

EU27 Chemical Industry: Latest Developments:

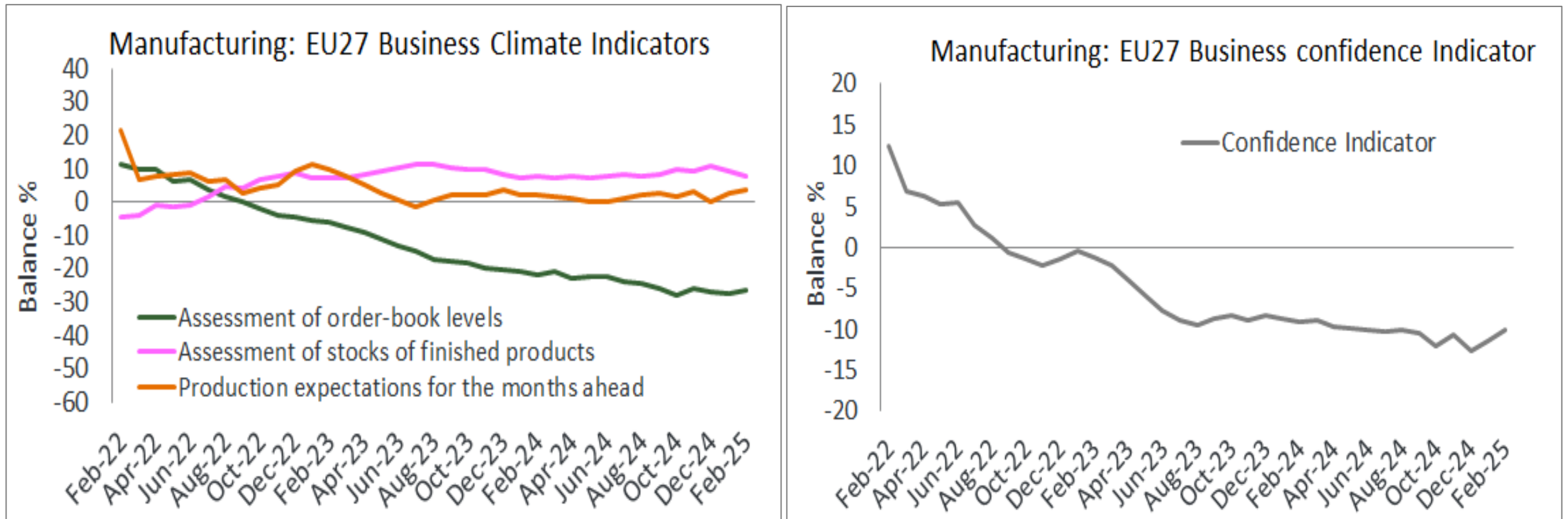


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EU27 manufacturing: low demand challenges business confidence

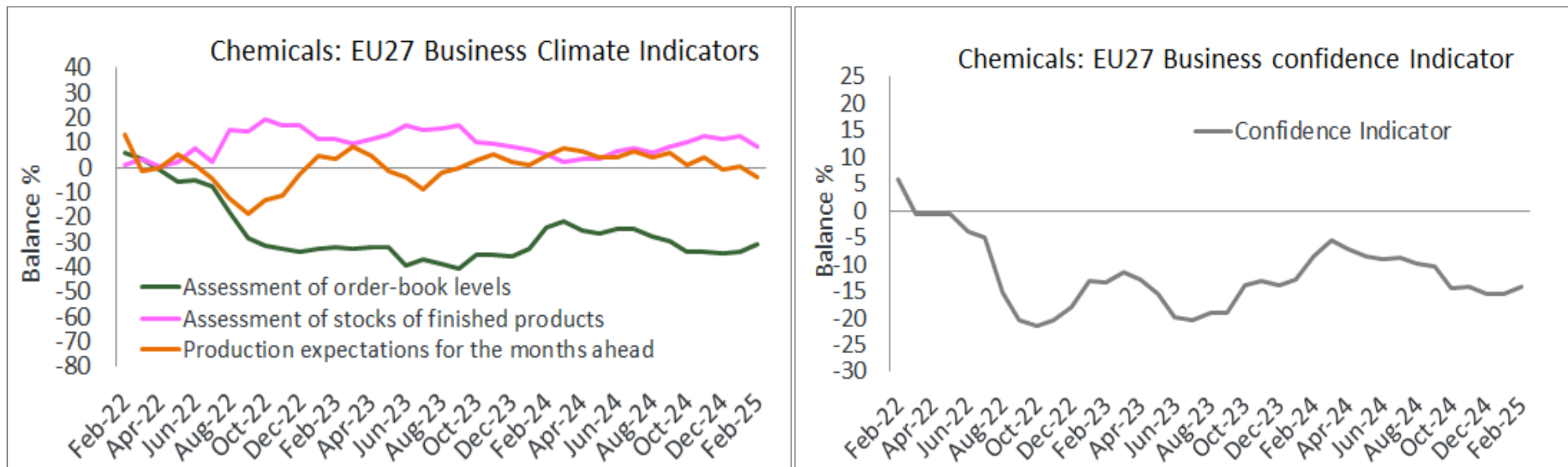


Industry confidence remains far below the pre-crisis levels. Managers' assessment of the current level of overall order books remains low. No sign of improvement has been observed on the demand side since January 2022.



Source: EU Commission business and consumer survey results: Answers obtained from the surveys are aggregated in the form of balances, constructed as the difference between the percentages of respondents giving positive and negative replies.

EU27 chemicals: Business confidence remains low



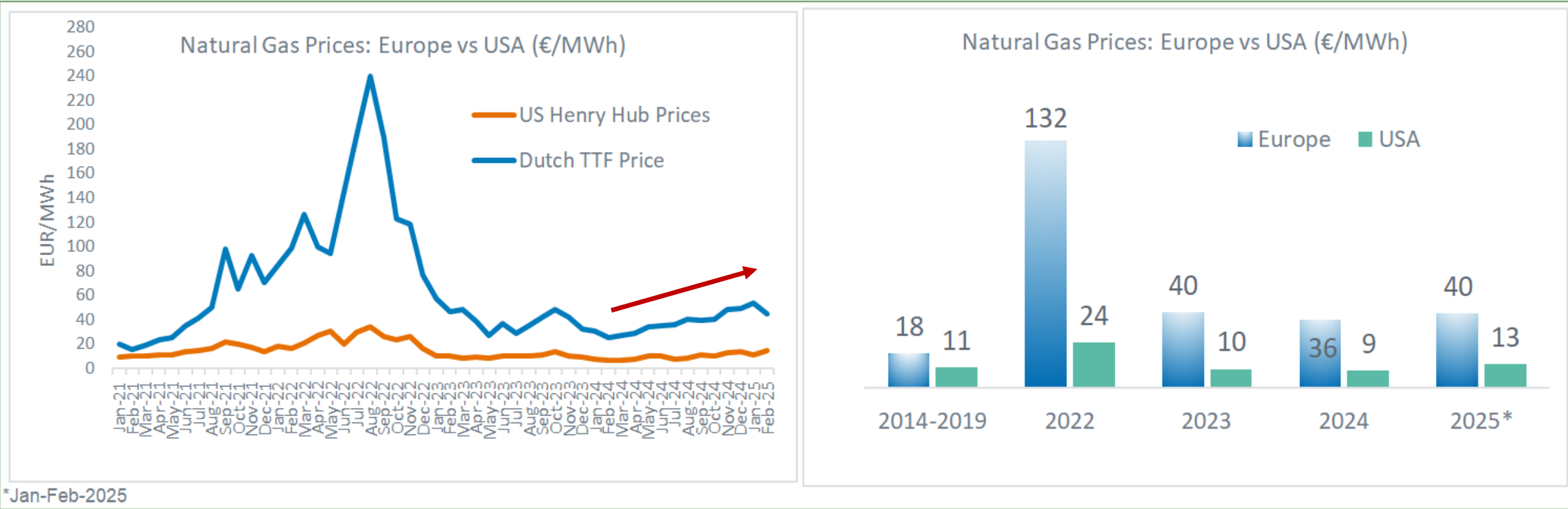
Both EU27 chemical industry confidence and managers' opinion on the current level of overall order books continued to be too low compared to the pre-crisis levels. The EU27 chemicals business environment has been facing a limited demand since March 2022.



Source: EU Commission business and consumer survey results: Answers obtained from the surveys are aggregated in the form of balances, constructed as the difference between the percentages of respondents giving positive and negative replies.

2024: Gas prices remain above the pre-crisis levels (2014-2019)

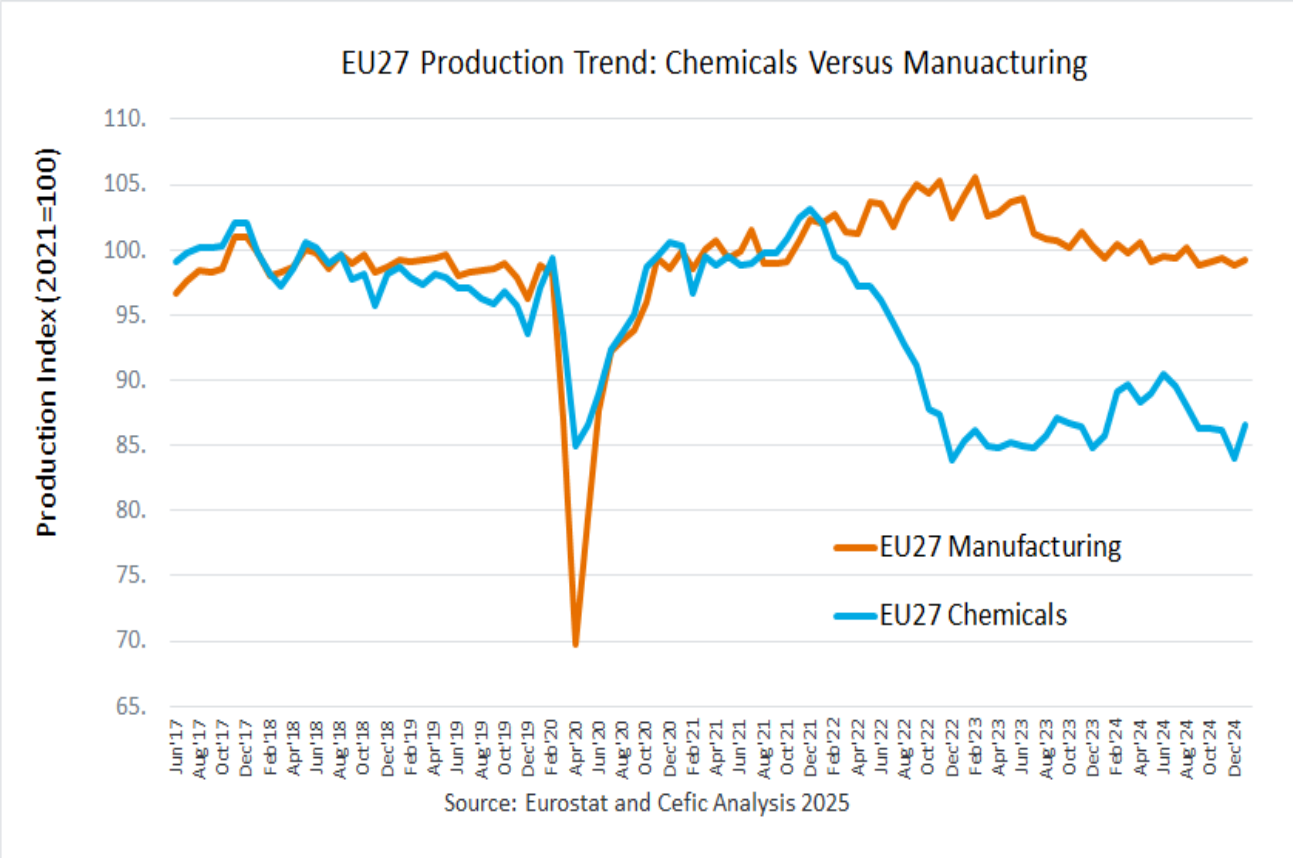
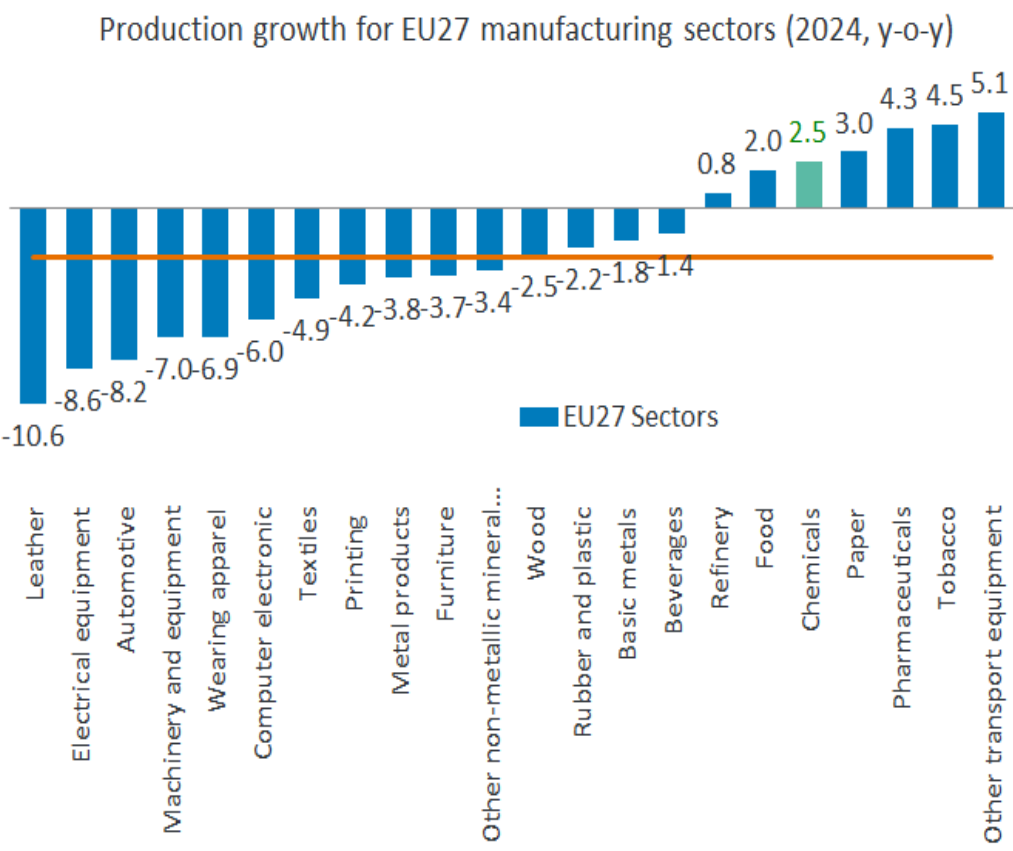
Gas prices in Europe in 2025 (Jan-Feb): 2.2 times higher than pre-crisis levels (2014-2019)



Compared to the USA, the gas price in Europe (Jan-Feb 2025) is 3.1 times higher, leaving Europe at a competitive disadvantage.



EU27 chemical industry lacks a strong domestic demand

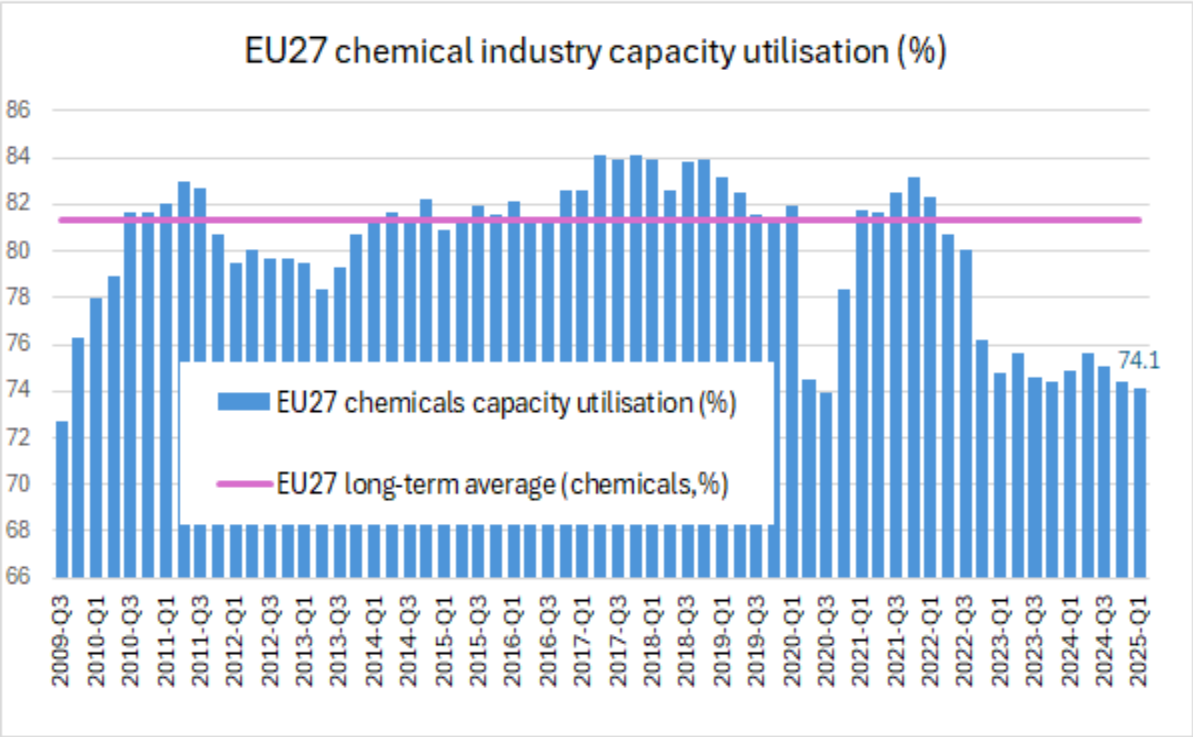


Output of the entire EU27 manufacturing sector was significantly lower in 2024 vs 2023 (-2.7%). The most significant output declines are seen in leather, electrical equipment, and automotive. Most chemicals downstream users reported an output decline in 2024 versus 2023.

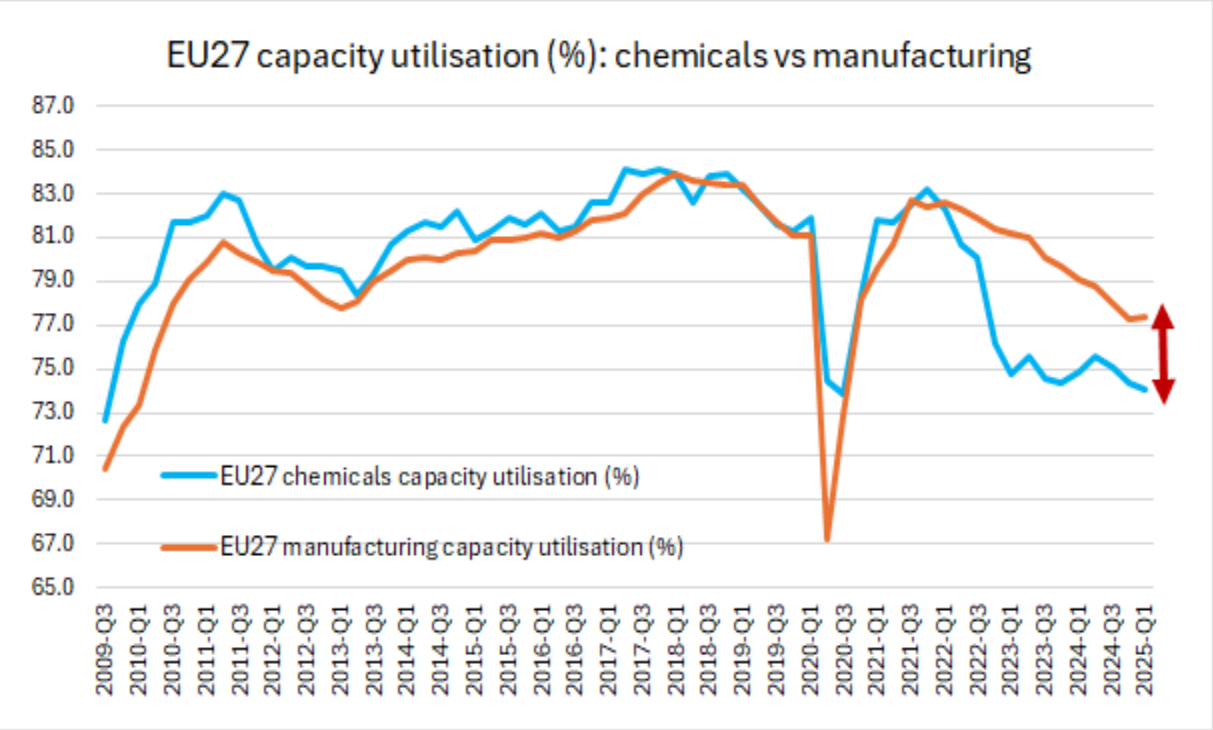


2024: EU27 chemicals capacity utilisation is a key concern

EU27 chemicals capacity utilisation drops further in Q1-2025



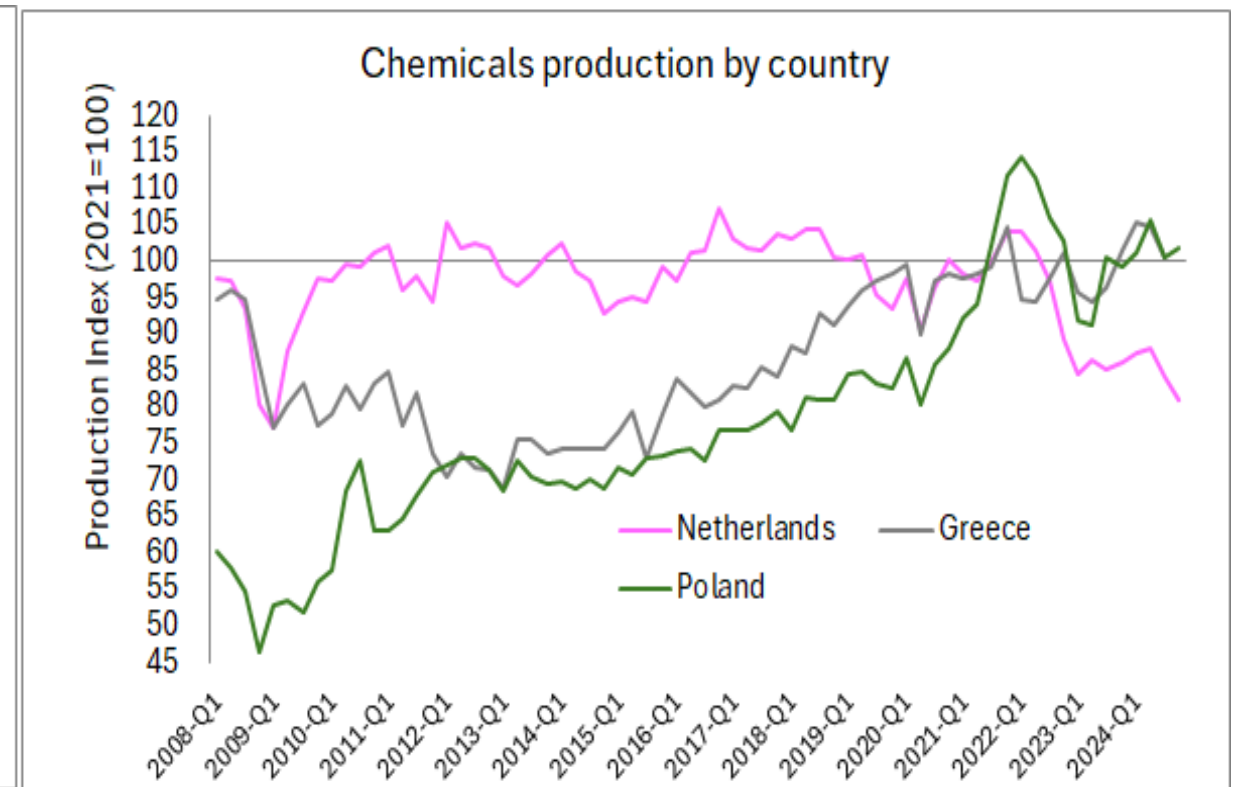
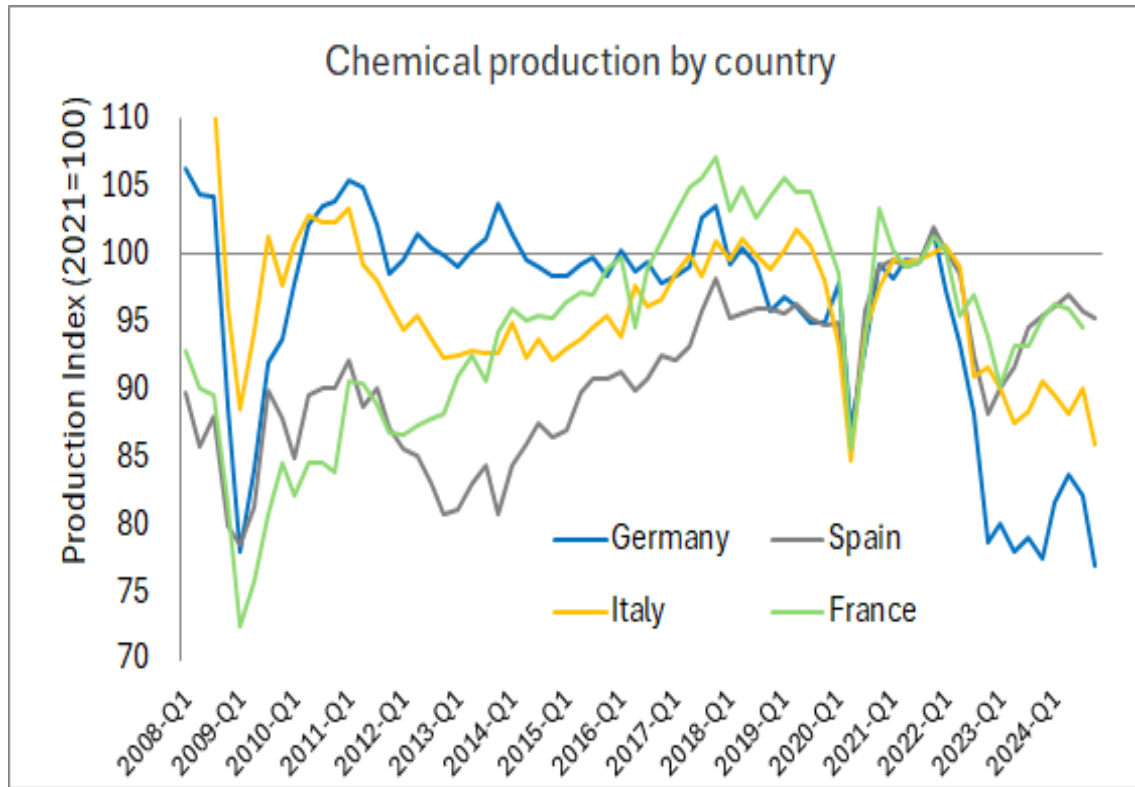
Chemicals capacity utilisation well below the manufacturing's levels



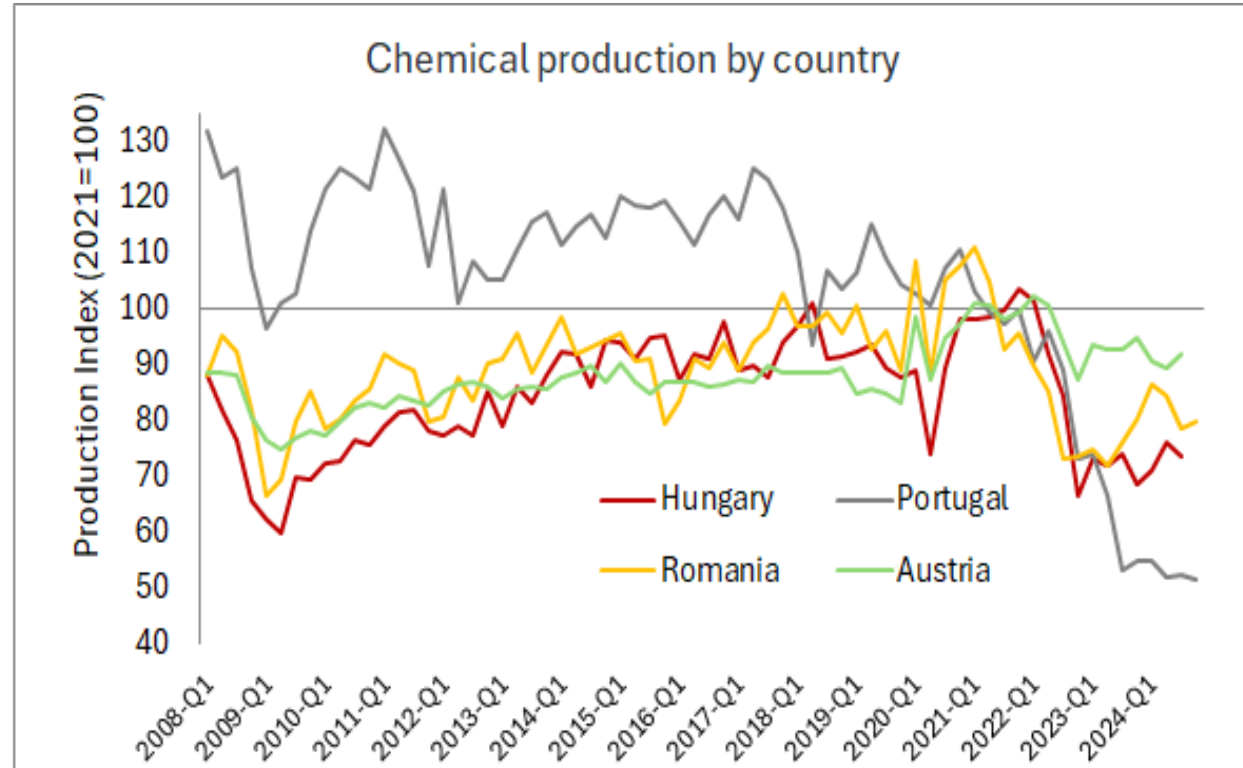
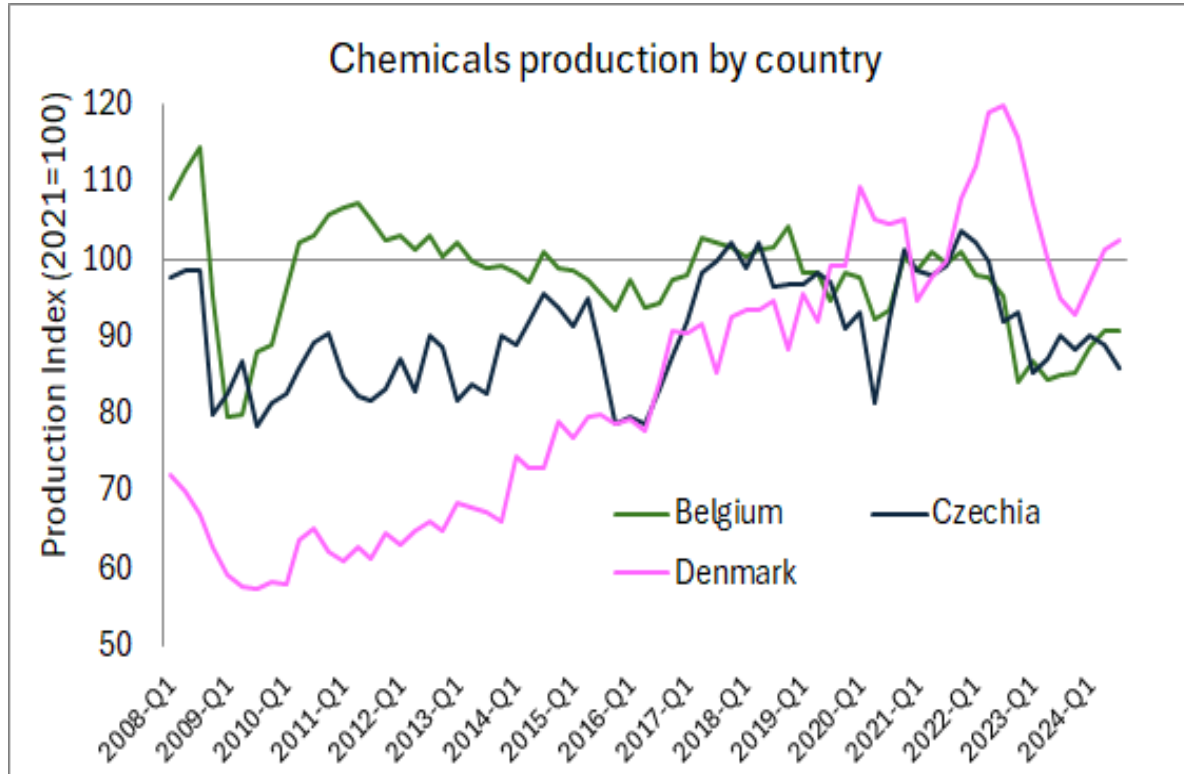
Capacity utilisation remains steadily low with direct impact on profitability.



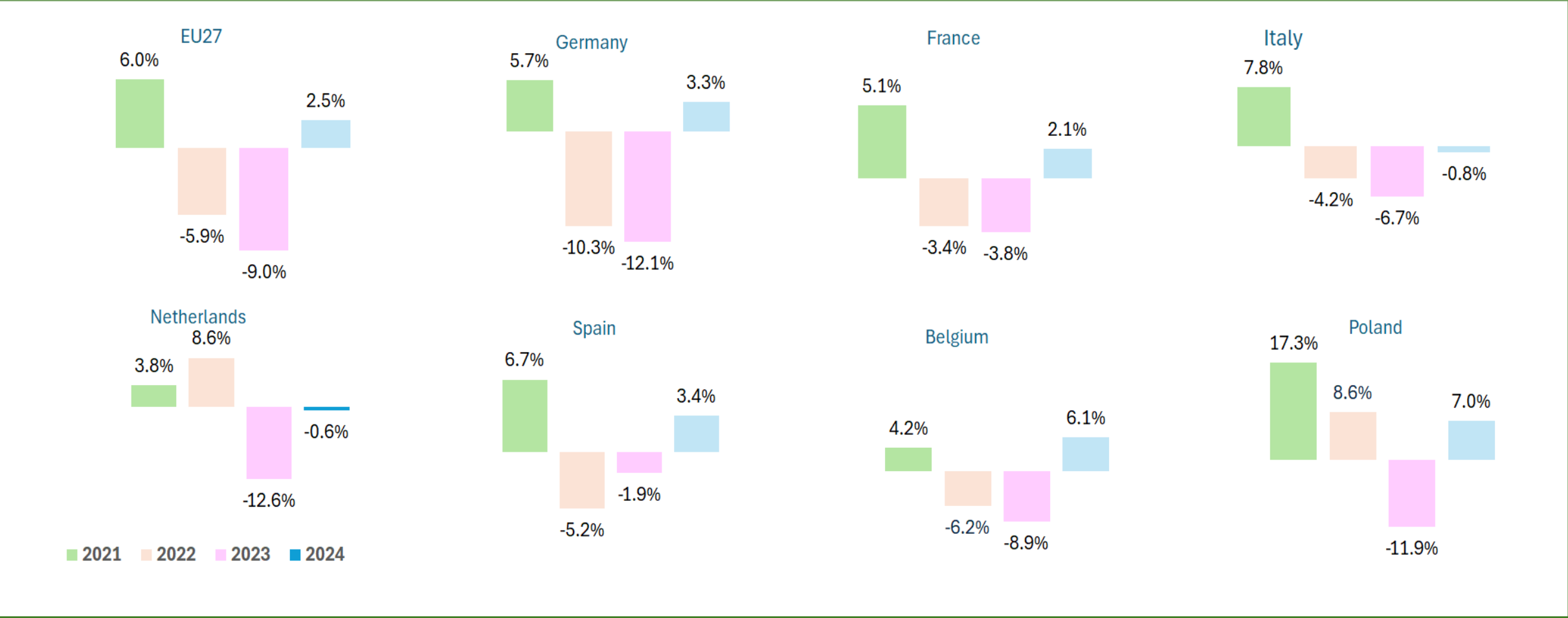
Chemical business in Germany has not been doing well since 2022



2024 chemical production shows a fragmented Europe



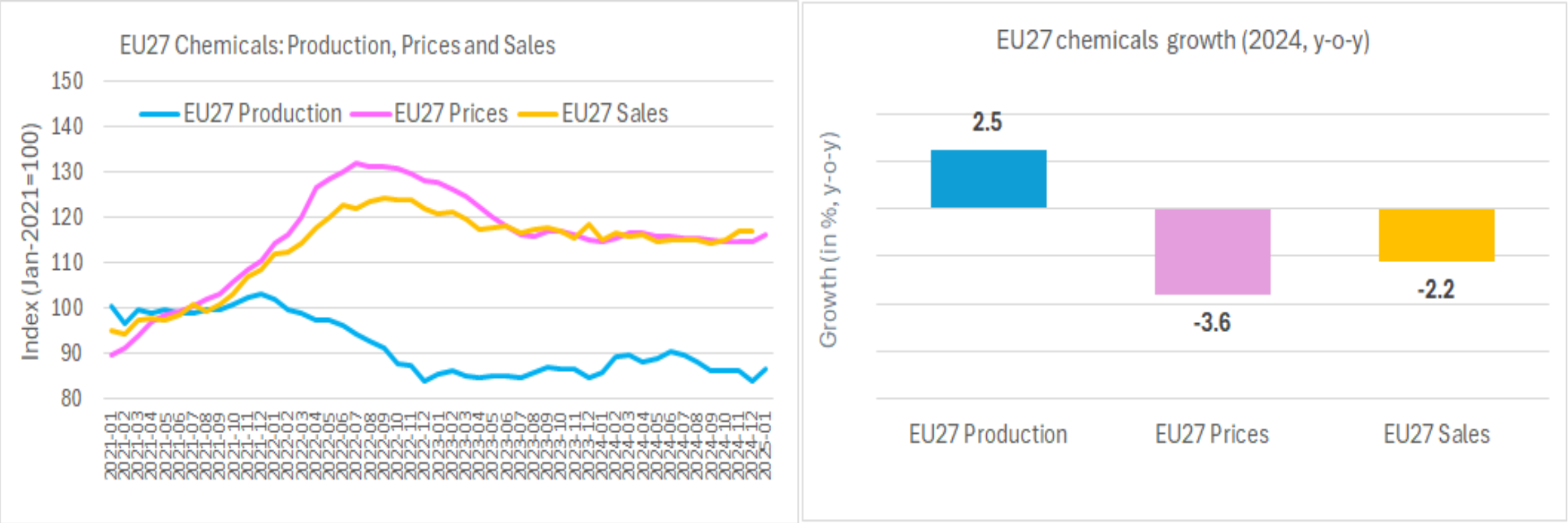
EU27 chemical production growth by country (year over year)



The recovery is still uncertain and the demand increase is expected to be limited in 2025



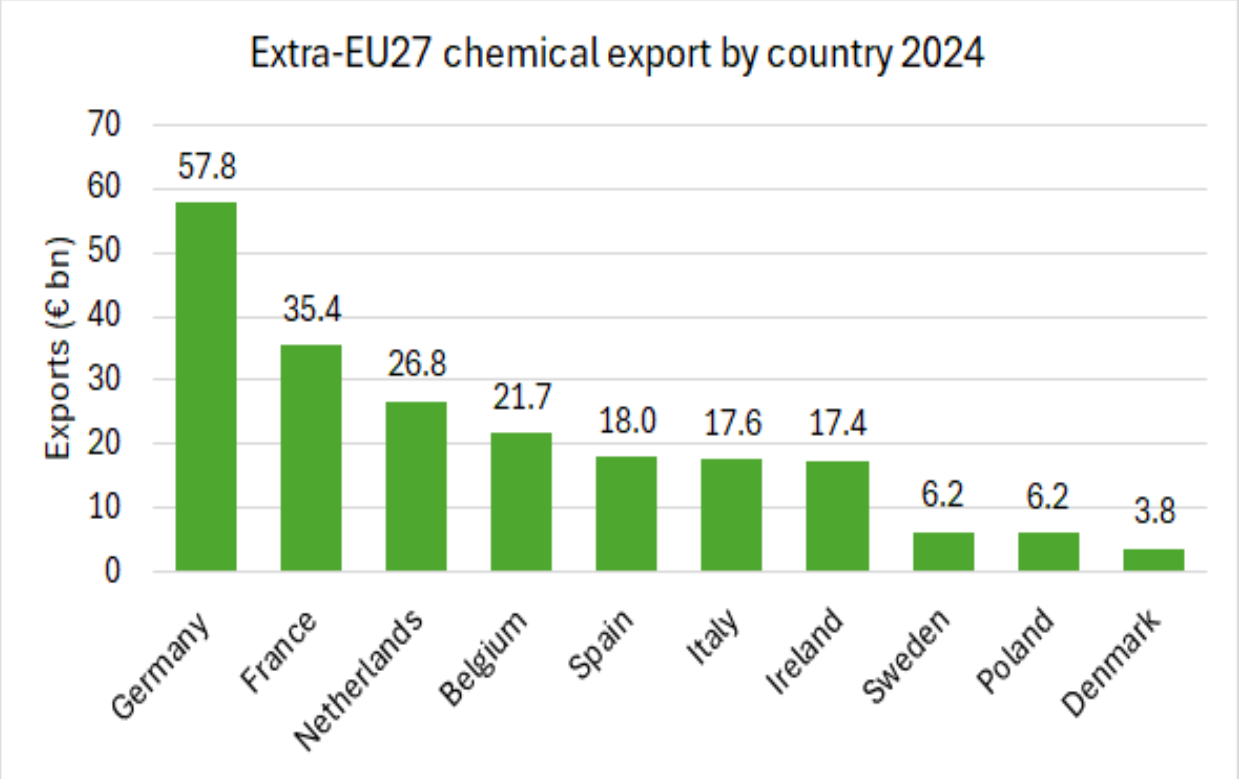
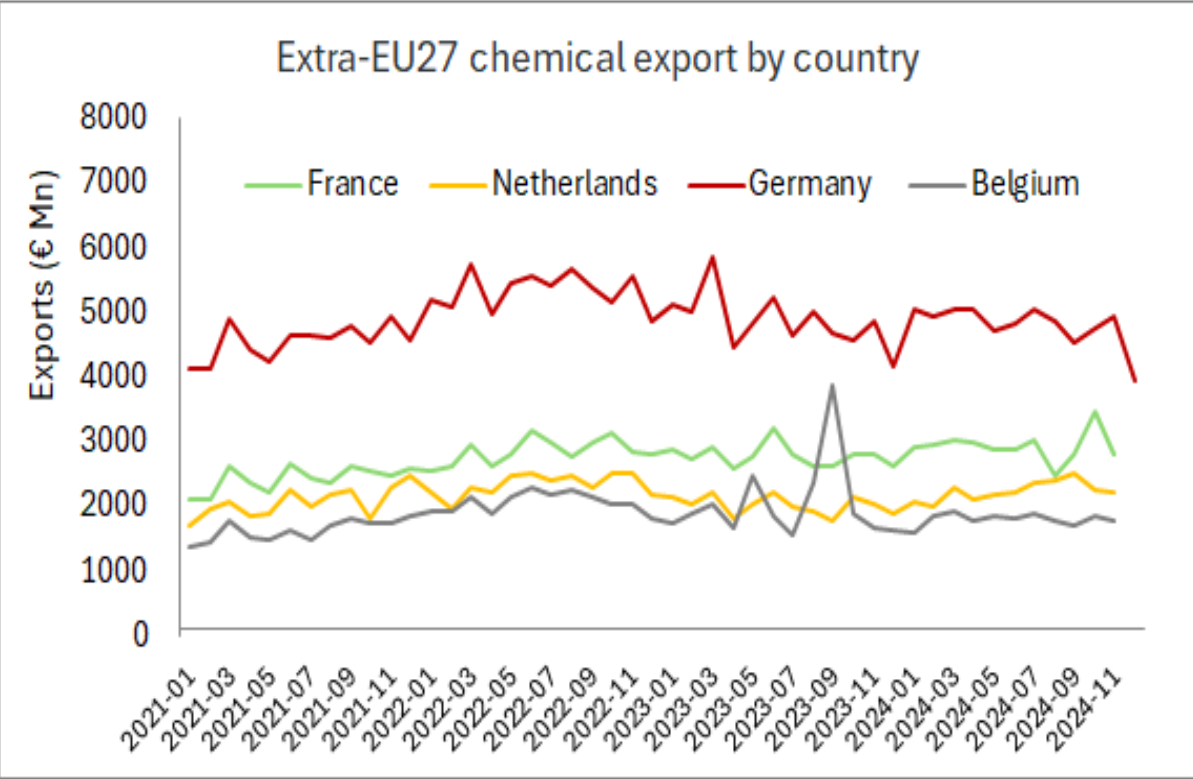
2024: EU27 chemicals prices and sales well below 2023 levels



Given the lack in demand growth, the European chemical industry production volumes have still not completely recovered.



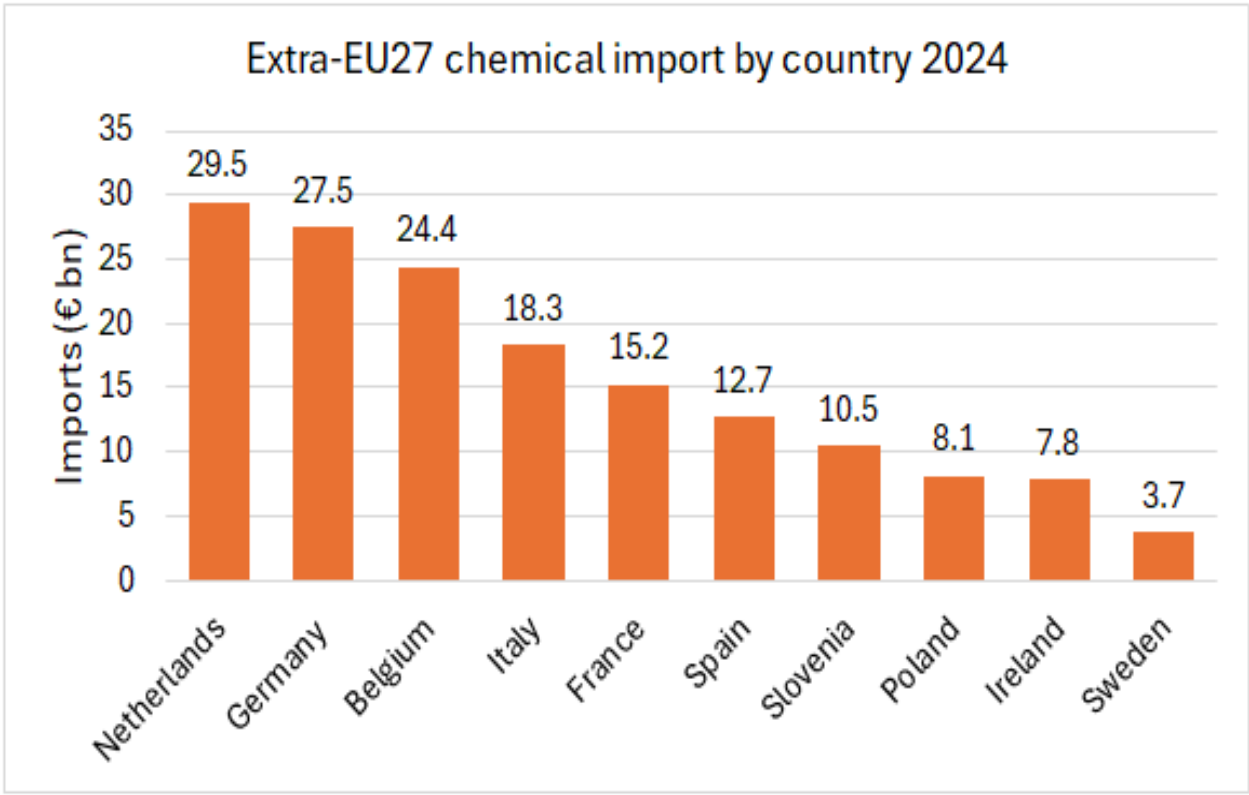
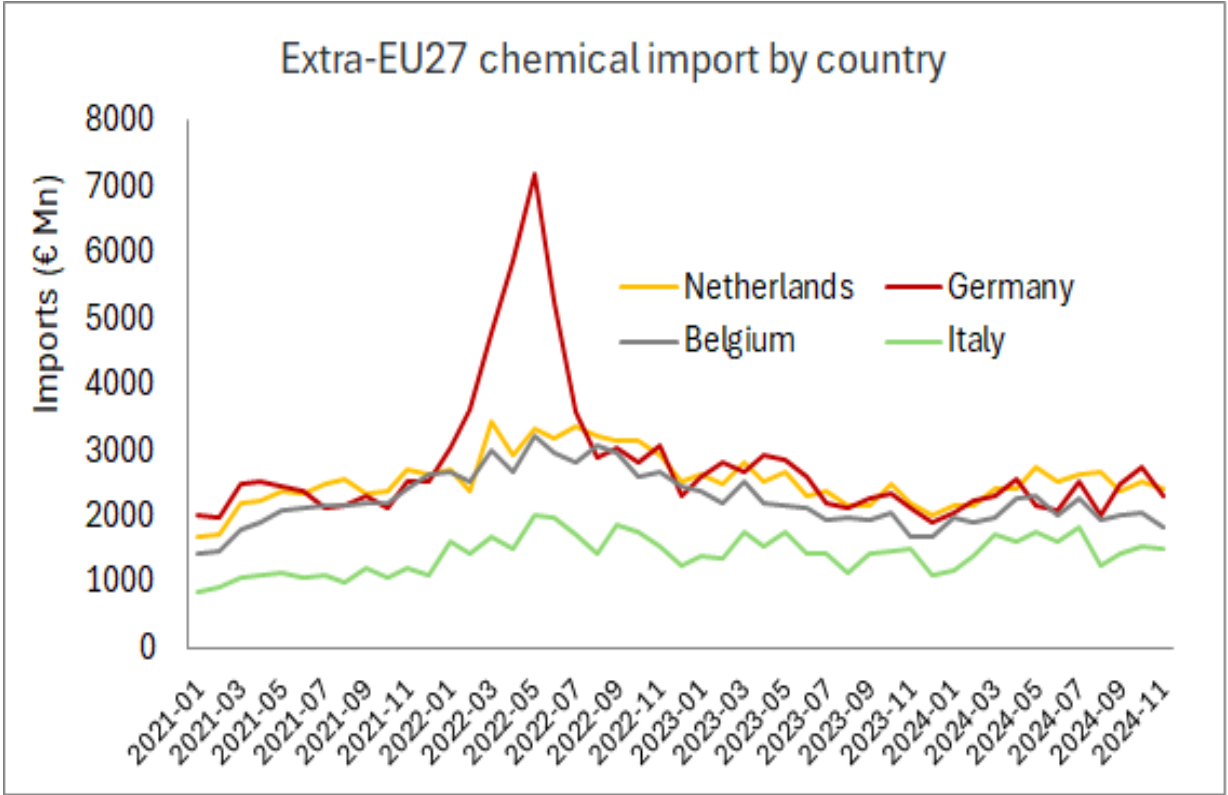
2024: EU27 chemical exports (€bn)*: 1% above 2023 results



2024: EU27 chemicals exports amounted to €227.3 bn in 2024, slightly above the €225 bn reported in 2023 (+1%)



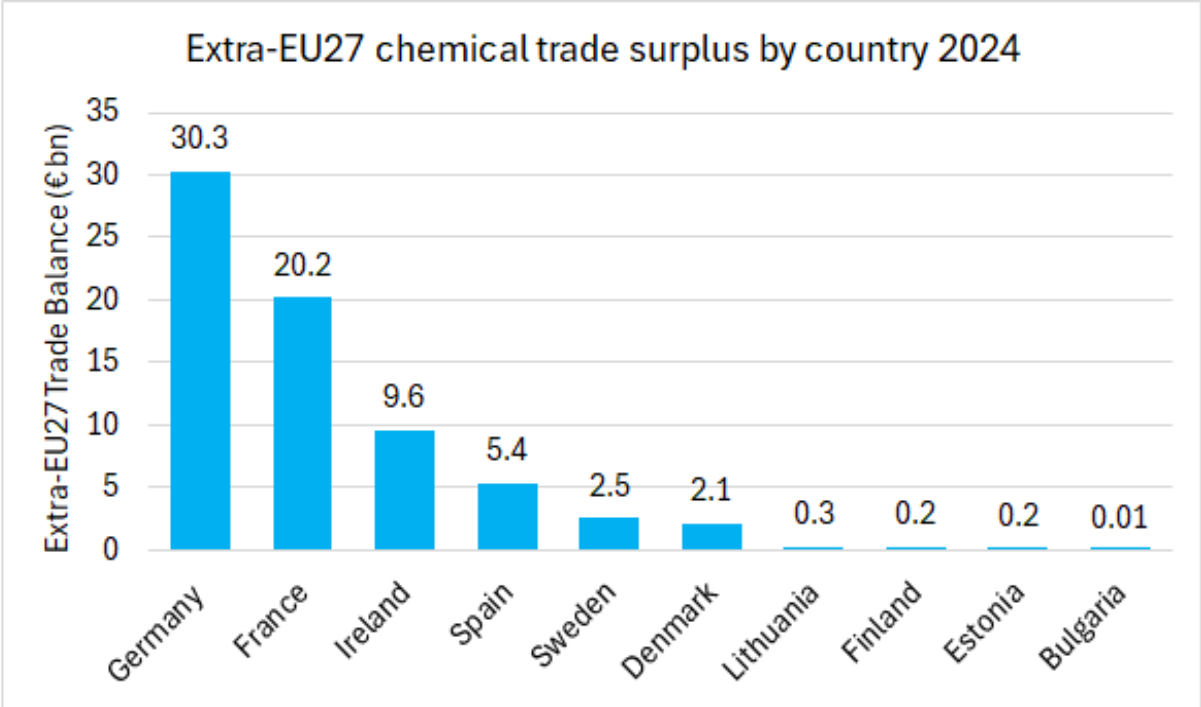
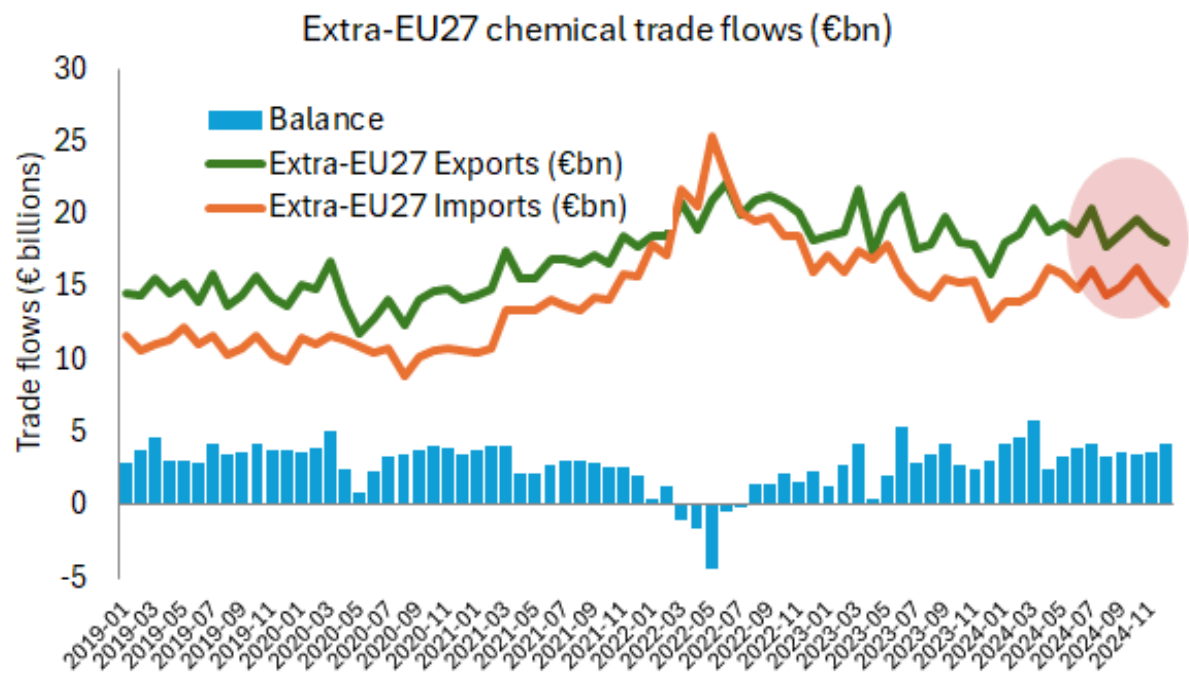
2024: EU27 chemical imports (€bn)*: 5% below 2023 results



2024: EU27 chemicals imports valued at €180.2 bn in 2024, well below the €189.8 bn reported in 2023 (-5%)



2024: EU27 chemical trade surplus (€bn)*: 34% above 2023 results



| euro bn | Exp | Imp | Balance | Trade |
|-----------|-------|-------|---------|-------|
| 2023 | 225.0 | 189.8 | 35.2 | 415 |
| 2024 | 227.3 | 180.2 | 47.1 | 407 |
| Delta | 2.3 | -9.6 | 11.9 | -7.3 |
| 2024/2023 | 1.0% | -5.1% | 34% | -1.8% |

2024: EU27 chemicals trade surplus amounted to €47.1 bn in 2024, well above the €35.2 bn reported in 2023 (+34%)

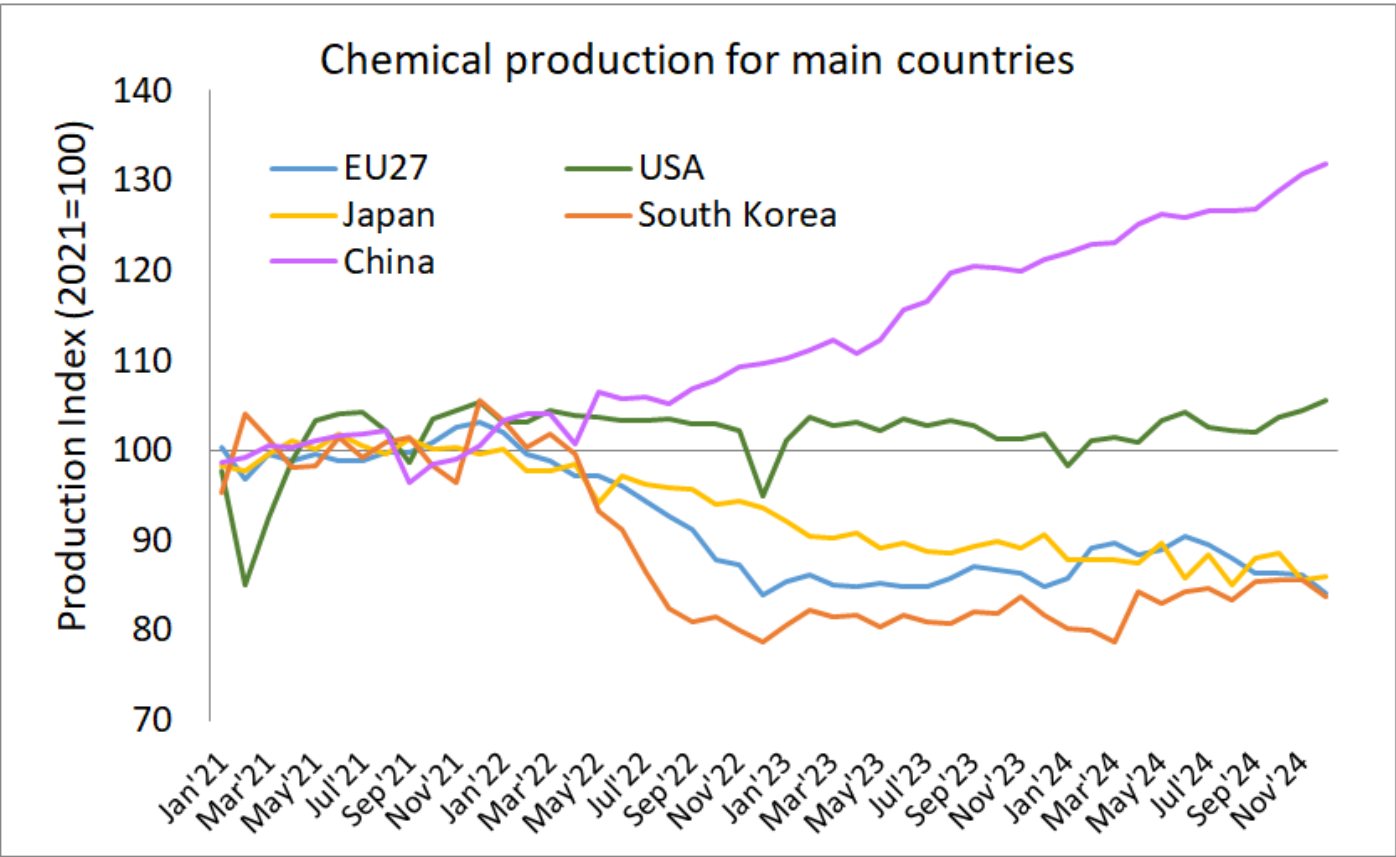


Source: Eurostat and Cefic Analysis 2025, *exports - imports (€ bn)

2024 vs 2023: Global chemicals production up by 4.8%

Global Chemicals production growth (y-o-y)

| Title | 2021 | 2022 | 2023 | 2024 |
|-------------|------|-------|-------|------|
| EU27 | 6.0 | -5.9 | -9.0 | 2.5 |
| Germany | 5.7 | -10.3 | -12.1 | 3.3 |
| Russia | 7.1 | -2.5 | 5.3 | 3.1 |
| USA | 4.2 | 2.6 | -0.2 | 0.0 |
| Brazil | 3.7 | 1.1 | -6.0 | 3.1 |
| China | 8.6 | 5.7 | 9.6 | 9.1 |
| Japan | 5.3 | -3.7 | -6.6 | -2.9 |
| South Korea | 8.5 | -10.1 | -9.3 | 2.0 |
| India | 8.5 | 4.4 | -0.5 | 1.6 |
| World | 6.8 | 1.5 | 2.0 | 4.8 |



The chemical output in 2024 shows a notable recovery for several major economies compared to 2023. China continued its strong growth: from 9.6% in 2023 to 9.1% in 2024.



Summary

- As of February 2025, gas prices in Europe are more than 3 times higher than in the USA, putting Europe at a competitive disadvantage.
- Since March 2022, the industry has faced limited demand, and capacity utilisation remains a major concern, being far below the long-term average.
- The industry continues to face challenges due to weak demand, declining business confidence, and high energy costs, which are not competitive globally. The recovery is interrupted, and demand is expected to remain limited due to weak economic conditions and high global uncertainty.
- The business environment is also exposed to high risks from potential additional US import tariffs.

