

EU27 Chemical Industry: Latest Developments:

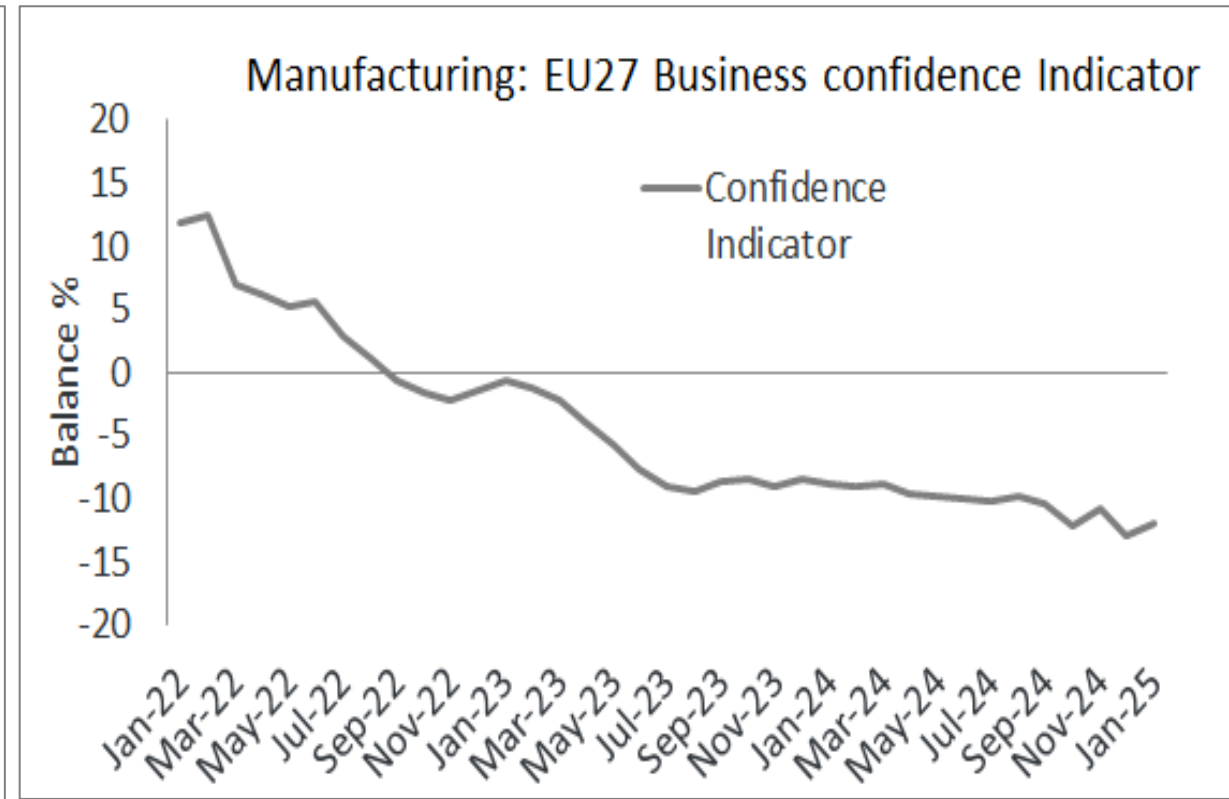
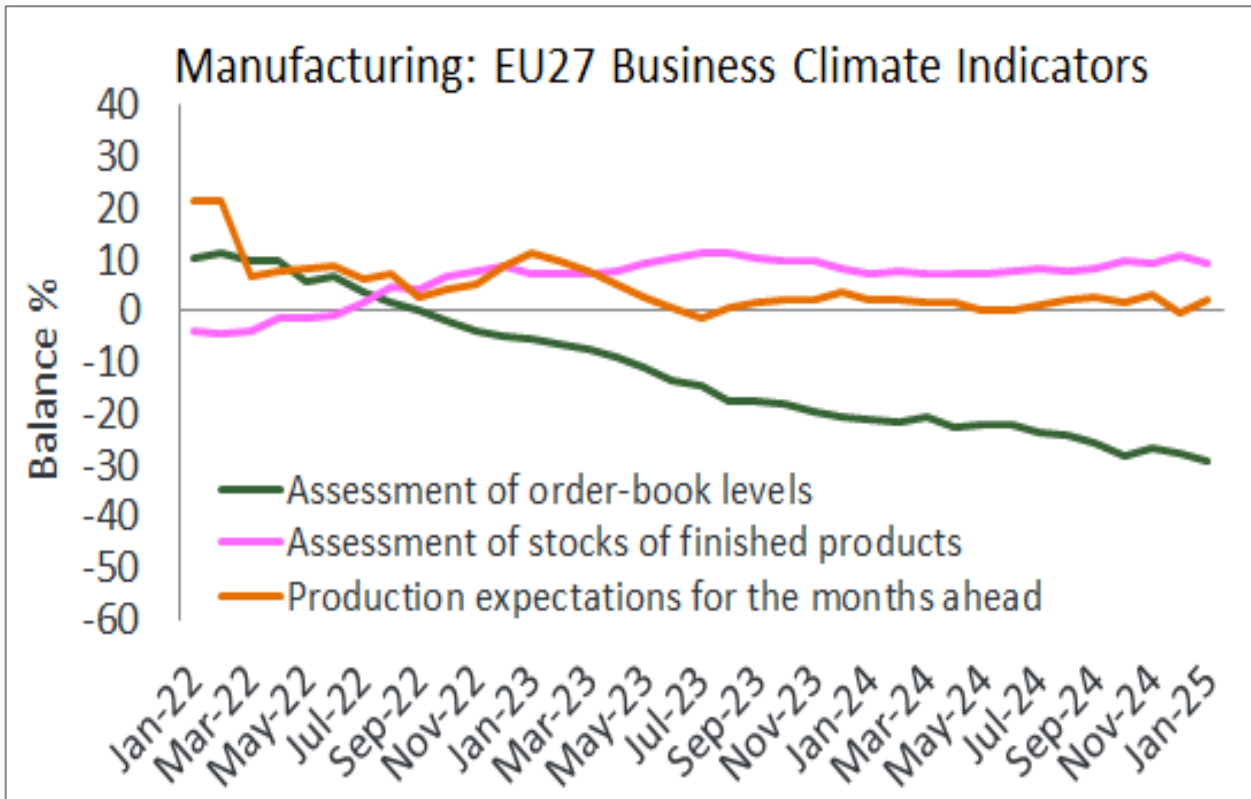


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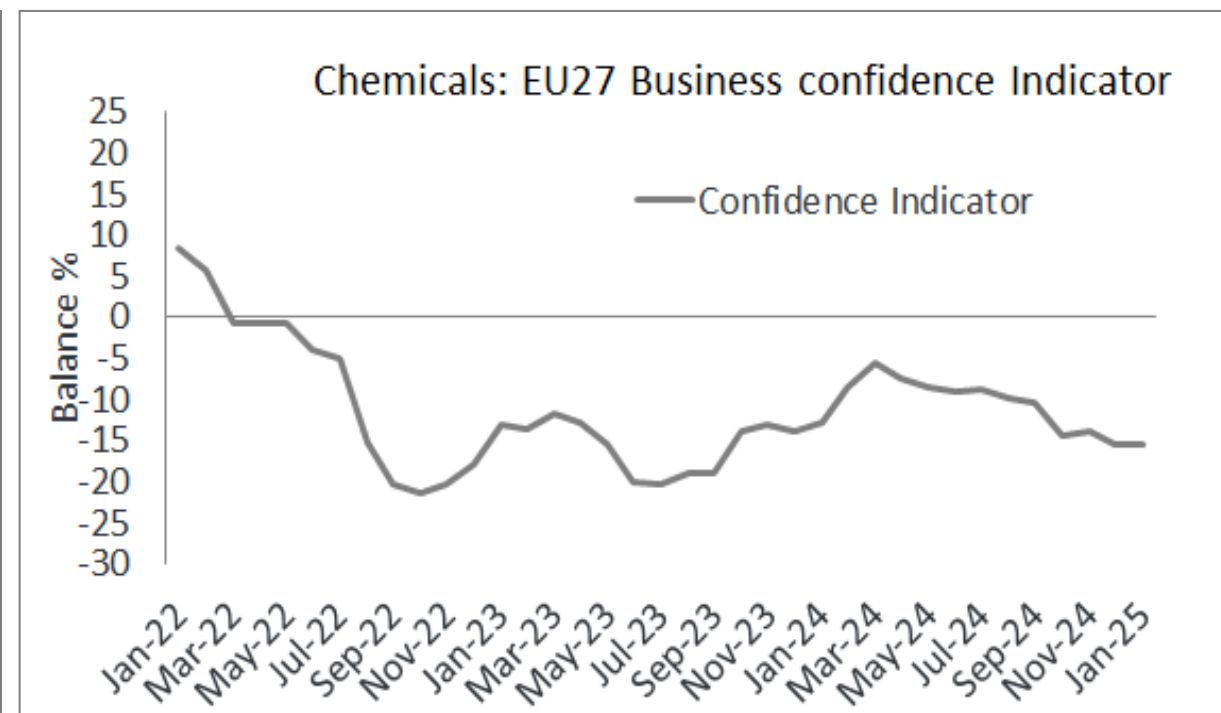
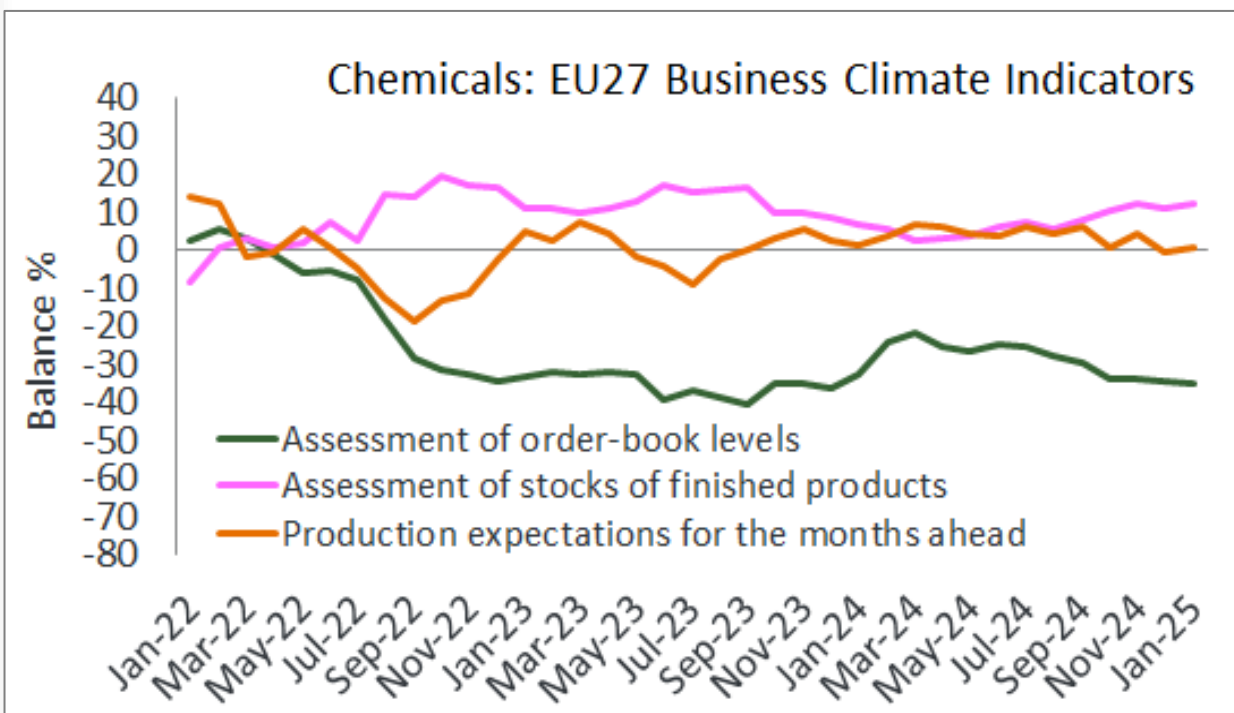
EU27 manufacturing: low demand challenges business confidence



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



EU27 chemicals: Confidence remains low



Both EU27 chemical industry confidence and managers' opinion on the current level of overall order books continued to decrease in January 2025. The EU27 chemicals business environment has been facing a limited demand since March 2022.

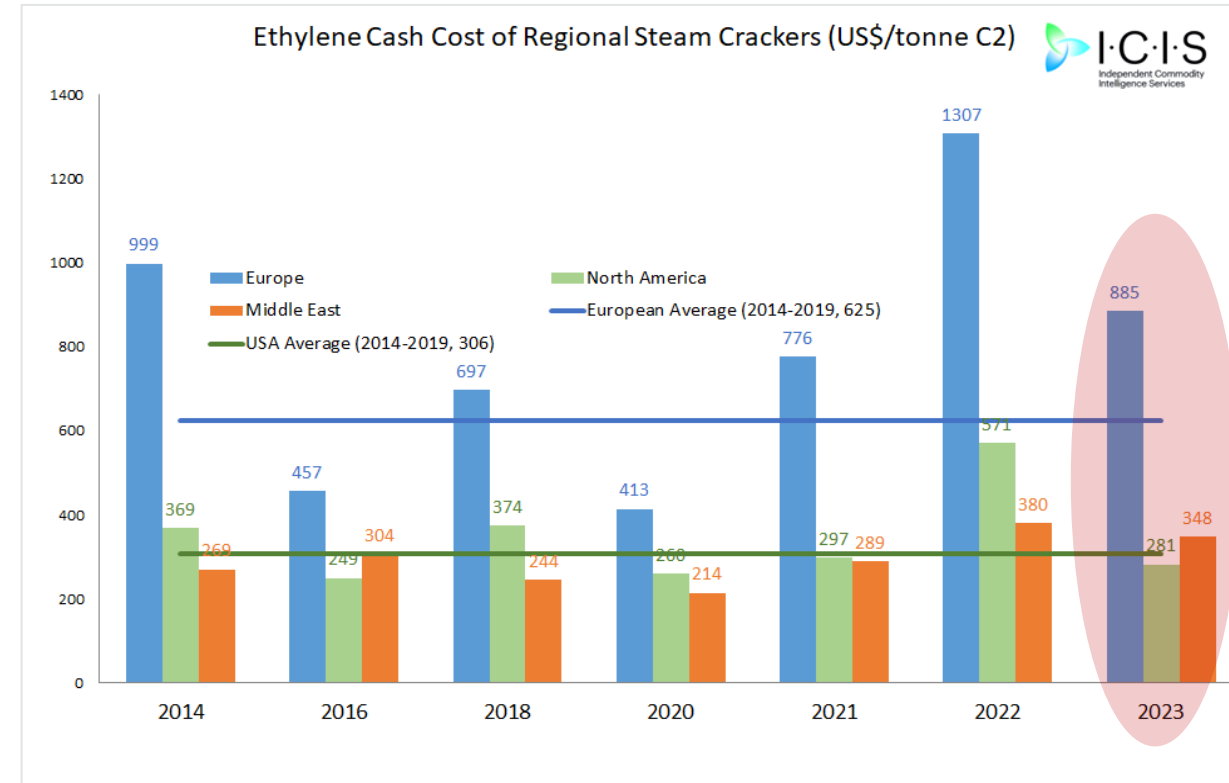
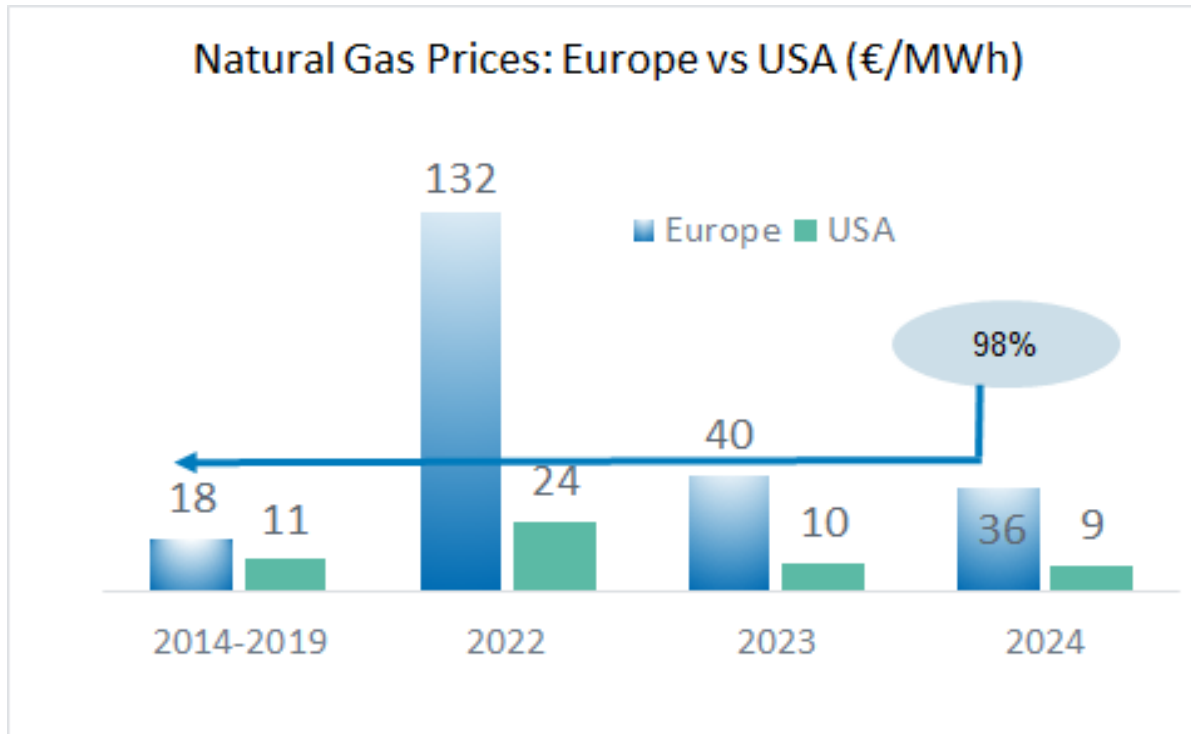


Source: EU Commission business and consumer survey results: Answers obtained from the surveys are aggregated in the form of balances, constructed as the difference between the percentages of respondents giving positive and negative replies.

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

Gas prices in Europe in 2024: 2 times higher than pre-crisis levels (2014-2019)

European Ethylene Cash Cost in 2023: 42% above pre-crisis levels (2014-2019)

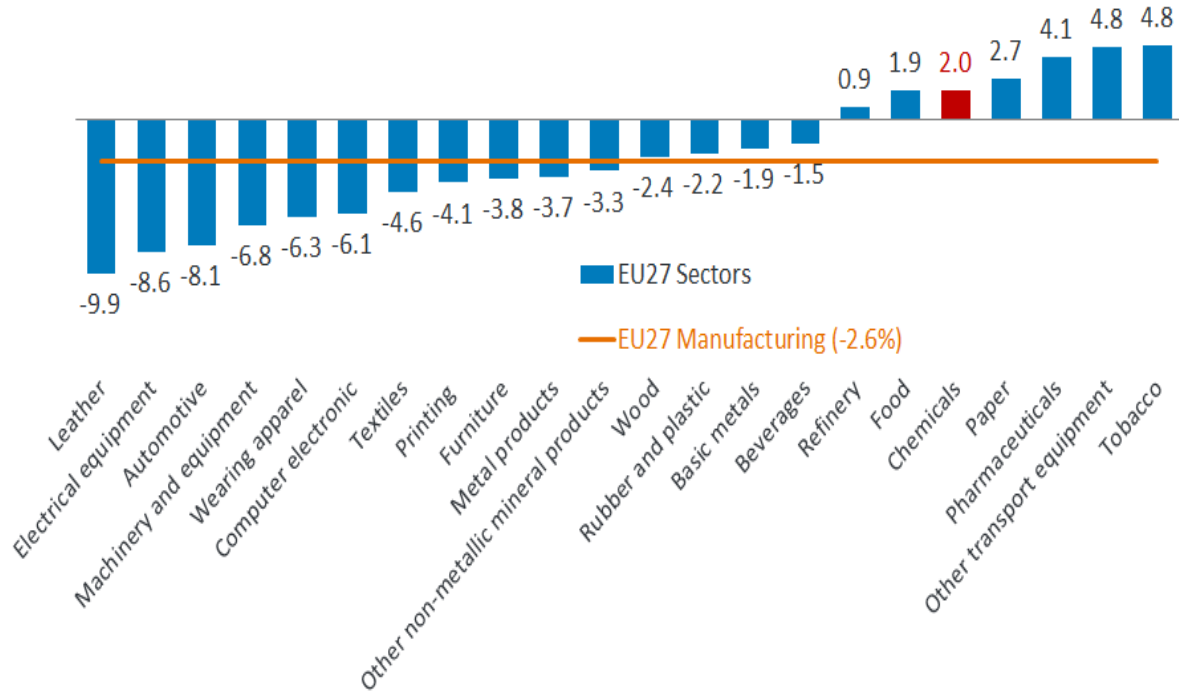


The current gas prices in the EU in 2024 are 98% above the pre-crisis level (2014-2019). Compared to the USA, the gas price in Europe (Dec. 2024) is 3.9 times higher, leaving Europe at a competitive disadvantage.

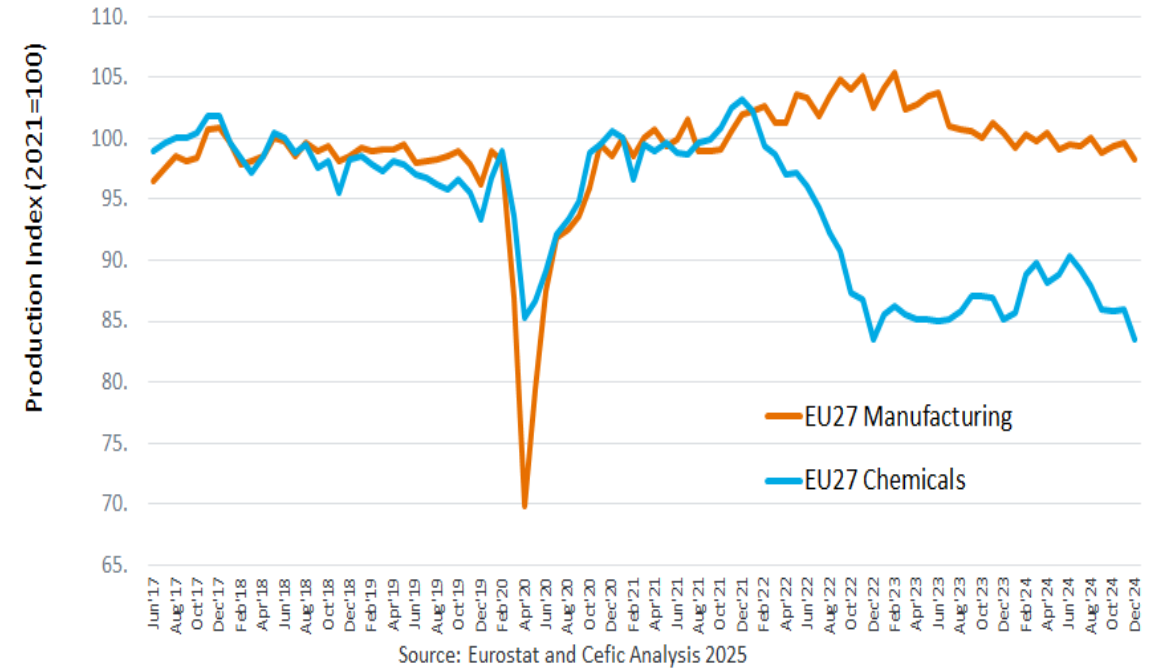


EU27 chemical industry lacks a strong domestic demand

Production growth for EU27 manufacturing sectors (2024, y-o-y)



EU27 Production Trend: Chemicals Versus Manufacturing



At -2.6%, output of the entire EU27 manufacturing sector was significantly lower in 2024 vs 2023. 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.

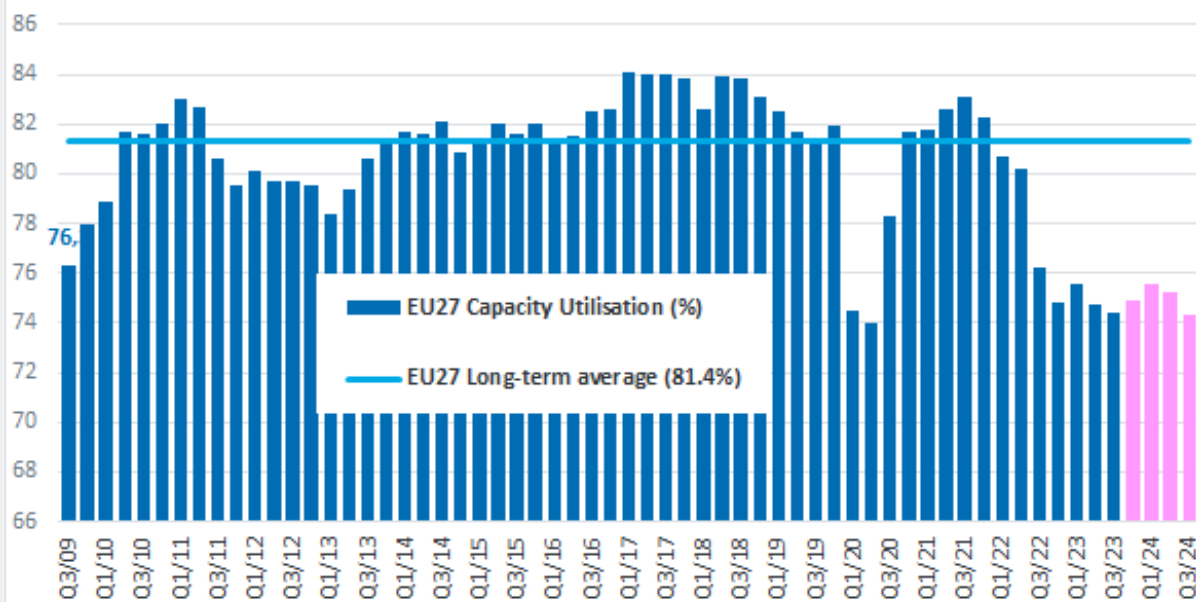


2024: EU27 chemicals capacity utilisation is a key concern

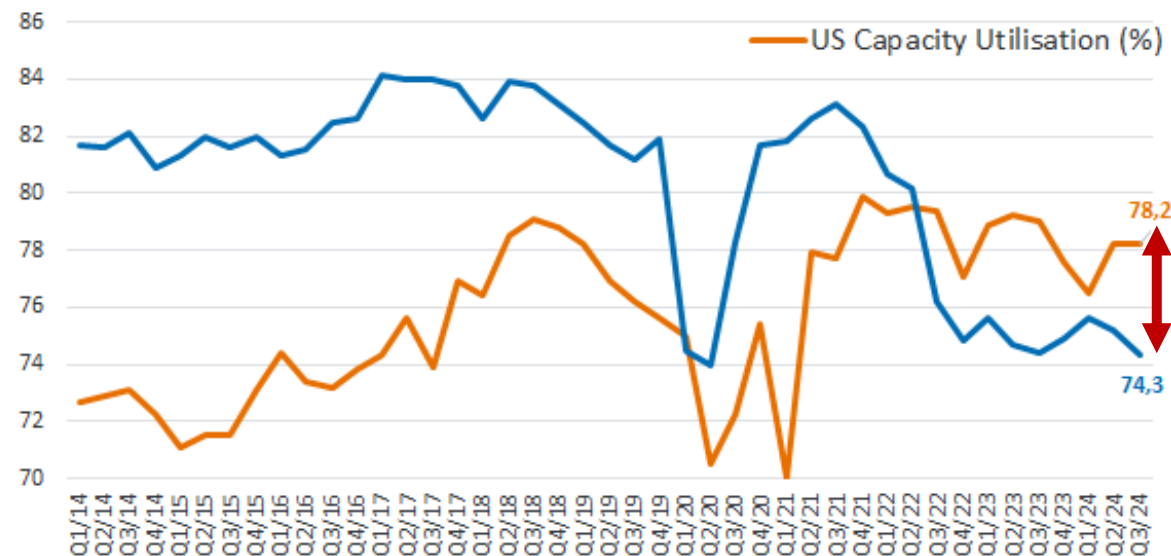
EU27 chemicals capacity utilisation drops further in Q3-2024

US capacity utilisation well above its long-term average (77.8)

EU27 chemical industry capacity utilisation (%)



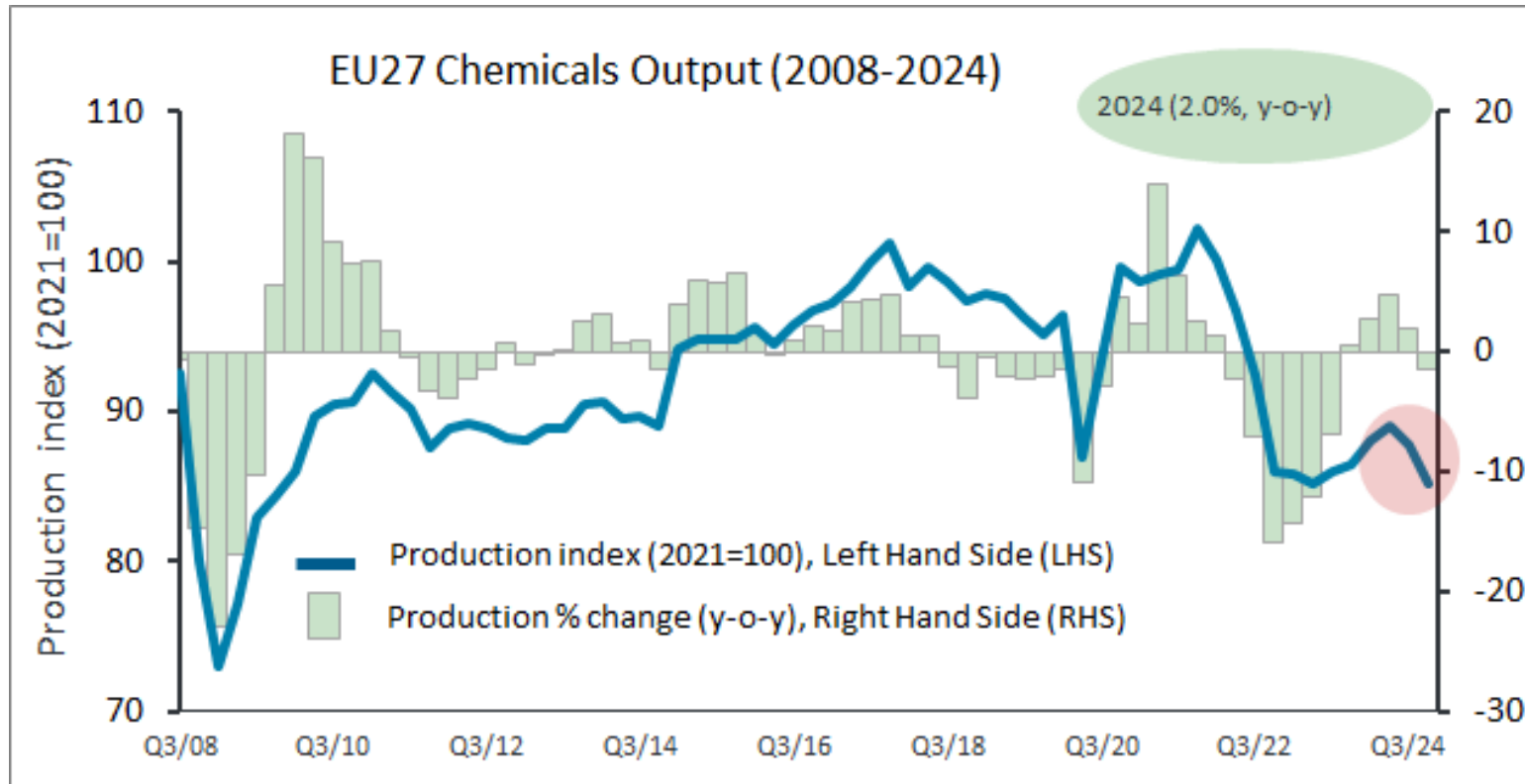
EU27 vs USA: Chemical industry capacity utilisation



EU27 capacity utilisation showed encouraging signs in Q4-2023 and Q1-2024. However, the second quarter of 2024 showed a small decrease of capacity utilisation at a value of 75.2%, followed by a lower rate in Q3-2024 (74.3%)



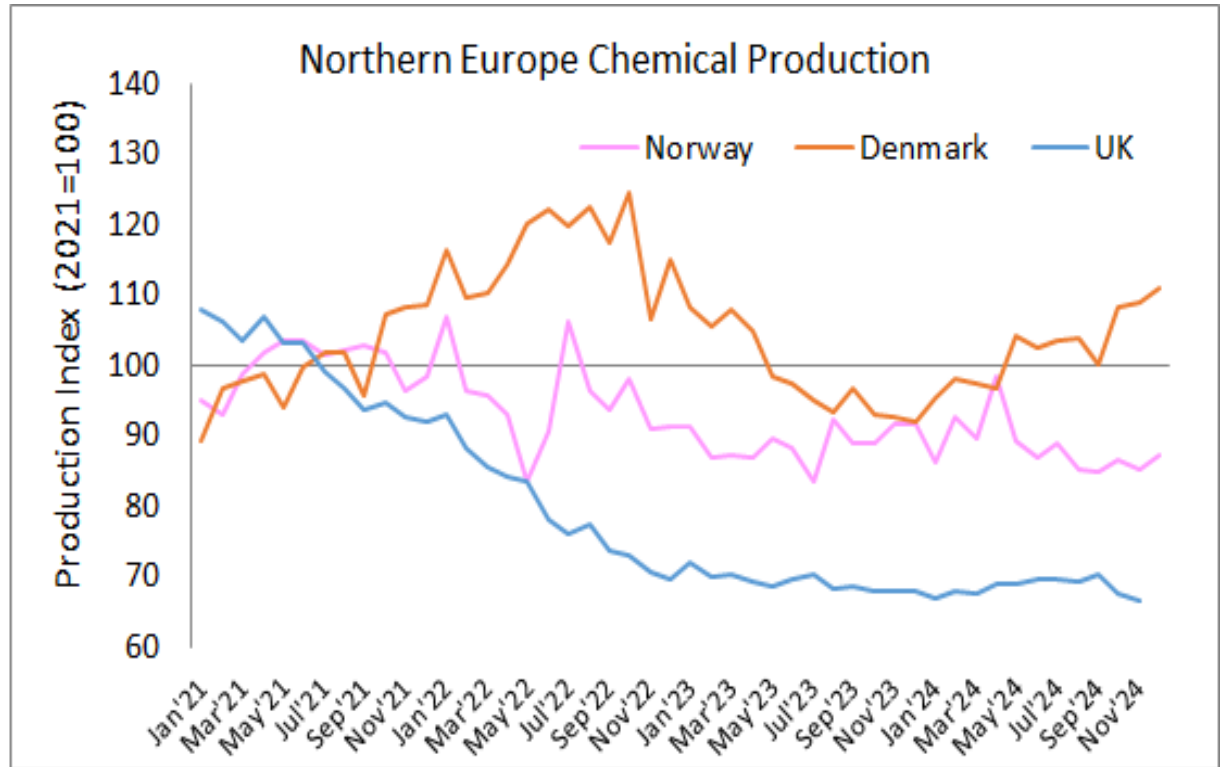
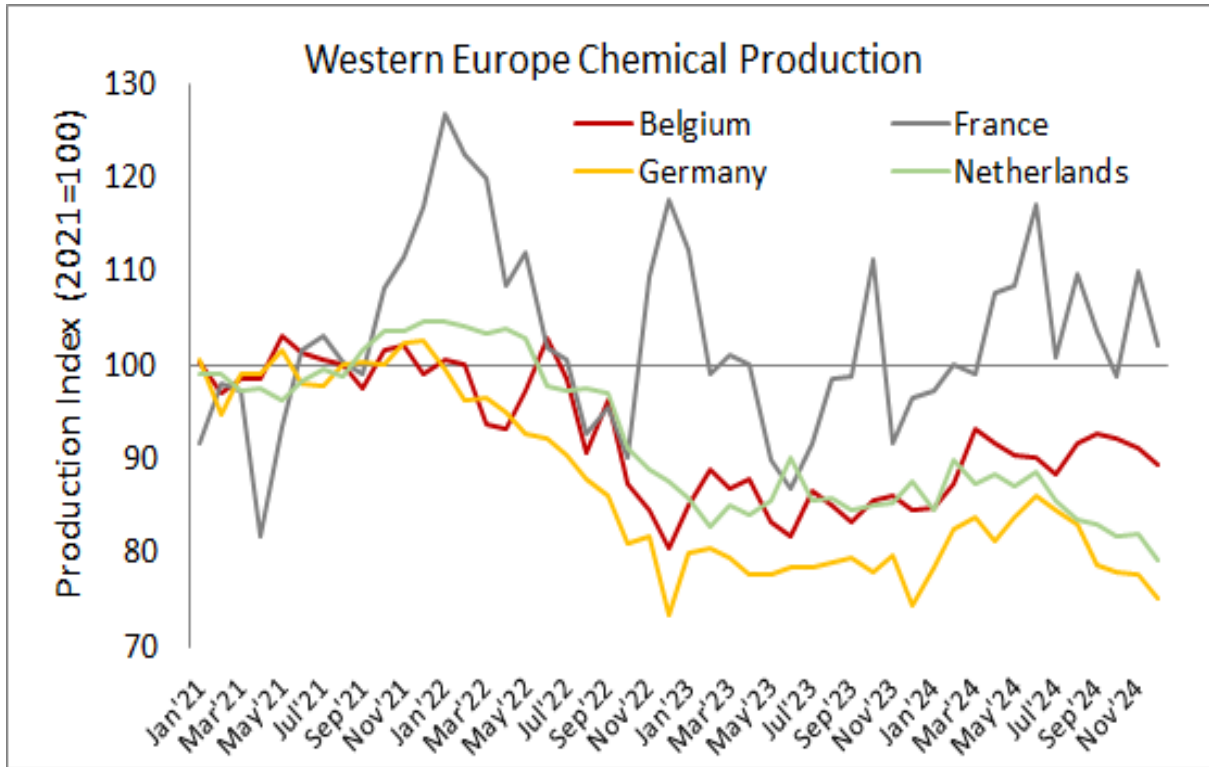
The recovery of chemical production weakened in H2-2024



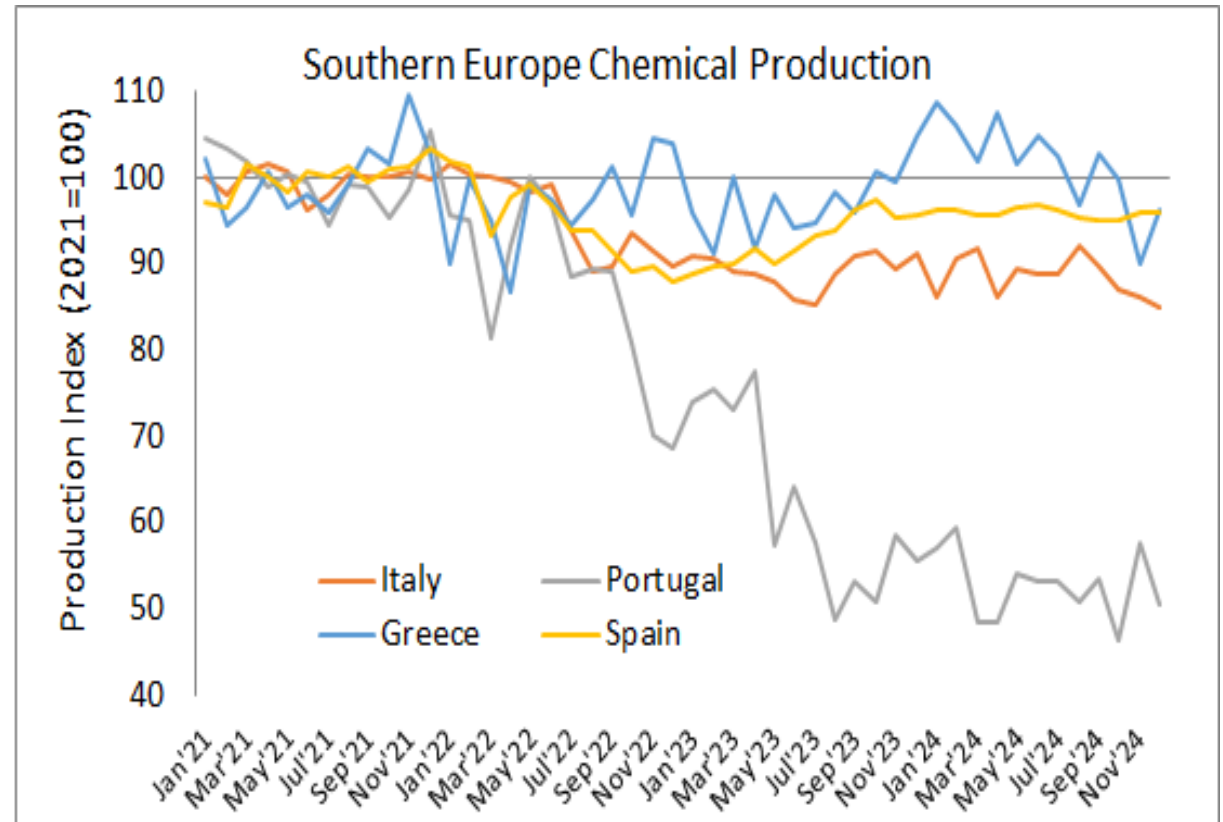
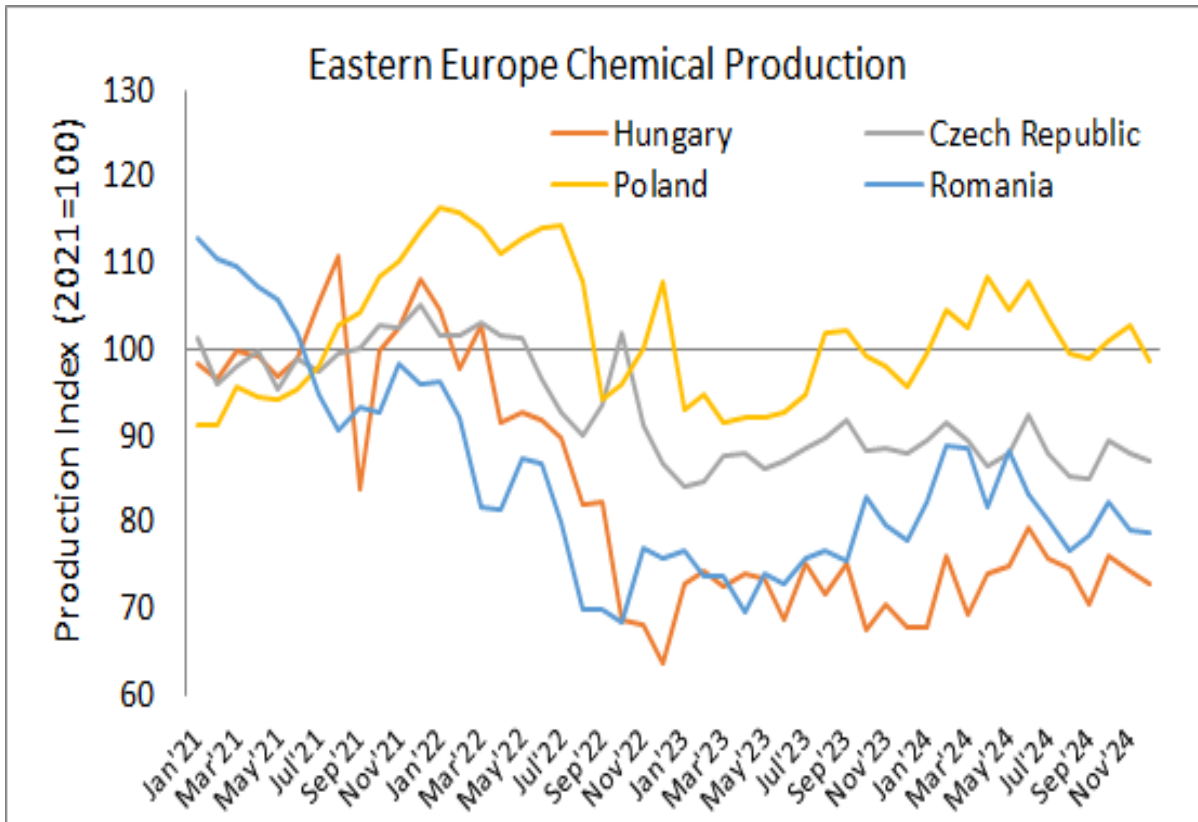
The weak demand and high degree of uncertainty continue to challenge the EU27 chemical industry. Output decreased during the last two quarters of 2024



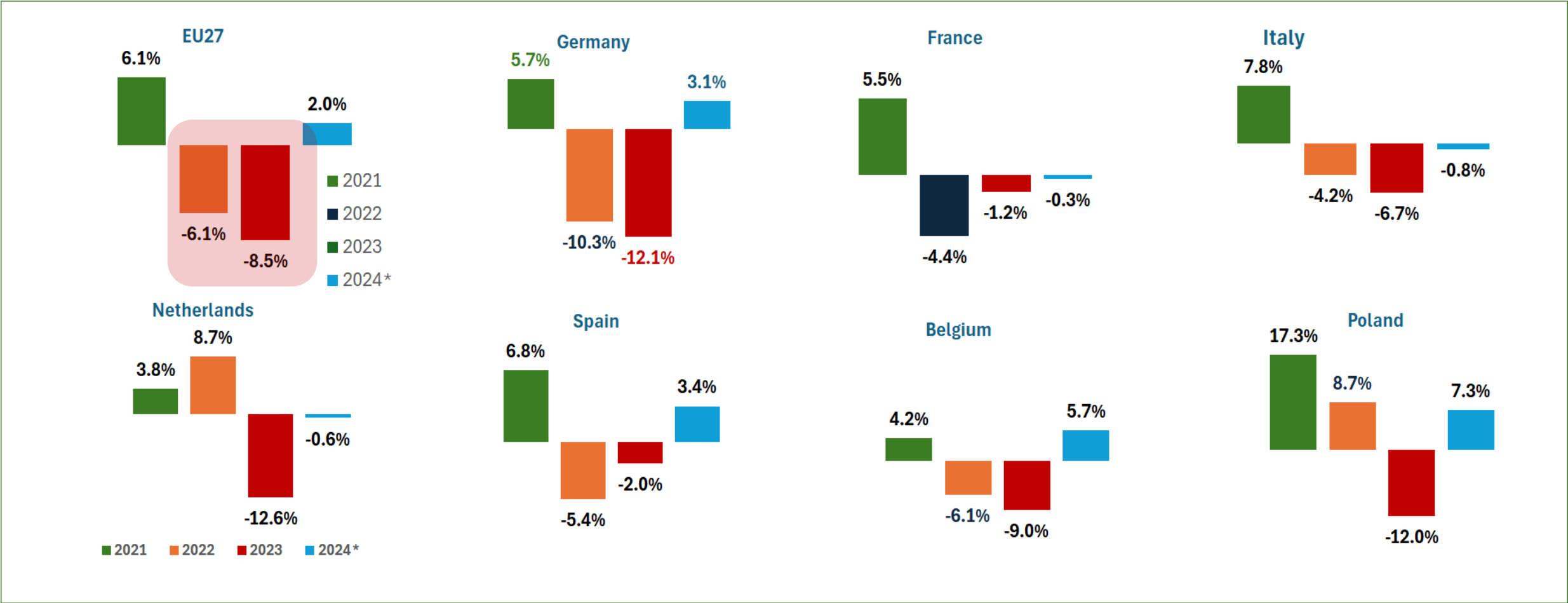
Chemical business in Germany has not been doing well since July 2022



2024 chemical production shows a fragmented Europe



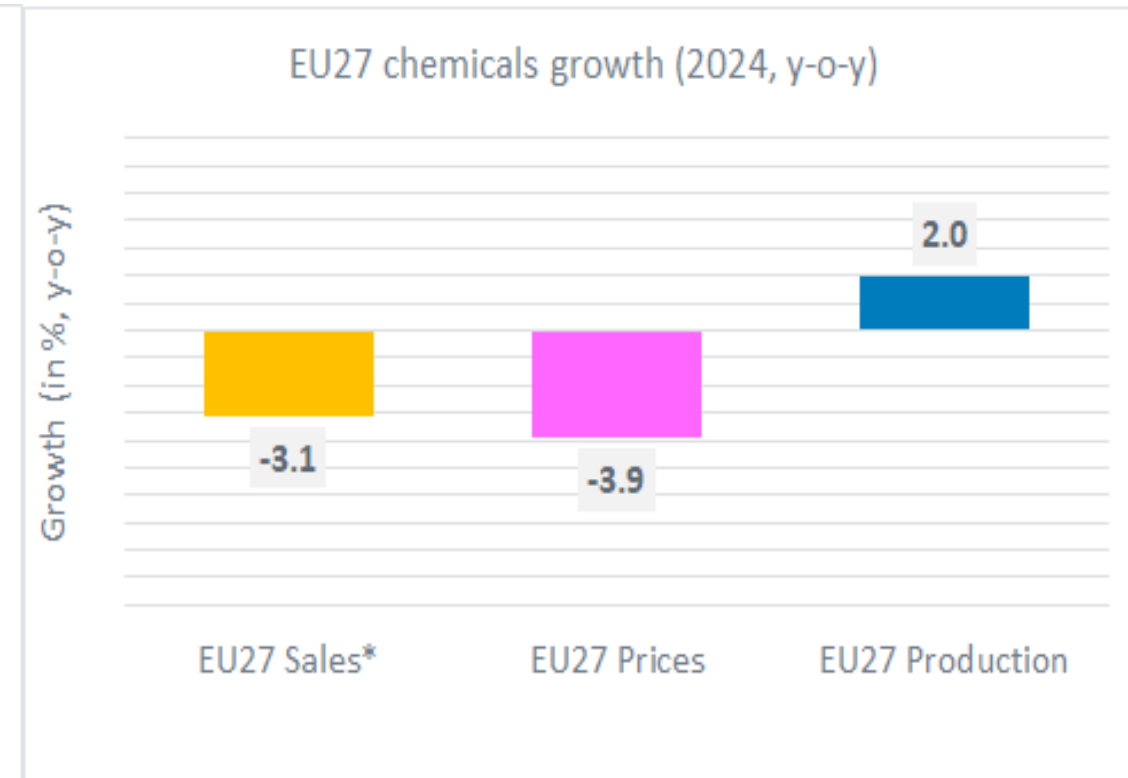
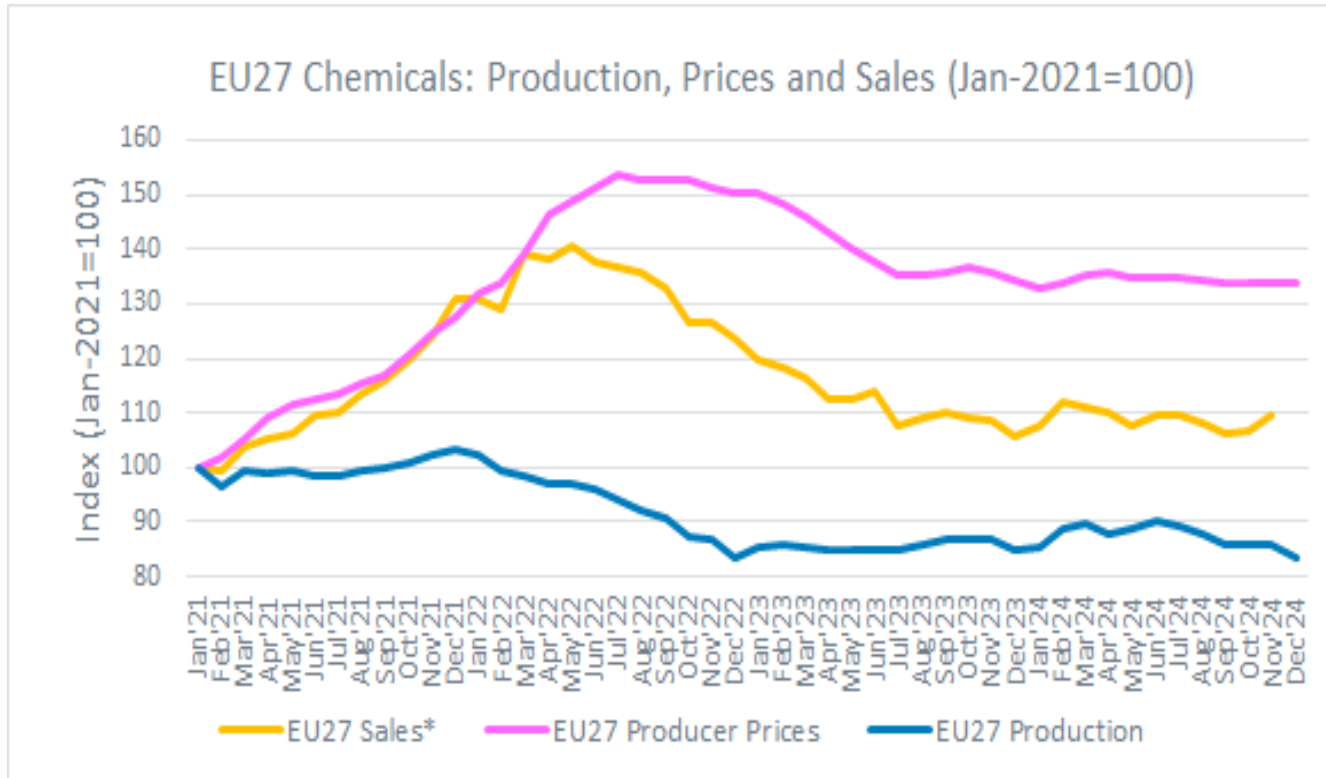
EU27 chemical output has lost more than 14% of its volume from 2022 to 2023. No strong improvement in 2024



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

Source: Eurostat and Cetic Analysis 2025

2024: EU27 chemicals prices and sales* well below 2023 levels

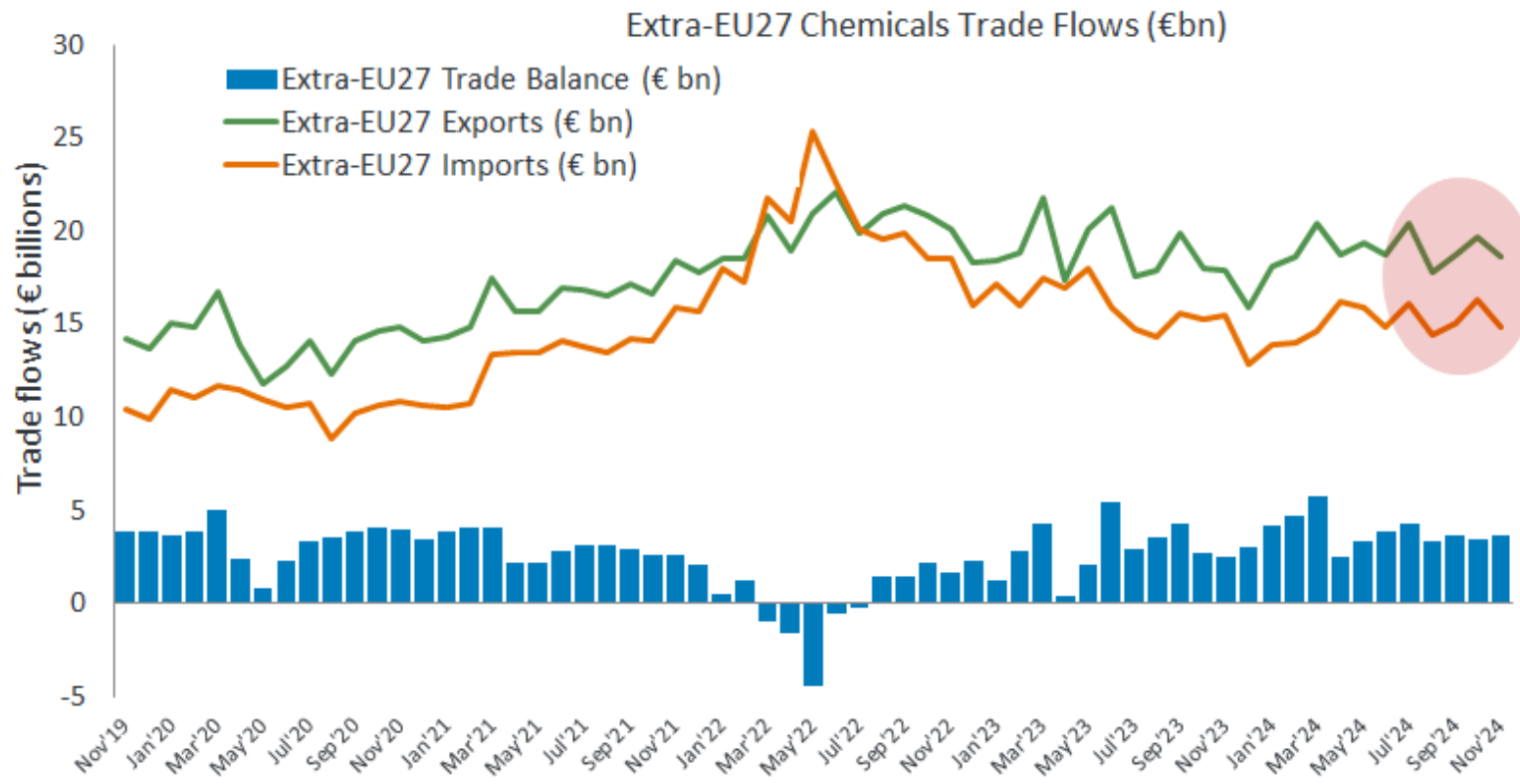


Given the lack in demand growth, the European chemical industry production volumes have still not completely recovered.



Source: Eurostat and Cefic Analysis 2025, *until Nov 2024

2024: EU27 chemical trade surplus (in value)*: 33% above 2023's results



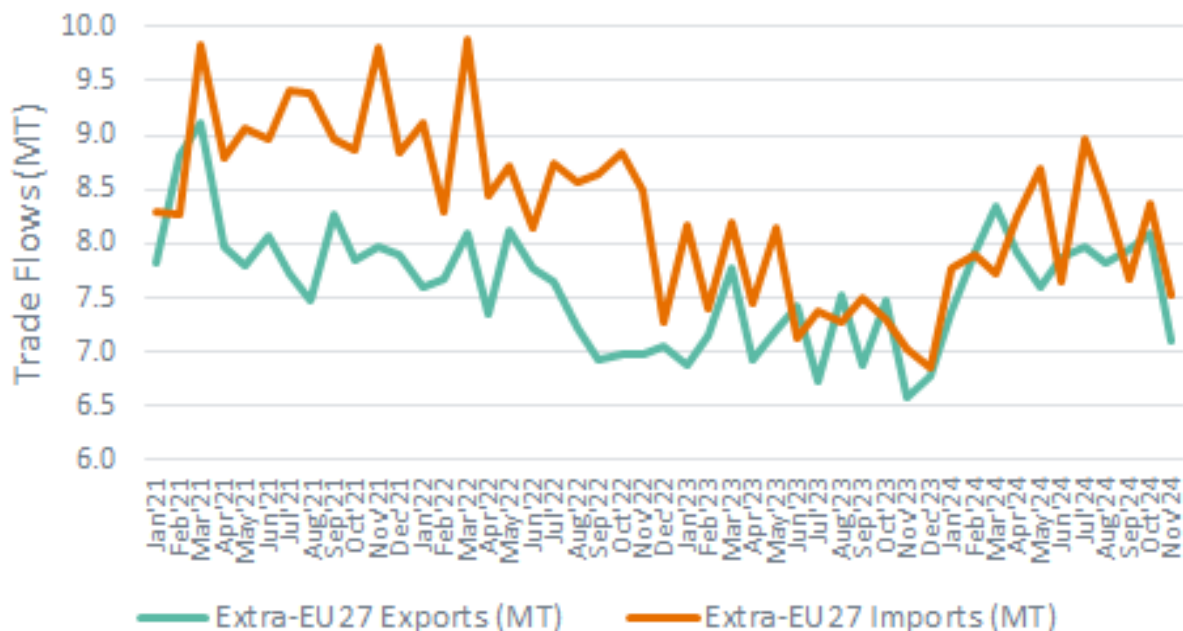
2024 (Jan-Nov): EU27 chemicals trade surplus amounted to €42.9 bn in 2024, well above the €32.2 bn reported in 2023.

euro bn	Exp	Imp	Balance
2023 (Jan-Nov)	209.1	176.9	32.2
2024 (Jan-Nov)	209.2	166.3	42.9
Delta	0.2	-10.6	10.7
2024/2023	0.1%	-6%	133%

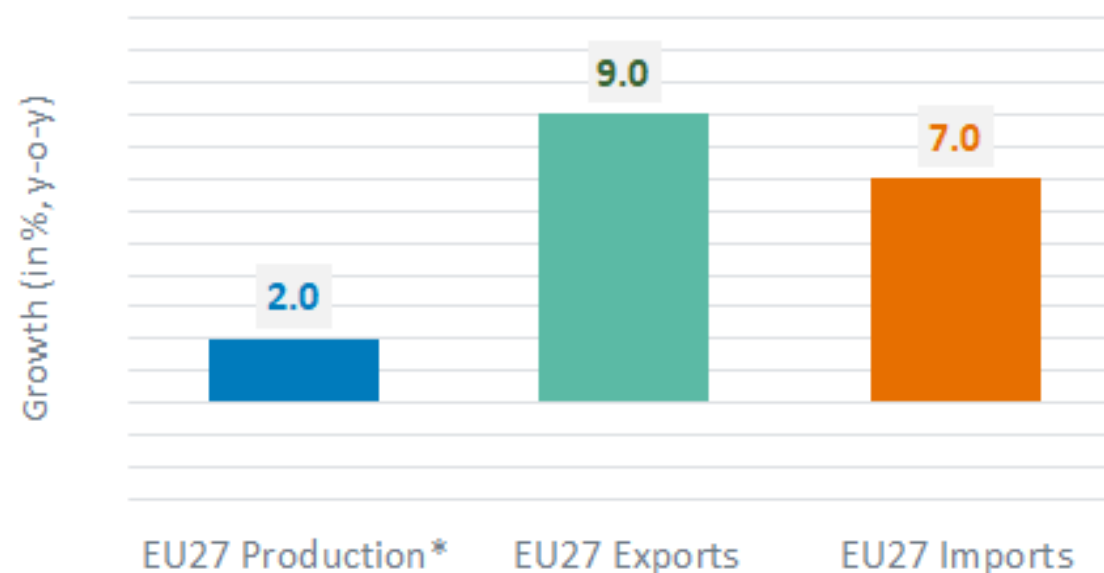


2024: EU27 chemical trade (in volume)*: 8% above 2023's results

EU27 Chemicals: Exports and Imports (MT)



EU27 chemicals growth (2024, y-o-y)



2024 (Jan-Nov): EU27 chemicals trade amounted to 175 MT in 2024, well above the 161 MT reported in 2023.

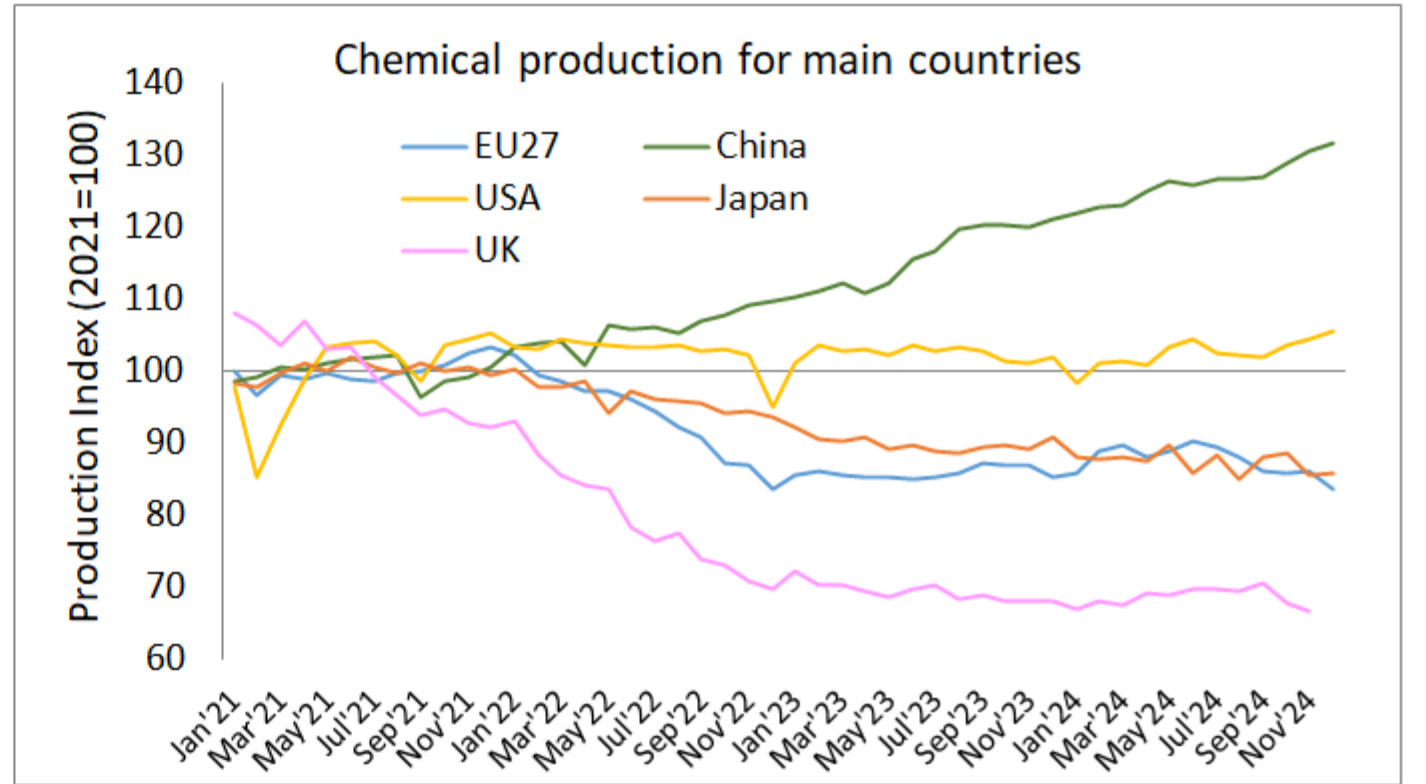
MT	Exp	Imp	Trade*
2023 (Jan-Nov)	78.5	82.9	161
2024 (Jan-Nov)	86.0	88.9	175
Delta	7.4	6.0	13.4
2024/2023	9%	7%	8%

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

2024 vs 2023: Global chemicals production up by 4.7%

Global Chemicals production growth (y-o-y)

	2021	2022	2023	2024
China	8.6	5.7	9.6	9.1
EU27	6.1	-6.1	-8.5	2.0
USA	4.2	2.6	-0.2	0.0
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	1.5
Brazil	3.7	1.1	-6.0	3.1
UK	-7.1	-20.5	-12.7	-1.3
Taiwan	5.8	-4.8	-5.7	2.6
Russia	7.1	-2.5	5.3	3.1
World	6.8	1.4	2.1	4.7



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

- The EU27 chemicals industry has been struggling with economic recession for two years (2022–2023). This has not improved in 2024.
- As of December 2024, gas prices in Europe are 3.9 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 and the US levels since Q3–2022.
- 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 uncertainty in Europe.
- The business environment is also exposed to high risks from potential  additional US import tariffs.