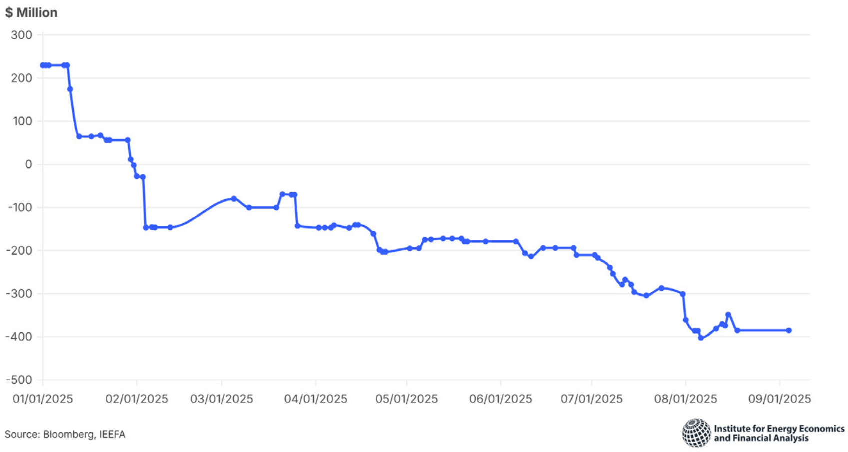
Lessons Learned from Shell's Petrochemical Investment in Pennsylvania

Change in Street Estimates for Adjusted Net Income 2025



Oversupply Meets Overbudget

The Monaca plant in Pennsylvania – once seen as a transformative investment opportunity – has now turned into a financial disappointment. The challenges facing the plant echo a global reality within the petrochemical industry: oversupply, low demand, and declining margins.

The project should set off warning bells for investors as Shell's chemical business has persistently underperformed. Its revenue dropped by

43% from 2021 to 2024, raising fundamental questions about its capital allocation strategy.

The Monaca project's construction cost, currently at **$14 billion**, is already more than double the original estimate. Shell should reconsider any further investments in petrochemicals and accelerate its transition toward cleaner energy assets.

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