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China tightens tap: Sulfuric Acid shockwaves reshape global supply chains

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In a dramatic convergence of geopolitics and policy, global sulfuric acid markets have been thrust into turmoil. Escalating tensions in the Middle Eastâ??particularly around Iranâ??have choked key shipping arteries such as the Strait of Hormuz, through which nearly half of seaborne sulfur trade flows. Simultaneously, production setbacks in Qatar and extended export restrictions from Russia have tightened global sulfur supply, sending prices soaring by over 65 per cent in a matter of weeks.

In a decisive pivot, Chinaâ??the worldâ??s largest sulfuric acid producer, commanding over 40 per cent of global outputâ??has announced sweeping restrictions on sulfuric acid exports effective May 2026, with only limited exemptions for high-purity electronic-grade acid. This policy shift disrupts long-standing trade flows, placing countries such as Chile, which depends heavily on Chinese sulfuric acid for copper processing, and African producers like Democratic Republic of the Congo and Zambia under immediate supply pressure.

Over the past month, sulfur prices have surged between 40 per cent and 67 per cent, while sulfuric acid prices have jumped 50 per cent to 100 per cent domestically, with international markets mirroring similar inflationary trends. This sharp escalation is not the result of a single disruption but rather a convergence of multiple forces: raw material supply interruptions caused by constrained Middle Eastern shipping, rising input costs that have suppressed operating rates at acid plants, and strong seasonal demand driven by spring planting, fertilizer production, and metal smelting. Together, these dynamics have intensified supply-demand imbalances and pushed the market into a highly volatile phase.

At the heart of this crisis lies sulfuric acidâ??s indispensable role in phosphate fertilizers, which are critical to global food production systems. By restricting exports, China is seeking to prioritize domestic supply, stabilize fertilizer costs, and shield its agricultural sector from global price shocks. At the same time, key industries such as titanium dioxide, non-ferrous metals, and advanced chemical materials stand to benefit from more predictable input costs, helping maintain manufacturing competitiveness amid global uncertainty.

The once-stable paradigm of China exporting sulfuric acid while the Middle East supplied raw sulfur is rapidly dissolving, forcing global players to rethink sourcing strategies. Fertilizer producers and copper smelters worldwide are now accelerating efforts to diversify supply, invest in localized production, and adopt alternative technologies such as pyrite-based acid production and flue-gas recovery. In the short term, rising costs are expected to strain copper production in regions like Chile and parts of Africa, potentially pushing up global copper prices, while higher fertilizer costs may feed into broader food inflation. Over the longer term, the industry is likely to transition toward a more decentralized, resilient, and regionally balanced supply chain model.

With geopolitical tensions unresolved and Chinaâ??s export controls set to take effect, the sulfuric acid market is expected to remain tight in the near term. The cascading effects across agriculture, metals, and chemicals underscore the strategic importance of this commodity, as nations and industries brace for a prolonged period of volatility and structural realignment in global supply chains.