

Cefic Chemical Trends Report - Q1 2025

EU27 Chemical Industry: latest developments

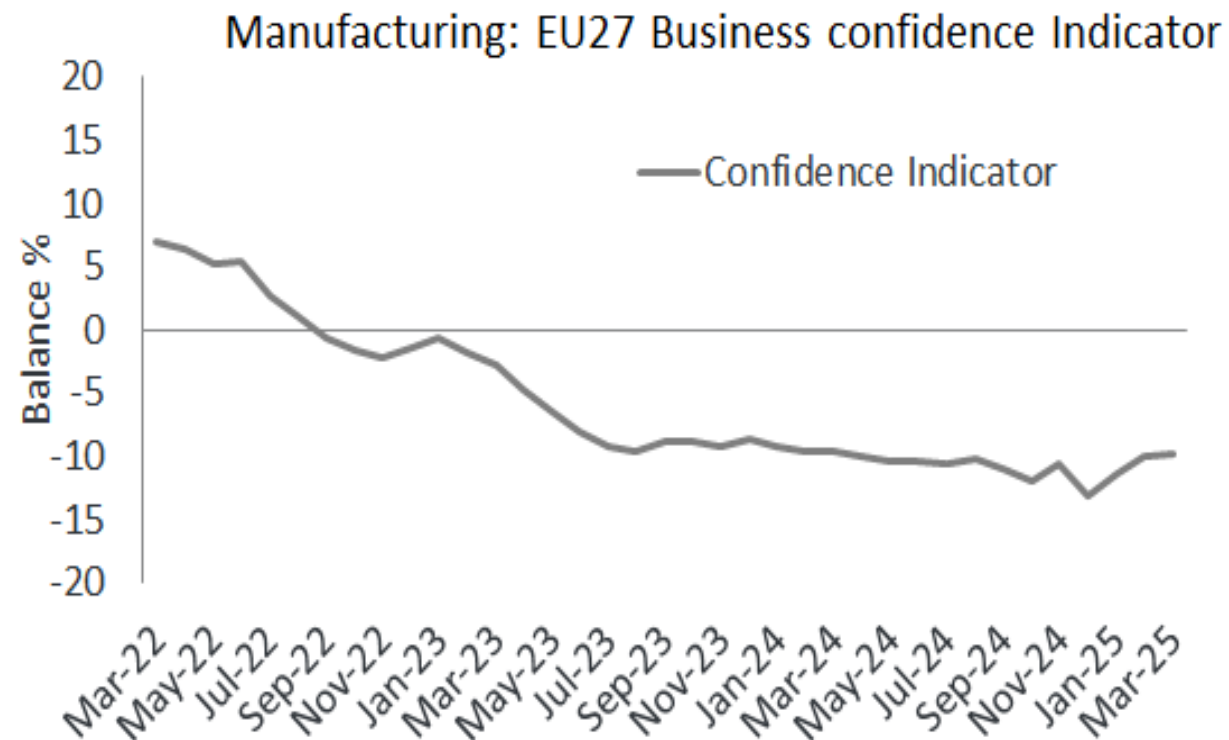
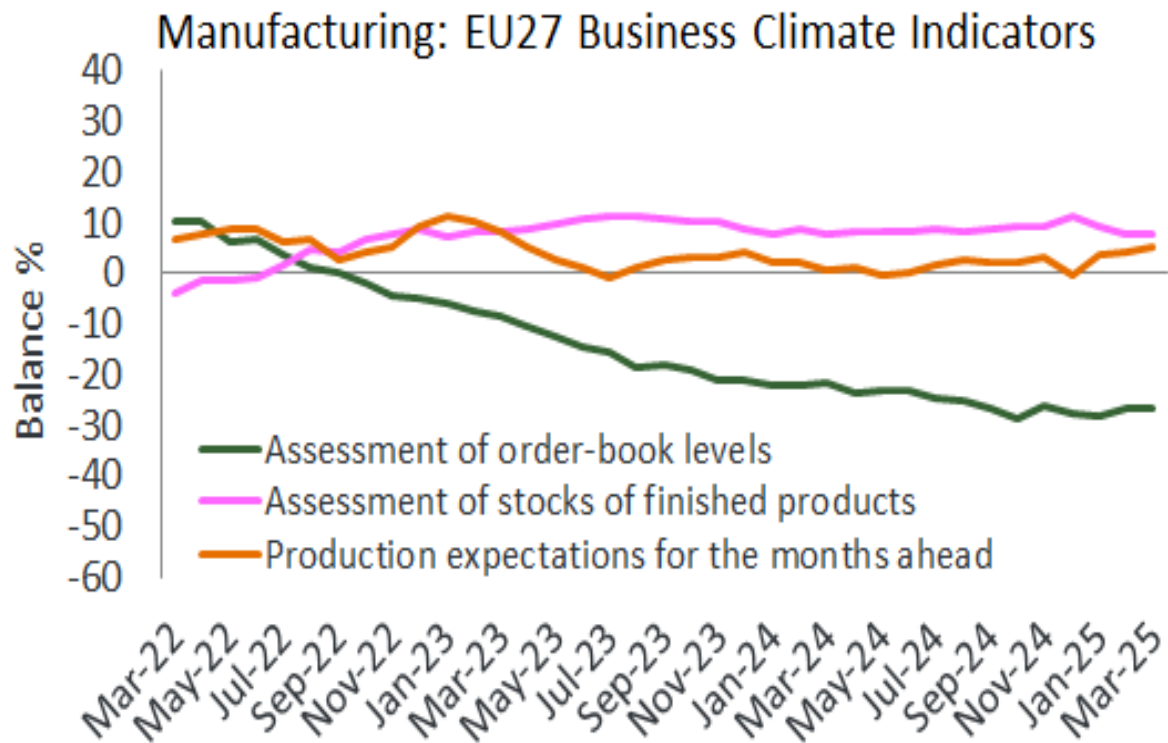


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Dr Moncef Hadhri
Economic Affairs
mha@cefic.be



EU27 manufacturing confidence remained broadly stable

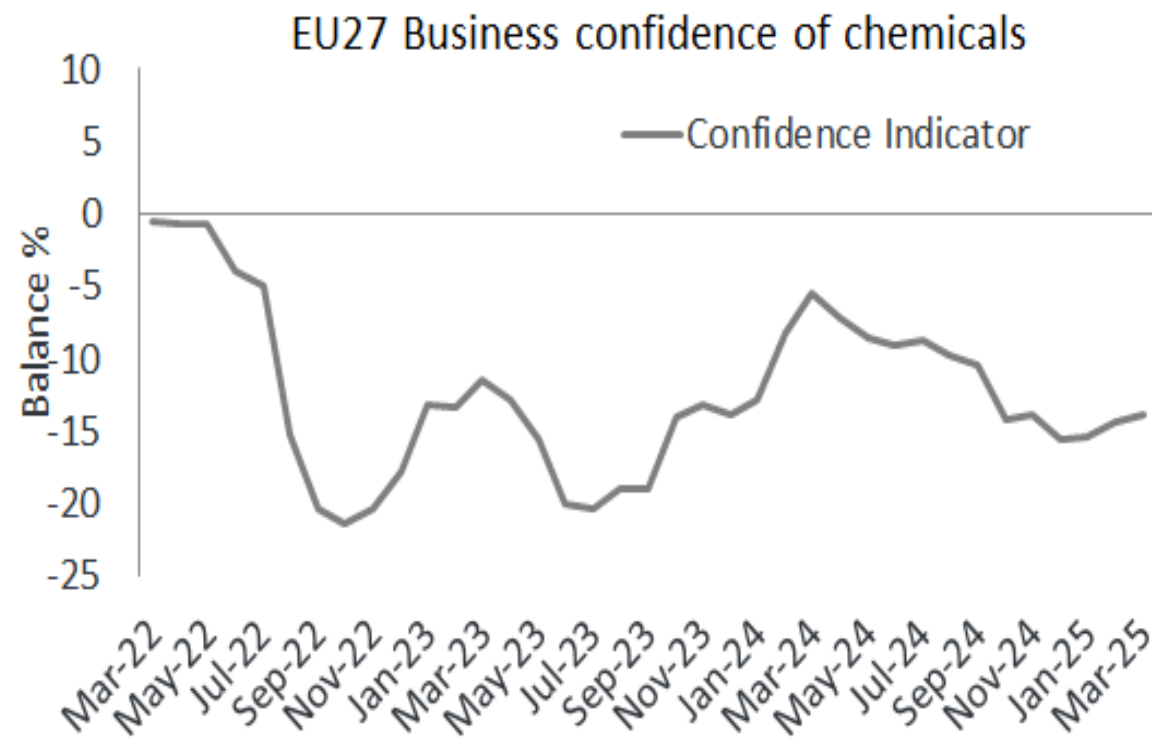
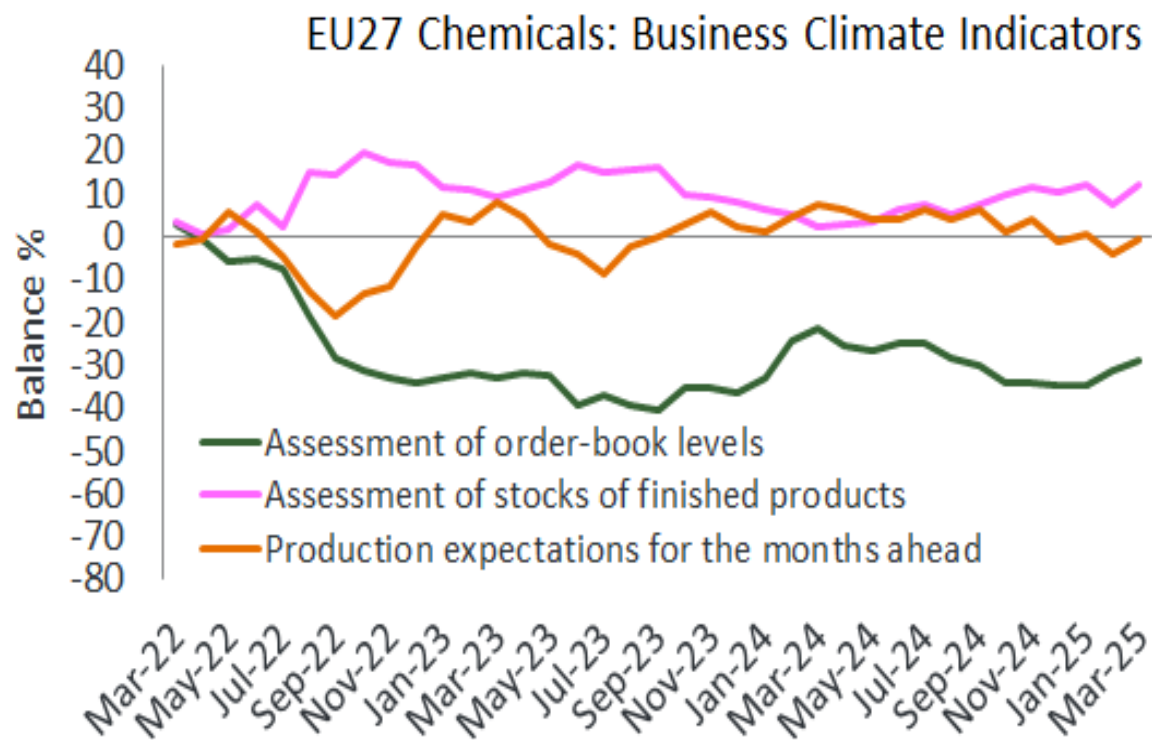


Industry confidence remains far below the pre-crisis levels. Managers' assessment of the current level of overall order books remains low. No sign of improvement has been observed on the demand side since January 2022.



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 climate remains weak



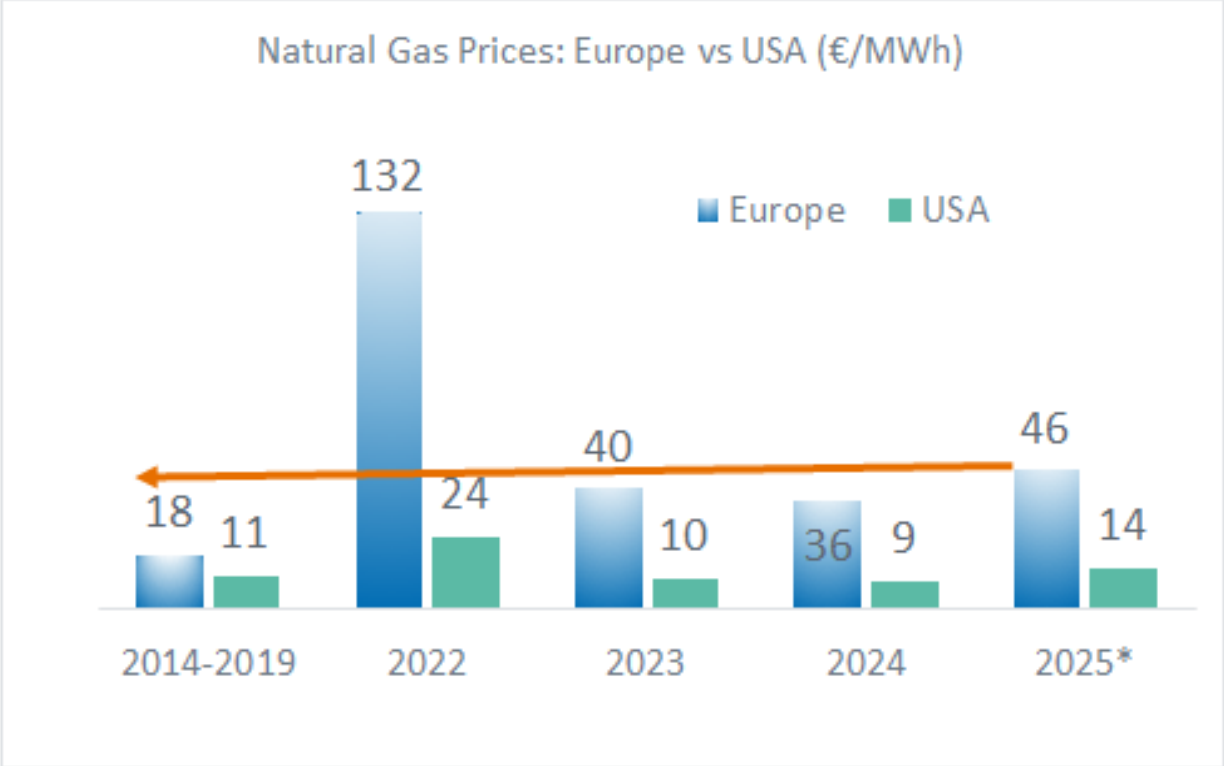
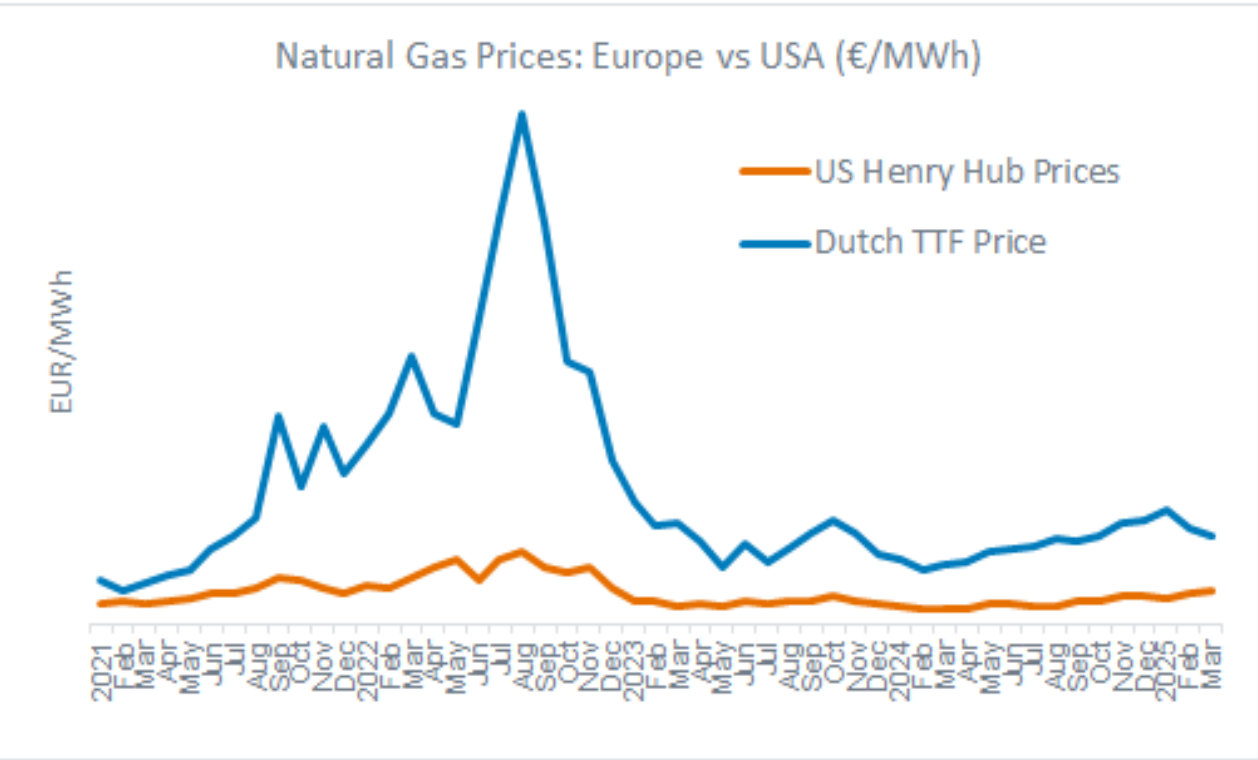
Managers' opinion on the current level of overall order books continued to improve since Dec-2024 but is still too low compared to the pre-crisis levels. The EU27 chemicals business environment has been facing a limited demand since March 2022.



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.*Nace 20.

European gas prices remain far above the pre-crisis levels

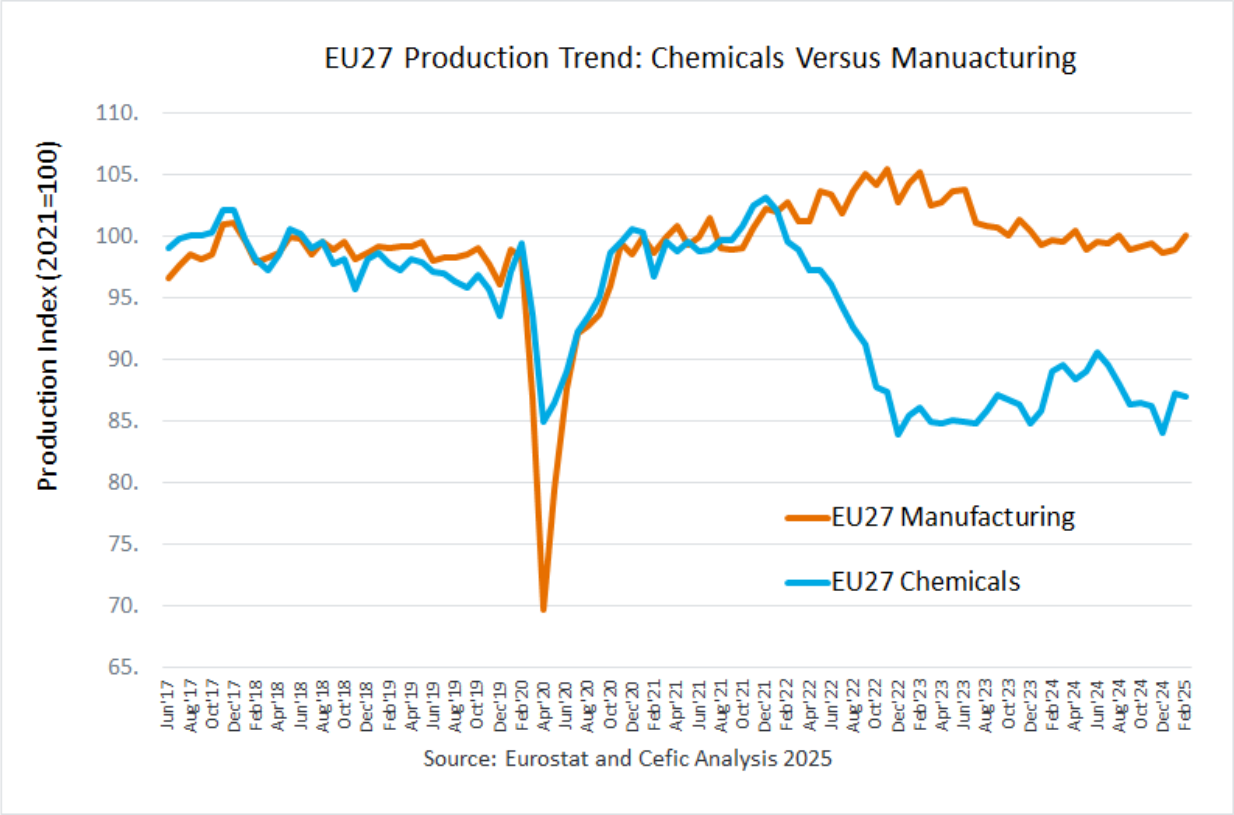
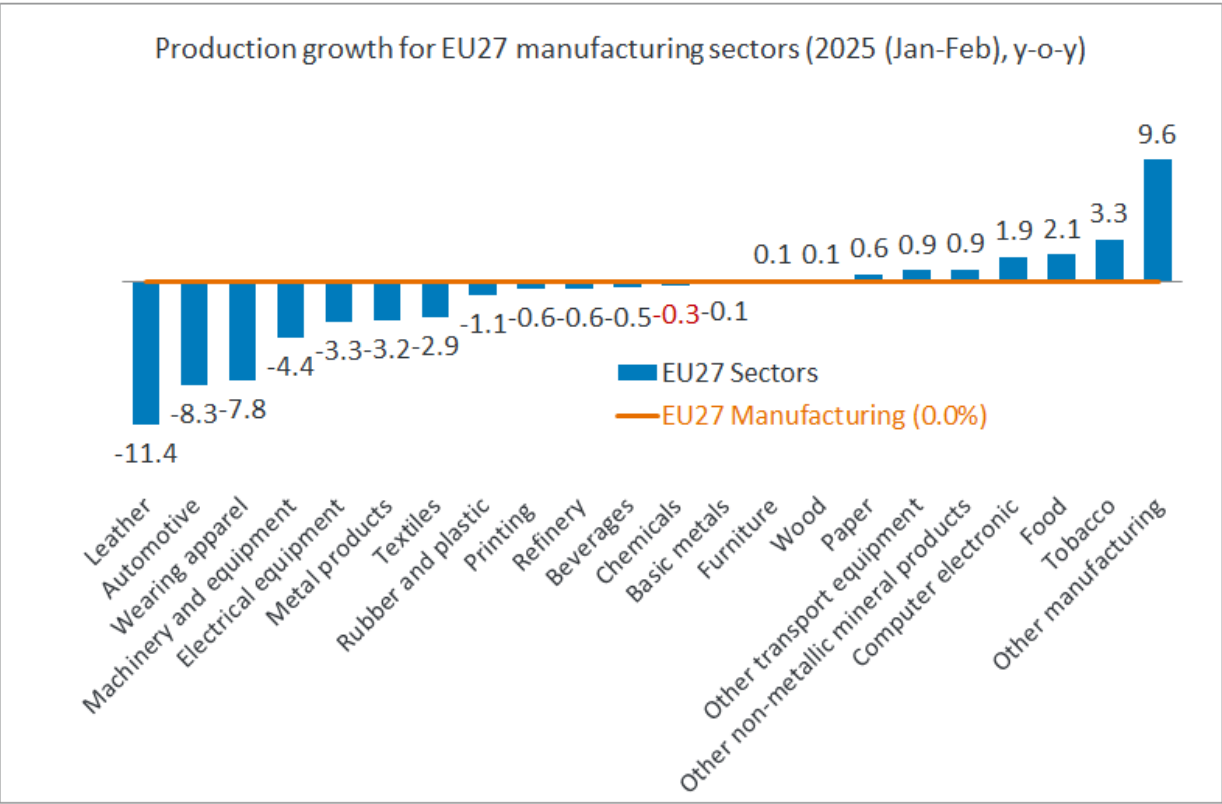
Gas prices in Europe in 2025 (Jan-Mar): 2.5 times higher than pre-crisis levels (2014-2019)



Compared to the USA, the gas price in Europe (Jan-Mar 2025) is 3.3 times higher, leaving Europe at a competitive disadvantage.



EU27 chemical* industry lacks a strong domestic demand

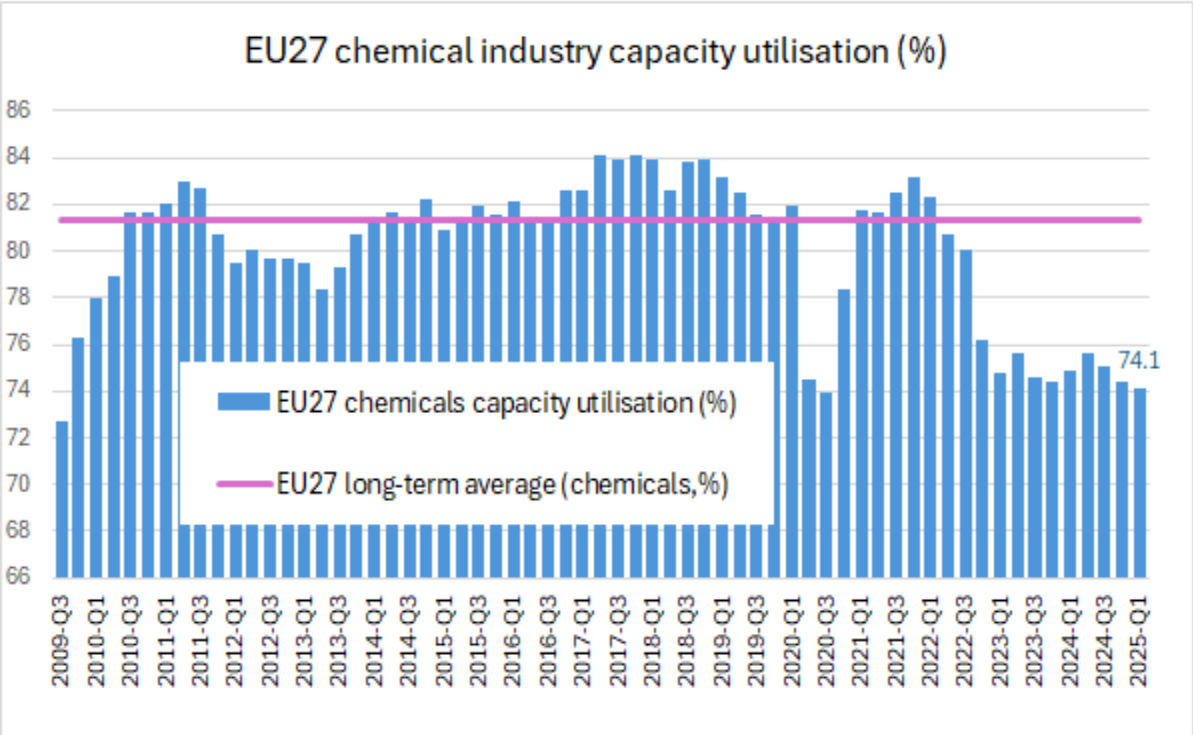


Output of the entire EU27 manufacturing sector was in 2025 (Jan-Feb) at the same level as in 2024. Most chemicals downstream users reported an output decline in 2025 versus 2024. Output of the EU7 chemical industry is 9.1% below the pre-crisis levels (2014-2019).

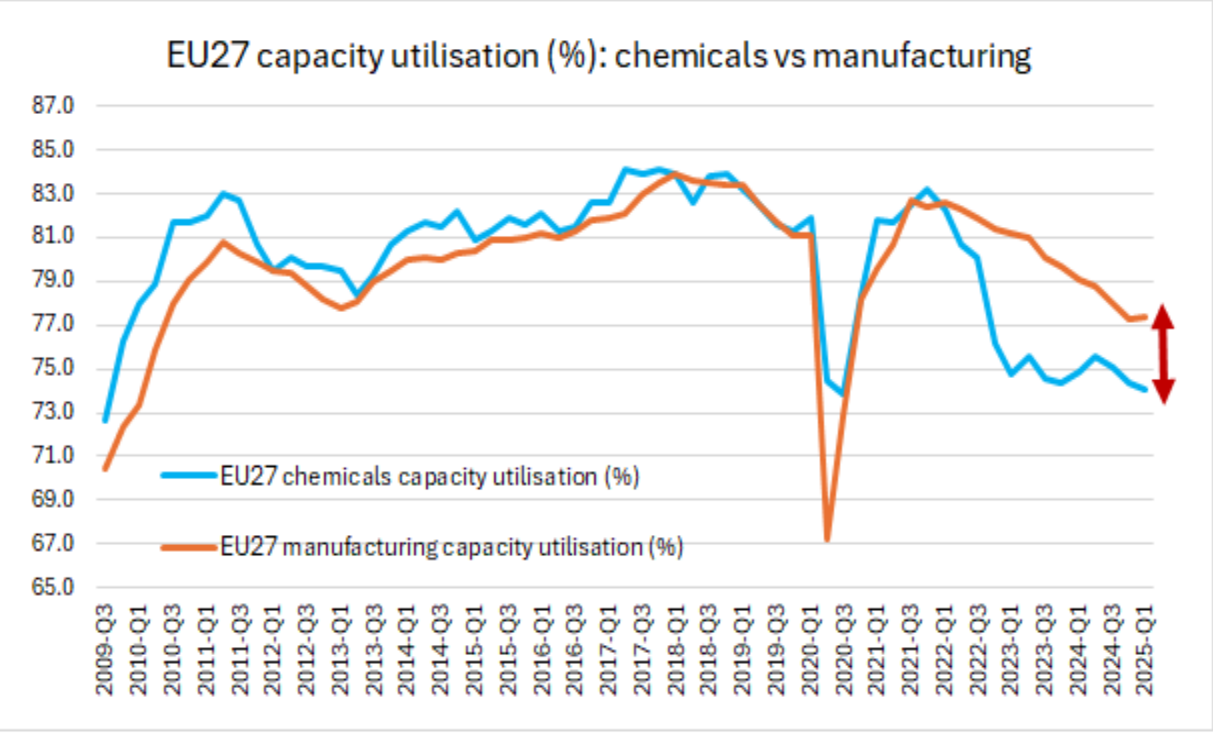


EU27 chemicals* capacity utilisation remains steadily low

EU27 chemicals capacity utilisation drops further in Q1-2025



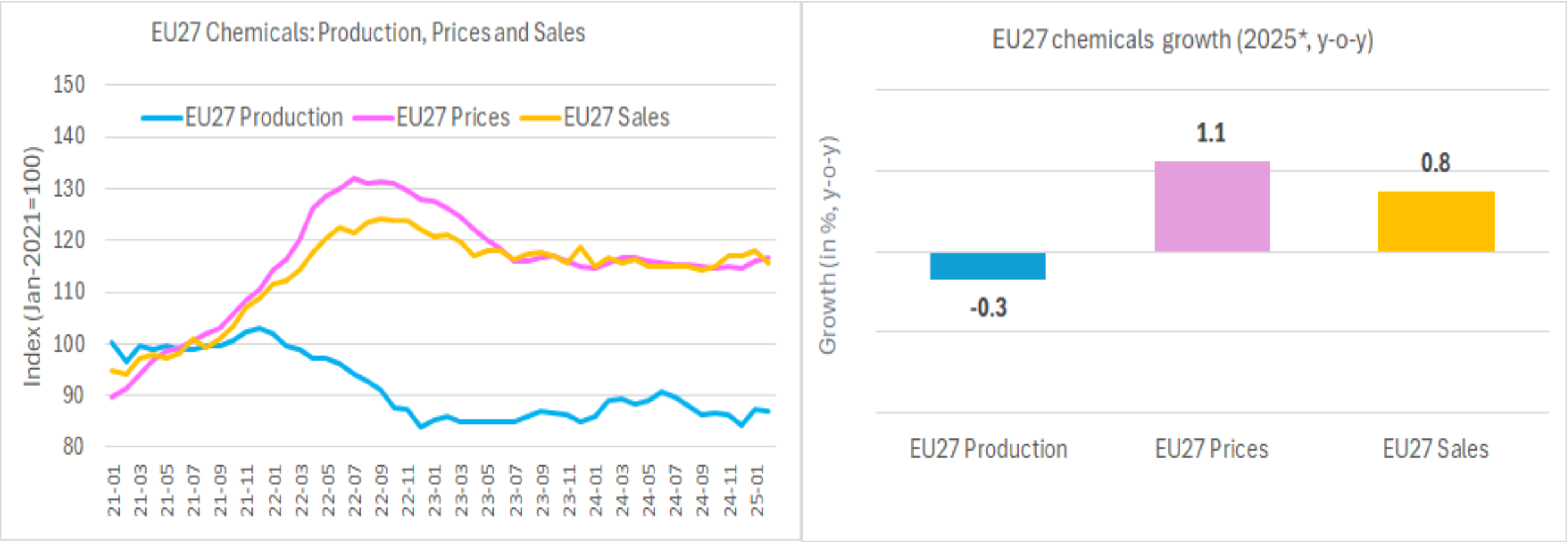
Chemicals capacity utilisation well below the manufacturing's levels



Capacity utilisation remains steadily low with direct impact on profitability.



Weak demand and high energy costs continue to weigh on EU27 chemicals* sales

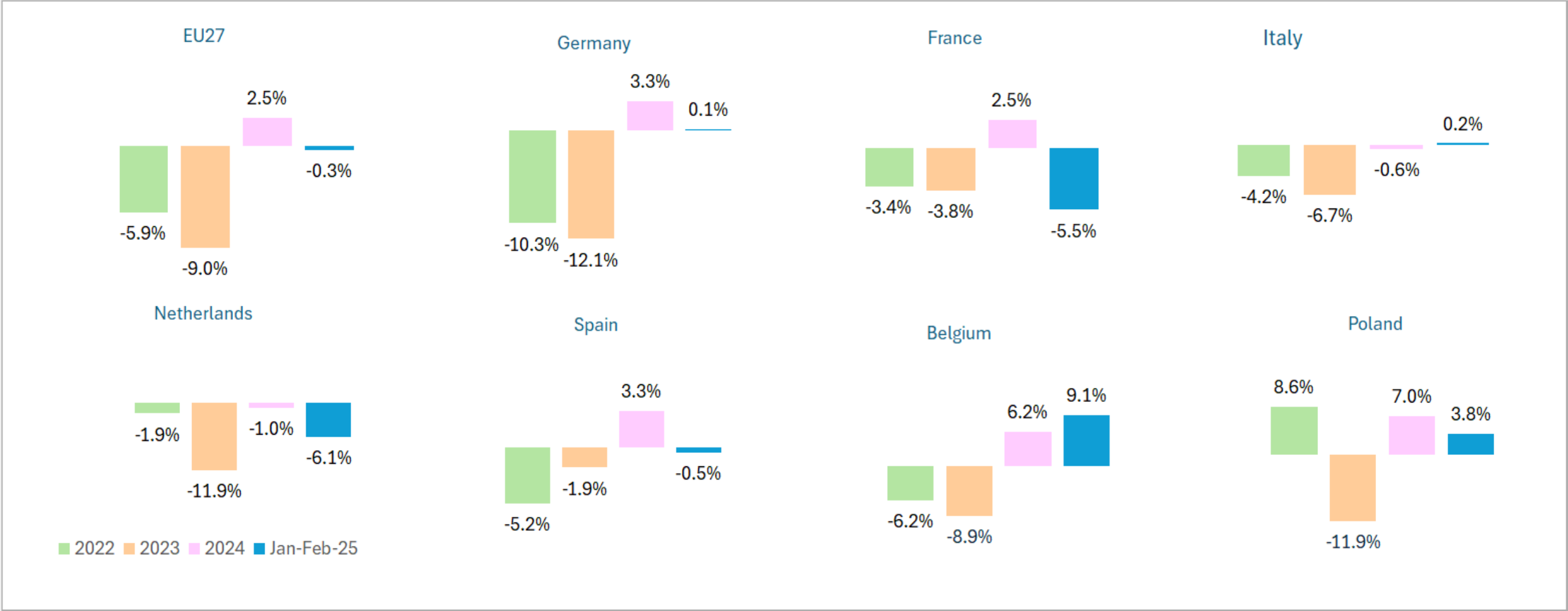


Given the lack in demand growth, the European chemical industry production volumes have still not completely recovered.



Source: Eurostat and Cefic Analysis 2025, *Nace 20

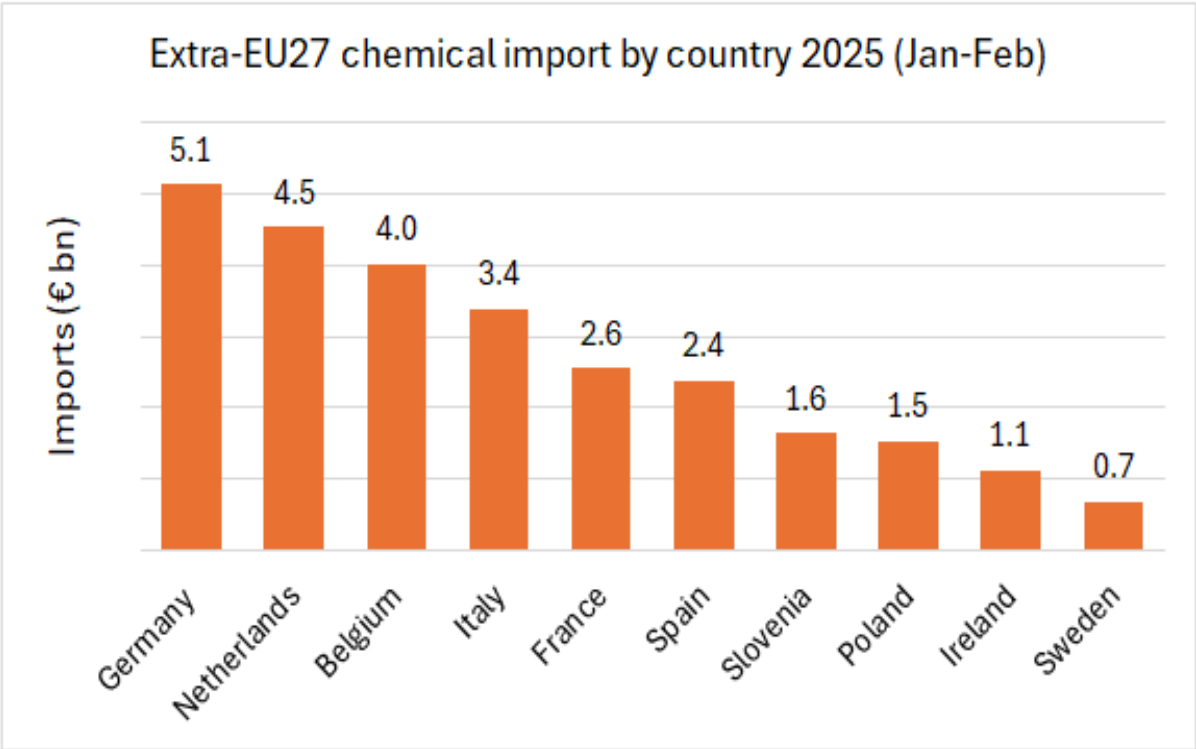
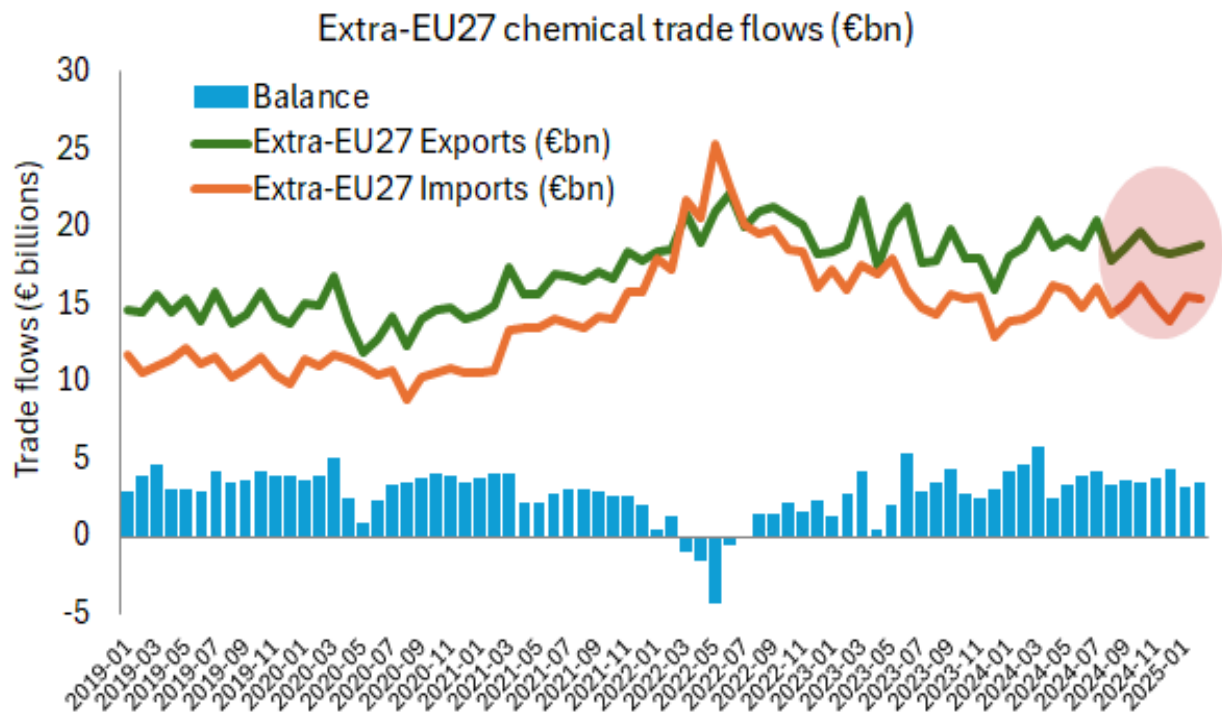
January to February 2025 : EU27 chemicals production* below 2024 levels



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



EU27 chemical trade surplus* in January to February 2025: 25% below 2024 results



euro bn	Exp	Imp	Balance	Trade
2024 (Jan-Feb)	36.8	28.0	8.8	65
2025 (Jan-Feb)	37.4	30.8	6.7	68
Delta	0.7	2.8	-2.2	3.5
2025/2024	1.8%	10.2%	-25%	5.4%

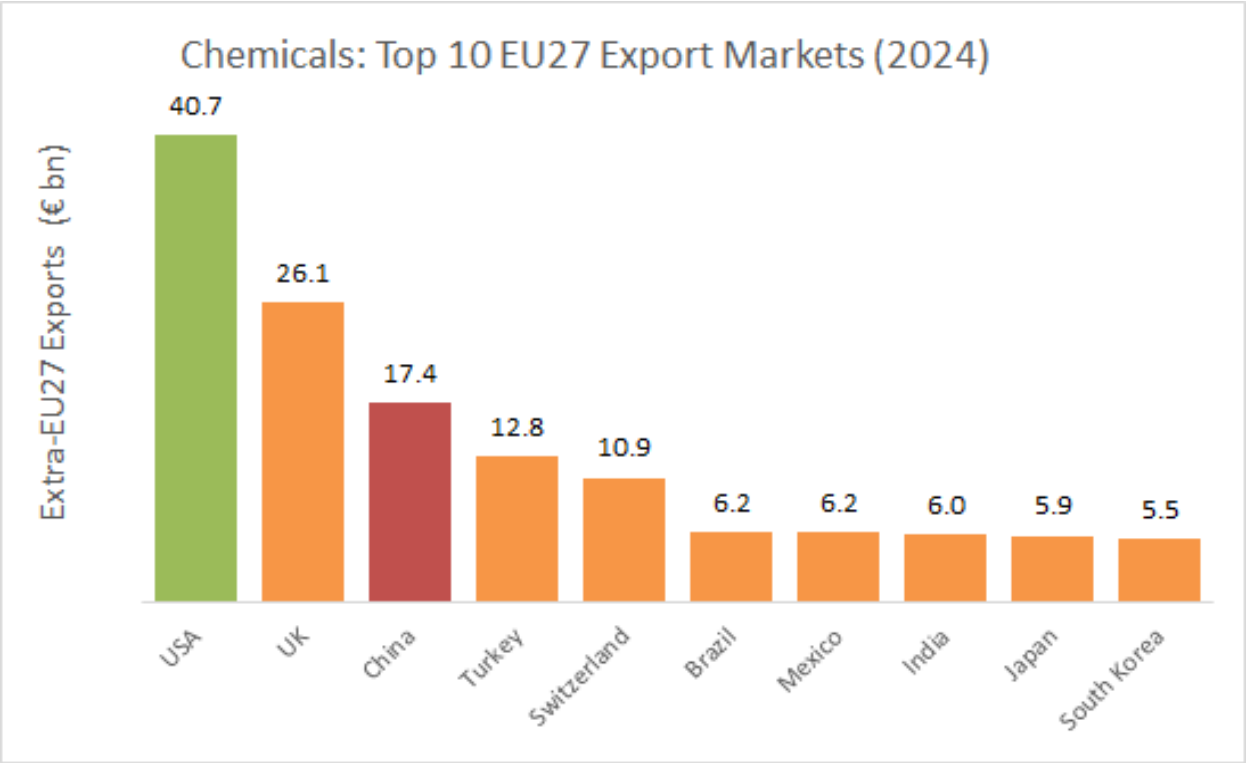
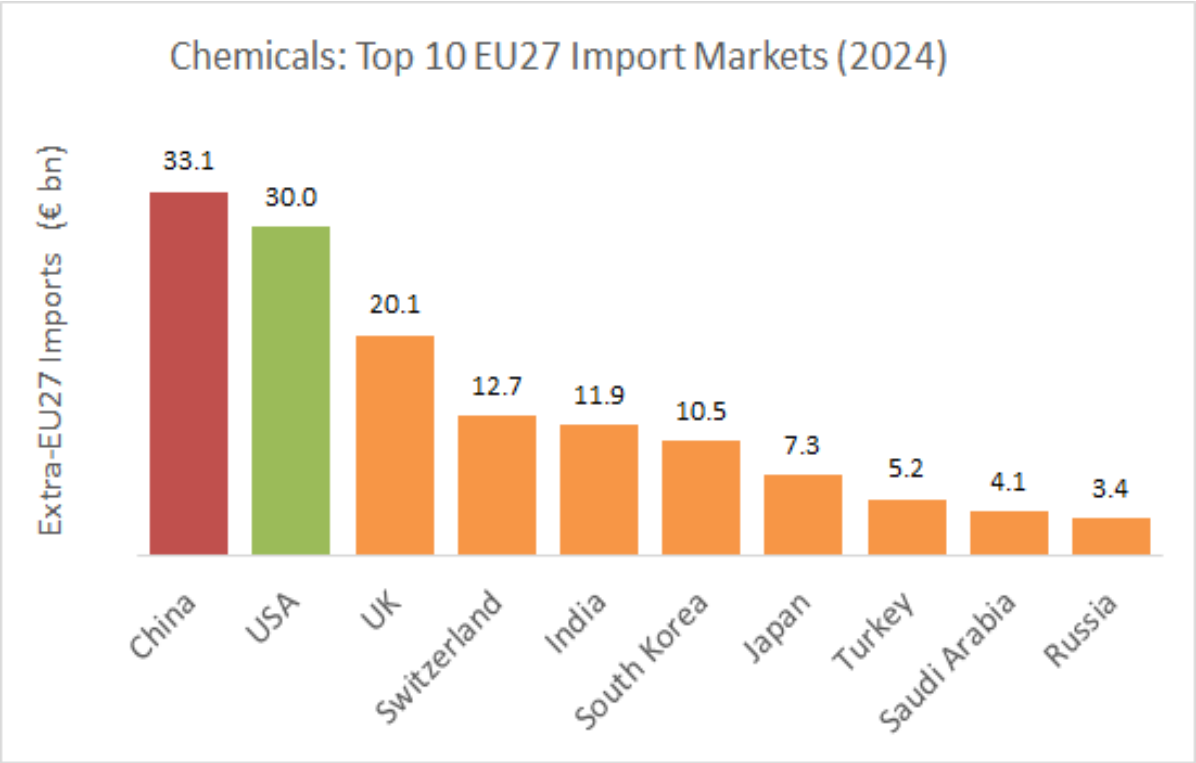
2025: EU27 chemicals trade surplus amounted to €6.7 bn in 2025 (Jan-Feb), down by €2.2 bn compared to 2024 (-25%)



The largest markets of the EU27 chemicals industry trade*

China has already become the 1st source of imports of the EU27 area for Chemicals

USA is the 1st source of exports of the EU27 area for Chemicals

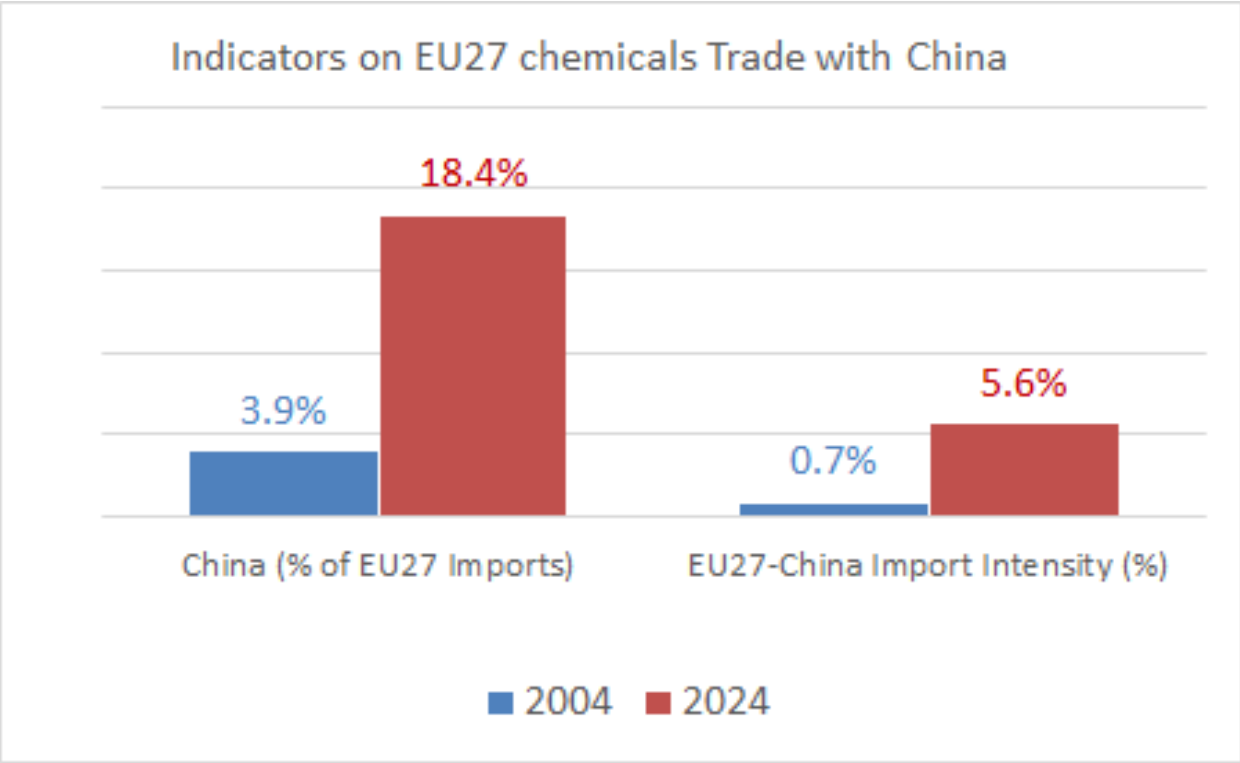


The analysis on EU27 import from China has been dominating EU27 chemicals trade activity. The chemicals sector in Europe will be more exposed to such trends during the coming years. US, China and UK account for more than 40% of EU27 chemicals trade in 2024.

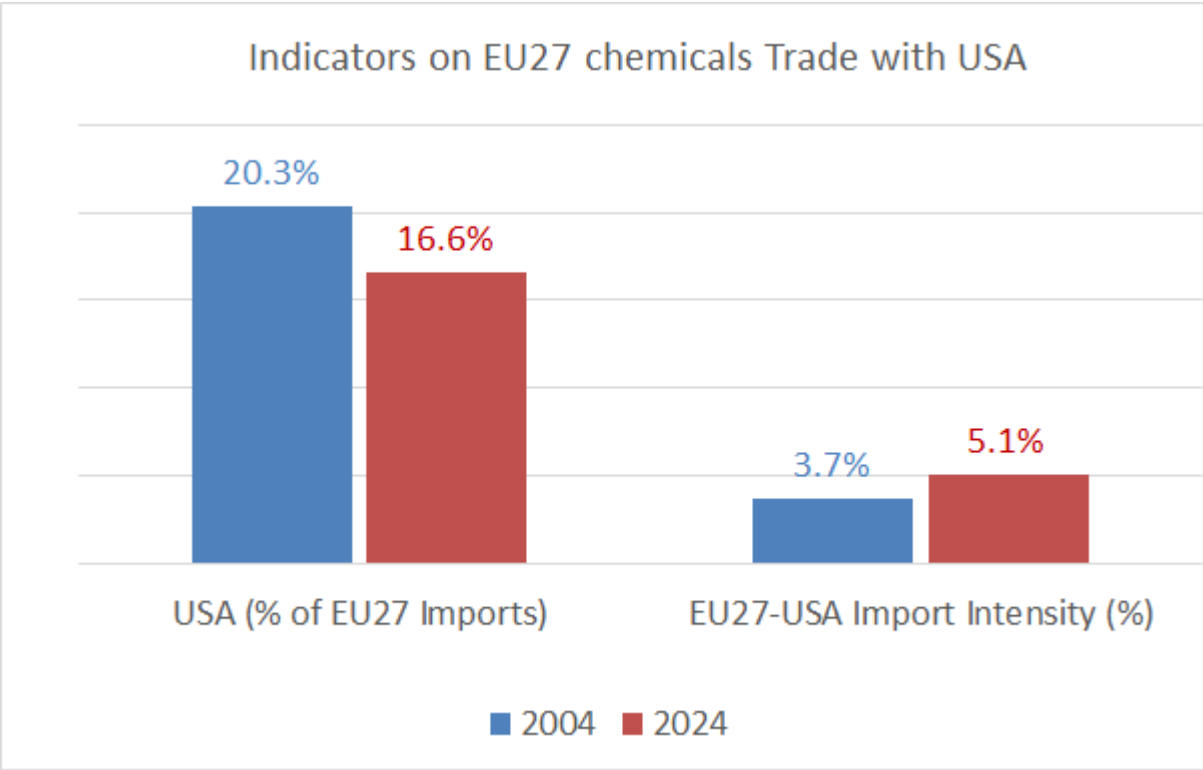


EU27 strategic dependencies are the political hot topic

More than 200 imported chemicals* products from
are qualified as under High Risk of Disruption



More than 100 imported chemicals* products from
are qualified as under High Risk of Disruption



The analysis on EU27 import dependency with regards to manufacturing shows that China supplied 12% of EU27 imports in 2003. This is far below the 27% supplied by China in 2023. In some sectors such as Electrical equipment, Europe imported in 2023 more than half (56%) of its need from China.



EU27 chemical business: weak start in 2025

- The competitiveness of the sector in Europe remains well below pre-crisis levels (2014-2019 average) due to the combination of weak demand and uncompetitive energy prices. This is particularly an issue for commodity products and petrochemicals where China has a competitive edge: large production scale at low production costs.
- Compared to the USA, the gas price in Europe (Jan-Mar 2025) is 3.3 times higher, leaving Europe at a competitive disadvantage. The EU27 chemicals business environment continues to face a limited demand since March 2022.
- The EU27 chemicals capacity utilisation is a key concern. It is far below the EU's long-term average and has been well below the US average since Q3-2022. The weak demand and declining business confidence continue to challenge the EU27 chemical industry.
- While a significant increase in trade surplus was observed in 2024 in comparison to 2023, driven by lower import rates due to lower domestic demand. This trend risks to revert back based on data from first two months of 2025 as the EU chemicals trade surplus decreased by 25% due to increasing imports.
- The recovery is still some way off and the demand increase will 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 due to the unprecedented, global trade disruptions caused by US tariffs. EU27 chemicals output is expected to grow by less than 0.5% in 2025, down from 2.5% achieved in 2024.

