



# Formosa Plastics' Louisiana petrochemical project is financially unviable.

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



**↓20%**  
**lower revenue**

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.



**↑24%**  
**higher cost to build**

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



**Significant regulatory and political risks**

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](https://www.ief.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.