hydrogen-based projects given the policy and incentive support from the government to establish bunkering hubs in key Brazilian ports. In the Middle East, further investments could materialize in Iran where several projects have been announced in recent years on top of the two additional plants expected to be commissioned in 2026-27. Africa is another area with cheap and abundant natural gas feedstock, where several methanol projects are also being investigated and where S&P Global Energy anticipates at least one project to go ahead. Mainland China would also be another logical location for both conventional natural gas and coal-based units, as well as low carbon methanol units. In Asia-Pacific, outside of Mainland China, Malaysia would be another ideal location for conventional gas reforming capacity. India may be a potential location for new coal gasification facilities, given its abundant coal feedstock and large methanol demand, though it must overcome challenges such as high ash content in domestic coal and water-use issues. Beyond 2035, gas rich countries where projects have previously been investigated, such as Russia, Australia as well as countries in South-eastern Asia and Southern Asia could be home for further investments into methanol production.

Methanol key conventional capacity changes

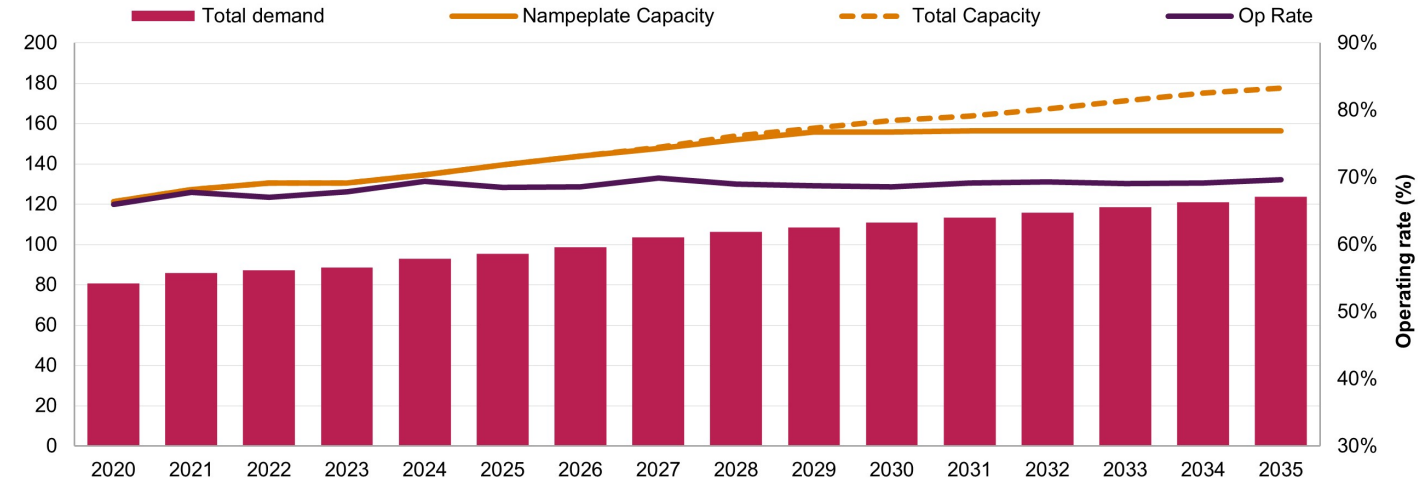
Name	Country	Production Route	Capacity ('000 mt/year)	Start-up
Gansu Liuhua Group Co., Ltd.	Mainland China	Coal Gasification	100	2025
Xinxing Huier Green Technology Co., Ltd.	Mainland China	Coal Gasification	400	2025
Xinxing Huier Green Technology Co., Ltd.	Mainland China	Coal Gasification	400	2025
Xinjiang Zhonghe Hezhong New Material Co., Ltd.	Mainland China	Coal Gasification	320	2025
Inner Mongolia Yigao Coal Chemical Technology Co., Ltd.	Mainland China	Coal Gasification	150	2025
Xinjiang Zhongtai New Materials Co., Ltd	Mainland China	Coal Gasification	1000	2025
Wuhai Rongxin Energy Industry Co., Ltd.	Mainland China	Coking Gas	300	2025
Zhejiang Petroleum and Chemical Co Ltd	Mainland China	Coking Gas	400	2025
Veniran Petrochemical Co	Iran	Natural Gas Reforming	1650	2025
Supertech Chemical Industry Limited	Nigeria	Natural Gas Reforming	100	2025
Ningxia Guanneng New Material Technology Co., Ltd.	Mainland China	Coal Gasification	400	2026
Dena Petrochemical Industrial Co	Iran	Natural Gas Reforming	1650	2026
Siraf Energy Investment Co	Iran	Natural Gas Reforming	1650	2027
Nakhodka Fertilizer Plant, JSC	Russia	Natural Gas Reforming	1800	2028
TA'ZIZ Industrial Chemicals Zone	United Arab Emirates	Natural Gas Reforming	1800	2029
Name	**Country**	**Production Route**	**Capacity ('000 mt/year)**	**Closures**
Atlas Methanol Company Unlimited	Trinidad and Tobago	Natural Gas Reforming	-1783	2024
Weihui Yubei Chemical Co Ltd	Mainland China	Coal Gasification	-130	2025
Atlantic Methanol Production Co LLC (AMPCO)	Equatorial Guinea	Natural Gas Reforming	-1000	2025
Shell Deutschland GmbH	Germany	Refinery Residues	-400	2025

Source: S&P Global Energy

Global Supply/Demand Balance

World Methanol supply & demand

(Million metric tons)



As of Q4 2025.
Source: S&P Global Energy

Global methanol demand enjoyed steep growth over the 2010-19 period, rising by an average of 3.3 million mt per year, or about 30 million mt cumulatively during this period. During 2020-21, methanol consumption was impacted by the COVID-19 pandemic and subsequent restrictions on transportation and slowdown in manufacturing activity; in 2020 specifically, global methanol demand declined compared to 2019. Over the past five years, since 2020, methanol demand grew relatively strongly at 3.4% CAGR from a low base because of the impact from the COVID-19 in 2020. In 2025, global methanol consumption is estimated at 95.4 million mt and is forecast to grow by 2.6% CAGR over the next 10 years to reach 123.7 million mt by 2035.

S&P Global Energy anticipates chemical applications and MTO to drive methanol consumption in Asia and globally, with these two segments combined accounting for close to 65% of global demand growth between 2025 and 2035. Applications under the fuel segment for methanol are projected to experience opposite trends. With global gasoline consumption set to peak in 2026 and to modestly decline over the five years to 2030 before this trend accelerate, MTBE is expected to see no growth over the next 10 years. Demand into gasoline blending has experienced some misfortune in the past but additional support from Mainland China could allow for potential growth in the next 10 years of 1.3 million mt. Meanwhile, public policy will continue to support the development of biodiesel, projected to grow 2.5% CAGR until 2035. Yet, most of the growth in the fuel segment is expected to come from the use of methanol as bunker fuel, supported by announcements made by ship owners to commission or retrofit vessels with dual-fuel engines capabilities combined with tighter regulations in the EU and potentially at a global level over the next 3-5 years.

Regional outlooks

Mainland China is the largest market for methanol accounting for close to 61.7% of global demand and estimated at 58.9 million mt in 2025. Methanol demand in the country have increased by close to 60% since 2015, supported by strong domestic consumption, investments in downstream chemical capacities targeting export markets and a surge in MTO production capacity. MTO itself accounted for 56% of global methanol demand growth over the past 10 years to reach 17.3 million mt in 2025. Methanol consumption in the country picked up, particularly in the last three years from their low levels during the COVID-19 pandemic. Downstream industries have been resilient with investments in new capacities, leading to a CAGR for methanol demand of 4.6% in past five years.

Over the next decade, Mainland China's methanol demand is expected to grow at a 2.2% CAGR, reaching over 73 million mt by 2035. Historically, the growth engine for methanol, MTO consumption is expected to grow at a much lower rate of 3.3% CAGR to 2035, with two additional MTO units to be commissioned over the forecast period. The higher cost position for MTO producers is not expected to incentivize new investments in the foreseeable future. Chemical applications are expected to remain the main outlet for methanol demand, driven by formaldehyde and acetic acid and growing at 1.4% and 2.5% CAGR, respectively, over the period 2025-35. Finally, fuel applications are expected to grow at a more modest 1.2% CAGR with a peak in gasoline consumption already passed in 2024, impacting growth into MTBE and methanol blending. The focus on decarbonization is expected to push methanol adoption and grow the nascent bunker fuel outlet in the country. Mainland China is not only the world's largest methanol demand center, but it is also the largest methanol producer and importer. Mainland China's methanol capacity of over 69 million mt/year in 2025, represents 49.5% of global capacity. Meanwhile, imports in 2025 are expected to settle close to 14 million mt, representing over a third of global methanol trade.

With most of Mainland China's methanol capacity derived from coal, and a low industry operating rate estimated at 66% in 2025, S&P Global Energy anticipates limited standalone new capacity investments in the foreseeable future. Driven by further investments in downstream facilities and policy constraints impacting potential methanol expansions, methanol imports are expected to rise to feed the growing domestic methanol consumption. By 2035, Mainland China operating rate is expected to remain in the mid to high 60% with imports above 18 million mt.

In **Eastern Asia (ex. Mainland China)**, methanol consumption accounts for 4.5 million mt in 2025, exclusively met by imports from the Middle East, the Americas and Southeast Asia. The methanol market is relatively mature, and demand remains below historical highs due to weak macroeconomic conditions and growing competition from Mainland China in downstream markets such as acetic acid, MTBE, and MMA. S&P Global Energy anticipates consumption to grow at a soft 1.4% CAGR to reach 5.1 million mt by 2035.

In **South-eastern Asia,** methanol consumption is estimated at 5 million mt in 2025, dominated by Indonesia (38%), Malaysia (23%), Thailand (13%) and Singapore (11%). Methanol is primarily used in the region by the biodiesel industry as well as in formaldehyde and acetic acid production. Consumption grew at a decent 4.5% CAGR in the period 2020-25, and is expected to grow by a moderate 3.9% CAGR over the next decade, reaching 7.3 million mt in 2035. The region has historically been a net importer of methanol. Regional capacity stands at 5.8 million mt/year in 2025, increasing from 4.1 million mt/year in 2023 following the full year operation of the new plant in Sarawak, Malaysia in 2025. The plant was commissioned in late 2024 and officially started production in December 2024 after a delay. Despite the new capacity, the region is forecasted to be a growing net importer over the forecast period. No new capacity has been announced in South-eastern Asia, but S&P Global Energy has considered the potential for one additional world-scale methanol plant and investments into low carbon methanol towards the end of the forecast period with total capacity reaching close to 7.9 million mt/year by 2035.

In **Oceania,** Methanex announced in September 2024 that it will indefinitely idle one of its plants in New Zealand, which has a capacity of 850,000 mt/year due to the medium-term gas outlook. This is reflected in the country's low operating rate in 2024-25, with a similar outlook expected over the coming years. Methanol consumption in the region is estimated at 93,000 mt in 2025, mainly for formaldehyde production. Consumption contracted at a -8.9% CAGR in the period 2020-25 but this trend is expected to reverse and accelerate at a 11.3% CAGR over 2025-35 to reach 271,000 mt in 2035 on the back of bunkering demand. The region has historically been a net exporter of methanol, and this is not expected to change in the forecast period.

Southern Asia is largely dominated by India, accounting for around 93% of the regional demand, and has a demand of 3.4 million mt in 2025. Methanol is primarily used in the pharmaceutical industry to produce active pharmaceutical ingredients as well as to produce formaldehyde and MTBE. Demand rebounded sharply following a trough in 2020 during the COVID-19 pandemic and this trend is expected to continue with a growth of 4.3% CAGR until 2035, supported by strong macroeconomics and investments in the manufacturing and construction sectors. Methanol capacities in Southern Asia are exclusively located in India but remain limited relative to the demand. The region relies primarily on methanol imports, which will grow steadily with demand in the foreseeable future.

North America was historically a net importer of methanol, with 5-6 million mt/year of imports before 2015. The US natural gas boom drove a wave of new methanol capacities, adding more than 4 million mt of new capacity between 2015-20. By 2021, North America was net self-sufficient, and by 2022, it swung decisively into net exports of around 1.7 million mt/year. The startup of Methanex's Geismar 3 in the US, which occurred in Q3 2024, has contributed to regional net exports exceeding 3.7 million mt/year in 2025. With its large natural gas reserves expected to remain in the foreseeable future, its large regional consumption, and its competitive position supporting exports, operating rates in the mid to high 80% are expected over the next decade. The US will also be a natural contender for the next world-scale greenfield methanol development beyond 2030 to balance projected demand.

Latin America and the Caribbean currently records net exports exceeding 5.5 million mt/year; however, these volumes are projected to decline over the next decade with growing regional methanol consumption and limited new capacities to 2035. Methanex shuttered its larger Trinidad-based Atlas unit, while restarting the smaller Titan unit, due in part to limited natural gas feedstock and the upcoming supply from Geismar 3. Venezuela, the other major methanol exporter, will continue to see underinvestment, leading to low operating rates of 70% over the next decade. Argentina, however, stands out as a potential destination for a large-scale methanol plant and low carbon investment opportunities.

Total Americas demand is projected to grow 3.3% CAGR over the next decade, reaching 14.3 million mt by 2035 from about 10.3 million mt in 2025. North America's demand makes up 73% of the total. Formaldehyde growth is around 1.2% CAGR over the next decade, while acetic acid is projected to grow 4.7% CAGR, driven by Celanese's world-scale 1.3 million mt/year acetic acid plant at Texas, US which started up in 2024. The US is also well placed for a hypothetical acetic acid plant, although this is only expected towards the very end of the forecast period. For smaller derivatives, methyl methacrylate growth is expected at a healthy rate of 4.3% CAGR over the next decade supported by greenfield projects, while methanol bunkering demand is anticipated to pick up towards the end of the decade. In the US, policy developments continue to shape the trajectory of low carbon investment across the region. The Inflation Reduction Act (IRA), enacted in September 2022, remains a significant catalyst for the chemical and hydrogen sectors, offering tax credits that lower costs for decarbonization efforts and hydrogen production. The 2026 policy environment for US methanol – particularly low-carbon and renewable methanol, is being reshaped by new Treasury/IRS regulations, updates from the OBBA and the expanded GREET model suite now formally tied to federal tax credit eligibility. The OBBBA extended the construction-start deadline for the 45V clean hydrogen production credit to end 2027 while the 45Z clean fuel production credit was extended through end 2029 and amended to restrict feedstocks to those grown or produced in the US, Mexico or Canada. Together, these developments directly influence methanol producers through feedstock restrictions, lifecycle emissions modelling, credit eligibility, and market incentives. While no low carbon methanol projects have yet reached FID, several projects such as ET Fuels, HIF Global, C2X in the US and Pacifico Mexinol in Mexico are targeting FID in 2026. S&P Global Energy expects that up to 1.1 million mt of capacity could be added in the US by 2035 .

The **Middle East** is the second largest region for methanol production behind Mainland China with a capacity of 27.2 million mt/year (19.5% of global capacity) while**Africa** is a regional player with 1.9 million mt/year (1.4% of global capacity). Iran (16.9 million mt/year), Saudi Arabia (6.6 million mt/year), Oman (2.1 million mt/year), Egypt (1.3 million mt/year) and Qatar (1.1 million mt/year) are the main producing countries in the region, benefiting from stranded and competitive natural gas feedstock. Some countries, such as Iran, face feedstock supply curtailments, primarily during wintertime as natural gas gets redirected to residential and industrial usages. Consumption of methanol remains limited in the region and is primarily used into MTBE, formaldehyde, and acetic acid production. Middle East demand represents 2.4 million mt in 2025, with Saudi Arabia the largest demand centre accounting for 1.5 million mt, followed by Iran and Qatar, while less than 300,000 mt/year is consumed in Africa. With methanol primarily exported to large demand centers and no significant investments into new downstream capacity, regional methanol consumption is expected to grow modestly to reach 3.8 million mt by 2035. The region is the largest exporter of methanol, supplying consumers primarily in Asia and, to a lesser extent, in Europe. Net exports of methanol have been impacted in 2025 following the closure of the production unit in Equatorial Guinea late 2024 and reduced outputs in Iran on the back of significant feedstock curtailments and renewed sanctions. Estimated at 18.2 million mt in 2025, the net-export position of the Middle East and Africa region is expected to increase to 21.4 million mt by 2035, with new capacities for conventional methanol planned in Iran and in the UAE and potential low carbon methanol projects planned in Egypt.

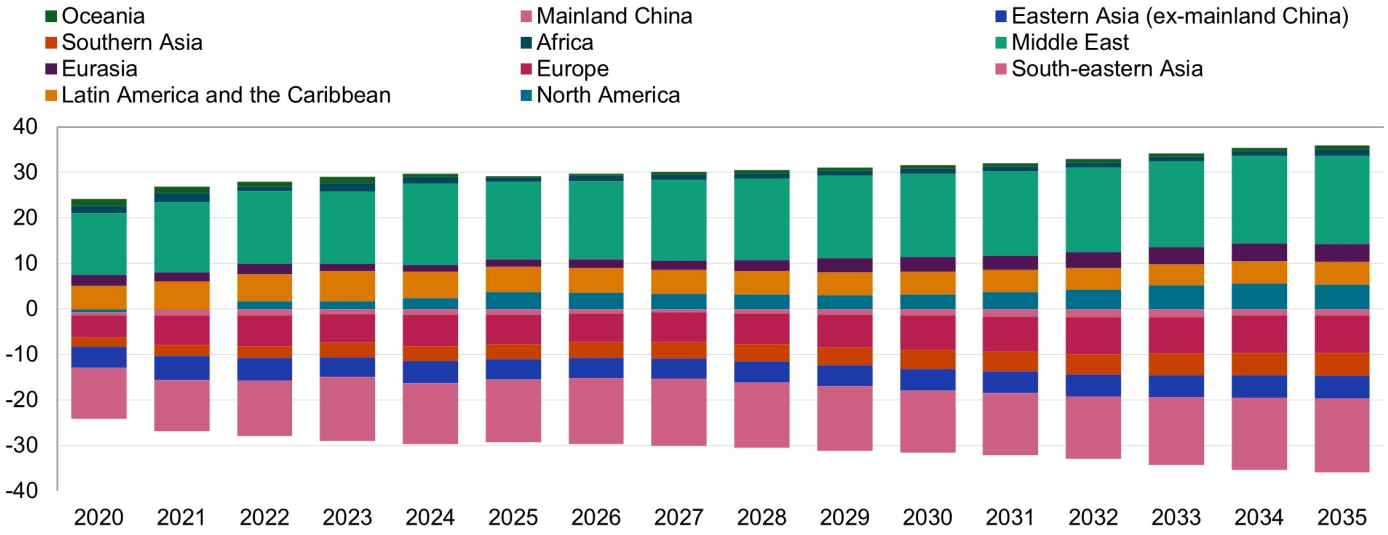
Europe is a major market for methanol and a large importer. Regional consumption is estimated at 7.9 million mt in 2025, with around 6.3 million mt/year in West Europe and 1.6 million mt/year in Central and Eastern Europe. The largest markets are Germany (2.5 million mt/year) and the Netherlands (around 800,000 mt/year) followed by a group of countries with smaller demand estimated between 400-600,000 mt/year such as Belgium, France, Italy, Poland, Spain, Turkey and the UK. Methanol for chemical applications accounts for close to 70% of regional demand, with formaldehyde the main derivative, followed by chloromethanes. Although fuel applications only account for 30% of regional demand, biodiesel and MTBE are the second and third largest derivatives with 1.5 million mt and 657,000 mt, respectively.

Europe is a mature market with historical methanol demand ranging between 8-9.3 million mt/year since 2014. In the past five years, methanol consumption was negatively impacted by COVID-19, followed by deteriorating macroeconomic conditions that affected the manufacturing and construction sectors, as well as supply chain challenges caused by the ongoing embargo on Russian methanol imports due to the war. Methanol consumption stabilized at close to 8 million mt since 2023 and is expected to grow at 3.8% CAGR to reach 11.4 million mt by 2035, supported by pent-up demand into chemical applications and anticipated strong growth in the bunkering segment. Methanol capacity in the region stands at 2.8 million mt/year, down from 4.1 million mt/year following the closure of the Methanex (previously OCI Methanol Europe / BioMCN) plant in the Netherlands at the end of 2021. As a consequence of the energy crisis and elevated natural gas prices observed in the region. Plants in the East of Europe have also been mothballed in 2021, with no confirmation of a potential restart in the foreseeable future. At least one additional methanol plant is expected to close in 2025 following the announced closure of the Shell refinery in Wesseling, Germany. The region saw the commissioning of the first commercial scale e-methanol plant with a capacity of 42,000 mt by European Energy in Denmark in 2025. Repsol is pursuing a gasification-based methanol project in Spain expected in 2029 and further low carbon methanol plant are expected to be commissioned over the forecast period. Europe relies on methanol imports for over 80% of its methanol needs, with cargoes originating from the Americas, Africa and to a smaller extent the Middle East. Russia used to be a significant supplier to Europe with up to 2 million mt of imports, although this volume has disappeared since mid-2023 and has been replaced by American imports.

Eurasia is an important methanol supply region with 6.5 million mt/year of capacity as of 2025. These capacities are primarily located in Russia, benefiting from competitive natural gas feedstock and a supply chain to export methanol through the Baltic Sea, the Black Sea and more recently via the east coast to target Mainland China. Following sanctions from the European Commission on Russian methanol imports, volumes have been redirected to other countries such as Mainland China, Turkey, Brazil and more recently India. Domestic demand in 2025 is estimated at 2.7 million mt, primarily consumed into formaldehyde, solvents and MTBE applications and expected to rebound modestly to reach over 3.3 million mt by 2035.

Methanol regional net trade

(Million metric tons)



As of Q4 2025.
Source: S&P Global Energy

Global methanol trade is estimated at 39.6 million mt in 2025, representing 41.5% of global demand, making methanol a widely traded commodity chemical and often the easiest product to transport across the entire value chain.

Mainland China is the world's largest net importer of methanol, taking up over a third of global trade. Methanol imports are a significant source of supply in the country, accounting for around 23.6% of domestic consumption. Mainland China's growing demand for methanol will support an increase in import volume over the forecast period to 18 million mt by 2035.

Eastern Asia (ex. Mainland China), South-eastern Asia, Oceania and Southern Asia, collectively represents 8.7 million mt/year of net imports in 2025, around 22% of global trade. Eastern Asia (ex. Mainland China)'s net imports will grow from 4.5 million mt/year to 5.1 million mt/year over the 2025-35 period, while Southern Asia's net imports will grow from 3.5 million mt/year to 5 million mt/year over the same period. Both regions rely almost exclusively on methanol imports. South-eastern Asia has fast growing regional demand as well as significant capacity, but is expected to increase its dependence on methanol imports. Oceania will remain a net exporter during the forecast period.

Europe is another important net import region, requiring net imports of around 6.4 million mt in 2025. These volumes are supplied largely from the Americas, with the US and Trinidad taking up the bulk of the trade, followed by Africa. Russia used to supply close to 2 million mt/year of methanol into Europe before its invasion of Ukraine but has now redirected the bulk of its exports to Mainland China, Turkey and Brazil, due to trade restrictions implemented in Europe in June 2023. The Eurasia region saw a drop in methanol exports in 2023-24, followed by a modest rebound in 2025 to around 1.9 million mt. The development of new capacities in Russia will result in growing exports from the region to 4.1 million mt in 2035.

On the export front, the Middle East accounts for 43% of the world's net export volumes and is expected to remain over 40% over the next decade. Iran is by far the most important producer and exporter in the region, followed by Saudi Arabia, Oman and Qatar.

Latin America and the Caribbean's net exports come largely from Trinidad and Venezuela. Net exports from these two key countries reach diverse markets such as the US, Europe, Eastern Asia and Mainland China as well as inter-regional trade. Mexico will remain a key importer.

North America is a net exporter of around 3.7 million mt in 2025, a large increase compared to 2024 following the start-up of Methanex Geismar 3 plant. Canada will remain a net exporter over the next decade, with much of its volume going to the US. Net exports from the region will exceed 5.3 million mt/year towards the end of the forecast period with several greenfield projects expected to materialize.