



RLA Chemical Market Insights – Tuesday, 02 June 2026

China's MEG Exports Hit Record High Amid ME Supply Disruptions

China's mono-ethylene glycol (MEG) exports surged to a record high of 113,800 tonnes in April 2026, marking the highest monthly volume to date. The spike was driven by Middle East supply disruptions, which reshaped regional chemical trade flows and opened an export arbitrage window for Chinese suppliers. China exported 147,200 tonnes of MEG in all of 2025, while shipments during January-April 2026 had already reached 155,500 tonnes, exceeding the previous full-year total.

The export surge was driven by ongoing disruptions in the Middle East, a key global MEG supply hub that exports roughly 6.0 million tonnes annually. The closure of the Strait of Hormuz reportedly affected nearly 80% of regional supply, tightening availability across global markets.

Although China remains one of the largest importers of Middle Eastern ethylene glycol, it has been relatively shielded from a severe supply crunch due to elevated domestic inventories and a shift toward alternate coal-based MEG production. These factors helped support the Chinese MEG exports. In addition, increased ethane imports from the US into China during recent months of 2026 further strengthened feedstock availability, providing another reason for the rising MEG shipments out of China.

China's April MEG shipments were primarily directed to India, Turkey, Russia, Thailand, and Indonesia, markets that have traditionally relied on

Middle Eastern producers for supply. Amid the disruption, China has emerged as a key alternative supplier for several Asian markets, supported by its ability to switch across feedstock routes to produce olefins, aromatics, and polymers.

With Middle Eastern cargoes constrained and US products becoming significantly more expensive due to higher freight and logistics costs, Chinese suppliers have been able to capture export opportunities and strengthen their role in regional chemical trade flows.

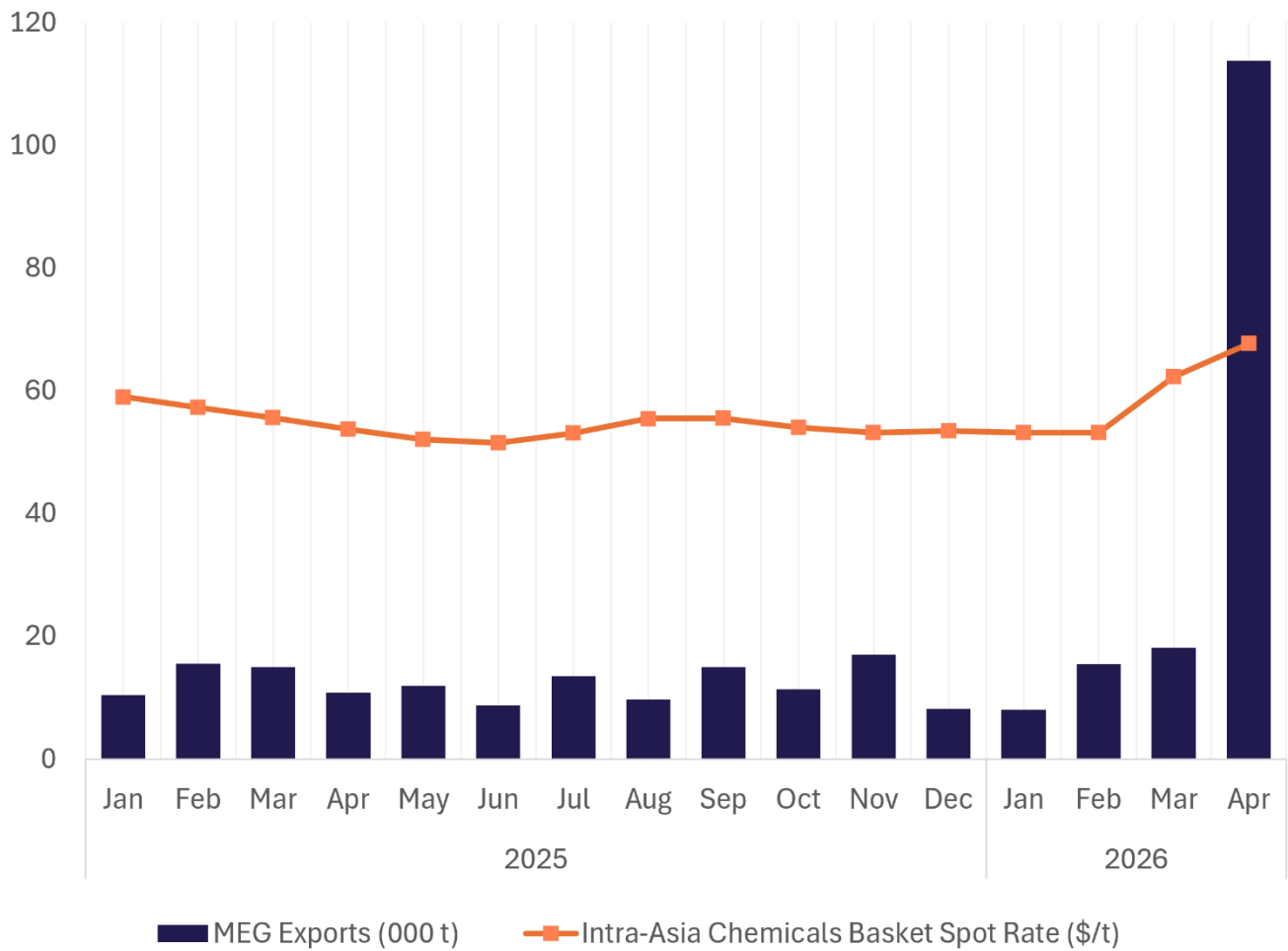
Until the Strait of Hormuz issue is resolved, China's exports of MEG, PP, PE, styrene, and benzene are likely to remain elevated. However, demand for Chinese cargoes may gradually ease as regional availability improves, with plants in Taiwan, South Korea, and Malaysia expected to restart from June onward.

Although China is likely to remain a net importer of most commodity chemicals and feedstocks in the near term, the disruption has underscored the resilience of its flexible production base. It has also helped Chinese suppliers open new export channels and play a more prominent role in shifting global chemical trade flows.

Against the backdrop of the US-Iran conflict and rising Chinese chemical exports to regional markets, chemical carrier freight rates for the intra-Asian basket have also been trending higher since January 2026, as shown in the chart.



China - MEG Exports V Intra-Asia Chemicals Basket





SHORT TERM OUTLOOK – OIL TANKER MARKET

A monthly report covering the next four months including trends in oil supply, demand and trade, tanker demand and supply, spot, and time charter rates for MRs up to VLCCs, comparisons with FFAs plus the latest news on developments impacting the oil and tanker sectors.

MEDIUM TERM OUTLOOK – OIL TANKER MARKET

Concise analyses of topical issues, consistent market data series and views on future trends in tanker charter rates. The report covers Oil Prices; Economic Developments; Oil Demand and Supply; Trade; Tanker Demand, Supply and Rates. Sent to clients around January, April, July and October each year

SHORT TERM OUTLOOK – VLGC MARKET

A monthly report looking four months ahead at likely trends in the VLGC Spot Market with the latest on key LPG carrier trades, benchmark LPG prices, arbitrage developments, a comparison with FFAs and recent news

MEDIUM TERM OUTLOOK – LPG CARRIER MARKET

A quarterly series of regular reviews, analyses and forecasts of the LPG Carrier Market. The report covers Economic Developments; LPG production, consumption and pricing; LPG, chemical gases and ammonia trade, LPG Carrier Demand, Supply and Rates for Fully Ref, Semi-Ref and Pressurised Ships. Reports are sent to clients around January, April, July and October each year.

CHEMICAL CARRIER WORLD SERVICE

An annual consultancy service currently providing Clients with an Annual Fundamentals Report, a Forecast Update, two quarterly Market Monitors, Monthly Commodity Trade Bulletins for key countries, an annual presentation on the market outlook and access to RLA's consultants and analysts to discuss issues arising from these reports.



SINGAPORE OFFICE
10 Anson Road
#10-11 International Plaza
SINGAPORE 079903
T: +65-6950 7561

LONDON OFFICE
Terminal House
52 Grosvenor Gardens
London, UK SW1W 0AU
T: +44-20-3386 9413

INDIA OFFICE
SCO 10, First Floor
Sector - 79, Mohali,
Punjab, INDIA 140308
T: +91-172-4105887

E: info@wademaritime.com | research@richardsonlawrie.com
W: www.wademaritime.com | www.richardsonlawrie.com