ASIA PETROCHEMICAL SOURCING · 23 NOVEMBER 2026

Butadiene, condensate, naphtha and MTBE: who sells, who buys, what it costs, and how to move it

A sourcing and procedure dossier across Asia, with a China focus and the Middle East export leg — specifications, trade flows, named counterparties, price benchmarks, and the import paperwork for China, Malaysia and Thailand.

> **Read this first.** 2026 is not a normal year for these four products. The Middle East escalation from late February shut and then throttled Hormuz transits; Brent peaked above `$108/bbl` in late October and sat at `$92.44` on 16 November. Korea banned naphtha exports from 27 March (extended to 26 January 2027). China rewrote naphtha consumption tax on 1 January and is phasing in a new hazardous-chemicals law from 1 May. Every price and flow in this dossier is therefore a *war-distorted* observation, not a base case. Where a number is a spot print from a single assessment, it is dated.

BUTADIENE, CFR CHINA

$1,839

per tonne, 20 Nov 2026 · up ~45% since Feb

MTBE, FOB SINGAPORE

$900

per tonne, 20 Nov 2026 · Asia at premium to USG

NAPHTHA, MOPJ

$853

per tonne, 16 Nov 2026 · down 23.5% from 2 Nov high

CHINA MTBE EXPORTS, H1

3.79 Mt

+115.5% year on year · Singapore top destination

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1 · The four products, decoded

These are not four unrelated commodities. They are four positions on one barrel, and the trade in each is governed by a different constraint: butadiene by gas-handling, condensate by assay, naphtha by tax, MTBE by octane economics.

PRODUCT	WHAT IT IS	HS	SPEC ANCHOR	TRADE CONSTRAINT
Condensate 凝析液	C5+ liquid recovered from gas production. Ultra-light (45–63 API), low sulphur, hydrogen-rich — processed in splitters, not refineries	`2709.00`	API and sulphur define value; Jafurah 49.7 / 0.17% S, Bintulu 59.81 / 0.014%	**Assay risk.** No public benchmark; every cargo is priced off a crude differential and its own assay
Naphtha 石脑油	C5–C11 light distillate, 30–200 °C cut. Cracker feed (light/paraffinic) or reformer feed (heavy/aromatic)	`2710.12`	Platts CFR Japan: paraffins ≥65% vol, SG 0.65–0.74, RVP ≤13 psi, S ≤650 ppm	**Tax.** China's RMB1.52/litre consumption duty is the single biggest landed-cost line
Butadiene 丁二烯	1,3-butadiene, CAS 106-99-0. C4 diolefin; feedstock for SBR/BR rubber, ABS, nylon 6,6	`2901.24`	Rubber grade ≥99.0%, standard import 99.5%; TBC inhibited	**Handling.** UN 1010 Class 2.1 — pressurised or fully refrigerated gas carrier, no drums
MTBE 甲基叔丁基醚	Methyl tert-butyl ether, CAS 1634-04-4. Oxygenate octane booster, RON 118 / MON 101, 18.2 wt% oxygen	`2909.19`	≥98% GC; methanol ≤0.7%; water ≤0.05%; colour ≤20 APHA	**Policy.** Banned in California and parts of the US; squeezed by ethanol mandates elsewhere

> **The one thing to internalise.** Butadiene and naphtha are *cracker* economics; condensate is *splitter* economics; MTBE is *blending* economics. They share a molecule stream but they do not share a buyer, a contract form, or a price driver. Do not build one sourcing strategy across all four — build four, and share only the logistics and the credit line.

2 · One molecule chain, four prices

Condensate is split into naphtha, kerosene and diesel. Naphtha is cracked into ethylene, propylene and a C4 raffinate. The butadiene is extracted from that C4. The isobutylene left in the raffinate, reacted with methanol, becomes MTBE.

CONVERSION	YIELD	WHAT IT MEANS COMMERCIALLY
Condensate → naphtha	Jafurah ~40%; Bintulu ~67% petrochemical naphtha	A splitter's revenue is the naphtha yield times the naphtha price, plus the middle-distillate cracks. Bintulu-grade condensate is worth materially more to a petrochemical splitter than a 40% grade
Naphtha → ethylene	25–31%	Ethylene is the anchor product; everything else is a co-product credit
Naphtha → propylene	12–16%	Second-largest revenue line
Naphtha → butadiene	**4–5%**	Butadiene is a small-volume, high-value slipstream. This is why a cracker run-cut collapses butadiene supply disproportionately and why butadiene prices spike harder than ethylene
Naphtha → pygas / BTX	10–13%	Aromatics credit; matters when BTX is strong

That 4–5% yield is the mechanism behind 2026. When Asian crackers cut rates because the naphtha crack went negative, butadiene output fell far faster than ethylene output in percentage terms, and the butadiene price went from `$1,250–1,320/t` in February to `$1,835–1,843/t` by 20 November — roughly **+45%**. Nothing about butadiene demand changed. The supply simply disappeared as a by-product.

> **The inverse also holds.** When crackers restart, butadiene oversupplies faster than anything else on the slate, and the price falls through the floor regardless of rubber demand. If you are buying butadiene, you are taking a position on Asian cracker run rates, not on tyre production.

3 · Trade flows: Middle East into Asia

Asia is structurally short of all four. The Middle East is the swing supplier for naphtha and condensate; China has become the swing supplier of MTBE; Korea and Taiwan dominate butadiene within Asia.

Naphtha

COUNTRY	ROLE	NUMBERS
Korea	Largest Asian importer, normally also a swing exporter	**26.7 Mt in 2025** (45% of requirements), **77% from the Middle East**. Jan–Jul 2026 imports **12.6 Mt, −21.7%**. Exports banned since 27 March 2026, extended to 26 January 2027 — Jan–Jul exports only **1.07 Mt** versus 2.2 Mt
China	Largest importer, growing	**16.79 Mt imports in 2025, +38.3%**; domestic production 81.34 Mt
Japan	Term-contract importer	Middle East normally ~40% of demand. April 2026 imports **~800 kt, −47% y/y**; Middle East volumes **−79.1%**
India	Swing exporter	Reliance (Jamnagar) is the marginal barrel; IOCL, MRPL, Nayara also tender FOB west coast

COUNTRY	ROLE	NUMBERS
Gulf exporters	Term + tender	Saudi Aramco (incl. new Jafurah liquids), ADNOC, QatarEnergy (Laffan), KNPC, BAPCO

Condensate

GRADE	API	SULPHUR	DESTINATION LOGIC
Jafurah (Saudi)	49.7	0.17%	New since Phase 1; first cargoes went to **Thailand and India**; sold FOB at **Dubai +$2–3/bbl**
Bintulu (Malaysia)	59.81	0.014%	The premium petrochemical grade — ~67% naphtha yield, 95% volume recovery. Feeds PETRONAS and regional splitters
North West Shelf (Australia)	63.0	0.00%	Cleanest barrel in the market; splitter and blendstock demand
South Pars (Iran)	60.3	0.21%	**Sanctions-exposed.** See §16 — do not treat as an ordinary barrel
Tangguh (Indonesia)	45.6	0.03%	Heavier end; more middle distillate, less naphtha
Cossack (Australia)	48.8	0.03%	Established Asian splitter feed
GTA (Mauritania/Senegal)	50.2	0.03%	New Atlantic basin supply competing into Asia

Ras Laffan, Kikeh, Etame, Escravos and Cabinda assays could not be verified from public sources — obtain them from the producer's assay library or a price-reporting agency before pricing a cargo.

Butadiene and MTBE

Butadiene moves intra-Asia, not from the Gulf. Korea, Taiwan and China are the producers; the Gulf supplies only via SABIC's Petrokemya and Iran's Jam Petrochemical. The physical gateway for Gulf barrels is SABIC's **Amiral terminal at Jubail**, which holds three 4,750 m³ butadiene spheres and two 15,000 m³ MTBE tanks.

MTBE now flows *out* of China, which is the structural change of 2026. Chinese exports hit **3.79 Mt in H1 2026, +115.5% y/y**, and **594.2 kt in October at an average $1,074.67/t**, with **Singapore the top destination at 214.1 kt ($1,042.83/t)**. That is a reversal: China used to import MTBE. Domestic capacity is closing (Luqing shut 500 kt/yr; Binhua cut to 60%) while butane feedstock got too expensive to run, so Chinese producers are exporting inventory rather than making more.

4 · Price benchmarks and current levels

PRODUCT	BENCHMARK	LEVEL (DATE)	STRUCTURE
Naphtha	MOPJ — Mean of Platts Japan, CFR Japan. Export leg: Platts FOB Arab Gulf	`$853.25/t` (16 Nov) — off a six-month high of `$1,115.50/t` on 2 Nov. Dec MOC `$842.25`, Jan `$820.75`	Monthly term, CFR, MOPJ monthly average plus negotiated premium; Gulf NOCs price on a Platts formula with sealed-tender spot

PRODUCT	BENCHMARK	LEVEL (DATE)	STRUCTURE
Condensate	**No public benchmark.** Priced as a differential to Dubai/Oman, or flat against naphtha	Jafurah at `Dubai +$2–3/bbl`. Qatar December OSPs `Oman/Dubai –$10/bbl` (Marine), `–$9.5` (Land)	OSP-style monthly formula, often bundled with crude equity liftings
Butadiene	CFR China / CFR NE Asia spot; Korea FOB as export parity; separate CFR Taiwan for contract formulae	Korea FOB `$1,860–1,868/t`; CFR China `$1,835–1,843/t` (20 Nov). China domestic `RMB 14,366.67/t` (23 Nov)	**Monthly CP** settled by Korean producers; Taiwan/Korea/SE Asia contracts on a formula of US CP + Europe quarterly CP + CFR Taiwan spot
MTBE	FOB Singapore (Platts) — basis for NYMEX 1NM futures; FOB China as the export marker	FOB Singapore `$899.62–901.62/t` (20 Nov); FOB China `$880/t` (17 Nov); ARA `~$1,027`; USG `$844.53–844.89`	Spot on a Platts formula or MTBE-vs-gasoline (RON) differential. 2027 term talks stalled — only bid seen was 92 RON +$3–4/bbl

> **The MTBE arbitrage is inverted, and that is the trade.** Normally Asia sits at a discount to Europe and a small premium to the US. Right now FOB Singapore (~$900) is *below* ARA (~$1,027) by ~$127/t and *above* USG (~$845) by ~$55/t. The Europe–Asia gap is what pulled 3.79 Mt of Chinese material out in H1. If you are buying MTBE into Asia, you are competing with Chinese exporters who are pricing off inventory cost, not replacement cost — which caps your upside. The **$100/t bid-offer gap** in China (offers $880–930, bids $810–820) is the market telling you nobody agrees on the clearing level.

5 · The 2026 disruption

Four separate shocks, stacked. Any one of them would have moved prices; together they have broken the normal seasonal and arbitrage relationships.

1. **Hormuz.** The Israel–US war with Iran from late February restricted transits. Japan's April Middle East naphtha intake fell 79.1%; Korea's Jan–Jul imports fell 21.7%. Brent peaked above $108/bbl in late October.
2. **Korean export ban.** Naphtha exports prohibited from 27 March 2026, extended to 26 January 2027. Korea is normally a 3.9 Mt/yr exporter; it did 1.07 Mt in seven months.
3. **Cracker run cuts and closures.** Chinese ethylene–naphtha margin went from −RMB 92/t to +RMB 27.10/t in the week to 13 November — positive only because feedstock collapsed faster than product. Utilisation 78.39%. Korea is permanently removing **1.39 Mt/yr of ethylene** (YNCC No. 2 and No. 3); Japan is rationalising; Maruzen is shutting its 490 kt/yr Chiba cracker from late November 2026, taking the 90+85 kt Chiba Butadiene units with it.
4. **China's naphtha tax change.** From 1 January 2026 the RMB1.52/litre consumption tax was extended to domestically transferred naphtha under a "tax-first, refund-later" mechanism for ethylene and aromatics feedstock — a net cost impact of roughly **RMB 300/t**.

> **What this means for a buyer.** Supply is being destroyed structurally, not cyclically. Korean and Japanese cracker closures will not come back when Hormuz reopens. Butadiene and naphtha availability in 2027 will be tighter than 2025 regardless of geopolitics — so a term contract signed in this window is worth more than a spot win.

6 · Sellers — who actually has molecules

Butadiene producers

COMPANY	SITE	KT/YR	NOTES
Sinopec	China, multiple	~3,000+	World No. 1. Chinese total capacity 7.577 Mt/yr; 620 kt new starts in 2026
PetroChina	China, multiple	~2,000+	World No. 2
Lotte Chemical	Korea, Daesan / Yeosu	450	Also a major downstream consumer
Formosa Petrochemical	Taiwan, Mailiao	447	Largest single non-Chinese Asian unit
Yeochun NCC (Hanwha 50 / DL 50)	Korea, Yeosu	378	CP setter for Asia
PETRONAS	Malaysia, Pengerang	~380 UNVERIFIED	Part of the integrated complex
LG Chem	Korea, Yeosu	~230 UNVERIFIED	Captive-heavy
BST	Thailand, Map Ta Phut	220	Largest Thai unit
CPC Corporation	Taiwan, Linyuan	158	State-owned
Shell (SEPC/Bukom)	Singapore, Pulau Bukom	155	Regional supply into Singapore spot
Hanwha TotalEnergies	Korea, Daesan	150	
IOCL	India, Panipat	138	
Jam Petrochemical	Iran, Assaluyeh	115	**Sanctions-exposed**
Chiba Butadiene (Maruzen)	Japan, Chiba	90 + 85	**Closing** from late Nov 2026 with the cracker
ENEOS	Japan, Kawasaki	81	
PTTGC	Thailand, Map Ta Phut	75	

COMPANY	SITE	KT/YR	NOTES
IRPC	Thailand, Rayong	56	
Reliance Industries	India, Hazira/Jamnagar	~174	61 kt exported — India's export leg
Haldia Petrochemicals	India, Haldia	n/a	Exports "majorly to SE/NE Asia"

MTBE producers

COMPANY	SITE	KT/YR	NOTES
SABIC (Petrokemya)	Saudi Arabia, Jubail	1,000	Gulf gateway; Amiral terminal has 2 × 15,000 m^3 tanks
QAFAC	Qatar, Mesaieed	660	Qatar's export vehicle into Asia
Qixiang Tengda	China	776	Largest single Chinese unit
S-Oil	Korea, Onsan	370	Refiner-integrated
Yeochun NCC	Korea, Yeosu	170	By-product of the cracker
PETRONAS Chemicals MTBE	Malaysia, Gebeng	n/a UNVERIFIED	Captive into Malaysian gasoline
Sinopec / PetroChina	China, multiple	large	Now net *exporters*

Trading houses with live Asian desks

HOUSE	CHANNEL	WHAT THEY ACTUALLY MOVE
Trafigura	10 Collyer Quay #29-01/05, Ocean Financial Centre, Singapore · +65 6319 2960 · trafigura.com	Naphtha, condensate, LPG; equity offtake and term
Vitol	Singapore desk · +65 6737 9922 · vitol.com	Naphtha into East Asian petchem; condensate
Gunvor	Singapore, Shanghai, Dubai · gunvorgroup.com/trading	Naphtha, condensate, refined products
BGN	BGN INT PTE LTD, 12 Marina View, Asia Square Tower 2, Singapore · bgn-int.com/contact	Naphtha, LPG, petrochemicals
Tricon Energy	Singapore, Dubai, Houston · triconenergy.com	**MTBE and methanol** specialist — the right first call for MTBE

HOUSE	CHANNEL	WHAT THEY ACTUALLY MOVE
Helm AG	Hamburg; Asia chemicals desk in Singapore · helmag.com/en/business-units/chemicals	MTBE, solvents, ISO-tank chemicals
Kolmar Group	Kolmar Singapore Pte Ltd, 101 Thomson Rd #27-04 United Square · +65 6513 1059	MTBE, gasoline blend components
Itochu	Itochu Singapore, Basic Chemicals Section · itochu.com/sg	Explicitly trades **MTBE, TBA, pygas**; also naphtha
PETCO Trading (PETRONAS)	+60 3 2051 5000; London +44 20 7925 8686	Malaysian naphtha and condensate — the Bintulu/Kimanis offtake
Aramco Trading	aramcotrading.com	Saudi naphtha and Jafurah condensate
ADNOC Global Trading	adnoc.ae	ADNOC naphtha and gas-plant condensate
QatarEnergy Trading	qatarenergy.qa	Laffan naphtha, North Field condensate
KNPC	knpc.com	FOB naphtha tenders — still offering December cargoes in late November
Mitsui / Marubeni / Mitsubishi	mitsui.com, marubeni.com, mitsubishicorp.com	Japanese term naphtha; Marubeni is a Laffan Refinery JV partner

> **Practical routing.** Butadiene does not move in ISO tanks to small buyers in any meaningful volume — parcels are 1,000–5,000 t in pressurised or fully refrigerated gas carriers. The realistic counterparties are the Vitol/Gunvor/Trafigura/BGN tier plus Korean and Japanese traders, not chemical distributors. MTBE is the opposite: 5,000–10,000 t MR cargoes and ISO tanks, so Tricon, Helm, Kolmar and Itochu are genuinely accessible.

7 · Buyers — who actually consumes

Butadiene demand

SEGMENT	NAMED ASIAN BUYERS
SBR / BR rubber	Kumho Petrochemical (SBR 263 kt, HBR 165 kt, SSBR 123 kt, NdBR 60 kt), TSRC Taiwan (805 kt combined SR/TPE), LG Chem, Lotte (SSBR 100 kt, BR 50 kt), ENEOS Material (SBR 221 kt, BR 60 kt), Zeon (SBR 112 kt, BR 55 kt), UBE Elastomer (BR 126 kt), Asahi Kasei, BST and IRPC (Thailand), Reliance and Indian Synthetic Rubber
ABS	Lotte (670 kt), LG Chem, Chi Mei, Formosa Plastics, INEOS Styrolution
Nylon 6,6	Invista — **400 kt/yr adiponitrile at Shanghai Chemical Industry Park**, one of Asia's largest single butadiene sinks

SEGMENT	NAMED ASIAN BUYERS
TPE / SBC / NBR	TSRC, Kraton, LCY, Kumho P&B, Zeon
BDO / PTMEG	BASF, Dairen, Formosa

MTBE demand

Refiners and blenders, not chemical plants. The Chinese pool is Sinopec/PetroChina plus the **Shandong independent blending sector** — the least transparent and most price-sensitive buyer group in Asia. Elsewhere: S-Oil, SK Innovation, Hyundai Oilbank, ENEOS, CPC and FPCC, PTT/Bangchak, PETRONAS, Pertamina, Nghi Son and Dung Quat, IOCL/BPCL/HPCL, and trader-owned blending in Singapore.

MARKET	MTBE STATUS
China, Korea, Taiwan, Thailand, Malaysia, Singapore, Indonesia, Philippines, Vietnam, India	LEGAL Japan caps MTBE at **7% vol** in gasoline
California	BANNED formulation prohibited from 31 Dec 2002; sale from 31 Dec 2003. New York and several other states restrict
India	SQUEEZED Legal, but the E20 ethanol mandate (19.2% achieved 2025) is displacing MTBE from the octane pool. Premium petrol stays ethanol-free

8 · China: tariff, quota, bonded, tax

China is the most complex jurisdiction of the four and the one where the paperwork, not the price, decides the trade.

PRODUCT	10-DIGIT LINE	TARIFF	REGIME
Butadiene	`2901.24.10.00`	MFN **2%**; general 20%; VAT 13%; export duty 0. RCEP from Malaysia **0%**	No quota. Needs hazardous-chemicals business licence (经营许可证) and MEE registration
Naphtha	`2710.12.20.00`	MFN 6% but **2026 provisional rate 0%**; VAT 13%; **consumption tax RMB 1.52/litre**; export rebate 0%	No quota. The consumption tax is the dominant cost line — roughly RMB 300/t net impact from the 1 Jan 2026 change
MTBE	`2909.19.90.90`	MFN **5.5%**; VAT 13%; export rebate **9%**	No consumption tax as a chemical — but blended into gasoline it is taxed at the gasoline rate of RMB 1.52/L
Condensate	`2709.00.00`	Duty-free; VAT 13% UNVERIFIED ; no consumption tax	**Clears as crude.** Needs a crude import quota — the 2026 non-state allowance is **257 Mt**, unchanged — plus automatic import licensing and state-trading channel

Bonded storage

Customs bonded warehouse or tank: storage **1 year, extendable by up to 1 year** with approval; duty and import VAT suspended until release. This is the standard route for re-export blending and for holding MTBE while the export arbitrage is open.

Hazardous chemicals

All four are in the 2015 危险化学品目录. Import is inspected batch-by-batch under GACC Announcement 2020 No. 129 — UN number, packing group, label, SDS, conformity declaration — with a "document review plus port or destination inspection" model since 2023 No. 29. The **Hazardous Chemicals Safety Law takes effect 1 May 2026** and tightens storage and operating licensing.

> **The condensate trap.** Condensate is declarable as crude oil, which sounds advantageous (duty-free) but drags you into the crude quota and state-trading regime. A 500,000-bbl condensate cargo that would be a routine import under 2710 becomes a quota application under 2709. Confirm the classification with your broker *before* agreeing the price, because the buyer who holds the quota is a different counterparty from the buyer who does not.

9 · Malaysia: the easy jurisdiction

Malaysia is the simplest of the four for import. MFN duty on all four lines is **0%**; there is no quota, no TRQ, and no strategic-trade import licence (the Strategic Trade Act 2010 controls export, transshipment and brokering — not import).

- **Sales tax, not GST.** The 1 July 2025 SST expansion put a **5% rate on a wide petrochemical list**; any code not listed in the Rate or Exemption Orders defaults to **10%**. Confirm which schedule your specific line sits in — this is the difference between 5% and 10% on CIF.
- **Sabah surcharge.** Sabah levies a separate **5% state sales tax on crude petroleum and condensate**. A condensate cargo discharging in Sabah faces both layers.
- **LMW.** A Licensed Manufacturing Warehouse under Customs Act 1967 s.65/65A suspends duty and sales tax for export-oriented manufacturing, with an **80% export** eligibility test. Bonded facilities exist at Pengerang and Tanjung Langsat.
- **Registration.** uCustoms account required; SST registration above RM 500,000 annual taxable sales.

On the supply side, Malaysia is a genuine producer: condensate was **34.6% of crude-plus-condensate output in Q1 2026**, and **PRefChem at Pengerang became 100% PETRONAS-owned** after Aramco's exit completed in September 2026. The **Pengerang Energy Complex** (ChemOne) — 150,000 b/d condensate plus naphtha side-feed, 2.7 Mtpa aromatics — is under construction but start-up is slipping into 2027 or later.

10 · Thailand: excise is the cost

- **Duty.** Butadiene MFN **0%**; naphtha import duty 0% UNVERIFIED ; VAT **7%**.
- **Excise is the real line.** Naphtha and reformate fall under excise item **01.02**, with a statutory ceiling of **50% ad valorem or THB 20/litre**. Petrochemical-feedstock use can be exempt or refunded, but you must claim it — the default assessment is punitive.
- **Carbon tax.** Since 2025 a **THB 200/tCO_2e** carbon tax is embedded in the oil excise structure without changing pump prices.
- **Licensing.** DFT importer/exporter registration plus a DIW hazardous-substance licence — Category 3 means licensed import *and* export — for butadiene, naphtha and MTBE.
- **Bonded.** IEAT Free Zone or bonded warehouse: up to **2 years** from import with duty and VAT suspended.
- **Ports.** Map Ta Phut is the petrochemical discharge point; butadiene needs berth and vapour-return approval.

> **Thailand is now a condensate *buyer*, not just a processor.** Jafurah's first condensate cargoes went to Thailand. That makes Thai refiners and PTTGC both a competitor for Gulf condensate and a potential offtake counterparty if you can land a term book.

11 · Middle East export leg

Export duties on all four are **nil**. The GCC's 5% common external tariff applies only to imports *into* the GCC, not to exports out of it — a distinction that trips up first-time buyers who see "5%" on a tariff database and assume it applies.

COUNTRY	CLEARING ROUTE	ORIGIN DOCUMENTATION
Saudi Arabia	ZATCA; Aramco Trading for naphtha and Jafurah condensate	Certificate of origin; Saudi chamber attestation; SASO where applicable
UAE	Dubai Customs or Abu Dhabi Customs; free zones (JAFZA, KIZAD) for blending and storage	CO; legalisation; free-zone transfer documents if the cargo never enters the UAE mainland
Qatar	QatarEnergy; Laffan Refinery for condensate processing	CO; Qatar chamber attestation

> **The compliance risk is not the origin — it is the commingling.** Saudi, UAE and Qatari origin carries no UN, US or EU sanctions. But Gulf free zones and ship-to-ship transfers are the standard mechanism for Iranian material entering the market, and UAE and Saudi banks now demand cargo-origin and ultimate-beneficial-owner documentation before clearing USD payments. If your seller cannot produce a clean origin chain, the payment will fail even if the cargo is legitimate.

12 · Singapore as the break-bulk hub

Singapore is not a demand centre for any of these — it is the pricing window, the storage hub and the place where cargoes get broken down.

- **Licensed Warehouse for Petroleum** — duty and GST suspended, **indefinite** storage. This is the vehicle you want; the colloquial "GPL" is not the statutory name.
- **Bonded Warehouse for Petroleum** — for non-dutiable petroleum, GST suspended.
- **GST 9%.** Carbon tax rises to **S$45/tCO$_2$e for 2026–27**.
- **Price discovery.** Platts and Argus assessments for MTBE FOB Singapore and the butadiene CFR assessments are made here. The NYMEX 1NM contract settles against it.

For butadiene, Singapore is also where Shell's Pulau Bukom extraction (155 kt/yr) and ExxonMobil/PCS capacity meet the spot market — one of the few places in Asia where a spot butadiene parcel can be assembled without a term contract.

13 · HS code and duty matrix

PRODUCT	CHINA	MALAYSIA	THAILAND	MIDDLE EAST EXPORT
Butadiene	2% + 13% VAT	0% + 5% SST (petrochem list)	0% + 7% VAT	Nil export duty
Condensate	0% + 13% VAT, **quota**	0% + 5% SST; **+5% Sabah**	0% + 7% VAT UNVERIFIED	Nil; OSP/netback pricing
Naphtha	**0% (2026 provisional)** + 13% VAT + **RMB 1.52/L CT**	0% + 5% SST	0% + 7% VAT + **excise 01.02**	Nil export duty
MTBE	5.5% + 13% VAT	0% + 5% SST	0% + 7% VAT	Nil export duty

Malaysia and Thailand line-level rates should be re-confirmed against the current PDK 2025 and Thai Customs tariff before contracting — ASEAN chapter 27/29 lines are frequently 0% but the specific AHTN subheading governs.

Recent changes that move landed cost

DATE	JURISDICTION	CHANGE
1 Dec 2024	China	Refined-oil export rebate cut 13% → 9%
1 Jul 2025	Malaysia	SST expansion — 5% on listed petrochemicals, 10% default
28 Sep 2025	Global	UN snapback reimposed the full Iran sanctions suite
1 Jan 2026	China	2026 tariff plan; naphtha provisional 0% retained. Naphtha consumption tax extended to domestic transfers
1 Jan 2026	Singapore	Carbon tax S$45/$tCO_2e$
1 May 2026	China	Hazardous Chemicals Safety Law in force
1 Dec 2026	ASEAN–China	**ACFTA 3.0 enters into force** — new origin rules and cumulation

14 · Dangerous goods and logistics

PRODUCT	UN	CLASS	PG	MODE AND HANDLING
Butadiene	1010	2.1	—	Pressurised or semi-refrigerated gas carrier, **IMO ship type 2G/2PG**. TBC-inhibited, temperature-monitored, inhibitor certificate required at discharge. ISO tanks only for small parcels. Never drummed
Condensate	1267	3	I / II	Bulk tanker. Vapour pressure and H_2S are the handling hazards

PRODUCT	UN	CLASS	PG	MODE AND HANDLING
Naphtha	1268	3	II (I for light)	Bulk tanker or ISO tank. Flash point below 23 °C for light grade
MTBE	2398	3	II	Bulk MR cargo, ISO tank, or drum for solvents grade

IMDG governs sea, IATA air, ADR/RID road. All four are flammable, so Asian terminals require hazardous-berth approval. Butadiene additionally needs inhibitor documentation and continuous temperature monitoring — a butadiene cargo that loses its inhibitor can polymerise in the tank, which is a total-loss event, not a delay.

15 · Contracts, inspection and payment

PRODUCT	TYPICAL PARCEL	INCOTERM	QUANTITY / QUALITY	PAYMENT
Butadiene	1,000–3,000 t	FOB / CFR	SGS or Intertek **shore-tank** quantity at load	LC at sight
Condensate	500,000–1,000,000 bbl	FOB / CIF	Shore-tank or ship's-tank; assay governs	LC, often with price-deferred payment
Naphtha	25,000–60,000 t	FOB / CIF	Shore-tank quantity; ship's-tank quality and density	LC 30–90 days
MTBE	5,000–10,000 t	FOB / CFR	Shore-tank	LC at sight

Title passes on bill-of-lading endorsement. The document set is B/L, invoice, packing list, certificate of origin (**Form E** for ACFTA, **Form D** for ATIGA, RCEP CO), SDS, and — for butadiene — the UN packaging and inhibitor certificate.

> **Two clauses worth paying a lawyer for.** First, a **quality-determination clause** that says explicitly whether shore-tank or ship's-tank governs, and which inspector. Disputes on butadiene purity are almost always really disputes about whose sample was taken. Second, a **destination-restriction and origin-warranty clause** — with Iranian material in the market, you need the seller to warrant origin and indemnify you if the cargo is later found to be re-branded.

16 · Sanctions and Iranian origin

None of the four products is a chemical-weapons precursor, a narcotics precursor or a dual-use item. The only sanctions exposure in this complex is **origin**, and it is concentrated in Iranian condensate and naphtha.

- **UN snapback, 28 September 2025** — the full Iran sanctions suite was reimposed.
- **OFAC designations** continue against Chinese terminals and teapot refineries receiving Iranian crude under EO 13902/13846, including Rizhao Shihua terminal, Shandong Jincheng, and Qingdao Haoye Dongjiakou terminal.
- **How the trade actually moves:** CNY/CIPS, UAE-dirham settlement or barter, ship-to-ship transfers, and shadow-fleet tankers. Most international banks will not touch it.
- **South Pars condensate** (60.3 API, 0.21% S) is the grade most likely to appear re-labelled. Its sulphur content is distinctive — an assay check will usually catch a false declaration.

> **Do not accept a "mixed-origin" certificate.** If the seller cannot name the field and the loading terminal, and cannot produce a clean chain from producer to your berth, the discount you are being offered is the price of that risk being transferred to you. The penalty for a sanctions breach is not a fine on the cargo — it is loss of your banking access.

17 · Verdict and sequencing

- **If you need butadiene:** go term, go now, and go to Korea or Taiwan. Supply is being structurally destroyed — Maruzen's Chiba units close this month, YNCC is removing ethylene capacity — and a spot buyer in 2027 will pay materially more than a term buyer signing in this window. Expect $1,800–1,900/t as the new floor, not a spike.
- **If you need MTBE:** buy from China, not from the Gulf. Chinese exporters are pricing off inventory cost with a $100/t bid-offer gap, and Singapore is their top destination. The risk is that the arbitrage closes when Europe normalises — so price on FOB China plus freight, not on FOB Singapore plus a discount.
- **If you need naphtha:** the 2026 provisional 0% Chinese tariff is the single largest saving available, and it is a *provisional* rate — it can revert to 6% at the next tariff plan. If you are selling into China, structure the term to survive a reversion.
- **If you need condensate:** run the assay before the price. Bintulu at 67% naphtha yield and 0.014% sulphur is a different product economically from Jafarah at 40% and 0.17%, and neither is comparable to a 45 API Indonesian barrel. There is no benchmark to hide behind.
- **Jurisdiction:** land it in Malaysia if you can. Zero duty, no quota, no import licence, 5% SST. Thailand is workable but the excise exemption must be claimed. China is only worth it if you hold the crude quota — otherwise use a quota holder as the importer of record.

18 · What is unreliable here

- **Every price is a war-distorted print.** Naphtha fell 23.5% in two weeks; butadiene rose ~45% in nine months. Treat all levels as dated observations, not fair value.
- **Capacity figures for LG Chem, SK, PETRONAS Pengerang, ExxonMobil Singapore and PCS are unverified** at the nameplate level. Use them for ranking, not for supply modelling.
- **Assays for Ras Laffan, Kikeh, Etame, Escravos and Cabinda could not be sourced publicly.** Cabinda is a crude, not a true condensate, and is often misclassified in trade press.
- **Malaysia and Thailand line-level tariff rates** are flagged where the schedule could not be opened directly. Re-confirm before contracting.
- **MTBE's 2026 export-rebate line** in China's revised rebate library is unverified — the April 2026 overhaul cancelled rebates on several adjacent chemicals, and MTBE's treatment must be confirmed with the broker.
- **Contract terms and parcel sizes** reflect market practice as reported, not a specific executed contract. Your own term sheet will differ.

SOURCES

Prices and market reporting. 100ppi daily assessments (butadiene, MTBE, 19–23 Nov 2026); S&P Global Commodity Insights on Chinese MTBE plant shutdowns and rate cuts (18 Nov 2026) and FOB Singapore MTBE (23 Feb 2026); Argus Media butadiene and octane-blending methodology samples; ICIS butadiene methodology; Mysteel on China's 620 kt new butadiene capacity (2026) and the unified naphtha consumption tax; SNS/Reuters-sourced MOPJ, crack and Brent prints (16–18 Nov 2026); TradingView NYMEX 1NM MTBE FOB Singapore contract specifications.

Company and capacity. Yeochun NCC company and plant pages; Lotte Chemical chemical-business report; Hanwha TotalEnergies company profile; S-Oil petrochemical page; Formosa Petrochemical and Formosa Plastics Group pages; CPC Corporation; ENEOS Kawasaki refinery; JPCA manufacturer listing; IRPC petrochemical business; PETRONAS Pengerang Integrated Complex and PETRONAS Chemicals Group; Shell Bukom capacity release; Reliance petrochemicals; IOCL; Haldia Petrochemicals; SABIC integrated report; QAFAC; Invista adiponitrile plant announcement; Kumho Petrochemical, TSRC and LCY business pages.

Trade flows and policy. ICIS on Korea's extended naphtha export restrictions (28 Aug 2026) and the Yeosu petrochemical restructuring; Argus on Mediterranean naphtha flows to Asia; JOGMEC and Chinese customs-derived import statistics; Ministry of Commerce 2026 crude

import allowance notice; Customs Tariff Commission 2026 tariff adjustment plan; GACC Announcement 2020 No. 129 and the 2026 hazardous-goods import policy note; Hazardous Chemicals Safety Law (adopted 27 Dec 2025); MOFCOM automatic import licence catalogue; ACFTA 3.0 entry-into-force briefing; State Council 2021 No. 19 "deemed naphtha" notice; MOF/Customs/STA 2015 No. 11 consumption-tax notice; export-rebate adjustment notice (Nov 2024).

Customs and tax — Malaysia and Thailand. Royal Malaysian Customs sales-tax FAQ and 2025 rate-transition guidance; ICIS on Malaysia's expanded petrochemical sales tax (17 Jun 2025); Sabah State Sales Tax (Rate of Tax) Order 2025; Malaysia Customs LMW licensing guidance; Thai Excise Department rate schedule (item 01.02); Thai Customs bonded-warehouse storage rules; DIW Hazardous Substance Act B.E. 2535; EY on Thailand's carbon tax; Singapore Customs petroleum licensing and licensed-warehouse schemes; IRAS GST guide; NCCS carbon tax rates.

Condensate assays and splitters. Offshore Technology on Aramco's Jafurah condensate start-up; Tulen Energy (Sarawak condensate refinery) technical pages; BP crude assay library (NWS, GTA, Tangguh, Cossack); South Pars assay via NIOC-derived technical file; QatarEnergy LNG Laffan Refinery; Marubeni Laffan JV release; Aster Chemicals condensate splitter acquisition; PETRONAS–Aramco PRefChem ownership transfer release; Pengerang Energy Complex EPCC award; CER Canada natural-gas-liquids data for the diluent comparison.

Dangerous goods and sanctions. Shell butadiene cargo-handling sheet; BAM/DGG IMDG entry for UN 1010; NOAA CAMEO for UN 1268; Japan MHLW SDS for UN 2398; Transport Canada TDG Schedule 2 for UN 1267; DLA Piper on the UN Iran snapback (Sep 2025); US Treasury and State Department Iran-network designation releases (2025).

Compiled 23 November 2026. Prices are dated spot assessments and move daily; specifications should be confirmed against the seller's current certificate of analysis and the destination customs schedule before contracting. Capacity figures marked UNVERIFIED are indicative. Tariff treatment should be confirmed with a licensed customs broker in the importing jurisdiction — this document is a sourcing aid, not customs or legal advice.