



Pennsylvania Chemical Industry Council
Your Advocate for the Business of Chemistry

Chemical and Plastics Industry
Opportunities in 2023
February 2, 2023

About the PA Chemical Industry Council

The PA Chemical Industry Council (PCIC) is an advocacy organization acting on behalf of the state's chemical industry to provide legislative, regulatory and best practices solutions for our member companies.

Our goal: to make PA an ideal home for chemicals and related industries.

Our members include:

- Chemical, refining, manufacturing and distributors
- Environmental, engineering, energy providers and other consultants who serve the industry
- Affiliate members



Industry by the Numbers

CHEMICAL INDUSTRY
IN PENNSYLVANIA

BY THE
NUMBERS



ECONOMIC IMPACT

- PA is the **10th-largest** chemistry-producing state
- Invests **\$279 million** to build and update equipment and facilities
- Ships **\$4.68 billion** in products to customers around the world

Industry by the Numbers

CHEMICAL INDUSTRY
IN PENNSYLVANIA

**BY THE
NUMBERS**



HIGH-PAYING JOBS

- Supports **22,616 direct jobs** and another **31,875 related jobs**
- Generates an additional **38,831 jobs** in plastics and rubber products
- Generates **\$1.72 billion** in payroll
- Average salary of **\$76,117**, 14% higher than the average manufacturing wage

Industry by the Numbers

CHEMICAL INDUSTRY
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GENERATING TAX REVENUE

- Generates **\$209 million** in state and local taxes
- Generates **\$398 million** in federal taxes

2023 Outlook at a Glance

Focus on five core areas that are going to impact the industry in 2023:

- Advanced recycling and the circular economy
- Industry-led sustainability and net-zero emission goals
- Critical manufacturing growth and domestic supply chains
- Environmental justice and regulatory uncertainty
- Divided government and bipartisan opportunities



Advanced Recycling and Circular Economy

Critically important for any company looking to reduce its carbon footprint and provide more sustainable product options for consumers.

PA's advanced recycling legislation has opened the door for new opportunities.

- Encina - Point Township Circular Manufacturing Facility

Turning waste plastics into new products



Sustainability and Net-Zero Goals

Our members have set their own aggressive carbon reduction and sustainability goals. Some examples include:

- Shell Polymers sustainability goals
- Monroe Energy
- UGI Energy Services
- BASF renewable energy offsets
- Covestro net-zero goal by 2035
- 3M carbon neutrality by 2050

The key is to allow market and customer demand to be the leading factors for industry decisions on how and when to make these investments.



Critical Manufacturing and Supply Chains

The pandemic brought increased attention to a decades-old issue: how to effectively move raw materials to manufacturers, and end products to consumers.

Recent wins for our members:

- Purolite: King of Prussia
Resins Manufacturing
- Croda: Lamar
High Performance Pharma
Ingredients Manufacturing



Workforce development and employee recruitment remains a challenge for employers.



Environmental Justice and Regulations

As state and federal regulators tackle changes, industry environmental leads are frantically trying to keep up on compliance requirements, which vary in each state.

Regulating forever chemicals and environmental justice are going to dominate the regulatory space this year.

- PA recently established MCLs for PFOS and PFOA
- EPA evaluating MCLs and CERCLA Hazardous chemicals
- PA strengthening its Environmental Justice guidelines
- Philadelphia amending its Air Management Regulations
- Numerous municipalities banning plastic bags and single-use plastics



Divided Government

Pennsylvania's **divided government** could provide a unique **opportunity** for developing truly **bipartisan solutions**.

- A new administration with bipartisan representation
- GOP majority in the Senate and likely a slim Dem majority in the House
- More than 55 new members of the House and Senate
- Changes in legislative leadership





Shell Polymers Monaca – Plastics and a Sustainable Future

Bonnie Yu
Digital and Business Transformation Manager

SHELL'S VISION FOR THE REGION AN END-TO-END DECARBONIZATION HUB



Placement of solutions illustrative only

🔹 Blue H2
 🔹 Green H2
 🔹 CO2
 🔹 Natural Gas

- 1 **Low CI products & feedstock**
 From the wellhead to storefront—the Mid-Atlantic can become a leader in low CI products that customers are increasingly demanding
- 2 **Plastic recycling**
 Shell aims to process 1 million tons of plastic waste a year by 2025—learnings to be leveraged for other industries / regions
- 3 **CCUS**
 CCUS core part of several regional industries' decarbonization pathway. Aquifer and O&G access make storage feasible.
- 4 **Blue H2**
 Plentiful natural gas makes Mid-Atlantic a prime candidate to become leader in developing a Blue H2 eco-system and expertise

- 5 **Green H2**
 Although the region's Blue H2 attractive, renewables + electrolyzers could produce green H2 as feedstock for local industry
- 6 **Renewables**
 Region underserved by wind and solar (~5% of generation)—plenty of space for regional growth
- 7 **Energy management**
 Process modifications to use less energy can decarbonize region from a demand perspective
- 8 **Mobility**
 EV charging and long-haul H2 infrastructure can decarbonize the regions transport sector



QUESTIONS

PCIC.org

@PAChemCouncil