

Media

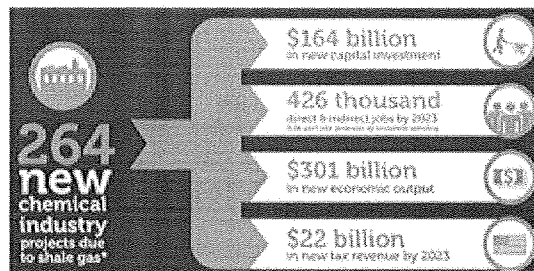
Media » News Releases » ACC news releases » U.S. Chemical Industry Investment Linked to Shale Gas Tops \$164 Billion

U.S. Chemical Industry Investment Linked to Shale Gas Tops \$164 Billion

Contact: Jennifer Scott (202) 249-6512
Email: jennifer_scott@americanchemistry.com

ACC Highlights Economic Benefits, Key Policies at Hudson Institute Forum

WASHINGTON (April 6, 2016) – The American Chemistry Council (ACC) today announced that U.S. chemical industry investment linked to plentiful and affordable natural gas and natural gas liquids (NGLs) from shale formations has reached \$164 billion. Forty percent of the investment for the 264 projects—new facilities, expansions and factory re-starts—is completed or underway, while 55 percent is in the planning phase.



ACC Senior Director of Energy Policy Owen Kean revealed the new figures at a Hudson Institute [event](#), "America's Future Natural Gas Economy: Promoting the Next Energy Breakthrough." He appeared alongside Hudson Institute Senior Fellow [Arthur Herman](#) on a panel examining the role of natural gas in manufacturing.

"U.S. chemical manufacturers rely on natural gas for heat and power, and it contains ethane, an NGL that serves as our main feedstock," Kean said. "Dramatic supply growth has had an equally dramatic impact on U.S. natural gas prices. It's a stunning reversal of fortune from just a few years ago, when the chemical industry was losing market share—and jobs—to competitors abroad.

"America enjoys a robust supply outlook, expected to last for decades, and a price environment that's the envy of the world," Kean continued. "Our country has become the most attractive place in the world to make chemicals, and a historic wave of expansion and investment is underway."

ACC analysis shows that \$164 billion in capital spending could lead to \$105 billion per year in new chemical industry output and support 738,000 permanent new jobs across the U.S. economy by 2023, including 69,000 new chemical industry jobs, 357,000 jobs in supplier industries and 312,000 jobs in communities where workers spend their wages. Much of the new investment is geared toward export markets, which can help improve the U.S. trade balance.

“We need the right regulatory and policy approaches in order to fully realize the potential of shale gas as an engine of manufacturing growth,” Kean said. “Policymakers must avoid unreasonable restrictions on oil and gas production on public lands; keep oversight of production on private lands in the hands of the states; and expedite the construction and permitting of infrastructure, such as pipelines, needed to move natural gas and NGLs to market.”

It’s also important to ensure a timely, transparent and efficient regulatory permitting process for shale-related manufacturing projects such as new factories and expansions. Companies and state agencies need clarity and certainty about the process and timing for obtaining permits. Legislation [introduced](#) in the House last month would help fix longstanding problems with the implementation process for new air quality standards.

The data released today updates the ACC [report](#), “Shale Gas, Competitiveness, and New U.S. Chemical Industry Investment—An Analysis of Announced Projects.” Published in May 2013, it examined nearly 100 chemical and plastics projects totaling \$71.7 billion in potential investment announced as of March 2013. The figures are growing as new projects are announced.

ACC analysis employs the IMPLAN input-output methodology, an economic model that quantifies interdependencies among industries or economic sectors. IMPLAN is used by government agencies including the Army Corp of Engineers, U.S. Department of Defense, U.S. Environmental Protection Agency, and over 20 others, and by over 250 colleges and universities, local governments, non-profits, consulting companies, and other private sector companies.

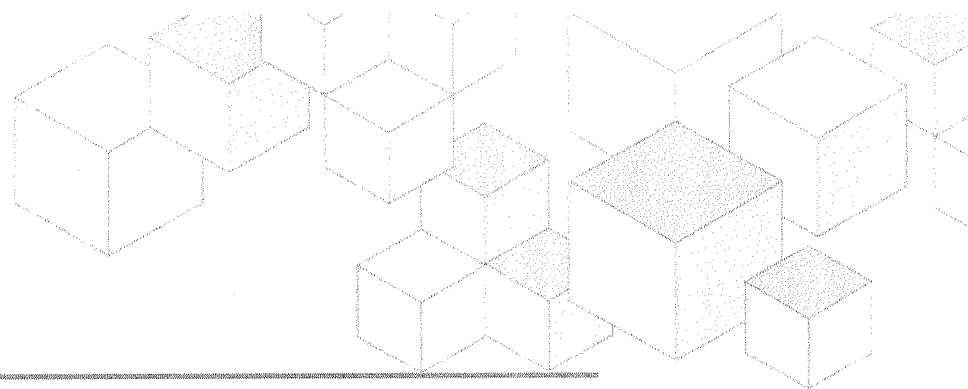
To view video of today’s forum, please visit: <https://www.youtube.com/user/hudsoninstitute>.

Learn More:

- [\\$164B infographic](#)
- [\\$164B fact sheet](#)
- [\\$164 slides](#)

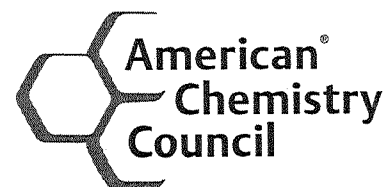
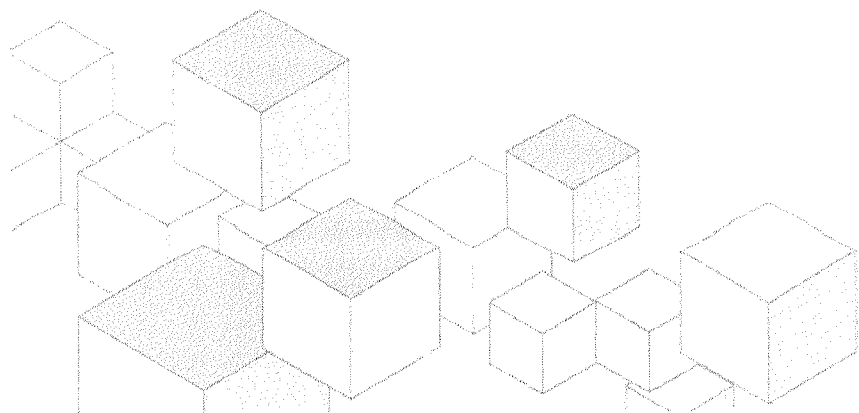
©2005 – 2016 American Chemistry Council, Inc. The ACC mark, Responsible Care®, the hands logo mark, CHEMTREC®, TRANSCAER®, and americanchemistry.com are registered service marks of the American Chemistry Council, Inc.

April 6, 2016



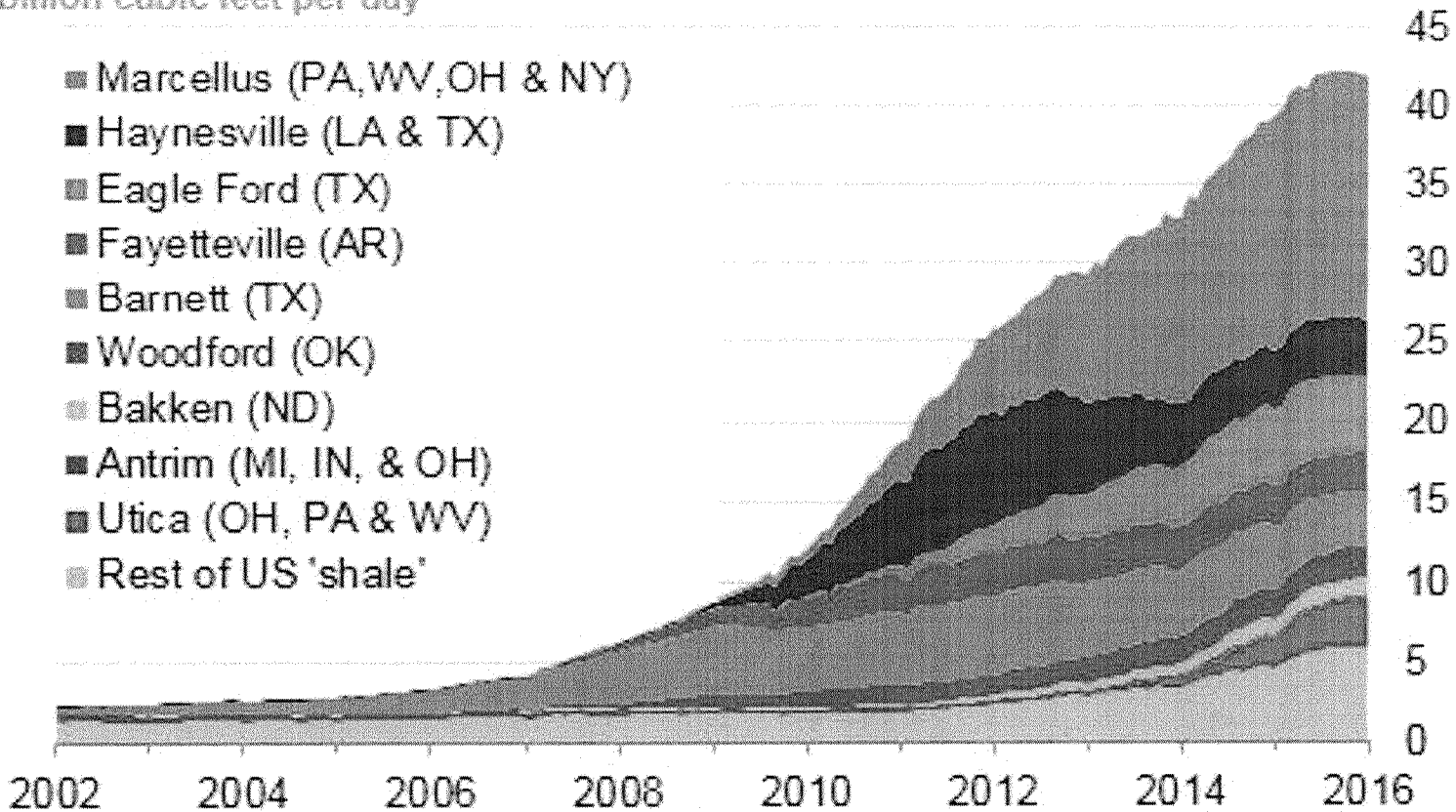
Natural Gas and American Manufacturing Hudson Institute

**Owen Kean
American Chemistry Council**

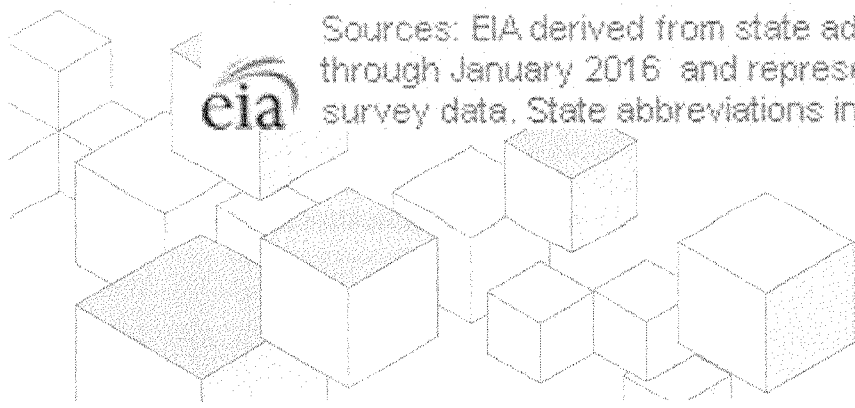


Monthly dry shale gas production

billion cubic feet per day



Sources: EIA derived from state administrative data collected by DrillingInfo Inc. Data are through January 2016 and represent EIA's official shale gas estimates, but are not survey data. State abbreviations indicate primary state(s).



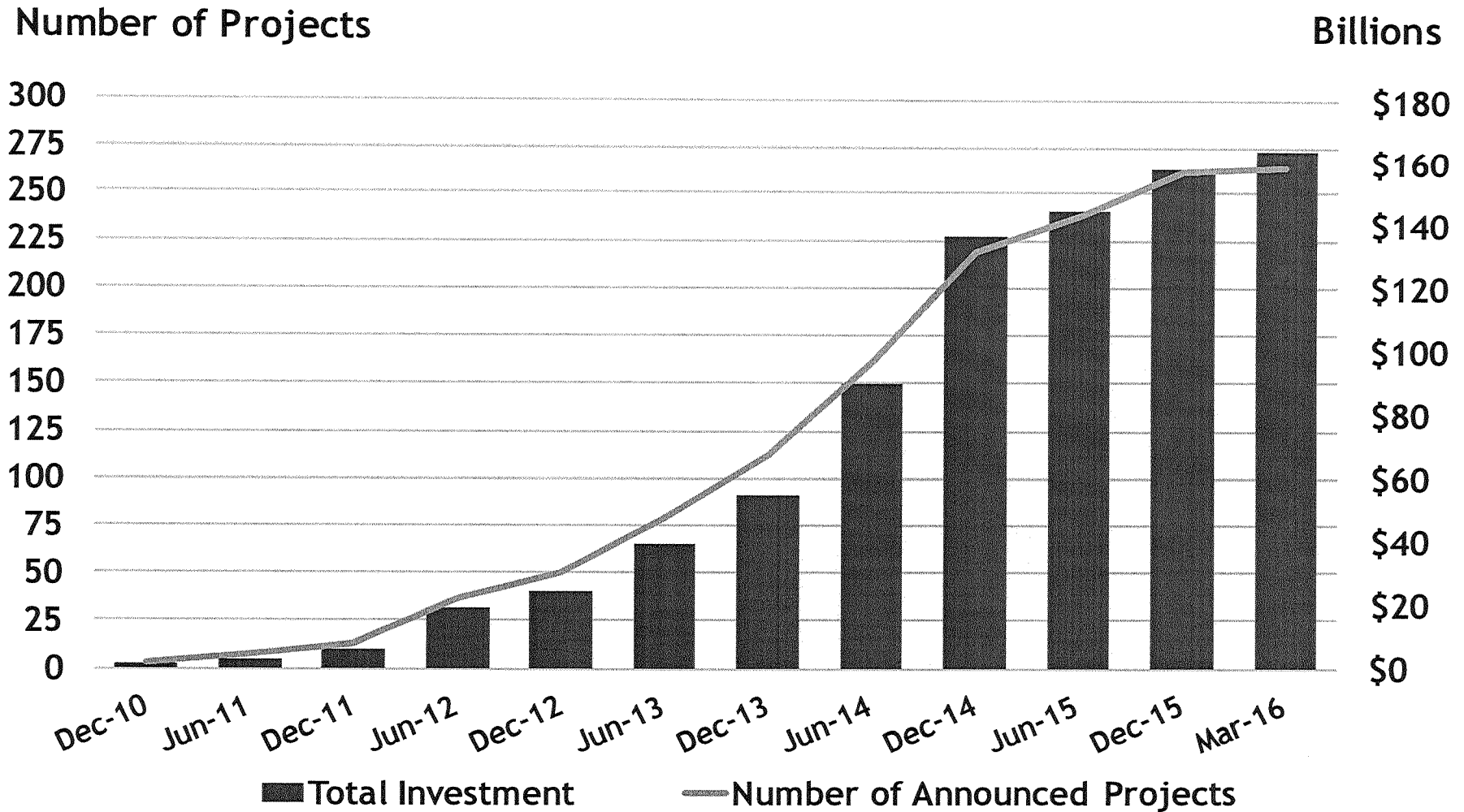
Natural gas spot prices (Henry Hub)

\$/MMBtu



Source: Natural Gas Intelligence

Cumulative Announced Chemical Industry Investments from Shale Gas



Source: ACC analysis, Dec. 2010 - March 2016