

EU27 Chemical Industry: Latest Developments: Q2-2025

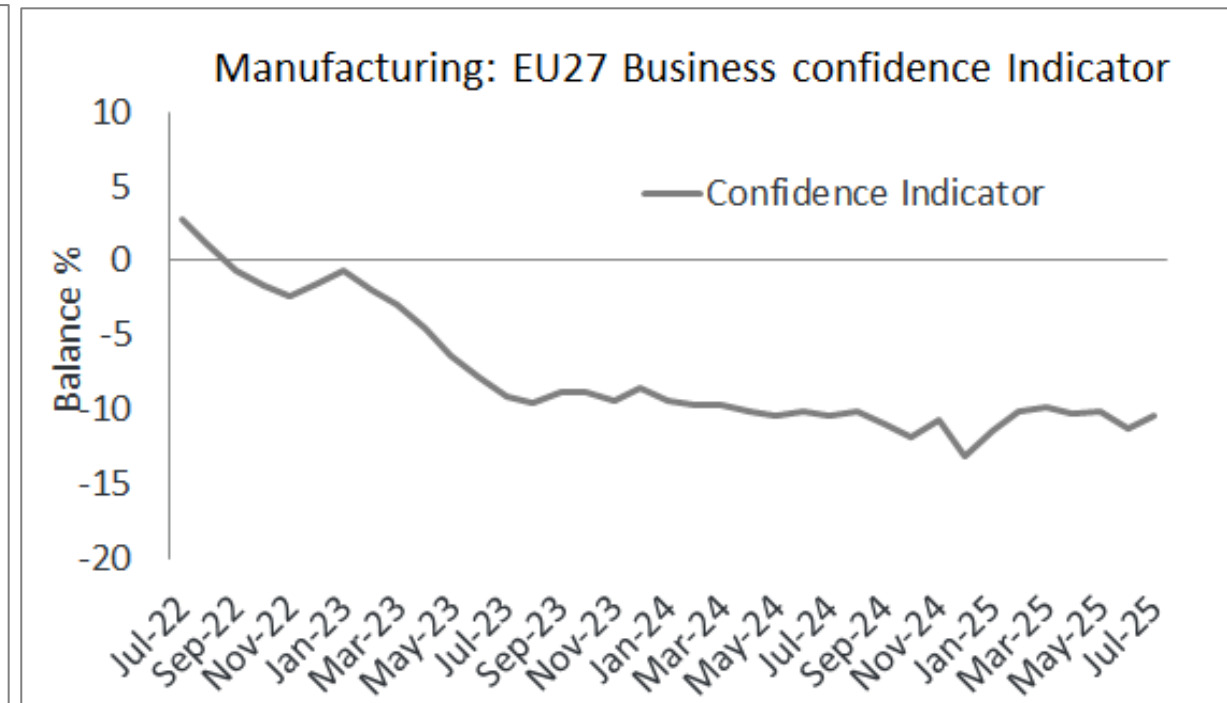
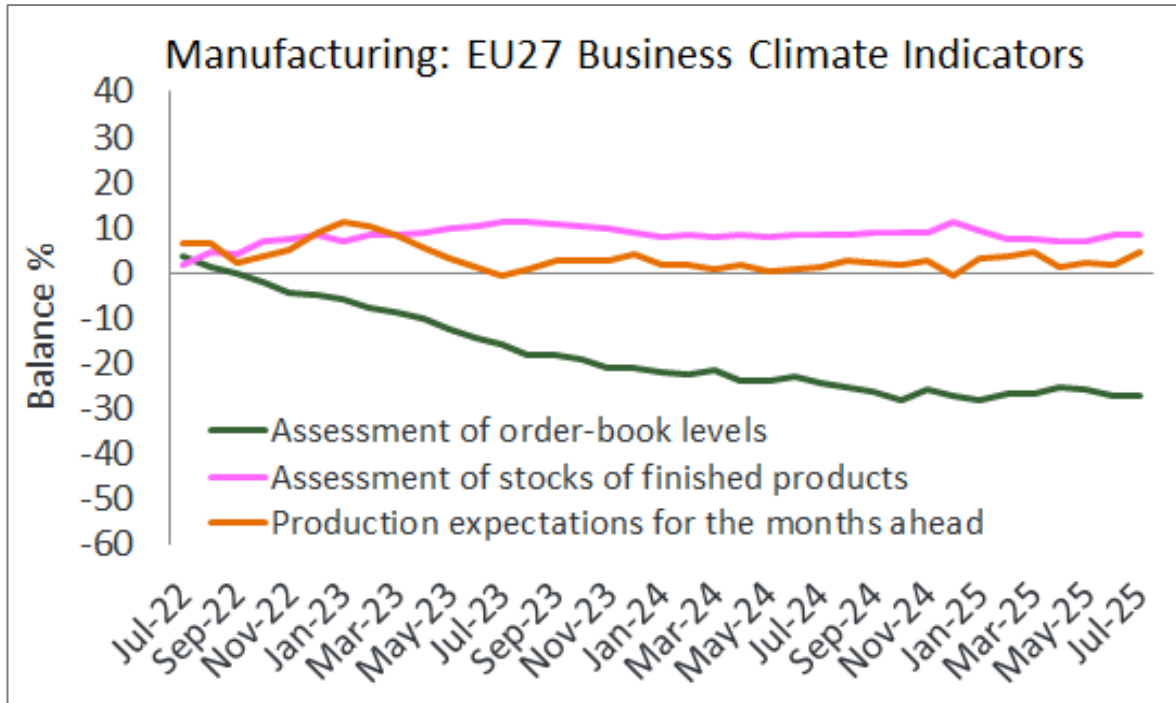


2 September 2025

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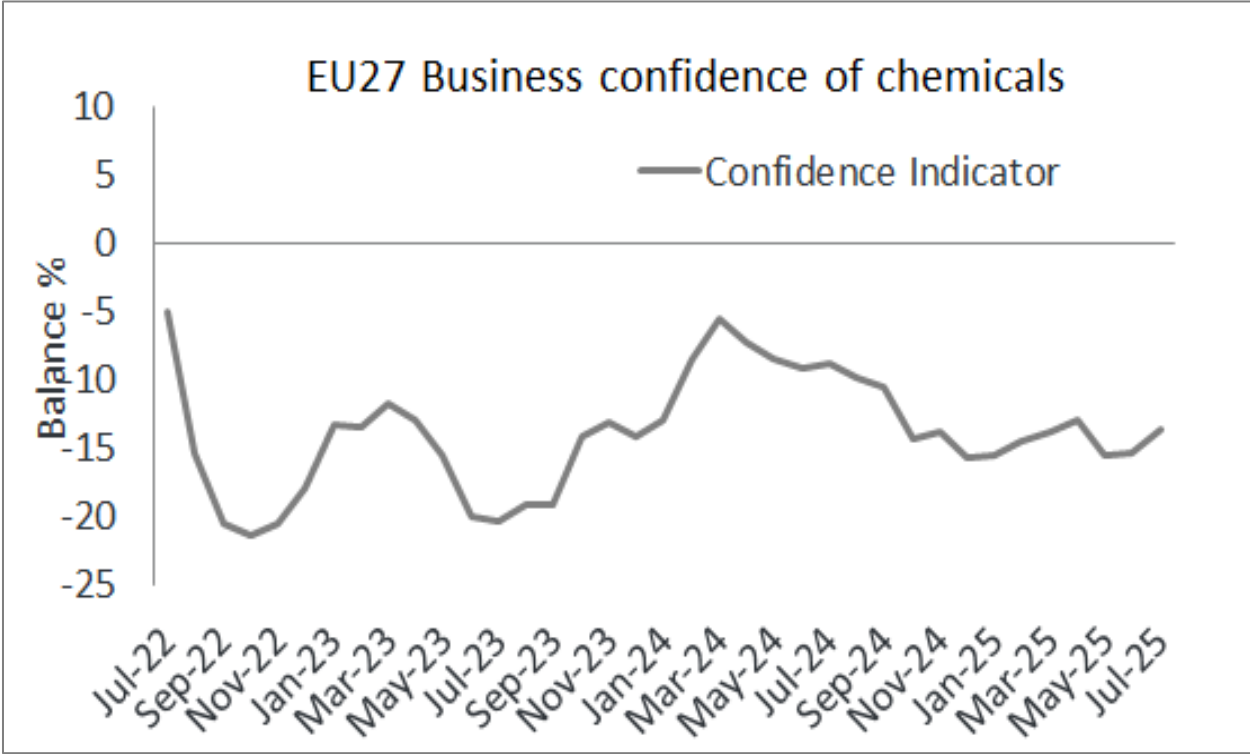
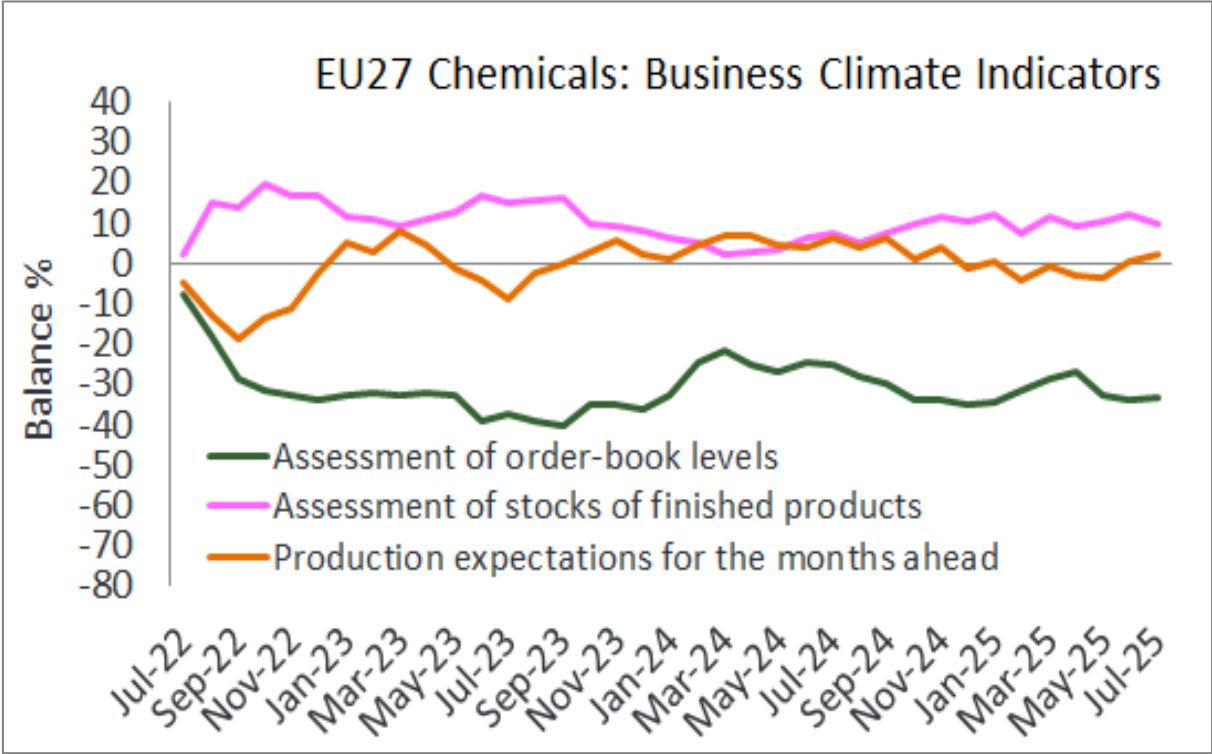


EU27 industry confidence slightly picked up in July



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.

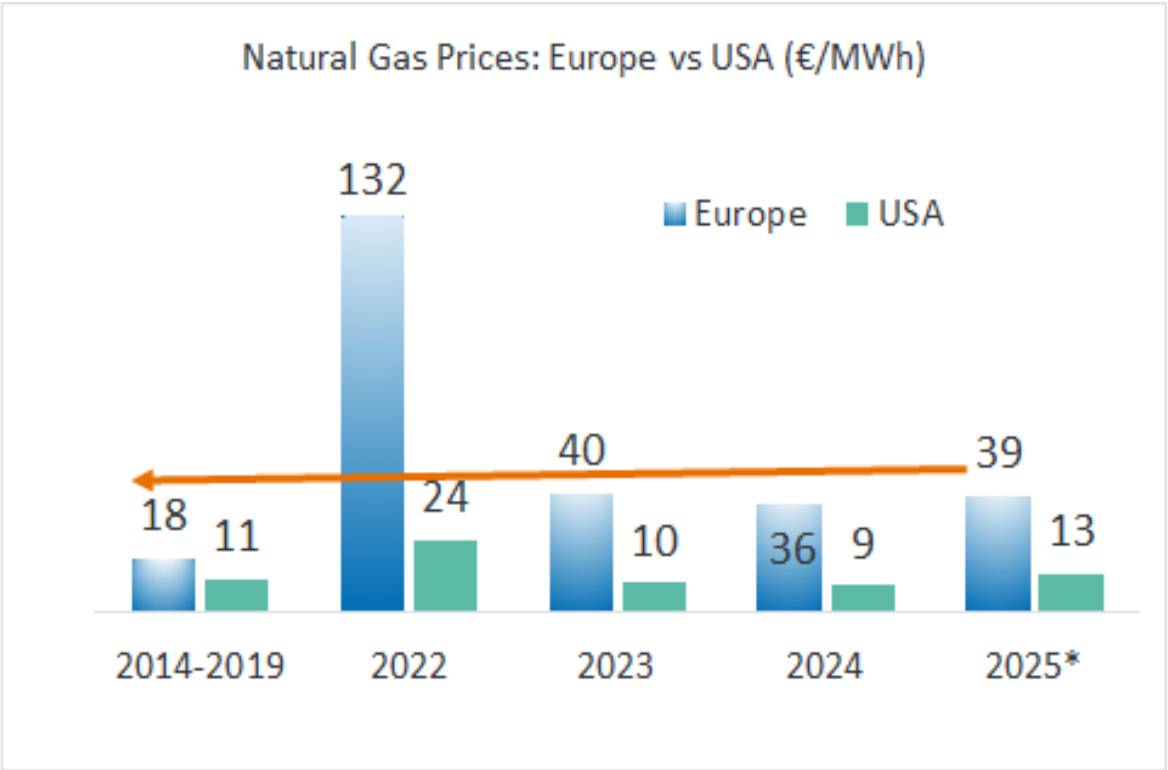
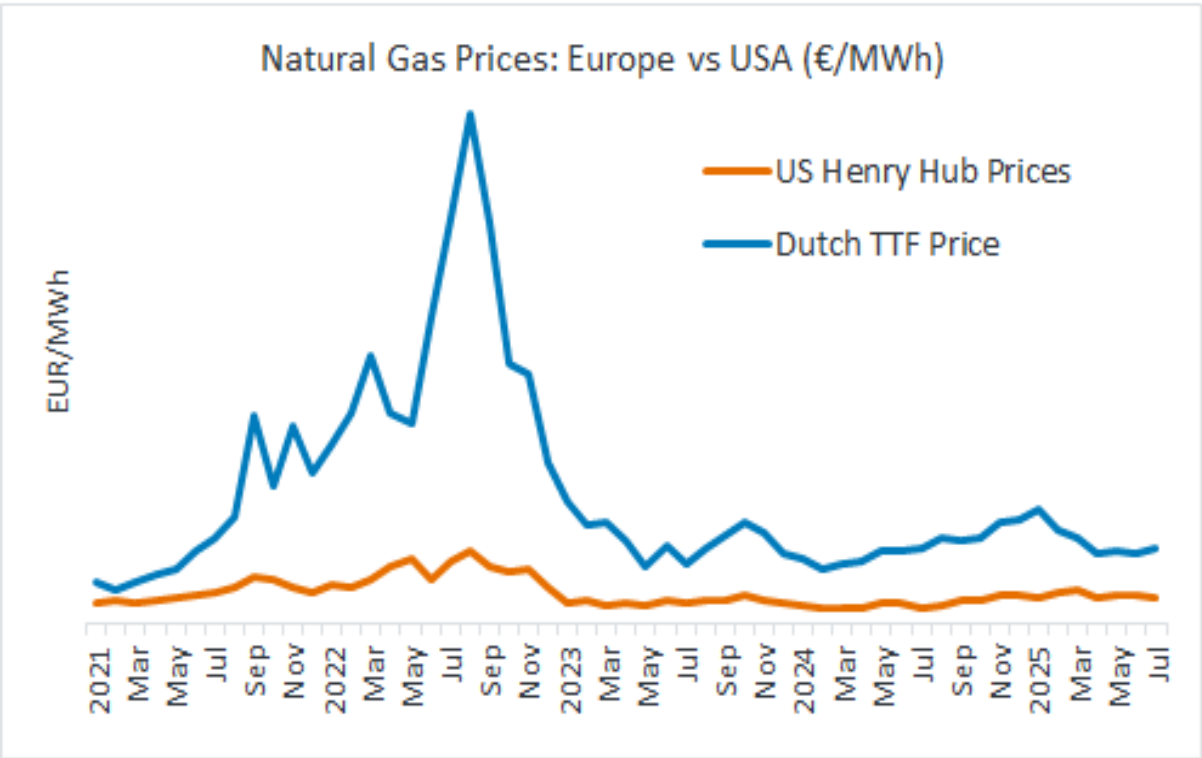
EU27 chemical confidence slightly rebounds in July, amid mixed national trends



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.

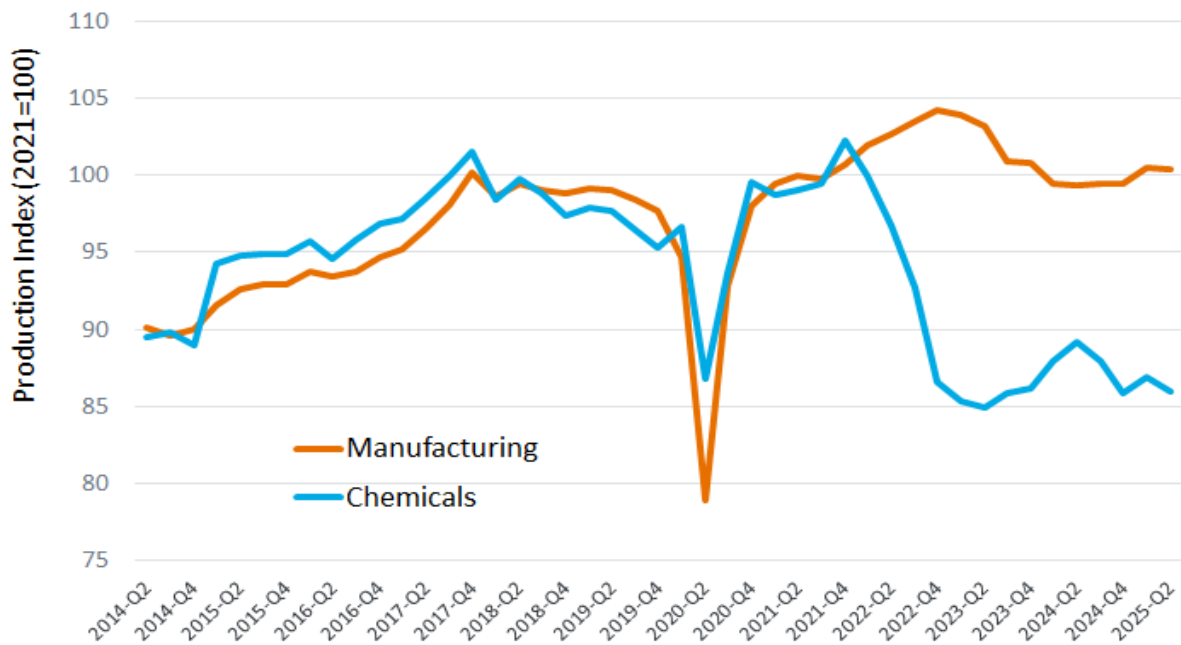
European gas prices remain above the pre-crisis levels

Gas prices in Europe in 2025 (Jan-July): 2.1 times higher than pre-crisis levels (2014-2019)



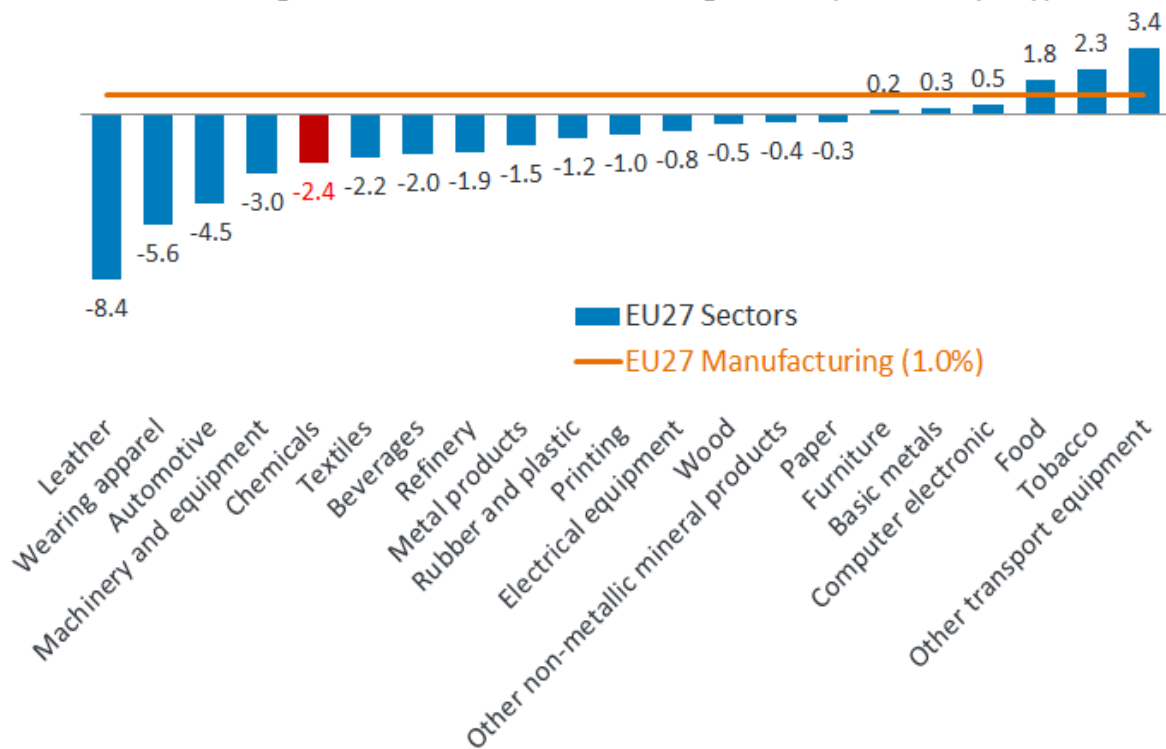
EU27 chemical industry lacks a strong domestic demand

EU27 Production Trend: Chemicals Versus Manufacturing



Source: Eurostat and Cefic Analysis 2025

Production growth for EU27 manufacturing sectors (2025-H1, y-o-y)



■ EU27 Sectors

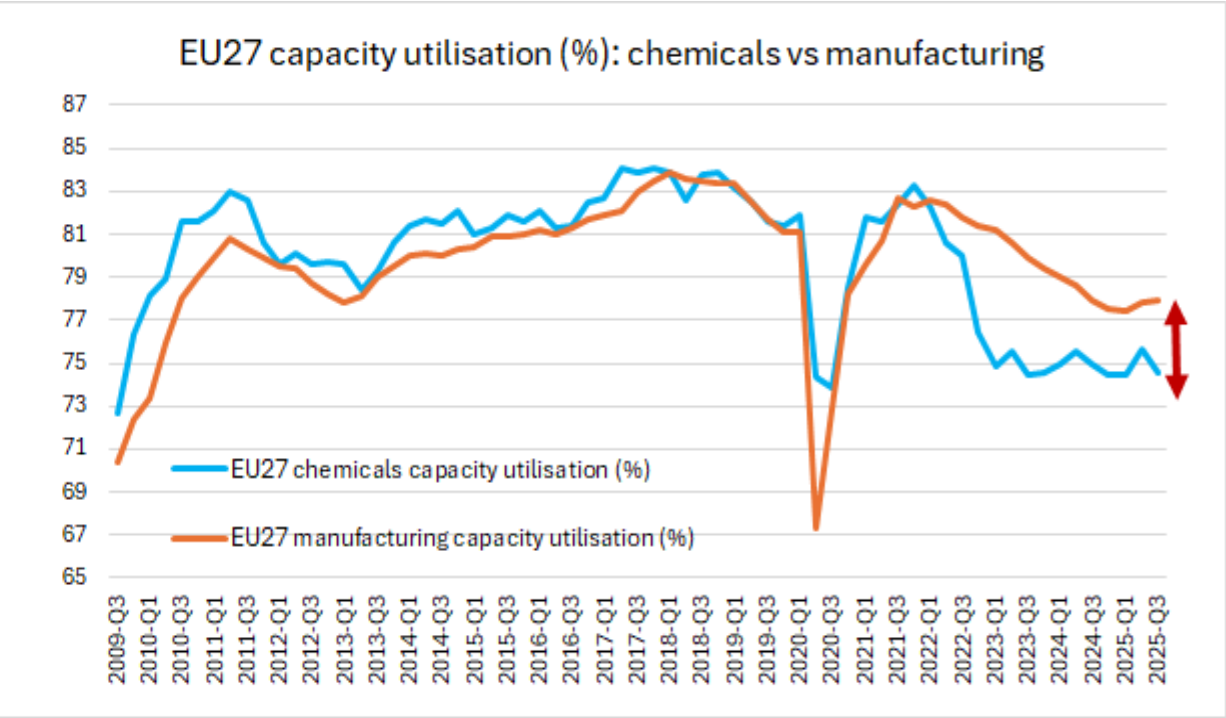
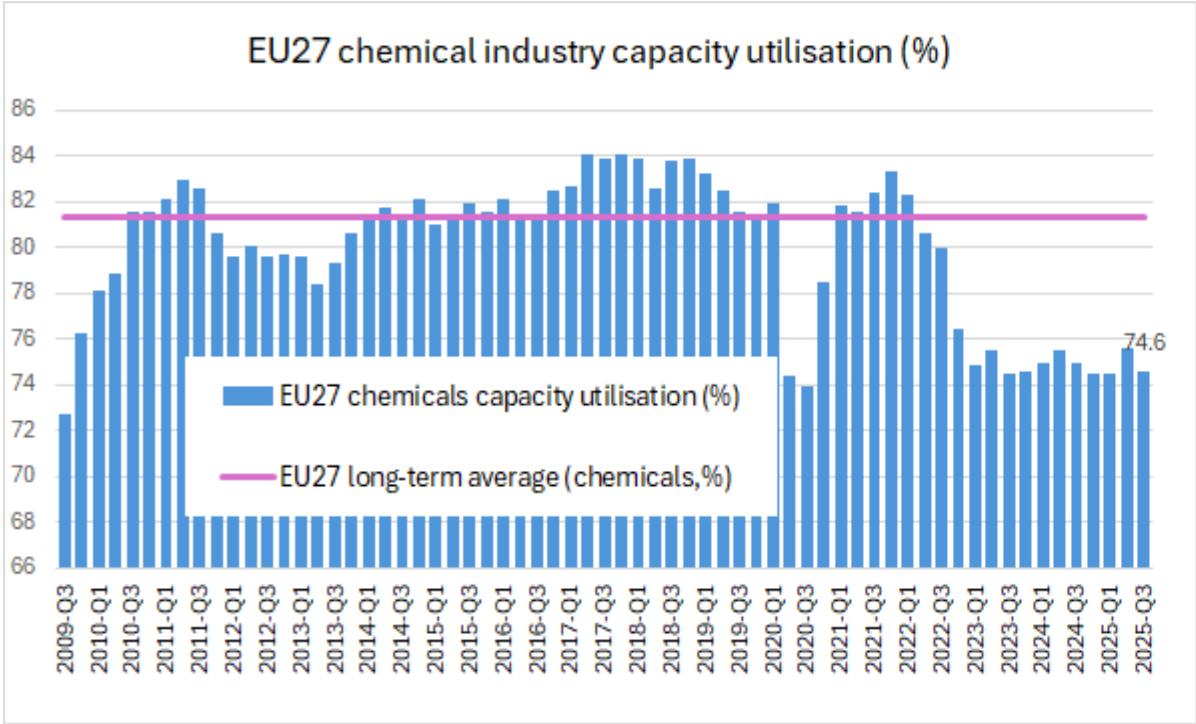
— EU27 Manufacturing (1.0%)



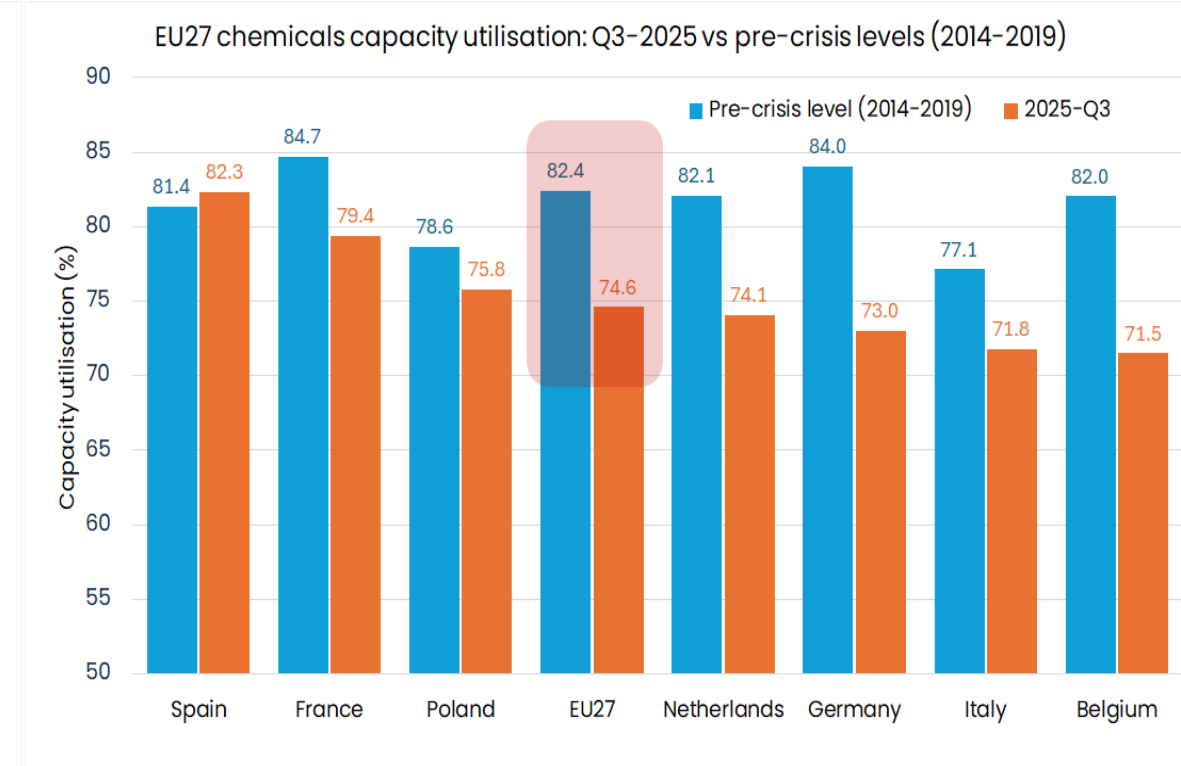
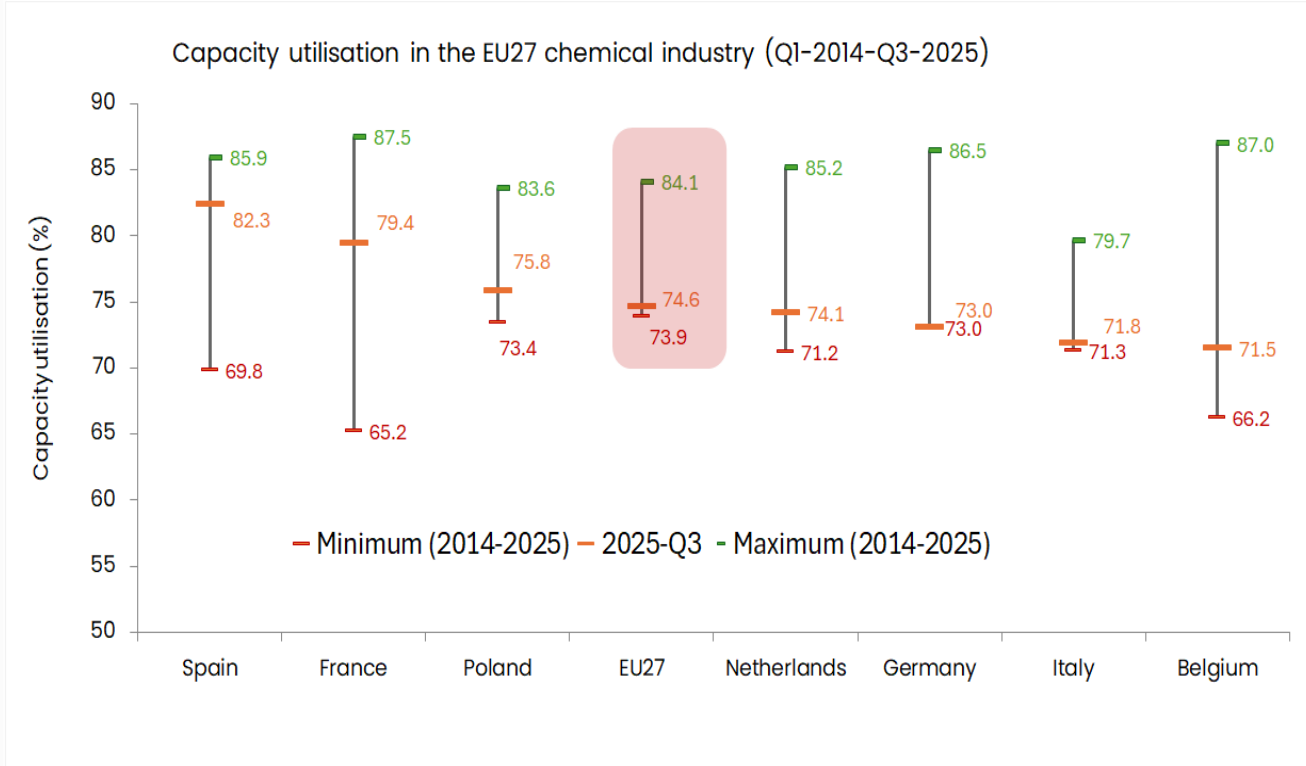
EU27 chemicals capacity utilisation remains steadily low (74.6%)

EU27 chemicals capacity utilisation slightly increased in Q3-2025

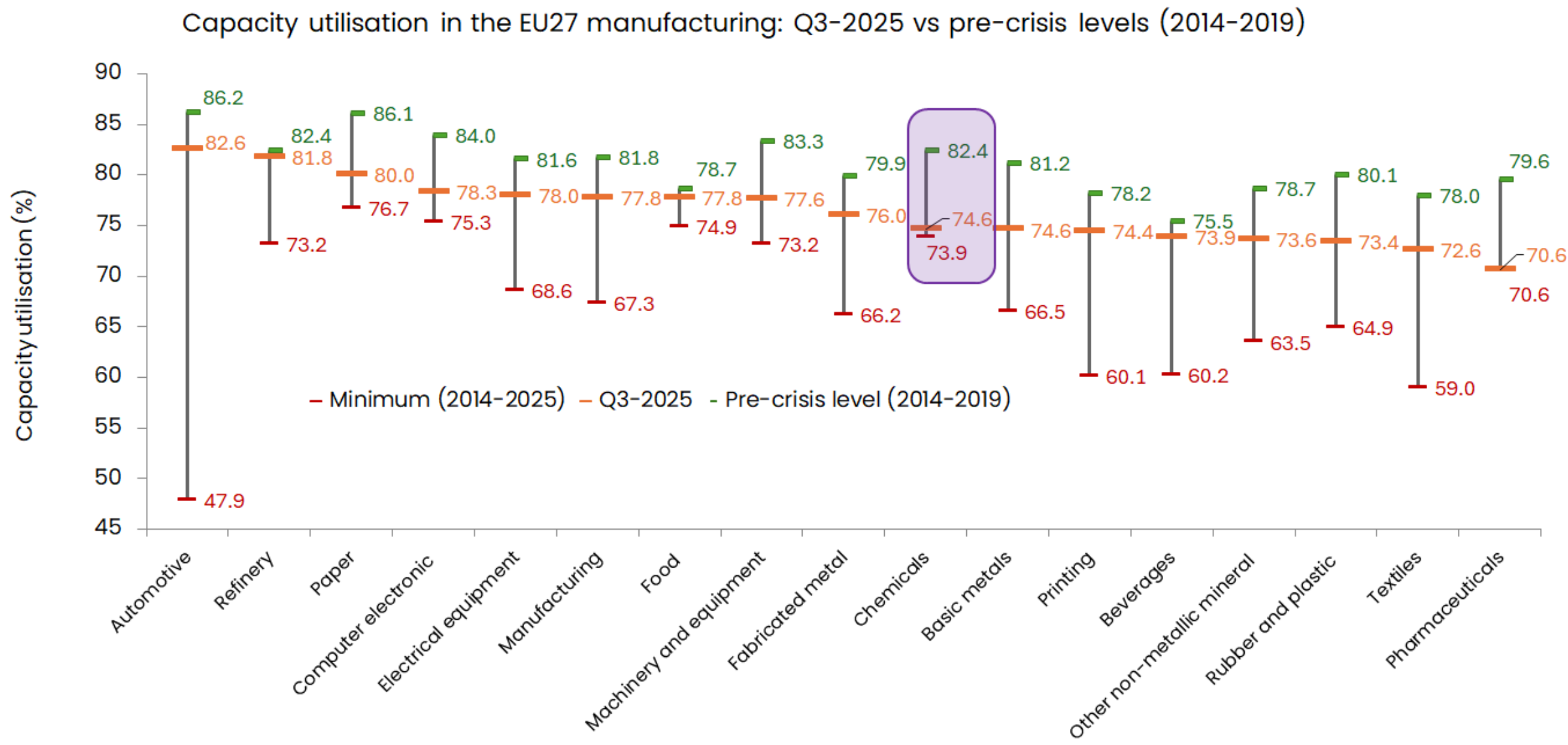
Chemicals capacity utilisation remains well below the manufacturing's levels



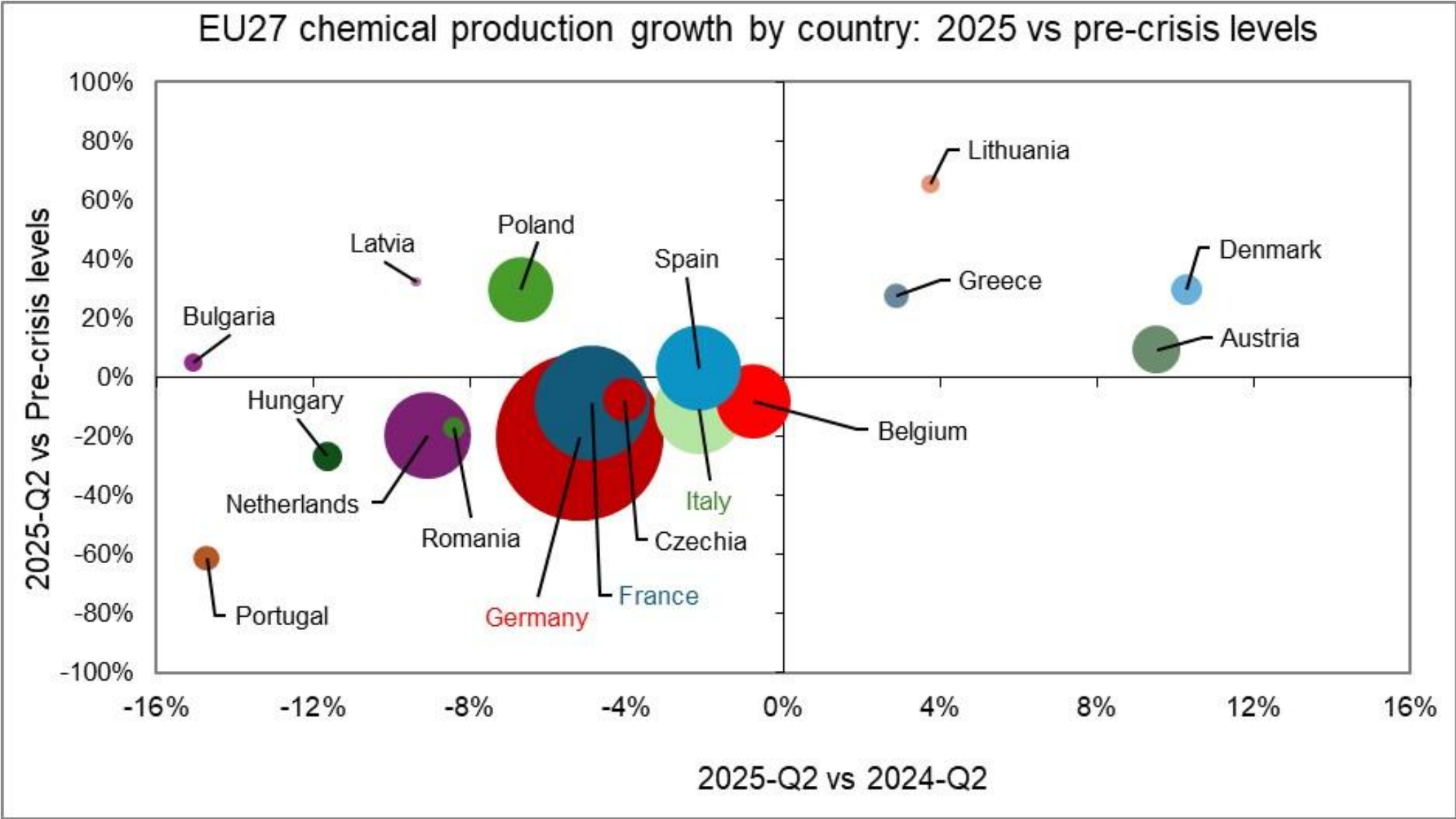
EU27 chemicals operating at 9.5% below pre-crisis capacity (2014–2019)



EU27 manufacturing capacity lags 4.9% behind pre-crisis levels

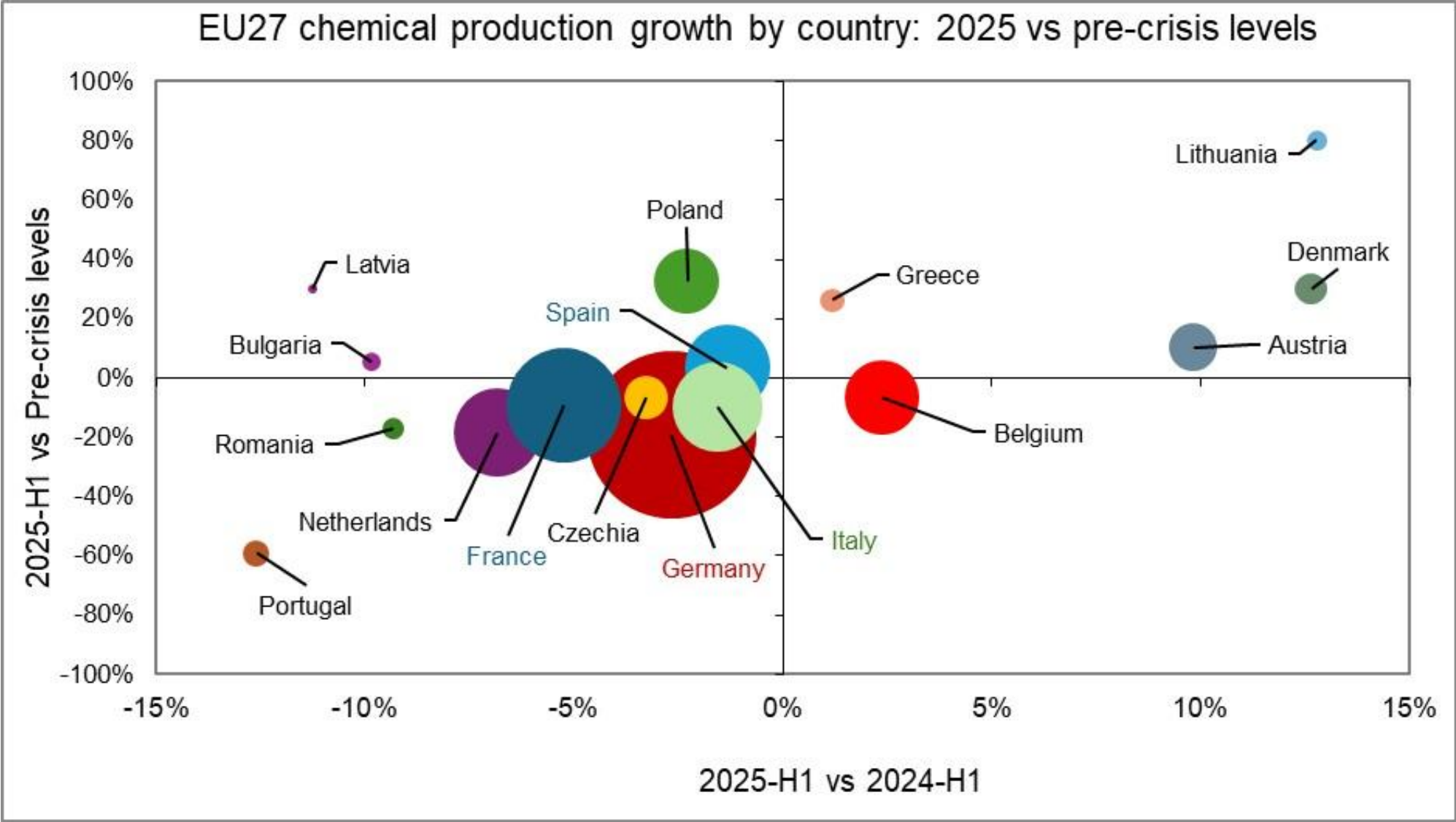


EU27 chemical production: Q2-2025: 11% below Q2-2024 results



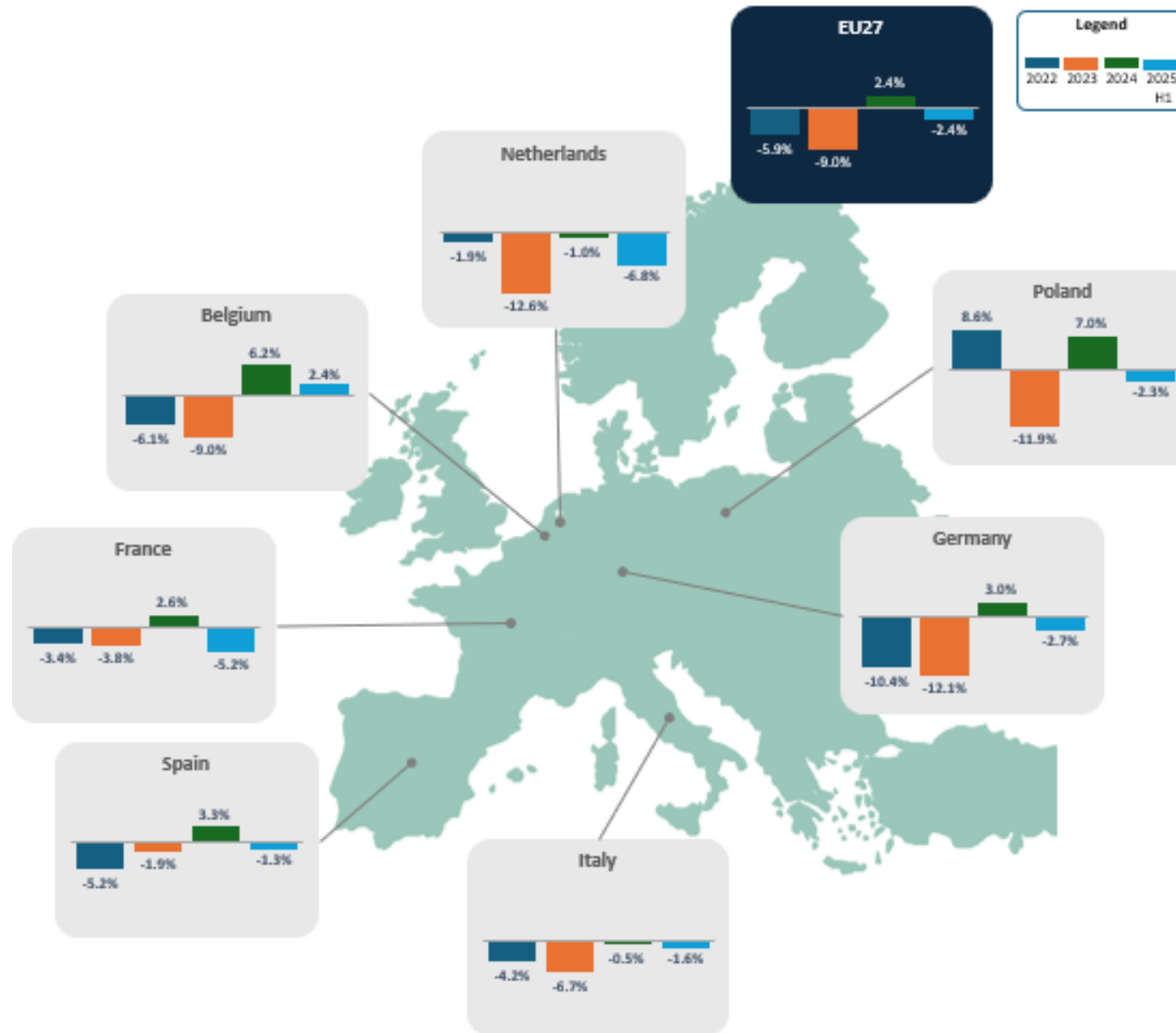
Source: Eurostat and Cefic Analysis 2025

EU27 chemical production H1-2025: 2.4% below H1-2024 results

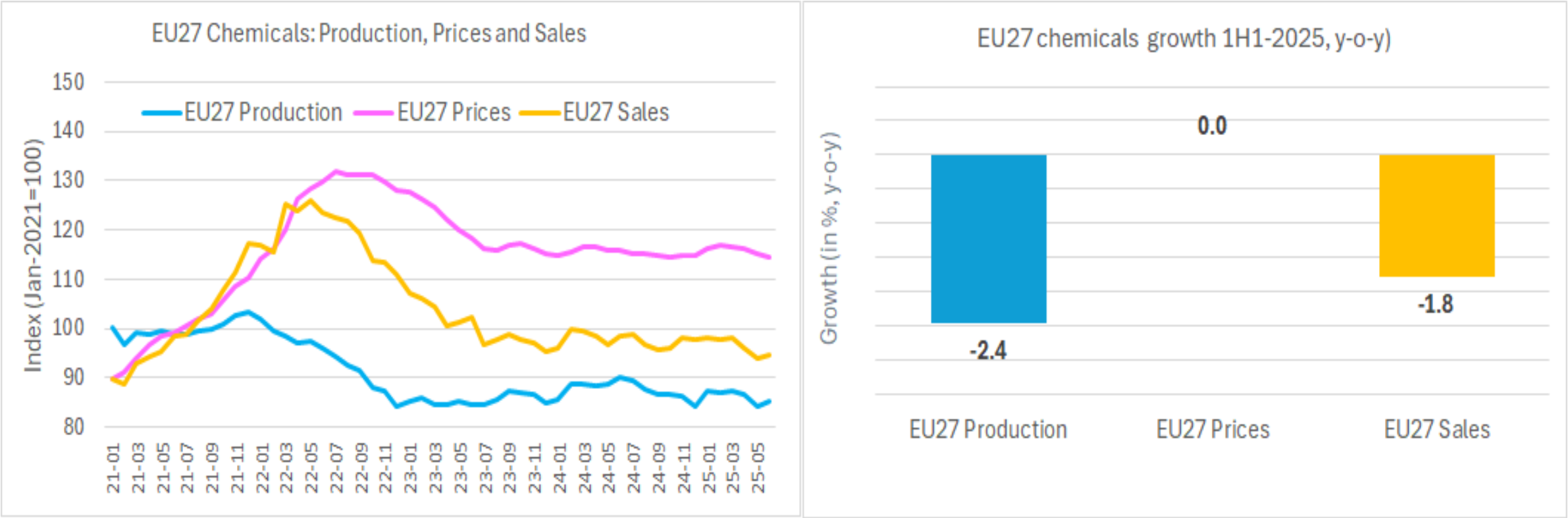


Source: Eurostat and Cefic Analysis 2025

EU27 chemical business: uneven developments across countries



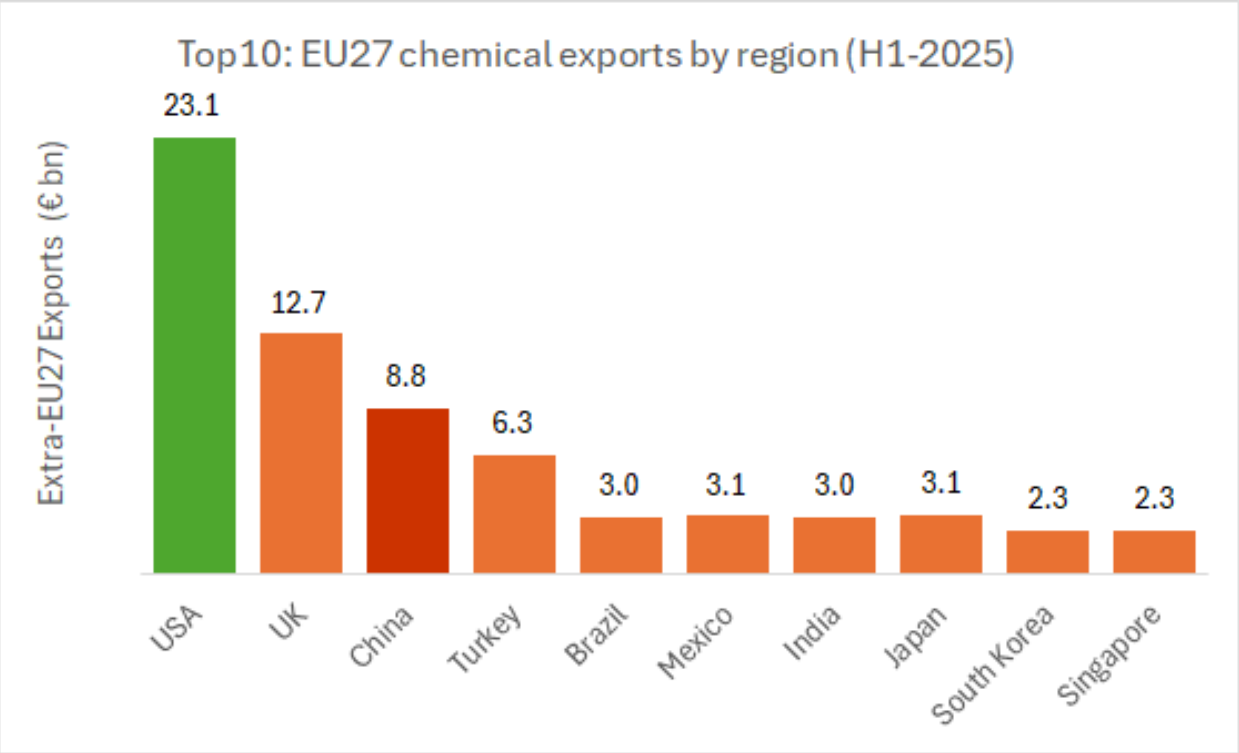
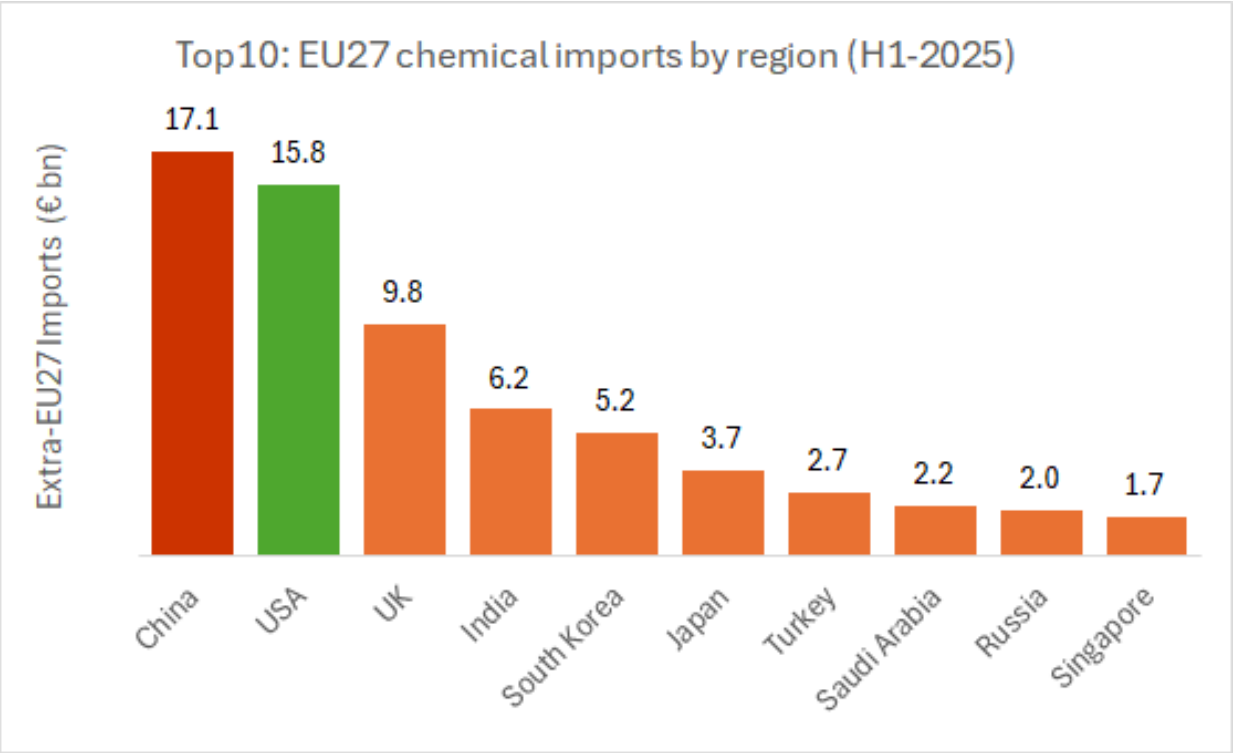
Weak demand continues to weigh on EU27 chemical production



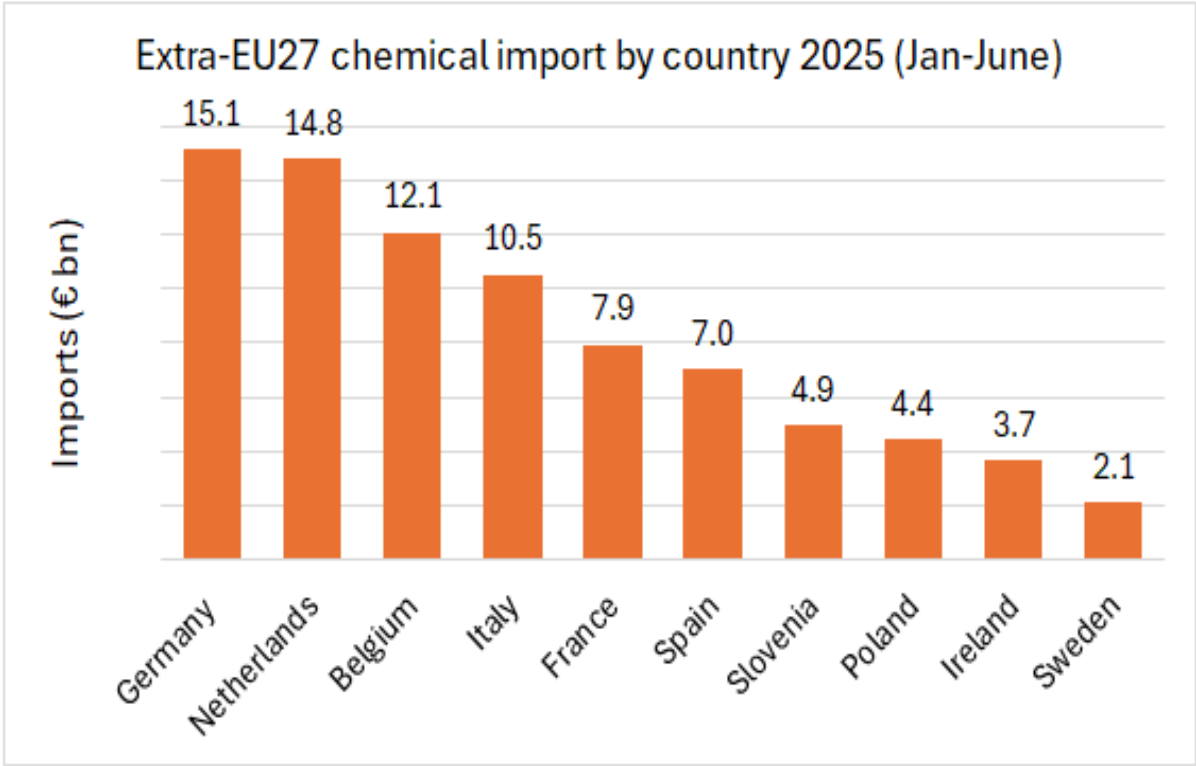
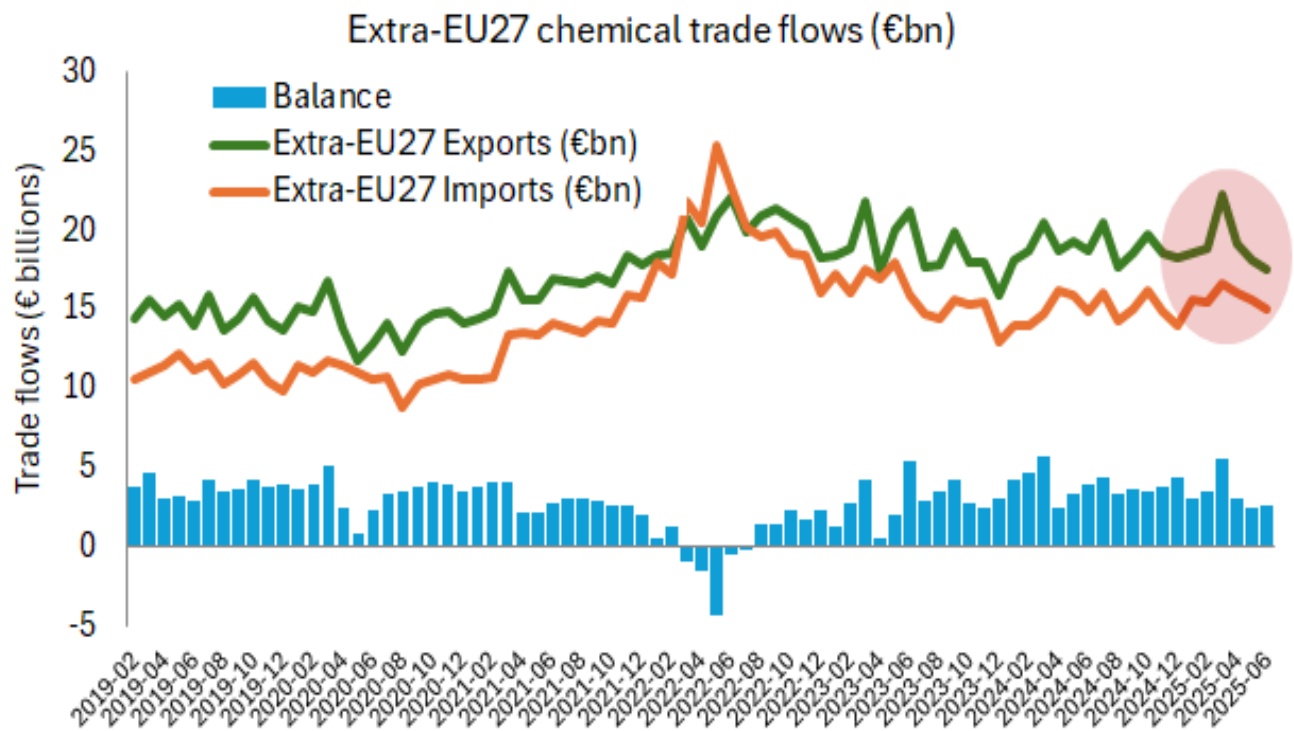
USA and China are the two main trading partners for EU27

China is the primary source of chemical imports into the EU27 area

USA is the leading export destination for chemical products from the EU27 region



EU27 chemical trade surplus 2025*: 17% below 2024 results

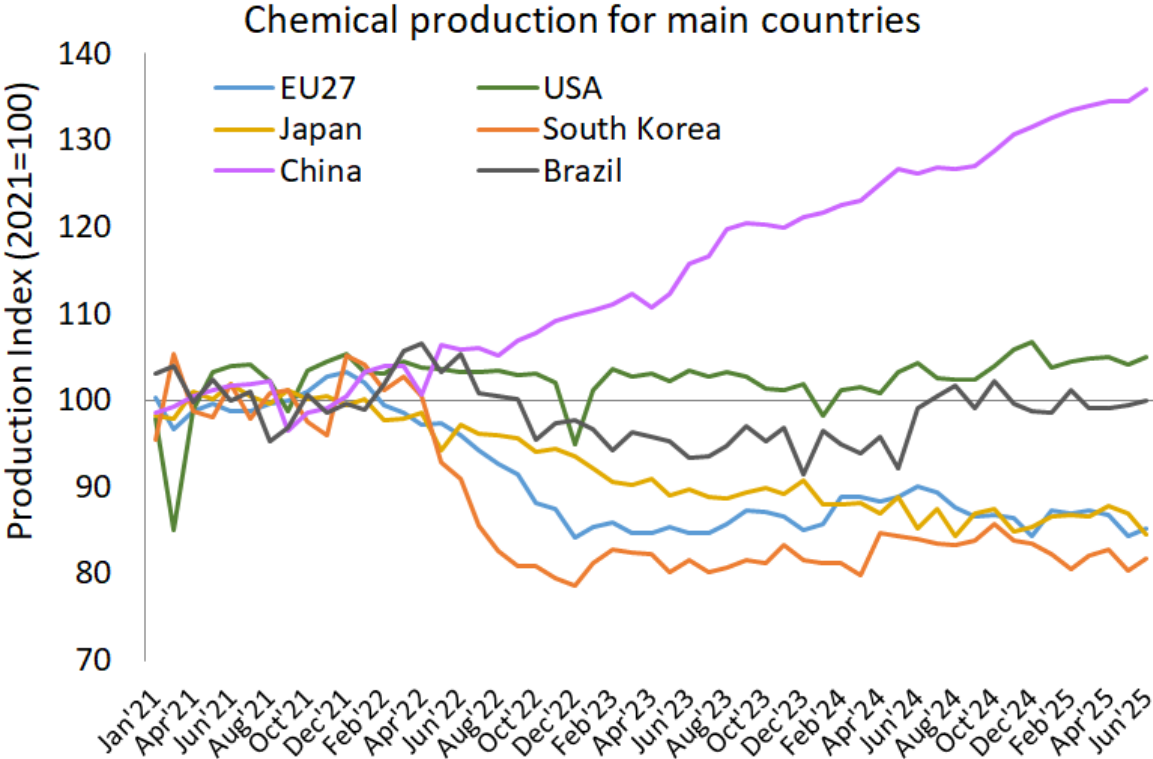


Source: Eurostat and Cefic Analysis 2025, *exports - imports, (Jan-June €bn), Nace 20 only

Global chemical production 2025 (Jan-June): 4.2% above 2024 results

Global Chemicals production growth (y-o-y)

	2021	2022	2023	2024	2025 (Jan-June)
EU27	6.0	-5.9	-9.0	2.4	-2.4
Germany	5.7	-10.4	-12.1	3.0	-2.7
USA	4.2	2.6	-0.2	0.3	2.6
Brazil	3.6	1.1	-6.0	3.0	4.3
China	8.6	5.7	9.6	9.1	7.9
Japan	5.3	-3.7	-6.6	-3.5	-1.1
South Korea	8.4	-10.0	-9.4	2.0	-1.2
India	8.5	4.5	-0.5	1.4	-1.0
World	6.8	1.5	2.0	4.8	4.2



EU27 chemical business: Disappointing first half of 2025

- The competitiveness of the European chemical sector remains well below pre-crisis levels (2014-2019 average) driven by weak demand and uncompetitive energy prices. This is particularly an issue for commodity products and petrochemicals, where China holds a competitive edge due to large-scale production and low production costs.
- Compared to the USA, European gas prices were three times higher during January-July 2025, keeping European producers at a competitive disadvantage. Since March 2022, the EU27 chemicals business environment has been facing a limited demand and declining business confidence, intensified by geopolitical uncertainty.
- At 74.6% capacity utilisation in the EU27 chemical sector remains a key concern. It has consistently stayed below the EU's long-term average and the US average since Q3 2022, reflecting ongoing challenges from weak demand and declining business confidence.
- Trade dynamics further illustrate the strain. The EU27 chemicals trade surplus fell to €20.1 bn in 2025 (January-June), down 17% from €24.4 bn in 2024, largely due to increased import rates.
- Recovery prospects remain uncertain. Demand increase is expected to be limited due to weak economic conditions in Germany and the USA. The business trade environment in which European chemical companies are operating is exposed to high risks from global trade disruptions, including US tariffs. As a result, EU27 chemicals output is projected to decline in 2025, reversing the 2.4% growth seen in 2024.

