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Sulfur Long-Term Outlook

Quarterly outlook for the international sulfur market

Formerly Fertecon

SAMPLE

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Yuya Pan — yuya.pan@spglobal.com

Angelo Salton — angelo.salton@spglobal.com

Isaac Zhao — isaac.zhao@spglobal.com

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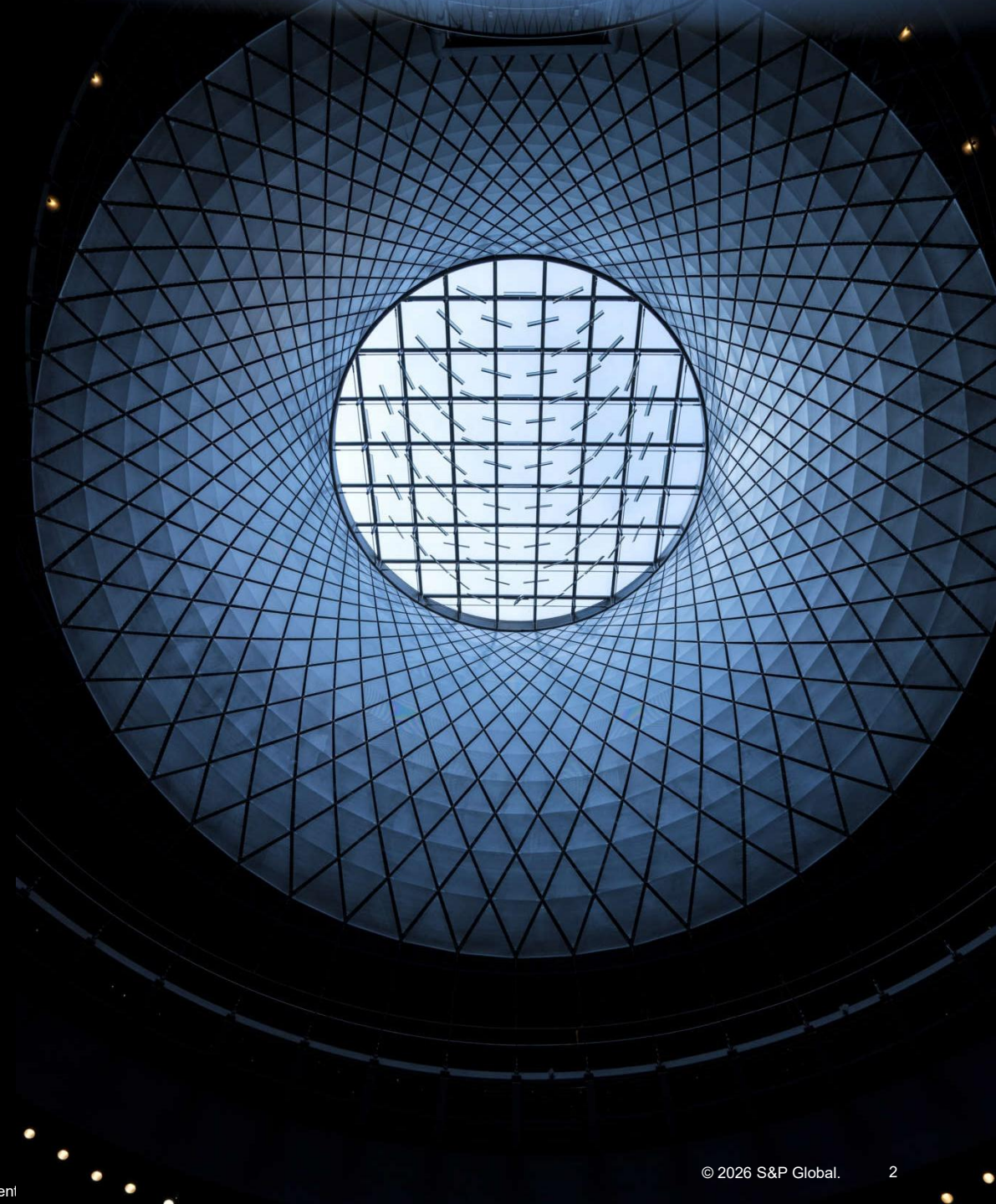


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Contents

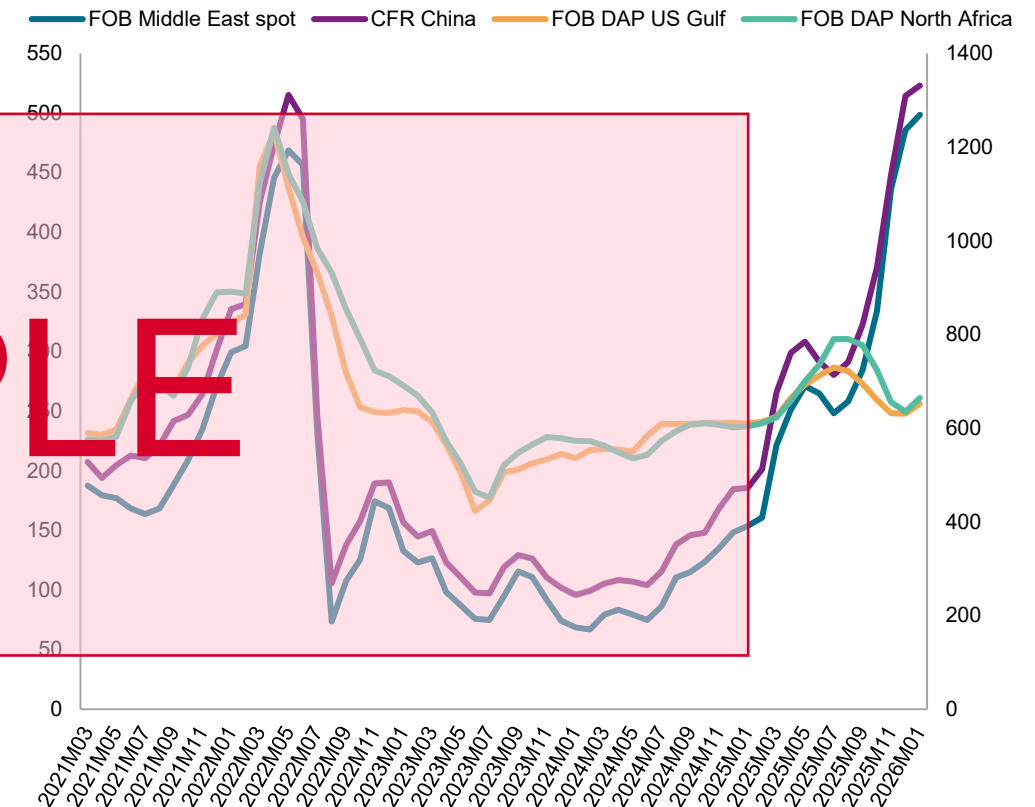
Sulfur outlook summary	14 pages
Outlook for supply	18 pages
Outlook for demand	30 pages
Outlook for trade and market balance	15 pages
Country profiles	107 pages
Outlook for freight costs and margins	14 pages
Outlook for sulfur prices	12 pages

Recent market developments

Global sulfur markets ease amid supply disruptions and geopolitical risks

- Global sulfur prices have continued to hit new high after a supply shock centered on the Middle East, with the Strait of Hormuz still largely blocked and only sporadic cargoes reported. This has tightened nearby availability, lifted risk premiums and widened regional price dispersion, while also accelerating substitution toward sulfuric acid where feasible.
- In India, improved affordability via higher NBS support has underpinned buyer willingness to pay up, with CFR India climbing to US\$900/t as importers prioritize security of supply over price.
- Indonesia mirrored the regional tone but with an even broader band: US\$650/t CFR low indications extending to US\$1,000/t CFR in higher-end discussions amid constrained supply options. CFR Indonesia granular sulfur prices were stable in the week ended May 7, with the latest tradable indications heard at US\$950/t CFR amid limited buying activity. HPAL nickel producers have planned to cut production rates, limiting buying activities.
- The Mediterranean remained firm, with ~US\$1,200/t CFR indicated and limited spot activity consistent with a tighter global balance. Turkey's reported sulfur export ban from April 7 adds to regional supply caution and increases reliance on imports for some downstream users.
- In China, the government's initiative to ban sulfuric acid exports is tightening regional acid availability and muting Chinese sulfur import appetite. Granular sulfur indications were heard as high as US\$900/t CFR China in early May, with port inventory drawdowns.
- In the DRC, delivered levels of US\$1,400-1,500/t and US\$1,100-1,200/t FCA for small parcels reflect severe inland logistics constraints and scarcity, while bulk offers remained limited.
- The Americas remained bullish as the Middle East ceasefire failed to restore flows. Brazil saw reported business around US\$1,000/t CFR.

DAP N.Africa vs. sulfur FOB Middle East and CFR China, US\$/t (left: sulfur prices; right DAP)

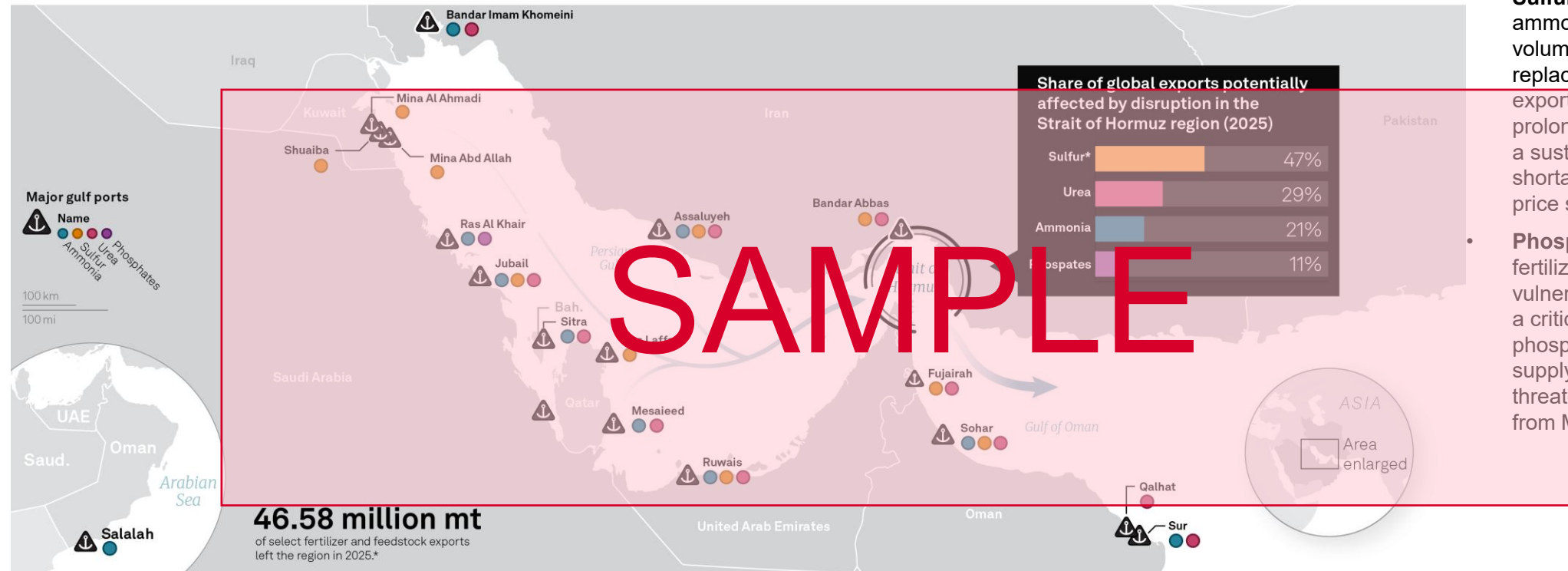


Data compiled May 2026.
Source: S&P Global Energy.

Impact of the blockade of the Strait of Hormuz on sulfur & fertilizers

The impact in the fertilizer industry is mixed

Middle East war disrupts global fertilizer trade



*Sulfur export figures reflect total exports from Iran, Kuwait, Qatar, Saudi Arabia and the UAE, including Saudi exports via Red Sea
Source: S&P Global Energy
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Disruption of sulfur trade

- Sulfur:** Unlike urea or ammonia, disrupted sulfur volumes are not easily replaceable from other exporting regions, meaning a prolonged blockade creates a sustained physical shortage rather than only a price spike.
- Phosphates:** Phosphate fertilizers are especially vulnerable, because sulfur is a critical feedstock for phosphate production; supply disruption in sulfur threatens phosphate output from May onward.

Source: S&P Global Energy

The impacts and response of the top sulfur importers

Country	2025 sulfur imports from the Middle East vs. ROW	Total 2025 imports (Mt)	Country-wise implications if transit remains affected
China	China 0% 20% 40% 60% 80% 100%	9.6	China's imports have been muted by Middle East supply disruptions, with just over 1Mt of sulfur imported in the first two months of 2026—a 35% YoY decline. The government banned sulfuric acid exports from May 1, 2026, in response.
Morocco	Morocco 0% 20% 40% 60% 80% 100%	6.7	Morocco plans to reduce phosphate output partly due to sulfur supply disruptions. Its sulfur imports totalled 6.68Mt in 2025, down 19% YoY, reflecting operational efficiencies and a shift toward producing more TSP, which uses less sulfur per ton of P ₂ O ₅ than DAP or MAP.
Indonesia	Indonesia 0% 20% 40% 60% 80% 100%	5.3	Indonesia imported only 378kt of sulfur in January 2026, a 38% YoY decrease. Sulfur imports will face downward pressure as HPAL nickel producers cut MHP output by 10% amid rising raw material costs. Delays in sulfur procurement could also delay first-train startups and ramp-ups, impacting project timelines and returns.
The DRC	The DRC 0% 20% 40% 60% 80% 100%	1.6	In the absence of Middle Eastern supply, buyers are reportedly bidding for US cargoes, as Asia absorbs most of the export capacity from Canada. Further inland in the DRC, small sulfur cargoes can reach only 1,400-1,500/t delivered to the Copperbelt. Higher diesel prices are also pressuring freight costs, given the long distances (over 1,000km) to move products.
Brazil	Brazil 0% 20% 40% 60% 80% 100%	2.3	Brazil faces one of its worst fertilizer affordability ratios, especially for phosphates. The Middle East made up 42% of total sulfur imports in 2025. Tight supply from the Middle East, Russian export bans, and strong Asian demand have driven up prices. As a result, Mosaic announced the idling of its Araxá and Patrocínio facilities in Minas Gerais on April 8, reducing 1.4Mt/year of SSP capacity. Farmers are cutting application rates and switching nutrients, risking lower yields in 2026/27.
India	India 75% 80% 85% 90% 95% 100%	2.3	In India, improved affordability via higher NBS support has underpinned buyer willingness to pay up, with market talk placing offers above US\$900/t CFR as importers prioritize security of supply over price.

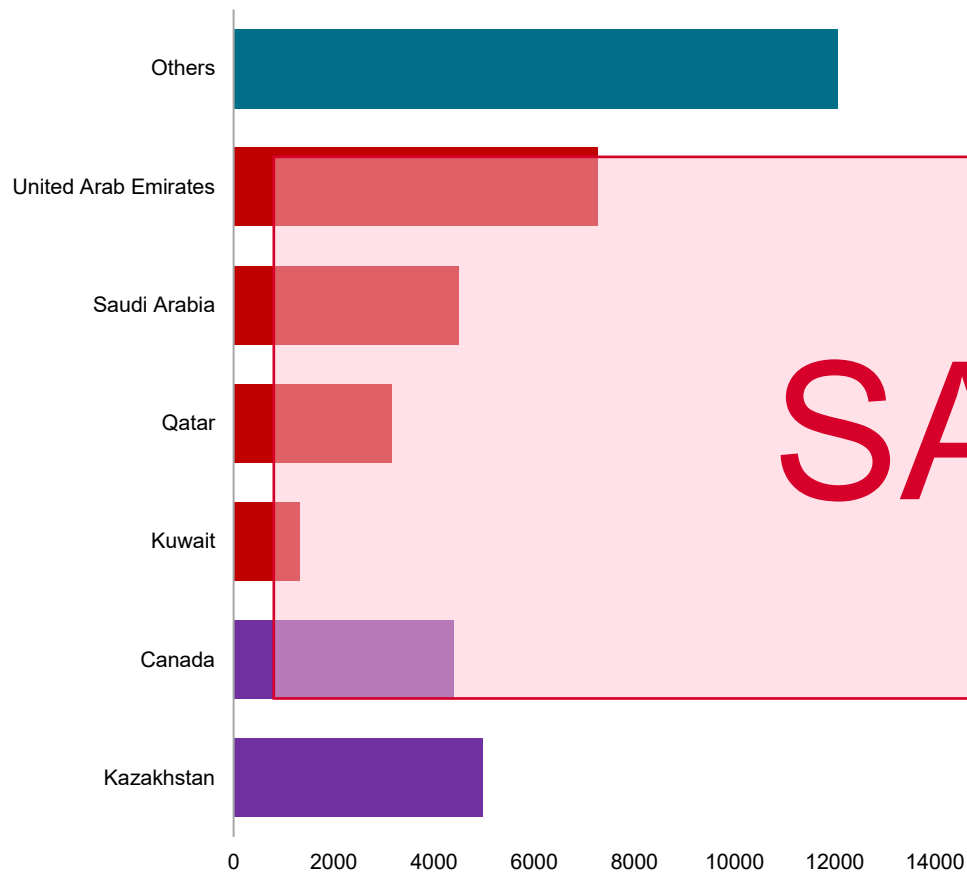
Data compiled May 2026.

Note: ROW = Rest of the world

Source: S&P Global Energy; S&P Global Market Intelligence.

The impacts and response of the top sulfur exporters

Sulfur exports of the top export countries, 2025 (kt)



Country	2025 export (Mt)	Country-wise implications if transit remains affected
UAE	7.3	Habshan is operating at approximately 60% of its nameplate capacity following damage sustained during Iranian-linked attacks in early April 2026. The plant has a sulfur capacity of 3.3 Mt/year, accounting for 40% of the country's total sulfur capacity.
Saudi Arabia	4.5	Missile attacks have disrupted refining operations in Saudi Arabia. Three refineries, including Ras Tanura, SAMREF (Yanbu), Riyadh refinery, and SATORP (Jubail), with a total sulfur capacity of 744kt/year, have been impacted. This accounts for 8% of Saudi Arabia's total sulfur capacity.
Qatar	3.2	QatarEnergy has declared force majeure for up to five years on certain long-term LNG contracts impacted by the Ras Laffan damage. Although sulfur is usually marketed separately, this suggests that Qatar's sulfur exports will remain below pre-war levels through 2027. Furthermore, the commissioning of new sulfur capacity is now likely to be delayed until 2028.
Kuwait	1.3	Sulfur production is estimated to be severely constrained at 40–50% of normal levels in Q2. If disruptions persist into Q3 2026, the risk of complete shutdowns at these facilities would escalate, further reducing Kuwait's sulfur output.
Kazakhstan	5	Latest trade data shows that Kazakhstan's sulfur exports in January–February 2026 increased 4% year over year to 721 kt. Our preliminary vessel assessment indicates higher-than-normal sulfur trading activity at Russian ports, implying increased sulfur exports from Eurasia despite Russia's export ban. Turkmenistan is likely to see the largest increase in exports in the region.
Canada	4.4	Sulfur exports increased by 7% year-on-year in Q1 2026. The country's sulfur shipments are fully booked for Q2, with only limited spot availability reported from the US Gulf .
Others	12	Liquid sulfur supply is subject to downside risk in H2 2026 due to supply disruptions of sour crude from the Middle East.

Data compiled May 2026.
Note: ROW = Rest of the world
Source: S&P Global Energy; S&P Global Market Intelligence.

Expected loss in the global sulfur trade market

Global seaborne sulfur market expected to lose 8Mt of supply in 2026

Change in exports of top 10 sulfur exporters by country, Mt, 2025-2026

Change in imports of top 10 sulfur importers by country, Mt, 2025-2026



Data compiled May 2026.
Source: S&P Global Energy.

Key sulfur supply projects [1]

Country	Company	Site	Feedstocks	Sulfur capacity kt/year	Start-up
Middle East					
Qatar					
Saudi Arabia					
Saudi Arabia					
Saudi Arabia					
United Arab Emirates					
United Arab Emirates					
Kuwait					
Eastern Asia					
China					
China					
China					
China					
China					

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Data compiled May 2026.
Note: Changes from previous edition are in bold text.
Notes: (1) Qatargas operates the Barzan gas plant on behalf of its shareholders-QatarEnergy(93%)and ExxonMobil(7%)
N/A = not applicable,
Source: S&P Global Energy.

European refining landscape

European operational developments and refinery closures

- Europe's refining sector has entered early 2026 facing a prolonged period of subdued margins. While 2025 experienced strong profitability driven by middle distillates, crude runs are now forecast to decline year-on-year in 2026. Crude sourcing issues and lower capacity resulting from refinery closures in the first half of 2025 are expected to continue weighing on crude runs throughout the remainder of H1 2026.
- Refiners initially aimed to increase runs to capitalize on strong margins, especially for middle distillates. However, as the crisis persists and global access to Middle Eastern crude remains constrained, refineries dependent on these supplies have been forced to diversify their feedstocks. This transition, combined with intensified competition for alternative crude sources, is likely to lead to some operational run cuts.
- The sector remains highly sensitive to geopolitical developments and potential trade disruptions. Any escalation in transatlantic trade tensions or the imposition of new tariffs could significantly impact product flows between the US and Europe, adding further uncertainty to regional supply balances. These geopolitical factors are expected to influence refinery operations and margin dynamics throughout 2026, contributing to ongoing market volatility.

Planned closures in Western Europe since 2020

Country	Refinery	Sulfur Capacity (kt/year)	Status / Comments (as of May 2026)
UK	Grangemouth	15	Closed April 29, 2025; currently undergoing decommissioning and conversion to import facilities.
UK	Lindsey (Prax)	113 (kb/d)	Closed August 2025 following the parent company's insolvency.
UK	Mossmorran	N/A	Closure confirmed for 16 February 2026; ExxonMobil intends to shut the Fife Ethylene Plant due to an unviable economic environment.
Germany	Wesseling (Shell)	20	Ceasing crude runs in 2025 as part of a transition to a "green" high-value chemical and hydrocracking site.
Germany	Geisekirchen	254	Operational; BP reversed its earlier decision for a full 2025 scale-down, keeping most units running due to improved market profitability.
Italy	Livorno (Eni)	N/A	Repurposed as a biorefinery (HVO); this transition has effectively removed its previous traditional sulfur recovery capacity from the market.
Bulgaria	Burgas (Lukoil)	N/A	Pending Sale; while a UK license allows operations until February 14, 2026, negotiations for the sale of Lukoil's Bulgarian assets remain ongoing.
Sweden	Lysekil/Gothenburg	352 (kb/d)	Sold to VARO Energy; the acquisition of Preem is expected to finalize in the second half of 2025, shifting focus toward sustainable energies.
Finland	Porvoo	175	Active; however, plans remain in place to cease traditional crude runs by the mid-2030s.
Finland	Naantali	22	Shutdown in 2021.
France	Grandpuits	53	Shutdown in 2021, repurposed as a biorefinery.
Portugal	Porto	16	Shutdown in 2021.

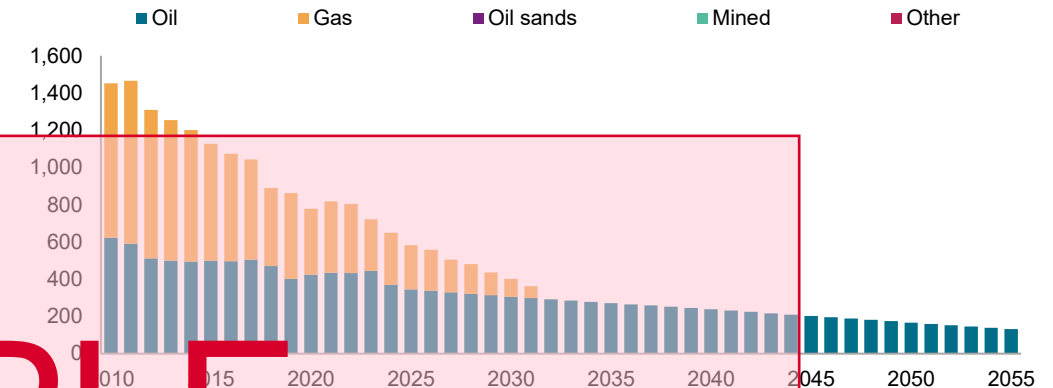
Data compiled May 2026.
Source: S&P Global Energy.

Country profile: Germany

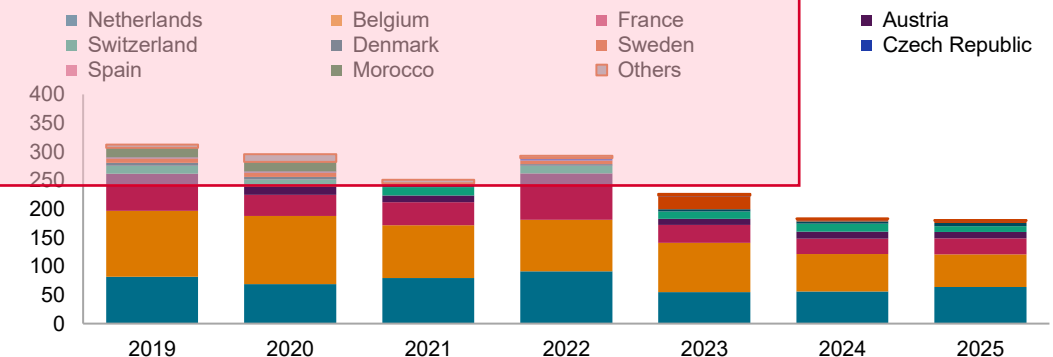
Lower sulfur output in Germany is constraining export volumes

- Germany remains an important participant in the European sulfur market, although its role as a major exporter has steadily diminished in recent years. Export volumes have declined significantly, falling from more than 300kt in 2019 to approximately 183kt in 2024, reflecting structural changes within the country's refining and gas-processing sectors. As domestic production continues to contract while local demand remains stable, the volume of sulfur available for export to neighboring markets has become increasingly limited.
- Germany's elemental sulfur production is projected to reach around 591kt in 2025, representing a 9% year-on-year decline. This reduction is largely driven by lower refinery output and the gradual decline of gas-derived sulfur production. Gas processing has historically provided a meaningful share of Germany's sulfur supply, but output from the Grossenkneten gas fields, the country's main source of gas-based sulfur, has fallen sharply. Production from these fields reached 277kt in 2023, down 94kt from the previous year, according to the Federal Association of Natural Gas, Petroleum and Geoenergy (BVEG). Based on recent depletion trends, gas-derived sulfur output is expected to continue declining and could disappear entirely by the early 2030s.
- Changes in refinery operations are also affecting sulfur recovery levels. German refiners have diversified crude supply by increasing imports from the North Sea, OPEC countries, Kazakhstan, and the United States. However, the growing share of lighter and sweeter crude grades generally results in lower sulfur yields. The Schwedt refinery plans to increase Kazakh crude imports by around 30% by 2026, though this is unlikely to significantly offset the broader decline in sulfur production.

Sulphur production, Germany, kt



Germany Sulfur exports by destination, kt, 2019-2025

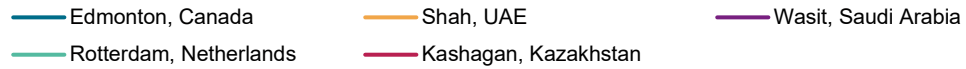


Data compiled May 2026.
Source: S&P Global Energy.

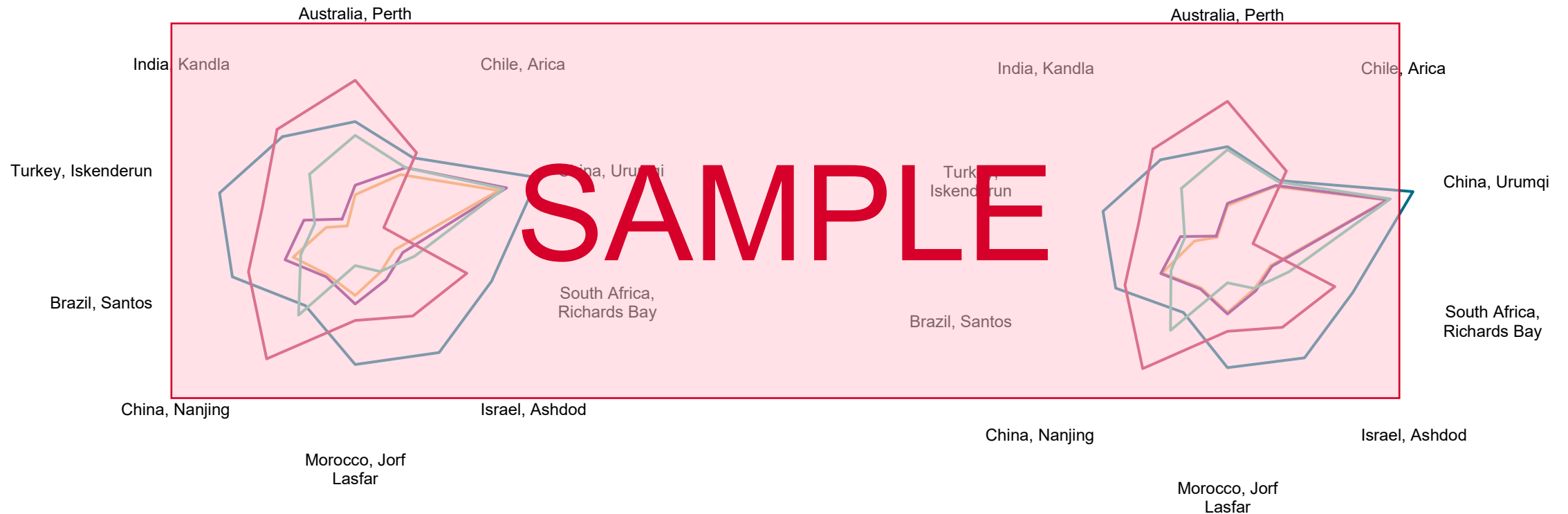
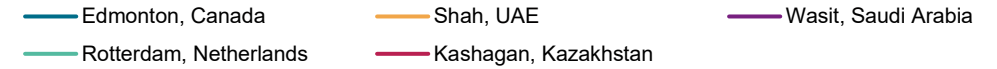
Outlook for freight costs and margin

Five production facilities to 10 end markets

2025, US\$/t sulfur



2035, US\$/t sulfur

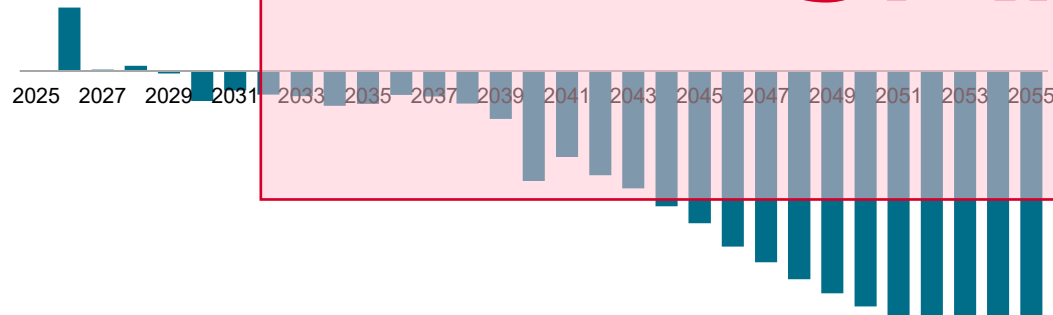


Data compiled May 2026.
Source: S&P Global Energy.

Global balance and the implications for the price trend

- Although we expect a global sulfur inventory increase of more than 3Mt in 2026, around 5–6 Mt of sulfur is likely to be stranded in the Middle East due to the blockade of the Strait of Hormuz. Most consuming markets will see tight spot availability and inventory liquidation through most of 2026. The sulfur is experiencing unprecedented tightness, pushing prices to historic highs.
- Looking ahead, the global sulfur market is expected to see a small surplus over the next few years as Middle Eastern sulfur shipments resume to a new normal. The market is expected to enter negative territory again in the late 2020s. Demand growth is projected to outpace supply in the later part of the forecast period, widening the market deficit.

Global sulfur market balance(relative), 2025-2055 (kt)



Sulfur prices have become more balance-sensitive because supply is “inelastic” (a by-product of refining and gas processing) while demand is more diversified. Over the past year, Russia’s sulfur export ban (extended to end-March 2026) and production issues/maintenance in key Middle East hubs tightened prompt spot availability, amplifying spot price reactions. With more diversified end-uses, the historical correlation between sulfur and phosphate prices has weakened materially.

Given that sulfuric acid is theoretically not storable—due to finite limits based on tank capacity—our total sulfur balance serves as a reliable indicator for the balance of elemental sulfur. It is assumed that the sulfur contained in smelter acid is consumed promptly, meaning the physical balance reflects elemental sulfur as the swing product. As discussed in the previous chapter, the total sulfur balance incorporates total elemental sulfur production, smelter acid, and pyrite acid availability (i.e., production in all forms), compared to sulfur demand across all forms.

Sulfur can also become stranded locally for commercial and non-commercial (political) reasons. In many producing countries, export availability has decoupled from output. For example, US sanctions have effectively limited Iranian sulfur’s marketability outside China, reducing the global price impact of incremental Iranian supply. In Saudi Arabia, much of the sulfur recovered from the newly commissioned Fadhili gas plant has reportedly been directed to storage due to limited downstream processing/forming capacity.

Demand growth has outpaced supply growth, resulting in tight spot availability in the sulfur market over the last couple of years. In 2025, the market experienced a tightening due to scheduled maintenance and limited capacity additions, creating upward pressure on prices in the short term.

Data compiled May 2026

Notes: Market balance is related the base year.

Source: S&P Global Energy.

Sulfur prices outlook to 2055

Risks

Geopolitical risk is increasingly shaping the long-term sulfur market, as energy shocks, uneven decarbonization pathways, and extreme supply concentration amplify volatility. Global supply chains remain highly vulnerable to chokepoint disruptions—particularly in the Strait of Hormuz, which carries nearly half of global seaborne sulfur trade—and to rising trade protectionism, including export restrictions from major suppliers such as China, Russia, and Turkey. These structural risks tighten spot availability, fracture the market into contract and spot tiers, and trigger sharp price swings. Persistent political tensions and the forced realignment of trade flows further increase uncertainty, raising costs for import-dependent regions and undermining longer-term price stability.

Recovering sulfur from alternative sources could materially weaken sulfur prices by reducing primary sulfur buying in the phosphate chain. If 50% of the sulfur contained in phosphogypsum is recovered, global sulfur demand could fall by over 20Mt, capping demand at 70Mt. With supply assumptions unchanged, the market would likely remain structurally in surplus throughout the forecast period.

Shifts in **export dynamics** from key producers—especially the Middle East—can quickly change seaborne availability and pressure sulfur benchmarks. If OPEC+ rewinds crude production while oil prices remain weak, reduced refinery and gas-processing throughput could add near-term downside risk to sulfur prices. However, accelerating EV investment and demand for battery raw materials may lift metals-leaching consumption, creating upside risks.

Accelerated decarbonization—reinforced by energy-security concerns and greater capital allocation to renewables—could tighten sulfur fundamentals over time. Near term, EV supply-chain risks for battery metals may speed up the ramp-up of leaching projects, lifting sulfur (and sulfuric acid) demand and adding upside price pressure. Longer term, decarbonization reduces by-product sulfur output from oil and gas, creating structurally tighter markets in the mid-2030s to early-2040s; in an ambitious Net Zero 2050 pathway, sulfur supply could fall by up to 60% by 2050.

Data compiled May 2026

Note: 1 granular spot; 2 granular spot, historic prices before 2016 include all the forms; 3 granular spot, historic prices before 2016 also include contract prices. 4 granular contracts; 5 solid

Source: S&P Global Energy.

Outlook for sulfur prices at major benchmarks, Nominal US\$/t, 2019-2050

Benchmark	2020	2021	2022	2023	2024	2025	2030	2040	2050	2055
FOB Vancouver ¹	81	182	265	96	94	287				
FOB Middle East ¹	76	185	270	100	98	281				
FOB Baltic ⁵	75	183	223	74	77	258				
CFR China ²	99	218	301	122	127	315				
CFR Brazil ³	94	224	314	123	127	322				
CFR India ¹	100	229	307	122	123	312				
CFR North Africa ⁴	93	170	262	113	106	250				

Outlook for sulfur prices at major benchmarks, Real US\$/t, 2019-2050

Benchmark	2020	2021	2022	2023	2024	2025	2030	2040	2050	2055
FOB Vancouver ¹	61	182	265	96	94	279				
FOB Middle East ¹	58	185	270	100	98	273				
FOB Baltic ⁵	56	183	223	74	77	251				
CFR China ²	79	218	301	122	127	306				
CFR Brazil ³	77	224	314	123	127	313				
CFR India ¹	80	229	307	122	123	304				
CFR North Africa ⁴	63	170	262	113	106	243				

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