Formosa Plastics’ Louisiana petrochemical project is financially unviable.

New report by the Institute for Energy Economics and Financial Analysis (IEEFA)

IEEFA estimates 20% lower annual revenues than predicted in a 2018 study, due to global oversupply, weakened demand, price competition, and domestic production in China.

 risen construction costs are set to diminish profitability — and have contributed to a recent credit downgrade.

Formosa faces legal challenges from community and public interest organizations. A Louisiana state district court judge has called for a re-evaluation of the project’s permit due to possible environmental racism. The US Army Corps of Engineers is reconsidering a key permit granted to Formosa. Even President Biden has described ‘Cancer Alley’ as a "hard-hit" area of concern.

This project would make the wrong products at the wrong time at the wrong price in the wrong place and with the wrong financial calculus.

Read the full report at IEEFA.org/formosa

The Institute for Energy Economics and Financial Analysis (IEEFA) examines issues related to energy markets, trends and policies.

The Institute’s mission is to accelerate the transition to a diverse, sustainable and profitable energy economy.