

Market Update: Raw Material Supply and Pricing Developments

Tielt, 31st March 2026

To our valued customers

We would like to provide you with an update on the evolving situation in the Middle East and its impact on raw material markets.

Current situation and impact

Based on our latest assessments and ongoing exchanges with suppliers and logistics partners, our overall supply chains remain operational, and we continue to serve our customers without major disruptions. However, the market environment is becoming increasingly challenging, particularly for standard, commodity-type plastics:

- Several raw material suppliers have declared force majeure linked to geopolitical developments.
- This is already resulting in upward price pressure, which is expected to continue in the near term.
- Allocation measures and volume restrictions may be introduced for certain widely used base polymers.
- Specialty and engineered materials are currently less affected, although the market remains cautious.

Market dynamics

The Middle East remains a key source of global petrochemical feedstocks. Ongoing tensions are increasing uncertainty through supply risks, higher logistics costs, and precautionary production adjustments.

Additionally, the market is impacted by:

- Reduced import flows from Asia into EMEA
- Cautious operating rates among European producers
- Continued volatility in pricing and availability

What it means for you

While we are not currently experiencing broad supply disruptions, availability for certain standard materials is tightening and price levels are expected to increase. We are actively managing the situation by securing supply, closely monitoring critical materials, and working with our partners to mitigate potential impacts.

Next steps

To ensure continuity, we recommend:

- Sharing updated forecasts where possible
- Informing us early of any significant changes in demand
- Contacting us proactively for critical applications or alternative material discussions

Should any material-specific risks arise for your applications, we will contact you directly with proposed mitigation actions. We will continue to keep you informed as the situation evolves.

With kind regards,

Mitsubishi Chemical Advanced Materials NV