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## Sabir Permanently Shuts UK Ethylene Cracker Amid Market Pressures

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Saudi Chemical giant Sabir has permanently shut its ethylene cracker in Teesside, England, citing economic and energy challenges. This marks a major step in reshaping its European operations.

Saudi Basic Industries Corporation (Sabir) has officially closed its ethylene cracker plant in Teesside, United Kingdom, marking a major shift in its European operations. The decision, driven by economic challenges and persistent energy market volatility, ends one of the region's largest petrochemical facilities.

The plant in Wilton on Teesside has been offline since 2020. While initially described as a temporary halt, Sabic has concluded that restarting the facility is not commercially viable. The move reflects the broader pressures facing the chemical industry, which has been grappling with high energy prices, weakening demand, and increased competition from lower-cost producers.

In a statement, Sabic explained that the closure is part of its long-term strategy to strengthen its global asset base and maintain competitiveness. “Following a thorough review, we have decided not to restart the Teesside cracker. This is a necessary step to ensure the long-term sustainability of our operations,” the company said.

Ethylene crackers are crucial for producing ethylene, a building block for plastics, packaging, and other chemicals. The Teesside facility was one of the few large-scale crackers operating in the United Kingdom, and its closure marks a significant moment for the country’s chemical sector.

Sabic assured customers that supply commitments would continue to be met through its global network. The company also stated that it is exploring other European investment opportunities better aligned with future energy and market trends.

Industry experts say the closure is not entirely unexpected. Since 2020, Sabic has faced challenges due to rising energy costs in Europe, exacerbated by the pandemic and geopolitical tensions. The European chemical industry has increasingly struggled to compete with producers in the Middle East, Asia, and the United States, where feedstock and energy costs are lower.

The news has sparked concerns about job losses and the economic impact on the local community. However, Sabic noted that it works with local authorities and stakeholders to manage the transition and support affected employees.

Despite the closure, Sabic remains one of the world’s largest petrochemical manufacturers and continues to invest in innovation and sustainability. The company has recently announced several projects focused on circular plastics and low-carbon production technologies.

As the global chemical industry moves toward cleaner and more efficient processes, Sabic’s decision may reflect a wider trend of consolidation and modernization across

Europe.

While significant, the Teesside closure underscores the changing landscape of global manufacturing and the tough choices companies must make to stay competitive in a shifting energy and economic environment.