

# United States Chemical Logistics - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

<https://marketpublishers.com/r/UCFFC50EF6E3EN.html>

Date: July 2024

Pages: 150

Price: US\$ 4,750.00 (Single User License)

ID: UCFFC50EF6E3EN

## Abstracts

The United States Chemical Logistics Market size is estimated at USD 91.67 billion in 2024, and is expected to reach USD 106 billion by 2029, growing at a CAGR of 2.39% during the forecast period (2024-2029).

### Key Highlights

The rise in chemical manufacturing is projected to move the chemical logistics market forward. An expansion in chemical production to feed diverse industries like as food production, pharmaceutical manufacture, vehicle manufacturing, and engineering leads to an increase in the demand for safe areas of transportation and distribution services. Chemical volumes in the United States, for example, climbed by 1.4% in 2021 and 3.2% in 2022, according to the American Chemistry Council, while shipments increased by 8.1% in 2021 and 8.2% in 2022. Furthermore, the government of India reports that India's chemical sector (including fertilizers and pharmaceuticals) grew by 18-23% in FY2022 and is expected to increase to USD 304 billion by 2025, with an annual growth rate of 9.3%. Therefore, the rise in chemical production is driving the growth of the chemical logistics market.

Collaborations and partnerships have emerged as major trends in the chemical logistics business. Partnerships and collaborations are being formed by major companies in the chemical logistics market in order to develop novel and technologically improved products. For example, Arkema S.A., a specialty chemicals and advanced materials firm, will collaborate with Swiss trade tech pioneer Nexxiot in July 2021 to digitize Arkema's Isotank (Tank Container) and rail freight wagon fleets utilizing Nexxiot's cutting-edge IoT devices and intelligent cloud platform. This collaboration would provide

Arkema customers with end-to-end visibility, allowing them to raise quality standards and change the entire service experience. Furthermore, in February 2021, Agility Logistics, a Kuwait-based logistics company, will join with Shipa, a US-based digital logistics platform, to build a bonded, expedited road freight network between Kuwait and the United States. This collaboration would result in a new service offering customers less-than-truckload (LTL) and full truckload (FTL) alternatives and a rapid, cost-effective way to export parcels, pallets, or goods containers.

Chemical producers in the United States indicated that serious supply chain issues persisted far into this year and, in some cases, exacerbated. According to the findings of a recent survey released by the American Chemistry Council (ACC), transportation-related supply chain issues persisted in the first half of this year, having a long-term impact on US industrial operations. Companies indicated that supply chain and freight transportation interruptions affected their US manufacturing operations for three straight quarters. During the same time period, businesses reported being negatively impacted by persistent supply chain and freight transportation problems. Companies noted that, in addition to lost manufacturing and customer orders, higher transportation rates were exacerbated by costly workarounds such as expanded stocks, investment in more rail cars, and allocating additional people to manage shipments.

Digitalization and the use of technology in logistics are undeniably significant phenomena that extend far beyond the chemical industry. This will continue to be true in the coming years. Years ago, discussions on digitization were dominated by vague ideas; today, technology solutions, concepts, and methods are differentiated based on their potential. In contrast to other industrial sectors, the chemical industry does not significantly outsource its logistical operations in order to adapt to a constantly changing environment. Supply chain management that is agile and adaptive, providing solutions adapted to specific markets and clients, is gaining popularity. The ability to respond to changes more quickly and stabilize the supply chain over time is enabled by increased openness through higher digitization and tighter cooperation.

## United States Chemical Logistics Market Trends

### Increasing production of chemical and allied products driving the market

According to the American Chemistry Council (ACC) Mid-Year 2022 Chemical Industry Situation and Outlook, despite ongoing supply chain constraints, the U.S. chemical industry expects to deliver solid growth this year as it benefits from inventory rebuilding, steady demand across many end-use industries, and a continued competitive

advantage in natural gas-based chemistries. Following several years of subpar growth due to trade tensions, COVID-19, and disruptive weather events, the chemical output is expected to enjoy its greatest year in more than a decade in 2022, with growth across all chemistries. Several economic growth factors remain in place in the United States, including strong employment, stable consumer and business balance sheets, and steady manufacturing growth.

In 2022, the United States' chemical output had its strongest year in more than a decade, with a rise across all chemistries. Following a 1.6% increase in 2021, ACC predicted that output would increase by 4.1% in 2022 and 2.4% in 2023. Shipments increased by 9.6% in 2022 and 3.4% in 2023, following an 11.3% increase the previous year. Basic chemicals will expand by 4.3% in 2022, with bulk petrochemicals and organics (4.6%), plastic resins (4.4%), and inorganic chemicals (4.4%) leading the way. Specialty chemicals output increased by 6.2% in 2022, owing to robust demand and restocking. Capital spending was expected to increase by 12.3% in 2022 to USD 34.5 billion and by 5.5% in 2023 to USD 36.4 billion.

Chemical commerce in the United States increased by 22% in 2022, reaching a new high of USD 342 billion. Both exports and imports increased significantly, hitting historical highs. According to the ACC research, poorer growth in the U.S. economy and external markets would constrain growth in U.S. chemicals trade in the following year. Overall, chemical exports are predicted to dip 9.3% in 2023 due to decreasing growth, but they are expected to recover and reach USD 193 billion by 2026.

### Growth in Chemical Logistics services driving the market

Several chemical logistics firms deliver raw materials and finished chemical products used in a variety of industries including oil and gas, pharmaceuticals, and process industries. To reduce the risk of harmful goods transportation, manufacturers and third-party logistics businesses are implementing federal and state safety rules. For example, 3PL providers provide chemical shipments that include services such as non-asset logistics management, allowing shippers to select carriers and handle their commodities more effectively. As a result of the increased need for handling and delivery of hazardous chemical products, the chemical logistics market is expanding.

The chemical industry's increased demand for automation and modernised green warehouses for sustainable business operations drives market expansion. Chemical

producers are rapidly investing in cost-effective warehousing solutions that integrate green practices and smart technology, such as the Internet of Things (IoT), smart sensors, and robotics, as concerns about energy saving and environmental protection grow. Additionally, companies offer digital technologies to automate chemical logistics and process data, resulting in increased production, efficiency, and convenience. Furthermore, in logistics services, there is an increase in the usage of Artificial Intelligence (AI), machine learning, radio-frequency identification (RFID), and Bluetooth, as well as other recently emerging technologies such as drone deliveries and driverless cars. As a result, technical improvements in the logistics industry provide significant growth potential.

### United States Chemical Logistics Industry Overview

The United States chemical logistics market is highly fragmented, with a lot of local, regional, and global players. Some of the major players include C.H. Robinson, BDP International, Quantix Supply Chain, Agility Logistics, DHL, and many more. The sector has been observing many innovative and digital trends in recent years, like adopting big data analytics and IoT technologies to further fuel the growth of the chemical logistics industry.

### Additional Benefits:

The market estimate (ME) sheet in Excel format

3 months of analyst support

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