

EU27 Chemical Industry: Latest Developments:



21th January 2025

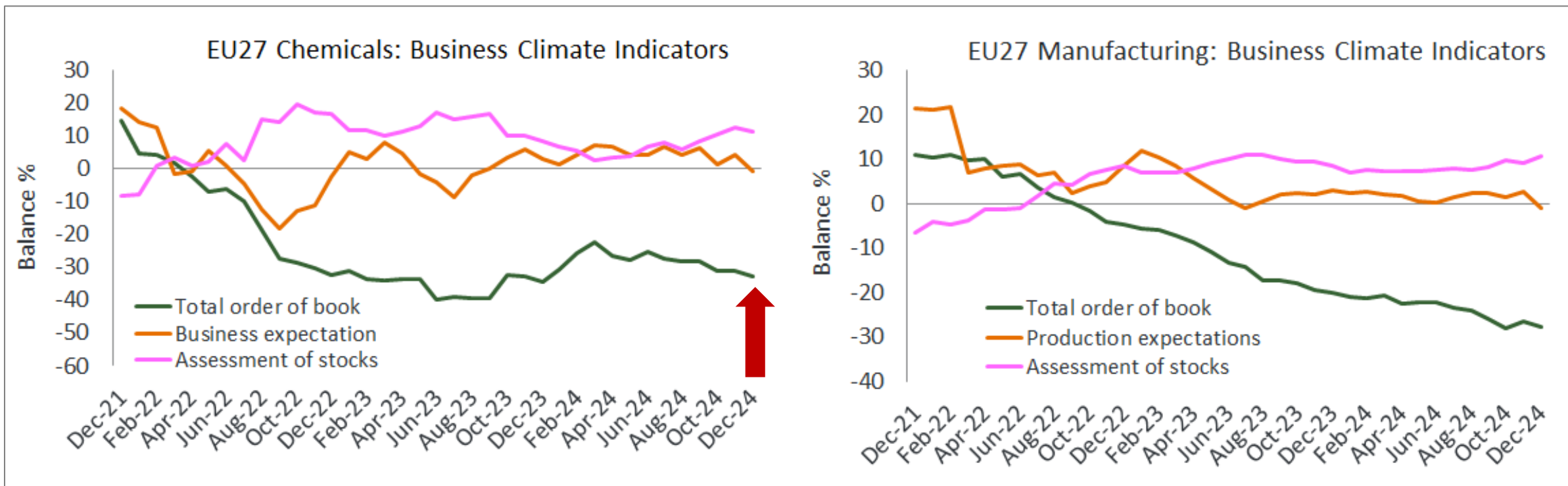
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Summary

- The EU27 chemicals industry has faced two years of economic recession (2022–2023). Compared to the USA, the gas price in Europe (Dec 2024) is 3.6 times higher, leaving Europe at a competitive disadvantage. EU27 chemicals business environment continues to face a limited demand since March 2022.
- EU27 chemicals capacity utilisation is a key concern. The EU27 capacity utilisation is far below the long-term average. It has also been well below the US one since Q3–2022. Data on Q3–2024 confirms the weakening of the slight recovery of EU27 chemical production in most EU27 countries.
- The weak demand and declining business confidence continue to challenge the EU27 chemical industry. Energy is still more expensive than before the crisis and not competitive on a global scale. In spite of a production increase and a significant export improvement in volume terms, the competitiveness of the sector in Europe remains well below pre-crisis levels.
- We think that recovery is still some way off and the demand increase will be limited due to weak economic conditions in Germany and in the USA, while the situation remains unchanged in China. The business trade environment in which European chemical companies are operating is exposed to high risk coming from additional US import tariffs. EU27 chemicals output is expected to grow from an estimated 2% in 2024 to less than 0.5% in 2025.

EU27 chemicals business environment continues to face a limited demand since March 2022

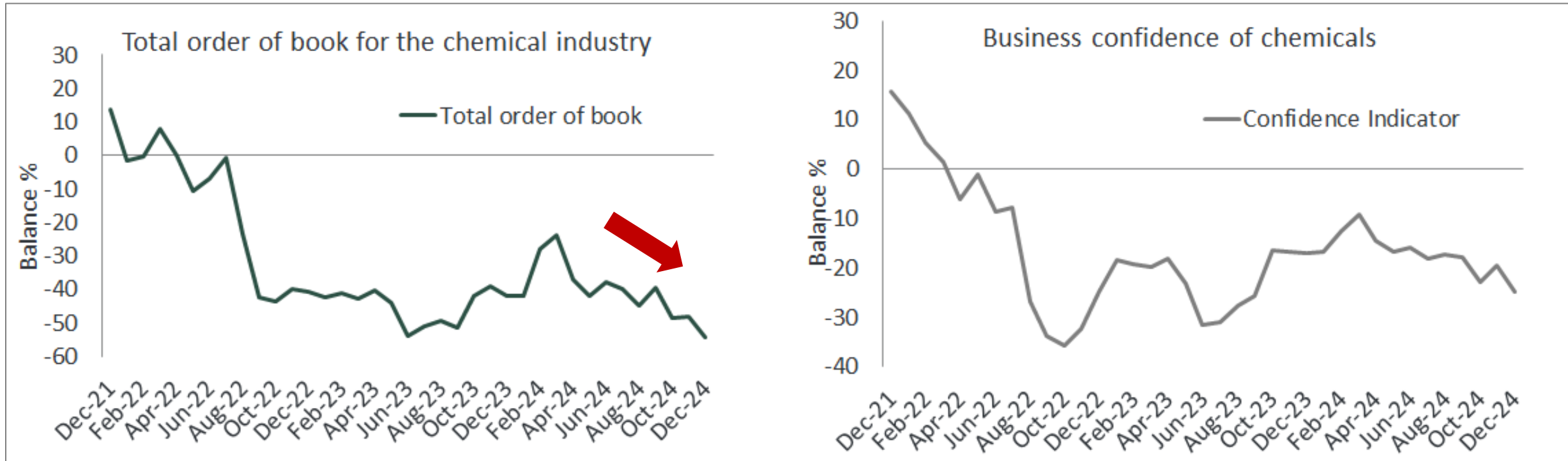


The managers' opinion on the current EU27 level of overall order books continue to be weak. The negative digits reflect the lack of demand

The confidence indicator of the EU27 chemical industry remains well below the pre-crisis levels.



Business climate in Germany (the main locomotive of Europe) is not doing well since July 2022

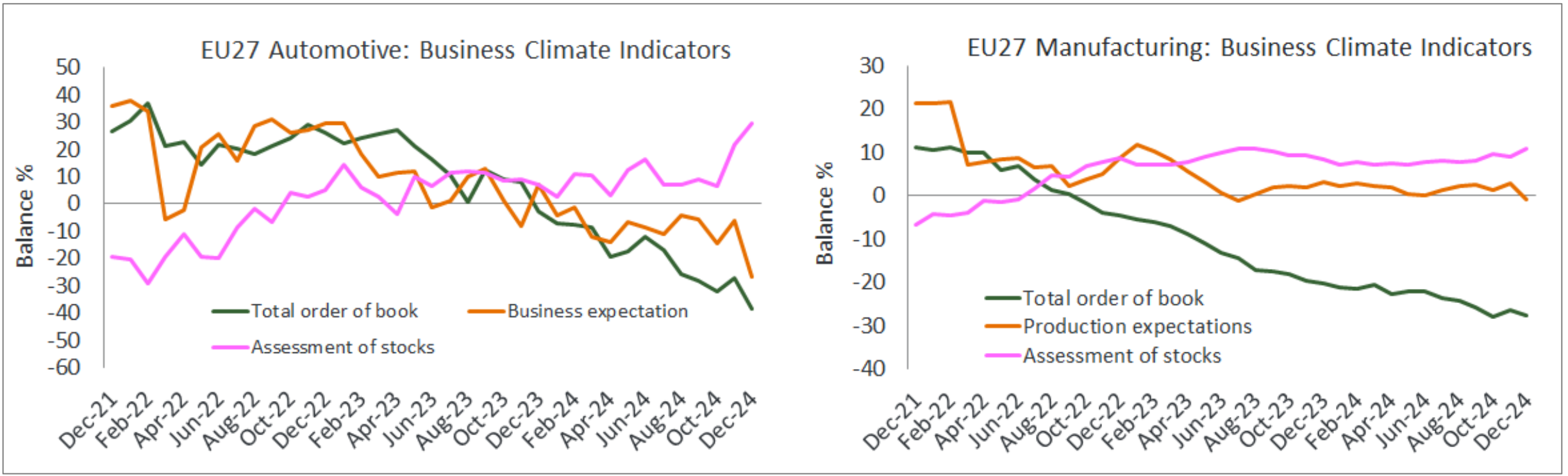


Germany: The managers' opinion on the current level of overall order books continue to be well below 2021 levels. No sign of improvement is observed on the demand side.

The confidence indicator of the German chemical industry worsened in Dec 2024 and remains well below the pre-crisis levels.



EU27 current level of overall order books: no sign of significant improvement in 2024

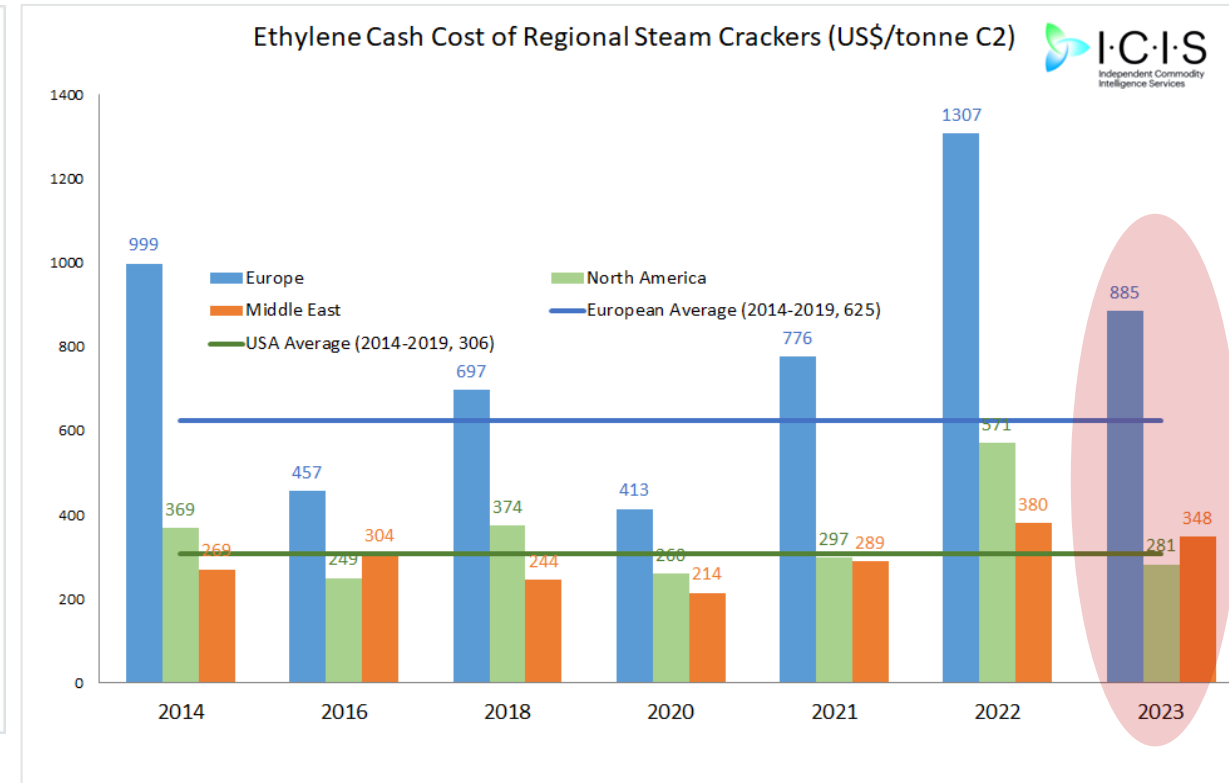
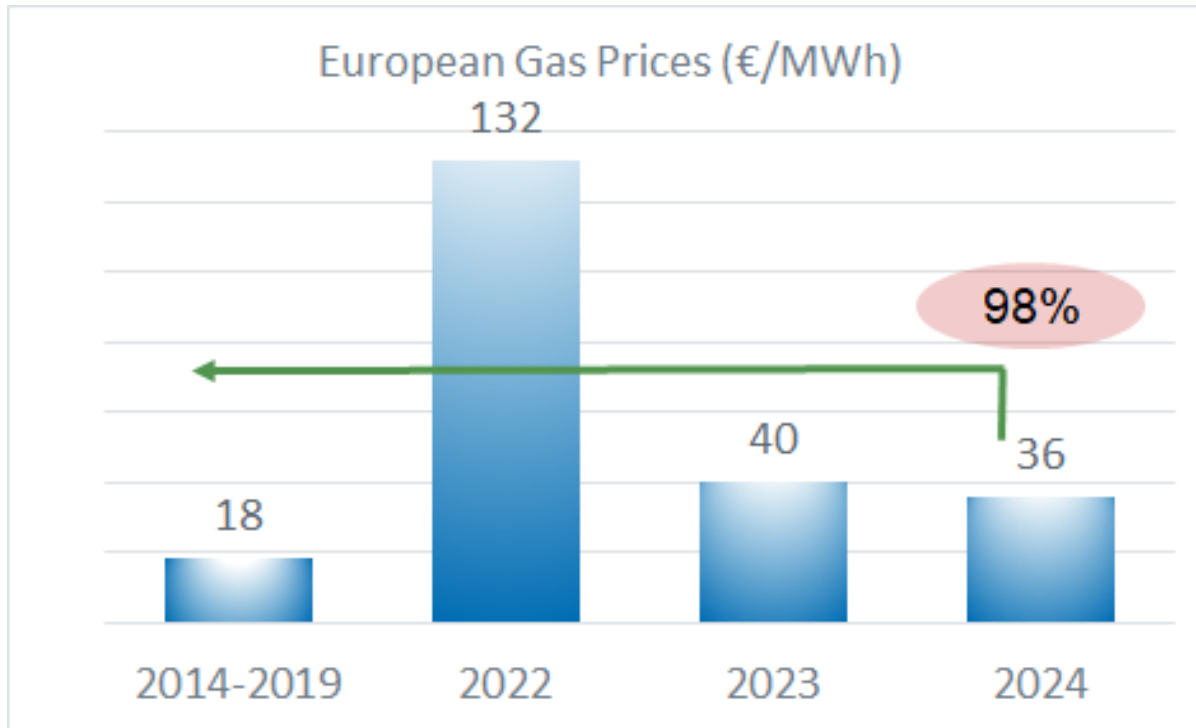


Source: EU Commission business and consumer survey results: Answers obtained from the surveys are aggregated in the form of balances, constructed as the difference between the percentages of respondents giving positive and negative replies.

2024: Gas prices are 98% above the pre-crisis levels (2014-2019)

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

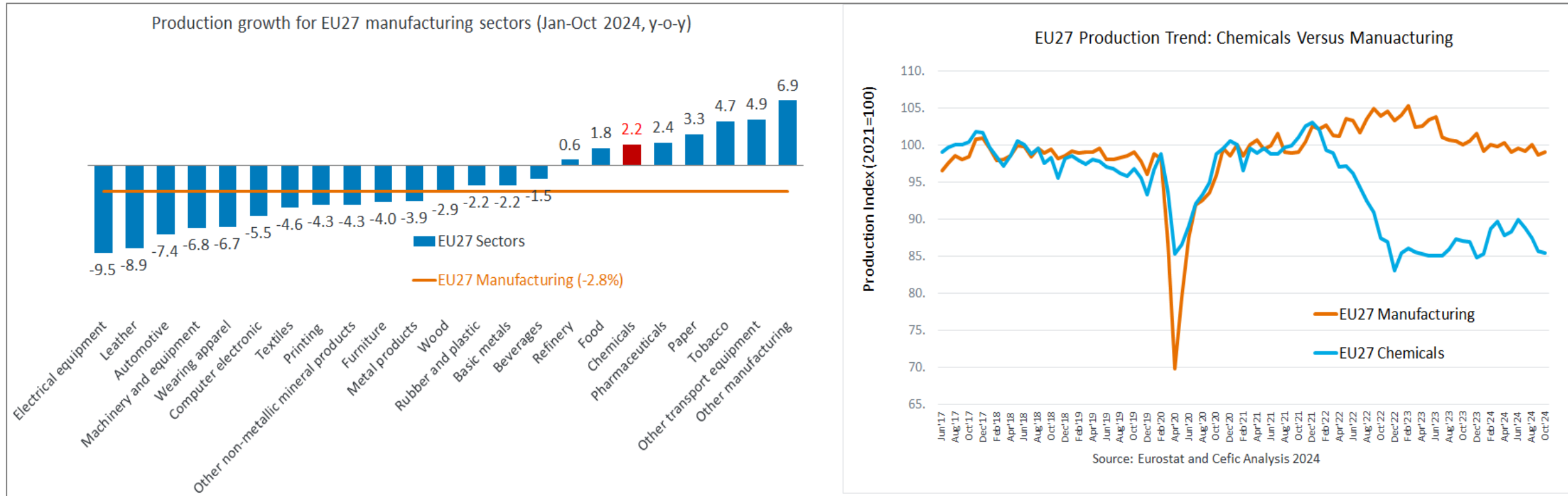
European Ethylene Cash Cost in 2023: 42% above the pre-crisis levels (2014-2019)



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 3.6 times higher, leaving Europe at a competitive disadvantage.



2024 (Jan–Oct): It is all about customer sectors' demand



The automotive markets are struggling; in particular possibly, low production levels in the second half of 2024 and 2025 for cars and electric vehicles

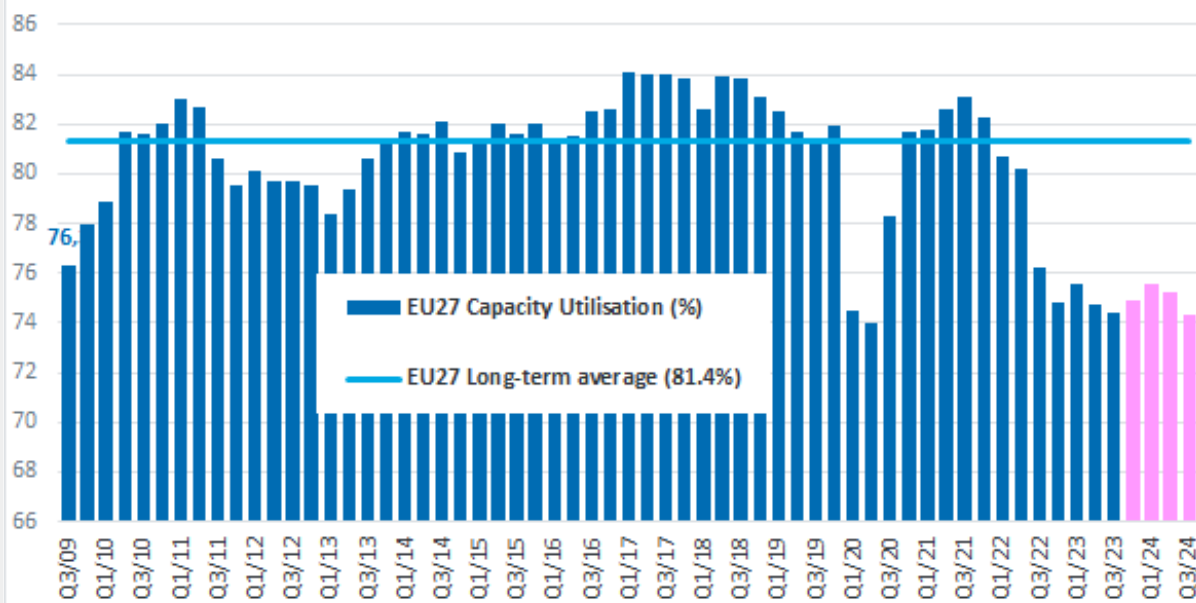


2024: EU27 chemicals capacity utilisation is a key concern

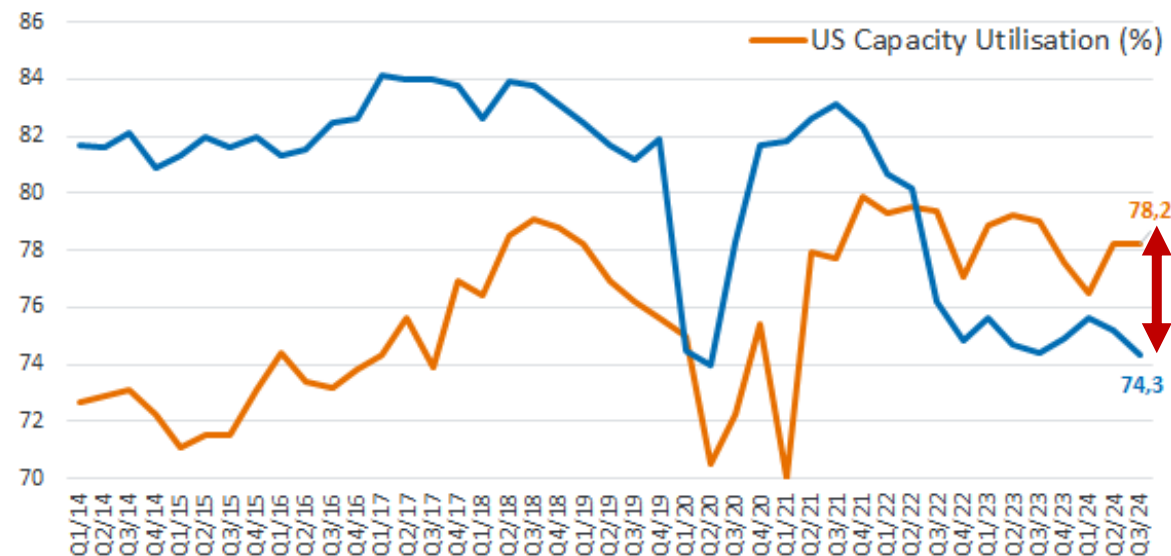
EU27 chemicals capacity utilisation further down in Q3-2024

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

EU27 chemical industry capacity utilisation (%)



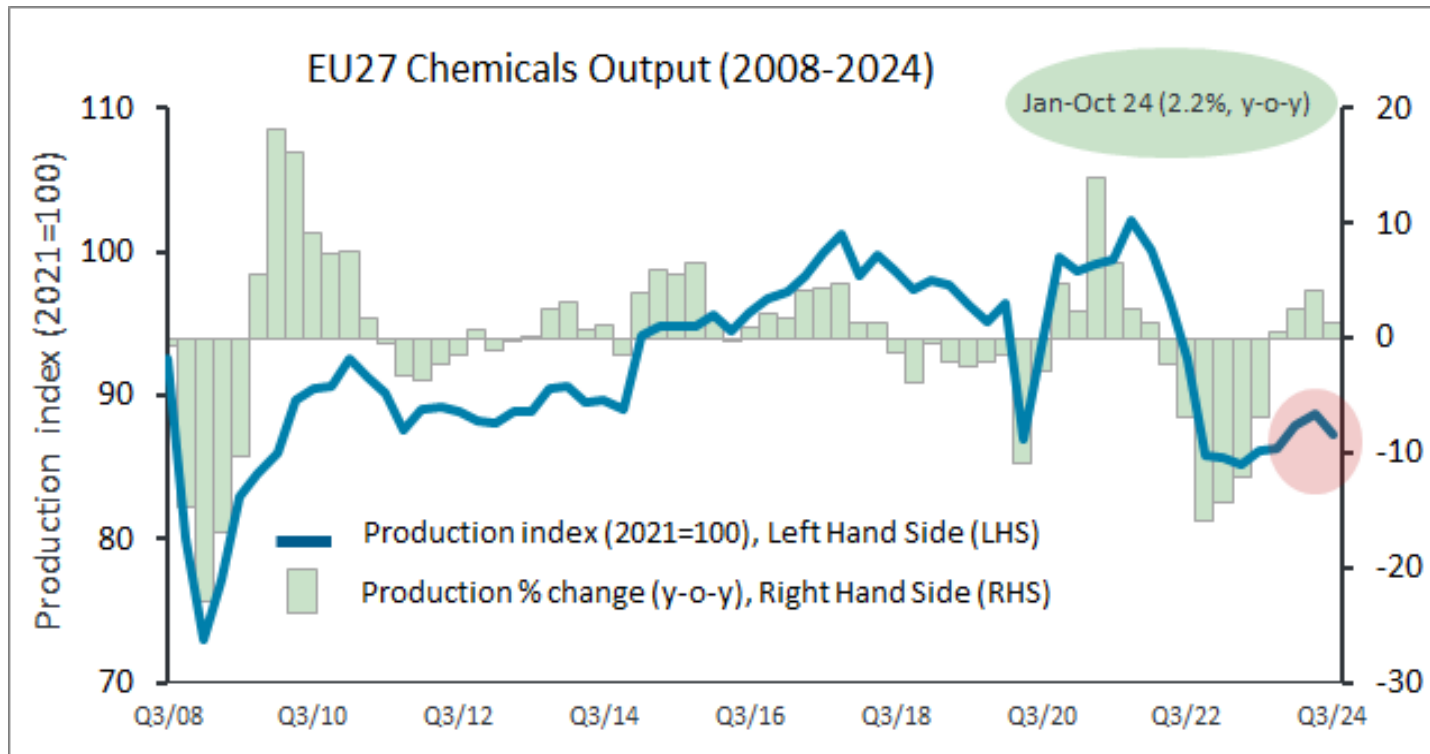
EU27 vs USA: Chemical industry capacity utilisation



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



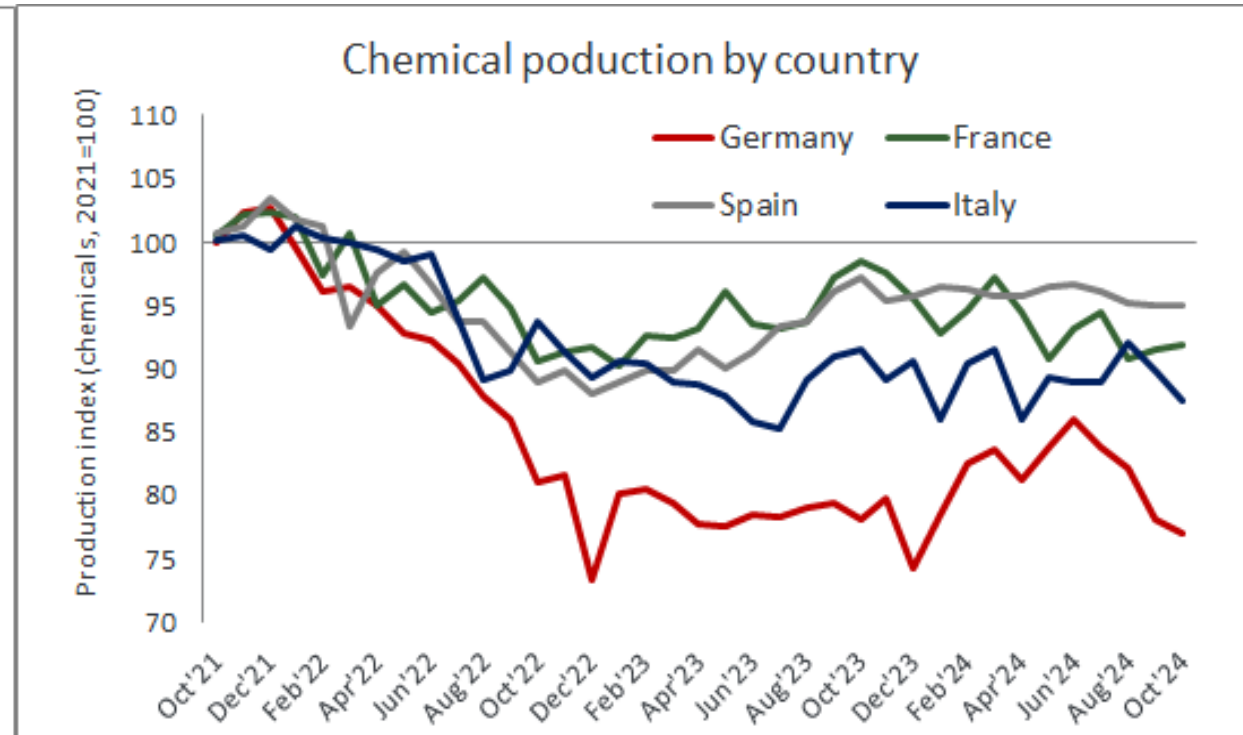
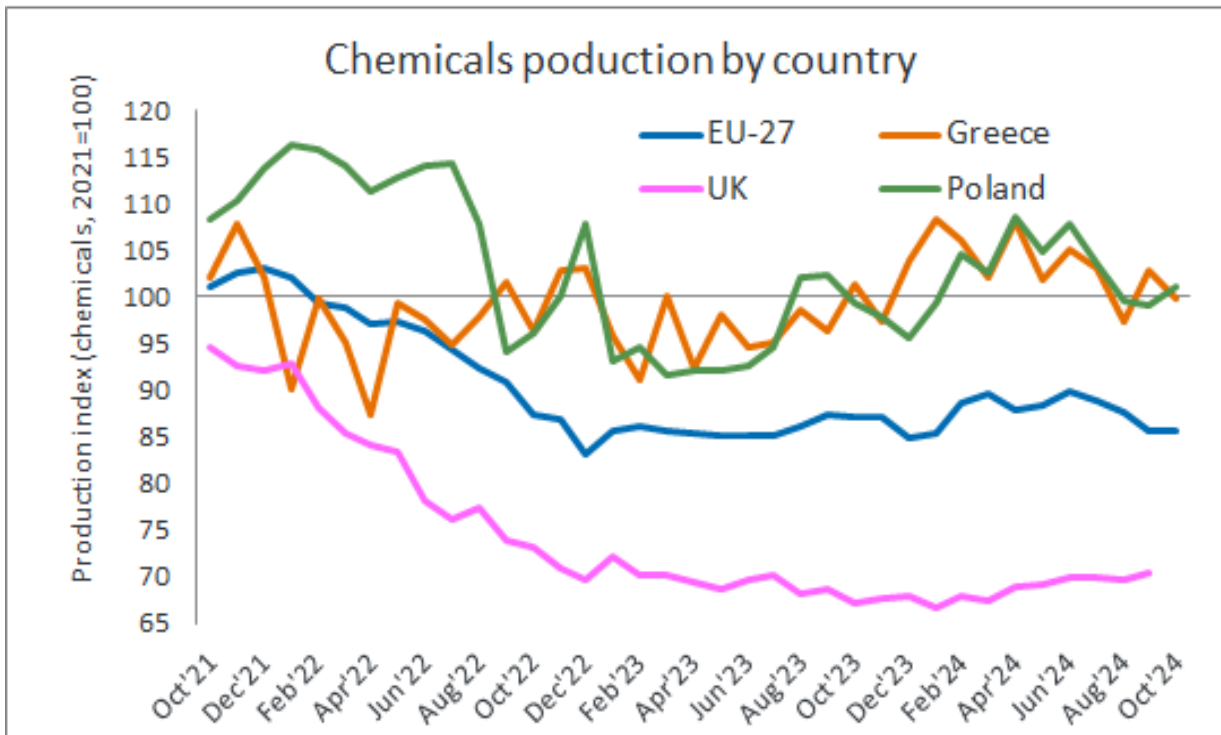
The recovery of chemical production weakened in Q3-2024



Output growth	Q3-2024 vs Q2-2024	Q3-2024 vs Q3-2023
Lithuania	5.6%	14.5%
Austria	3.3%	-1.2%
Italy	2.5%	2.0%
Denmark	1.2%	7.7%
Portugal	1.2%	-1.3%
Belgium	0.7%	7.1%
France	-0.5%	-2.5%
Spain	-0.8%	1.2%
EU27	-1.6%	1.4%
Germany	-2.7%	3.0%
Czech Republic	-3.1%	-4.4%
Hungary	-3.4%	-0.7%
Greece	-3.7%	4.6%
Latvia	-4.4%	-0.7%
Netherlands	-4.5%	-1.4%
Bulgaria	-5.8%	8.7%
Poland	-5.9%	1.0%
Romania	-7.1%	3.3%



2024 (Jan–Oct): Different Europe's?

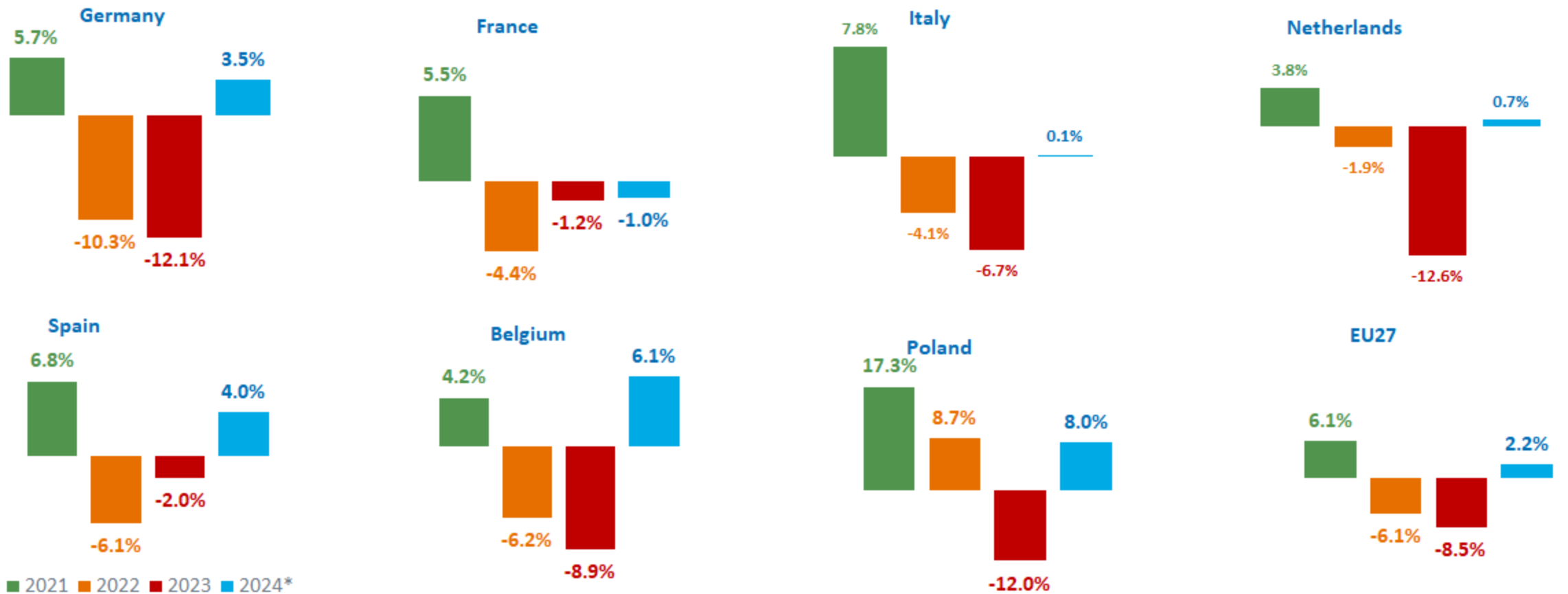


2024 showed better results than 2023. However, Challenges such as weak demand and high operational costs continue to weigh on EU27 chemical companies.

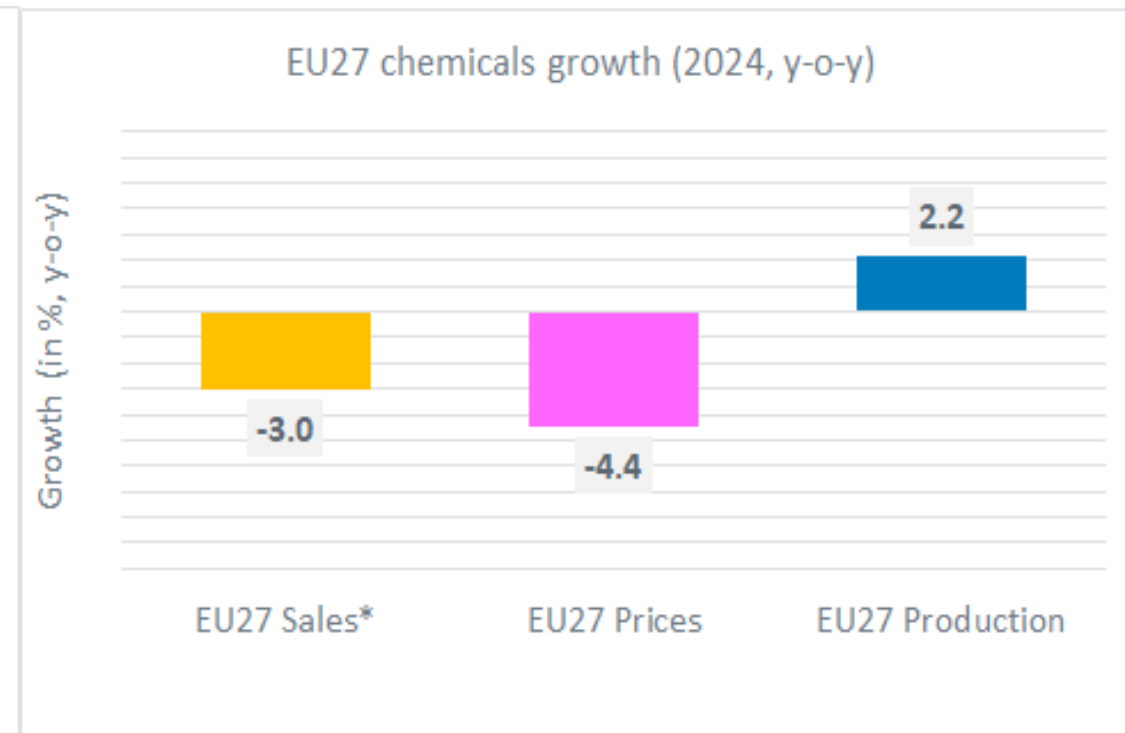
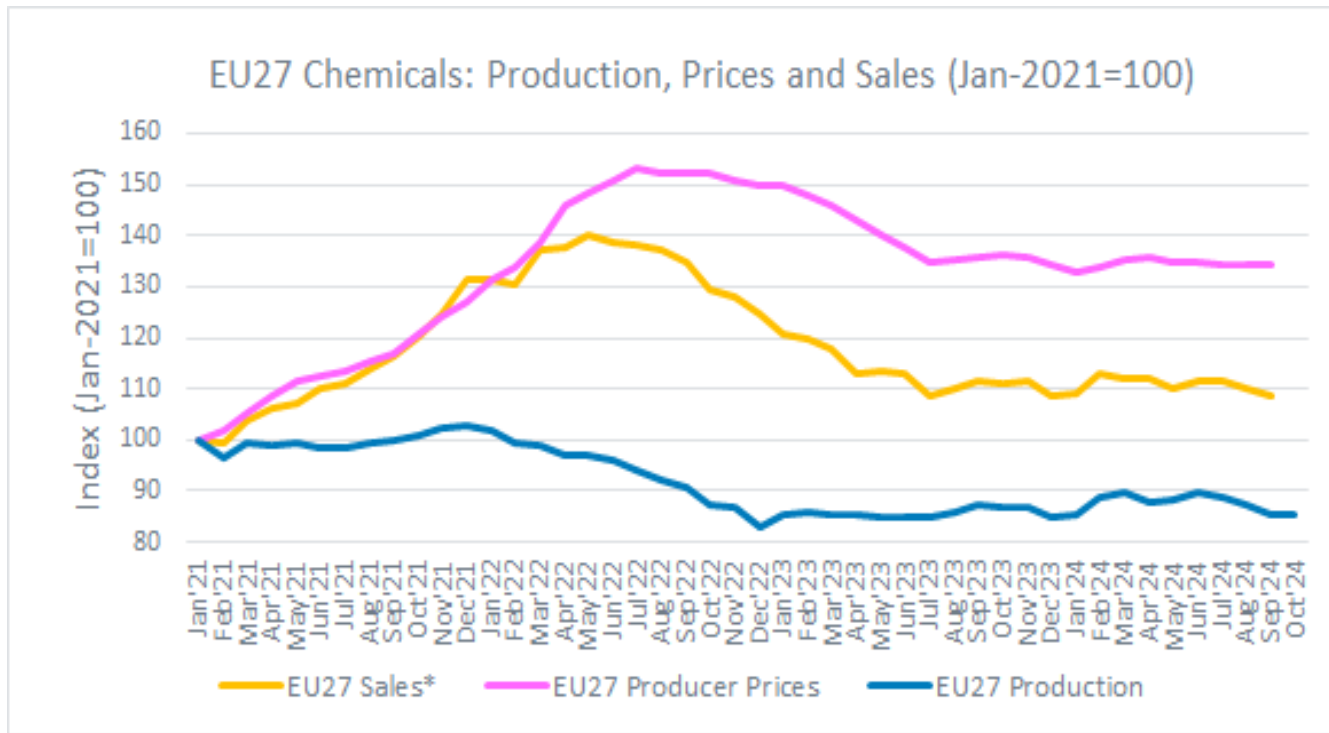
Germany saw its production increase by 3.5% in 2024 (Jan–Oct). Poland showed the highest growth (+8.0%). Italy posted no significant increase. France declined by 1.0%.



2024 (Jan-Oct): Spain resisting better than the others



2024 (Jan-Oct): EU27 chemicals prices and sales well below 2023 levels

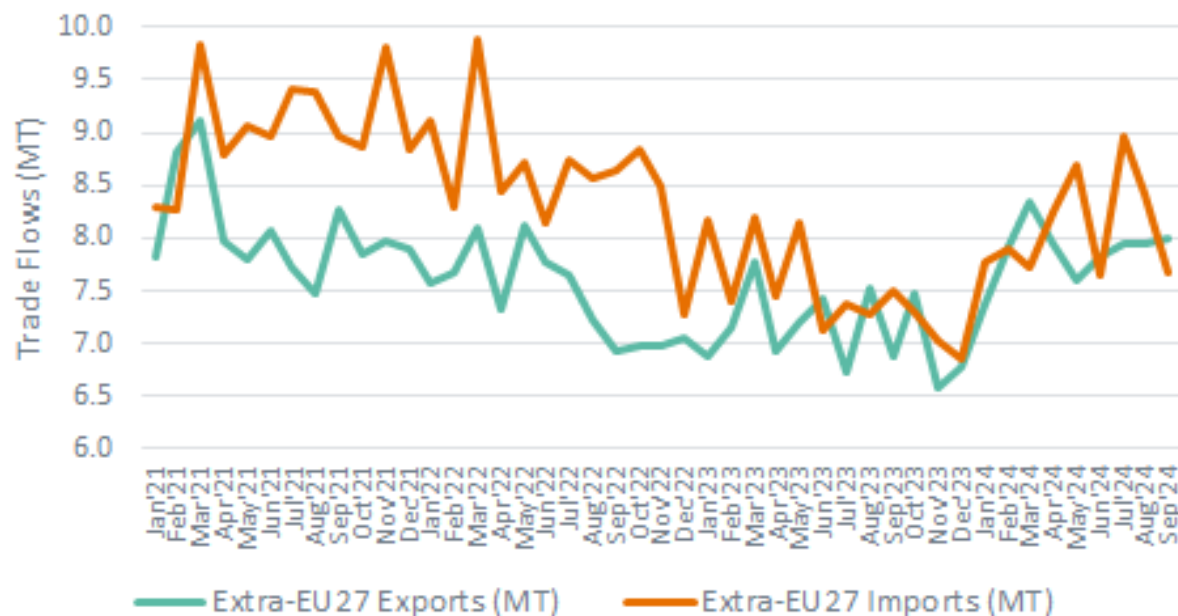


2024 (Jan-Oct): EU27 chemicals sales* dropped by 3.0% compared to the same period of 2023. The increase of 2.2% in output was not enough strong to compensate the decline in prices of 4.4%

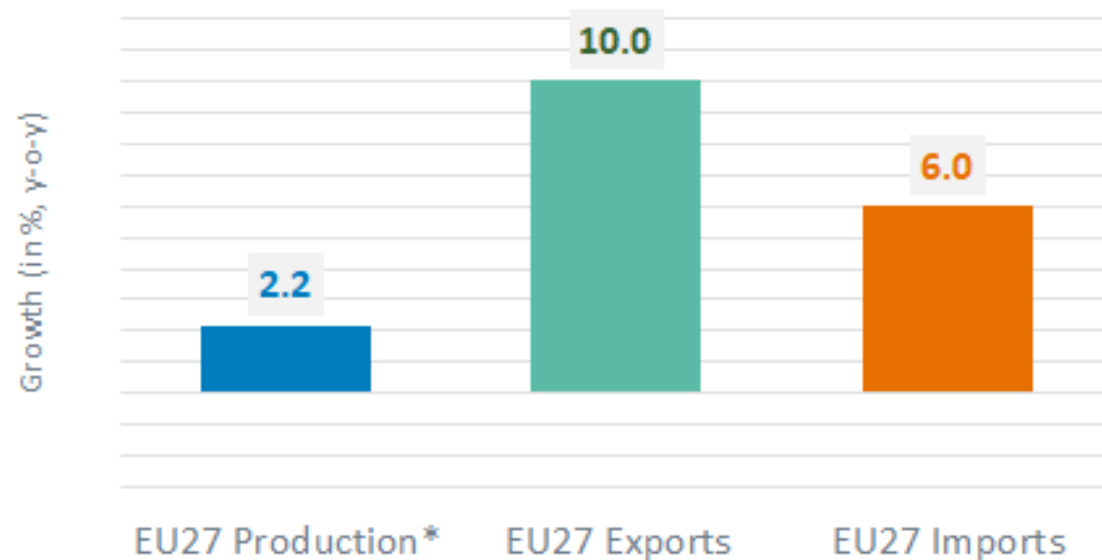


2024 (Jan-Sep): EU27 chemicals trade volume**: 8% above 2023 levels

EU27 Chemicals: Exports and Imports (MT)



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



MT	Exp	Imp	Balance	Trade**
2023 (Jan-Sep)	64	69	-4.1	133
2024 (Jan-Sep)	71	73	-2.2	144
Delta	6.4	4.4	2.0	10.8
2024/2023	10%	6%	52%	8%

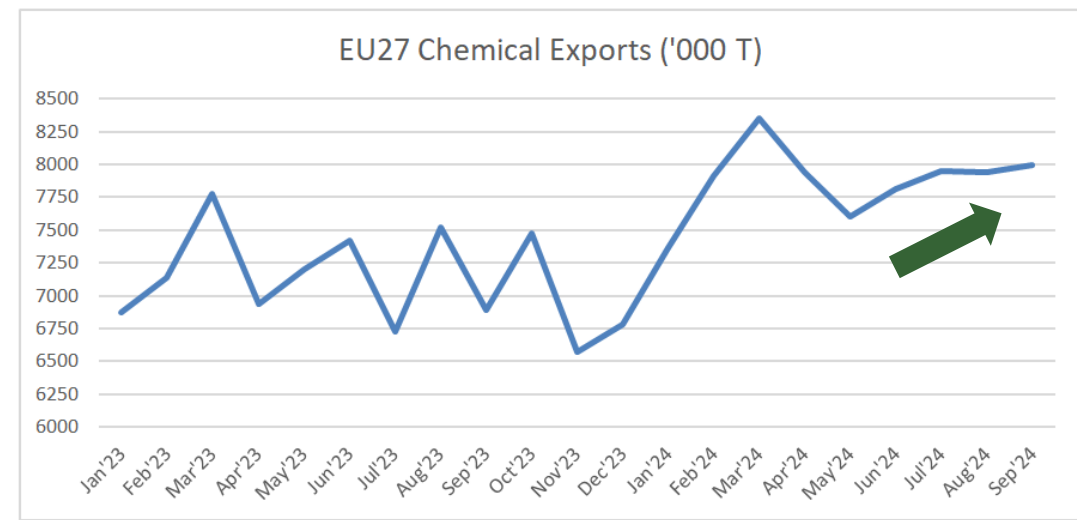
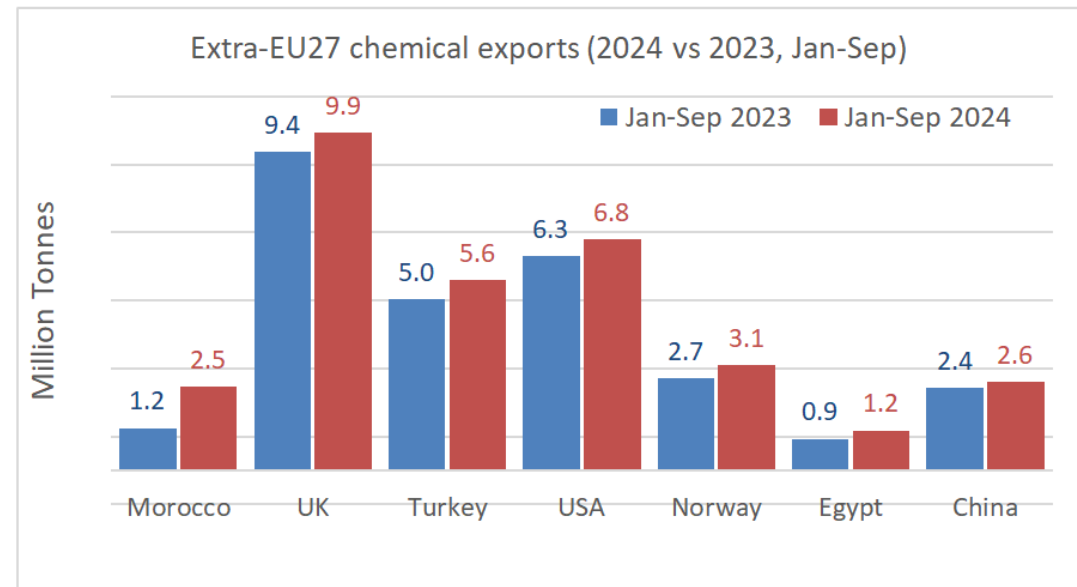


Source: Eurostat and Cefic Analysis 2025, *until Oct 2024, *Exports + imports (MT)

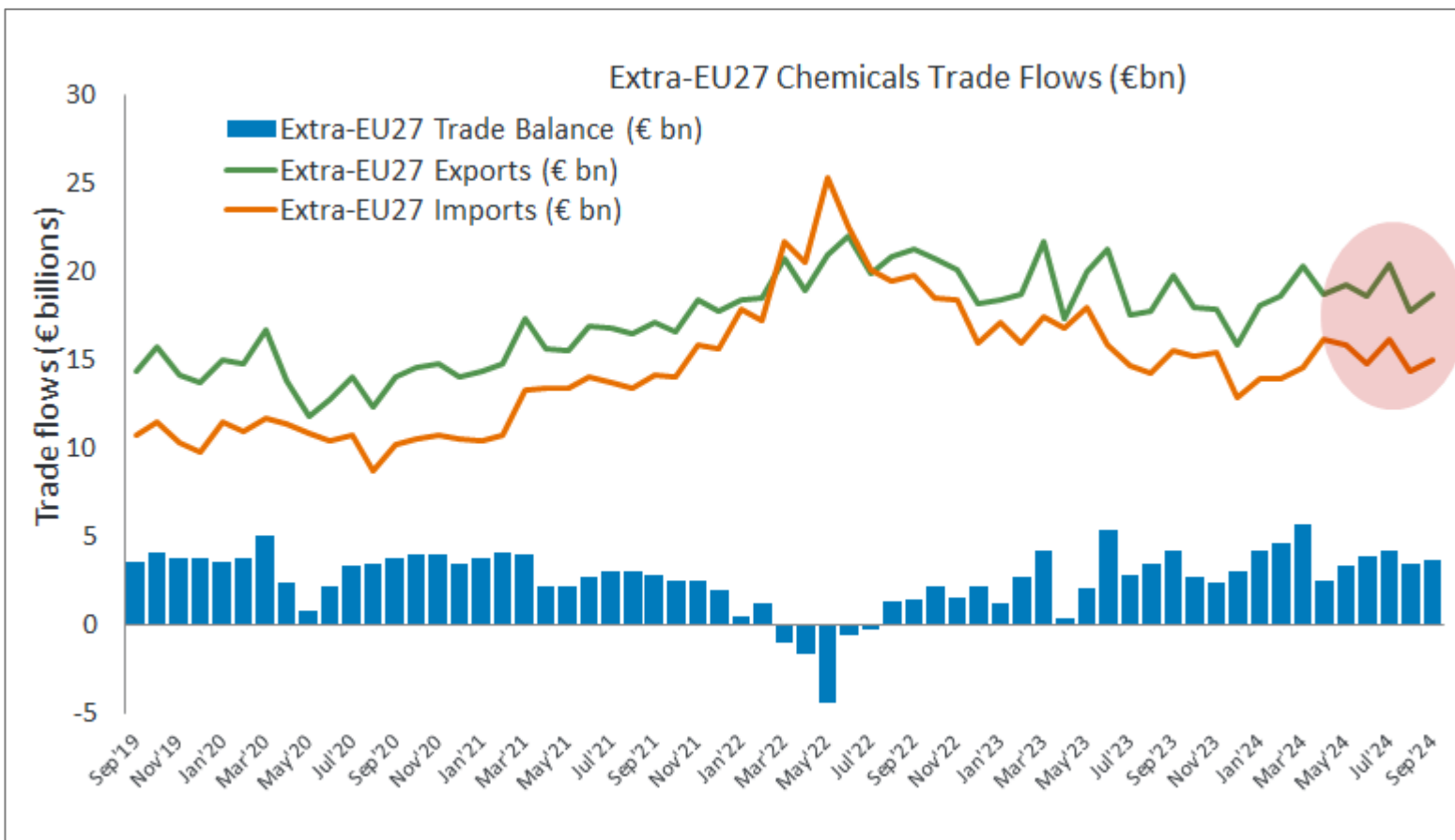
2024 (Jan-Sep): EU27 chemicals exports volume up since May 2024

Extra-EU27 chemical exports (2024 vs 2023, Jan-Sep, Delta)

2024 vs 2023 (Delta, Jan-Sep, '000 T)	Basic inorganics	Petrochemicals	Polymers	Specialties	Consumer chemicals	Chemicals
Morocco	750	422	17	25	4	1222
UK	-117	540	12	84	40	566
Turkey	216	138	204	-15	14	553
USA	317	-51	163	25	30	496
Norway	138	183	-3	31	6	371
Egypt	40	127	61	15	-5	249
China	-37	46	128	25	24	172
India	-35	-9	84	18	11	98
Canada	63	-16	2	4	5	85
Gibraltar	0	70	0	1	0	71
Saudi Arabia	7	21	9	4	1	50
Switzerland	14	-27	22	29	9	46
Algeria	8	-8	32	-27	7	18
Mexico	-81	10	45	15	11	18
Serbia	-74	6	25	3	13	-15
South Africa	-47	-65	-2	11	5	-86
Singapore	-22	-222	22	47	-1	-176
Ukraine	-207	-2	-9	-9	4	-217
Brazil	-329	34	83	32	4	-226
Chile	-547	3	2	4	2	-516
Extra-EU27	657	3918	942	417	176	6392



2024 (Jan-Sep): EU27 chemical trade surplus: 33% above 2023's results



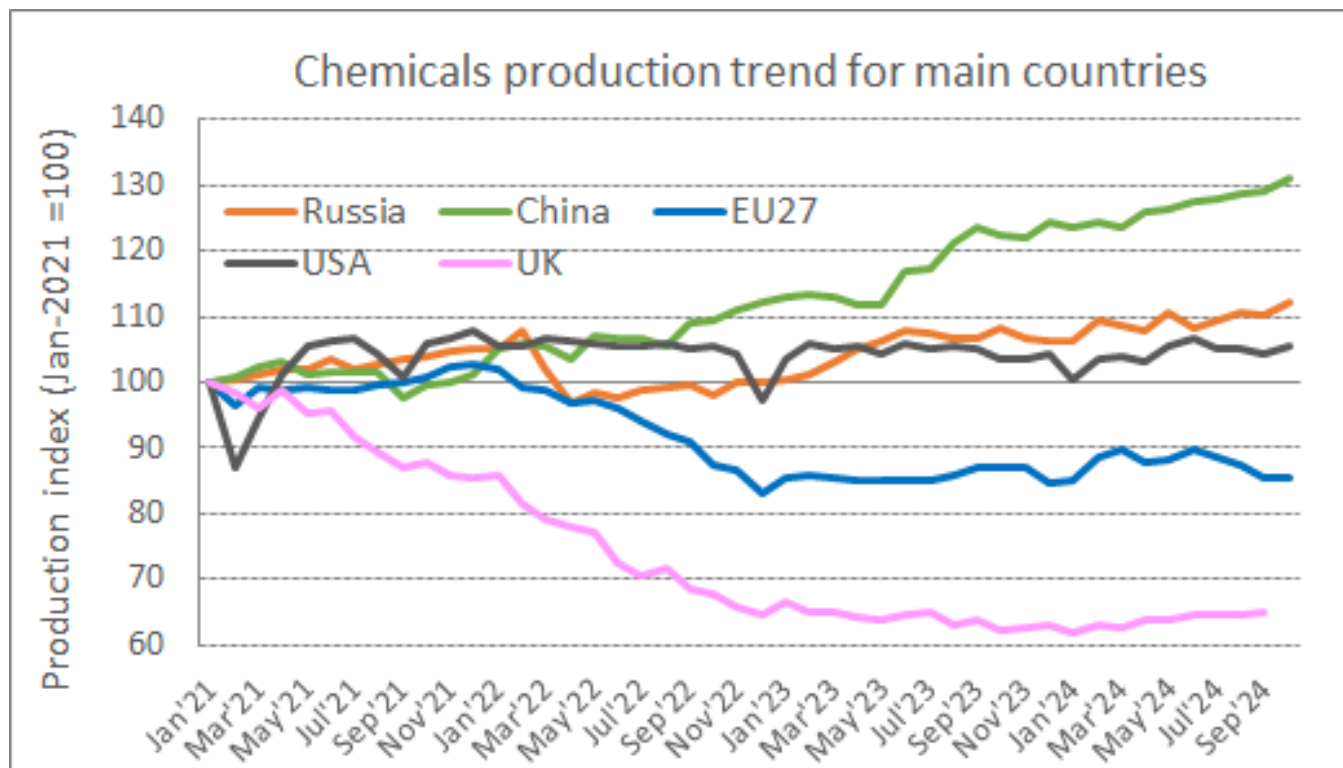
2024 (Jan-Sep): EU27 chemicals trade surplus amounted to €35.9 bn in 2024, well above the €27.0 bn reported in 2023 (Jan-Sep).

euro bn	Exp	Imp	Balance	Trade*
2023 (Jan-Sep)	173	146	27.0	319
2024 (Jan-Sep)	171	135	35.9	306
Delta	-2.0	-11.0	8.9	-13.0
2024/2023	-1%	-7%	133%	-4%



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

2024 (Jan-Oct): Global chemicals production, up by 5.3% vs 2023



Output	2021	2022	2023	Jan-Oct 2024
Japan	5.0	-3.8	-6.4	-2.2
UK	-7.1	-20.5	-12.9	-1.2
USA	4.2	2.6	-0.2	-0.4
India	8.0	4.2	-0.2	1.7
South Korea	8.5	-9.9	-9.6	2.2
EU27	6.1	-6.1	-8.5	2.2
Brazil	3.6	1.1	-6.0	2.5
Germany	5.7	-10.3	-12.1	3.5
Russia	7.1	-2.3	5.2	3.9
China	8.4	6.4	9.6	8.8
World	7.2	1.6	2.7	5.3

The chemical output in 2024 shows a notable recovery for several major economies compared to the previous year (Jan-Oct)

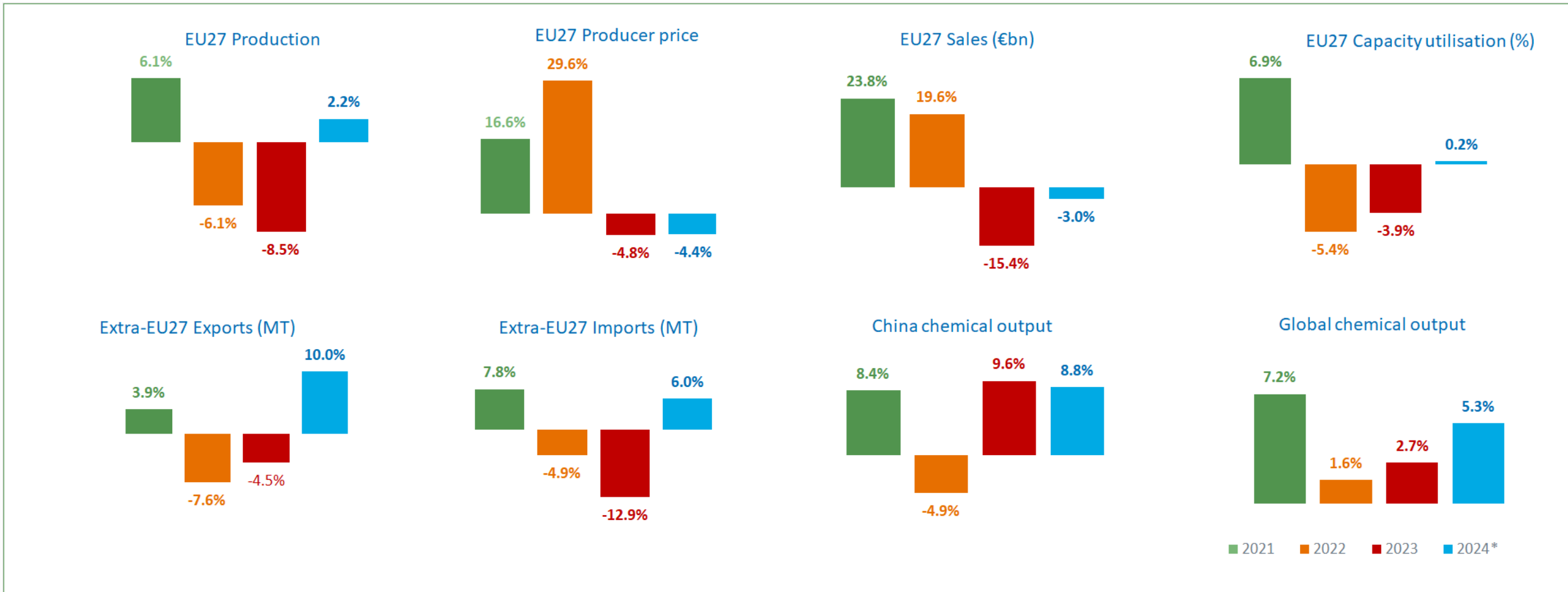
China continued its strong growth: from 9.6% in 2023 to 8.8% in the first ten months of 2024.



Weak demand, high energy costs continue to affect the European chemical industry

Chemicals production has lost more than 14% of its levels (2022-2023)

Capacity utilisation in 2024: 10% below the Pre-crisis levels (2014-2019)



European chemicals have been hurt by fierce competition from China and low-cost regions, uncompetitive energy costs and poor demand.

