

ADVANTAGE USA: PLASTICS AND SHALE GAS



Natural gas from shale is one of the most important energy developments in 50 years, lowering production costs for many businesses and helping to revive American manufacturing. Thanks to growth in domestic shale gas production, the U.S. plastics industry—with feedstocks derived largely from natural gas—is benefitting from a significant increase in capital investments. Some companies are reshoring plastics-related jobs to the United States, and exports of plastics materials are expected to surge over the next decade.

INCREASED INVESTMENT AND PRODUCTION



Since 2010, the plastics industry has announced or anticipates **nearly \$66 billion in total U.S. investments** expected to come online over the next decade. This includes **\$38 billion in new capacity to produce plastics resins**.



Capacity to produce **polyethylene**, the plastic resin most advantaged by shale gas, is **expected to grow more than 50%** by 2020, or more than double over the next decade. Polyvinyl chloride and polypropylene resins also are expected to benefit from abundant, affordable shale.

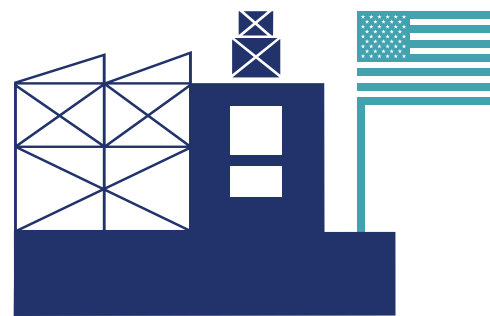


Over the next ten years, a total of more than **\$25 billion** in increased capacity to process plastics materials is expected to come online in the U.S. **Nearly 800 plastics processing projects** have been announced so far in **more than 47 states**, with numerous projects in Indiana, Michigan, Ohio, Wisconsin, Texas and Illinois.



JOBS

The U.S. plastics industry currently employs more than 600,000 people. Production from new capacity is expected to **increase plastics industry employment more than 20%** across the board, adding 137,300 new direct jobs, 227,200 indirect jobs, and 223,500 payroll-induced jobs. In total, **plastics industry jobs are expected to grow by 612,800** and **payroll by \$39 billion**.



EXPORTS

Plastics are expected to become a major driver of U.S. exports. **Net exports (trade surplus) of plastics are expected to more than triple**, growing from \$6.5 billion in 2014 to \$21.5 billion by 2030.



China, Mexico and the Americas are leading export destinations.

SOURCES

"The Rising Competitive Advantage of U.S. Plastics," May 2015, American Chemistry Council.
"Fueling Export Growth," February 2015, Nexant.

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