

# EU27 Chemicals Industry: Latest Developments



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## Summary

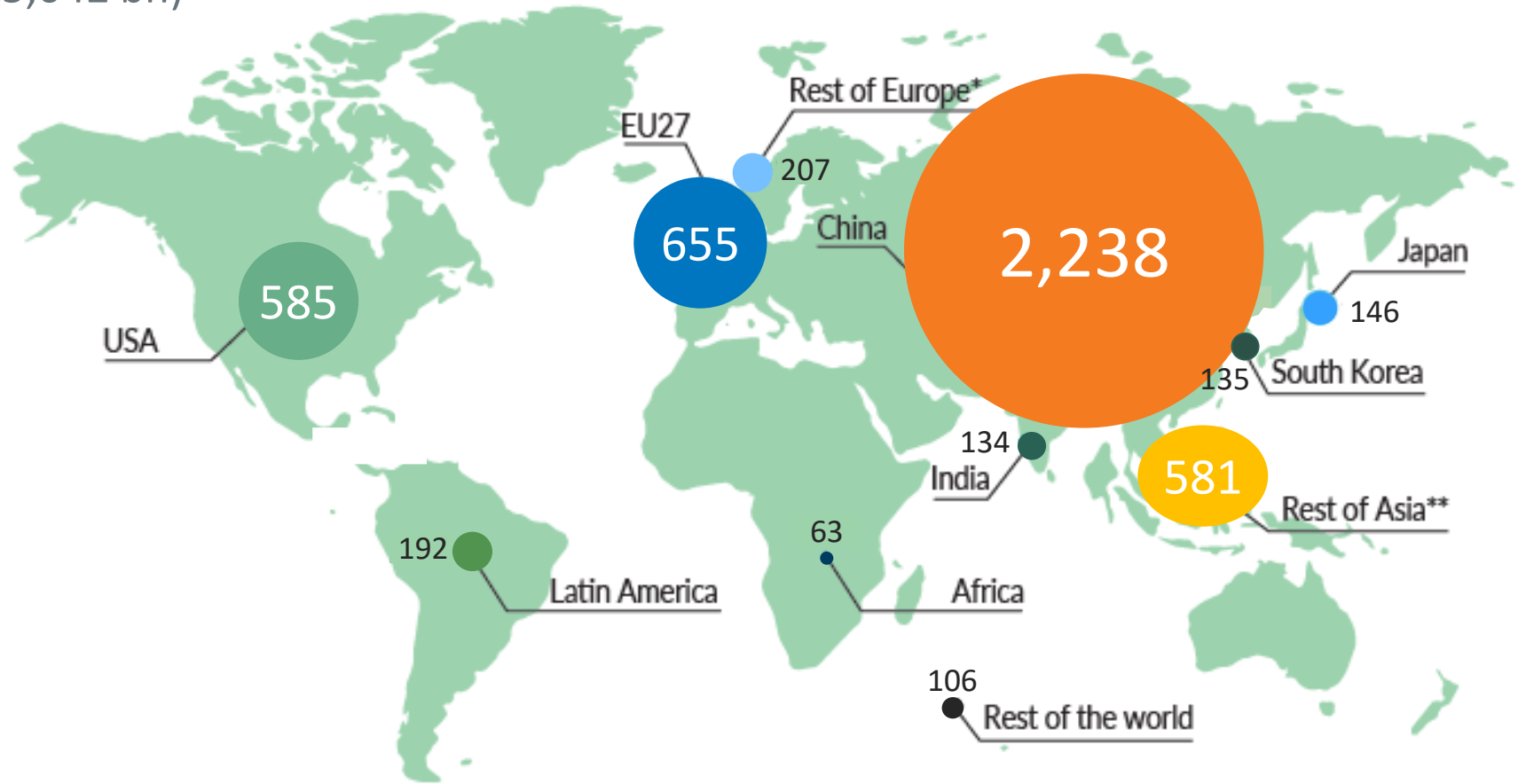
- The EU27 chemicals industry has faced two years of economic recession (2022–2023).
- In spite of a production increase and a significant export improvement, the competitiveness of the sector in Europe remains well below pre-crisis levels.
- The recovery is slow.
- Outlook 2025: Global demand from key downstream sectors and high energy costs could weigh on the sectors' prospects into 2025.



# 2023: Europe still is the second chemicals producer in the world (13%)

World chemicals sales (2023; €5,042 bn)

- **2nd largest chemicals producer** in the world (13%), followed by USA (12%).
- China accounts for (44%) of world chemicals sales.
- Employs 1.23 million people + around three times more indirect jobs
- The biggest industrial users of European chemicals were rubber and plastics, construction, consumer goods industries, and automotive.



Global chemical sales in 2023 were more than four times bigger than twenty years ago.

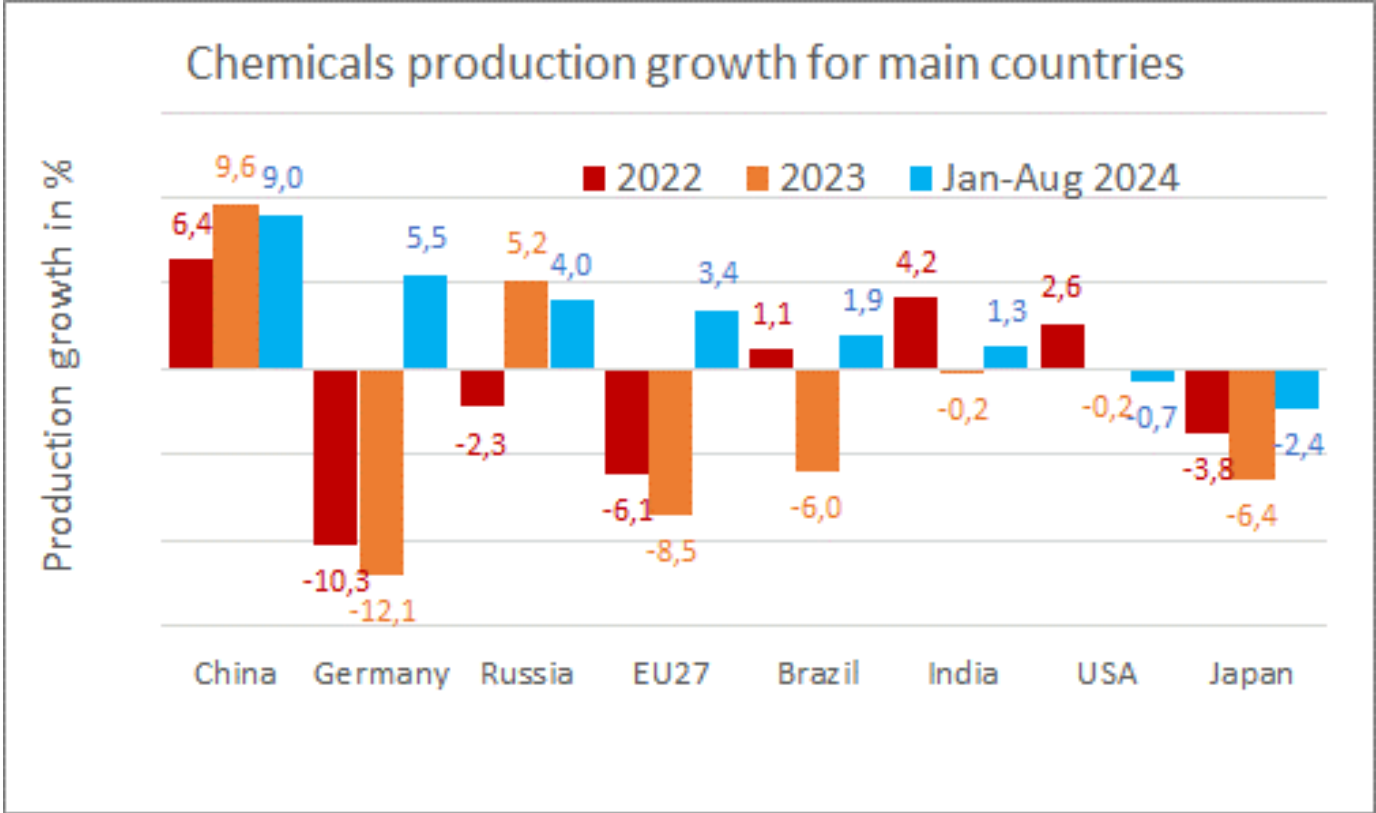


Source: Cefic Chemdata International

\* Rest of Europe covers UK, Switzerland, Norway, Turkey, Russia and Ukraine

\*\* Asia excluding China, India, Japan and South Korea

# Global chemicals production, up by 6.1% in 2024 (Jan-Aug)



Output	2021	2022	2023	Jan-Aug 2024
China	8,4	6,4	9,6	9,0
Germany	5,7	-10,3	-12,1	5,5
Russia	7,1	-2,3	5,2	4,0
EU27	6,0	-6,1	-8,5	3,4
Brazil	3,6	1,1	-6,0	1,9
South Korea	8,5	-9,9	-9,6	1,6
India	8,0	4,2	-0,2	1,3
USA	4,2	2,6	-0,2	-0,7
UK	-7,1	-20,5	-12,9	-1,7
Japan	5,1	-3,8	-6,4	-2,4
World	7,3	1,5	2,7	6,1

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

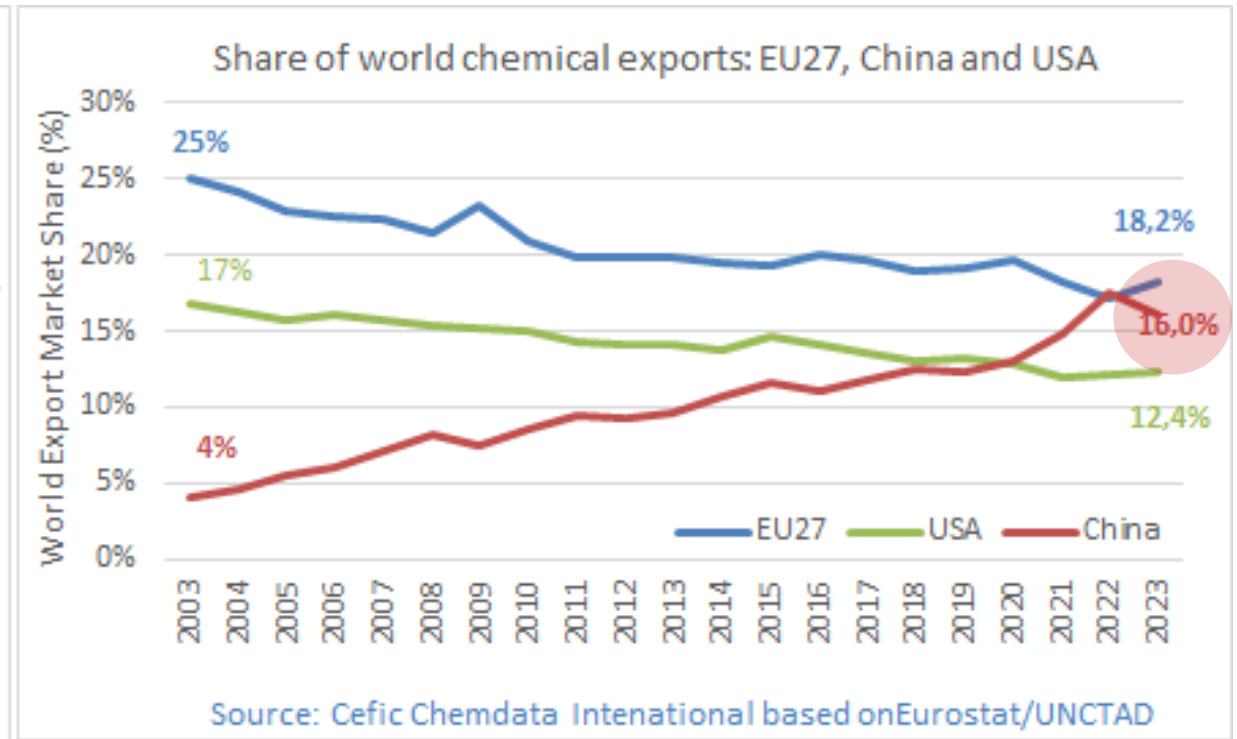
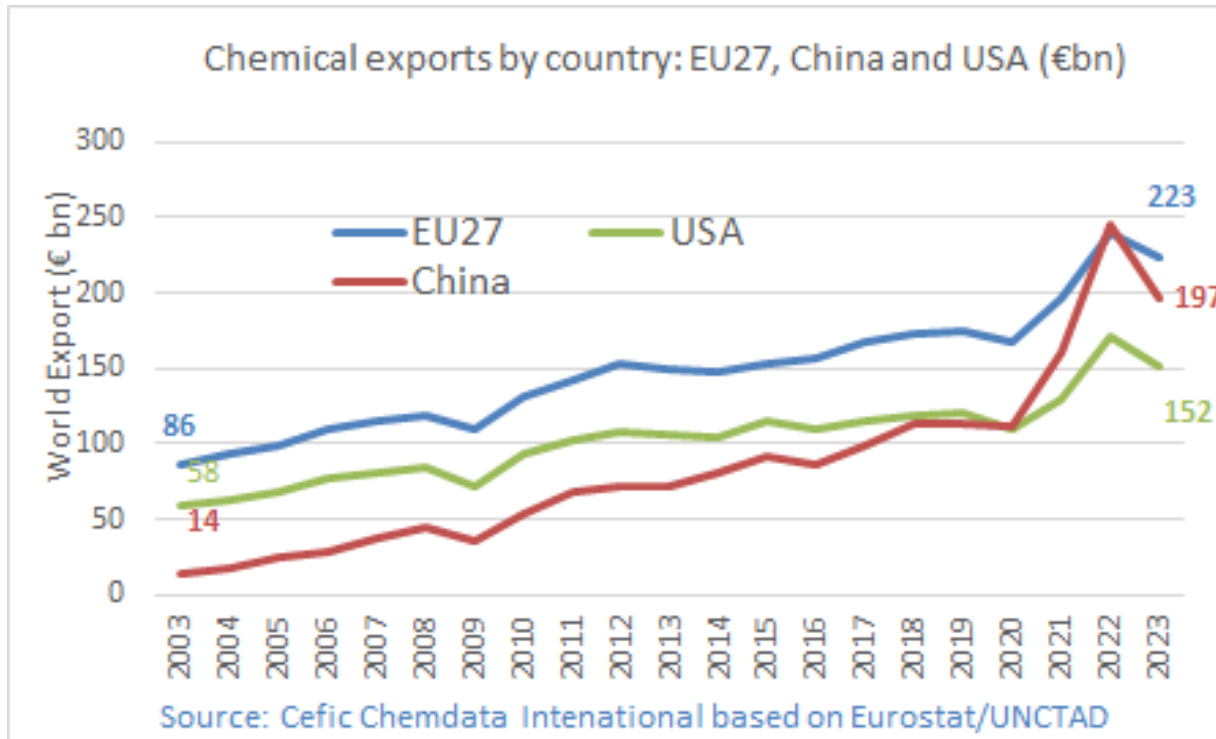
China continued its strong growth: from 9.6% in 2023 to 9.0% in the first eight months of 2024.



# 2023: Europe continues to lead the global export market (18%)

Chinese chemicals exports in 2023:  
14 times higher than in 2003

Europe continues to lead the global export market



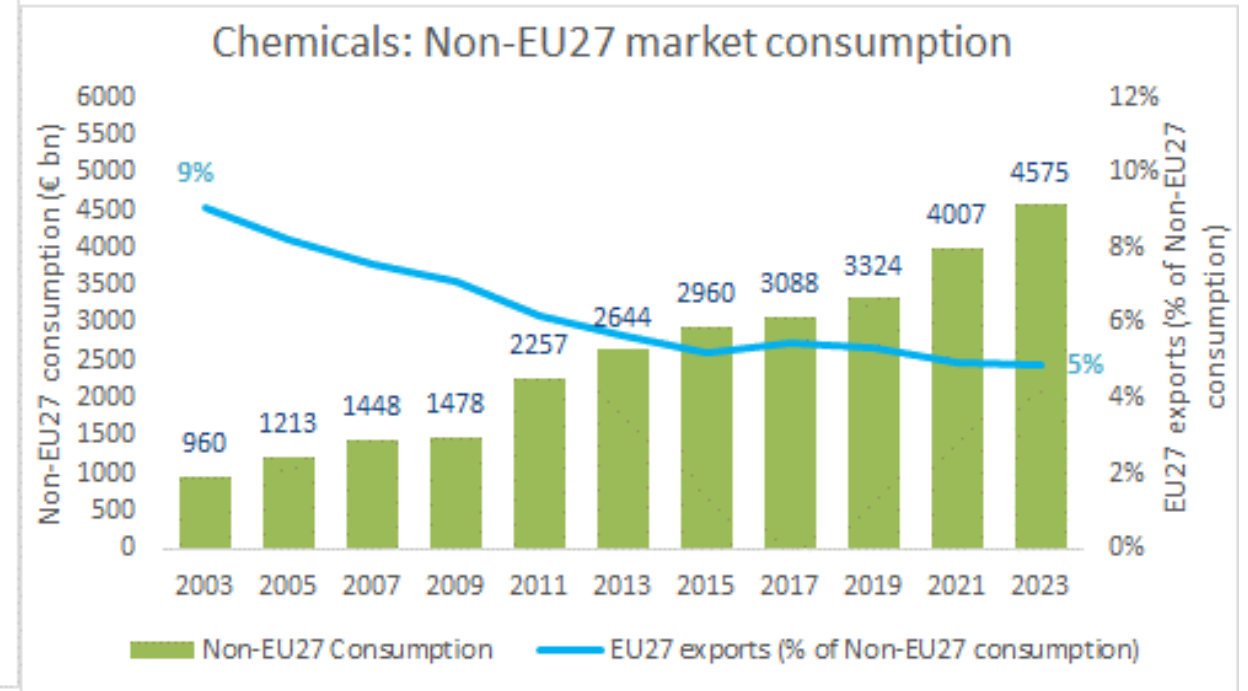
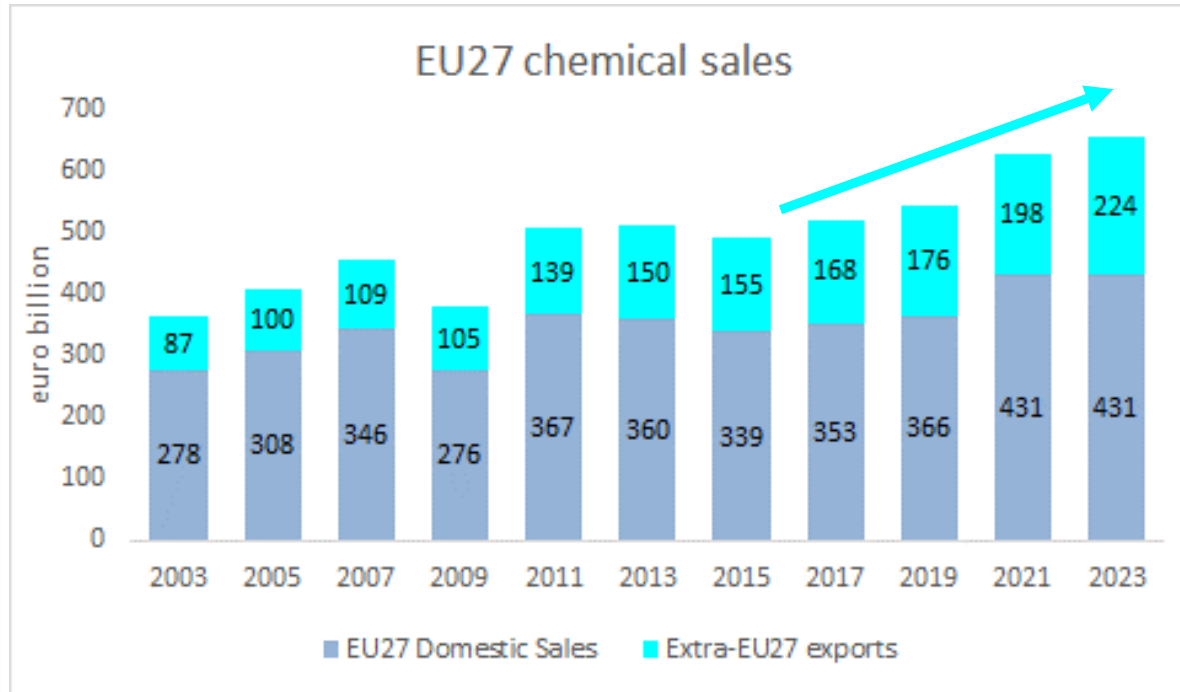
Consumer chemicals is an exception, with 31%, Europe continues to lead the global export market, far above China (9%) and the US position (9%)



# EU27 chemicals exports continue to grow, but not enough to capture a proportional share of the non-EU market growth

Extra-EU27 exports in 2023: 2.6 times higher than in 2003

Non-EU27 domestic sales in 2023: 4.8 times higher than in 2003



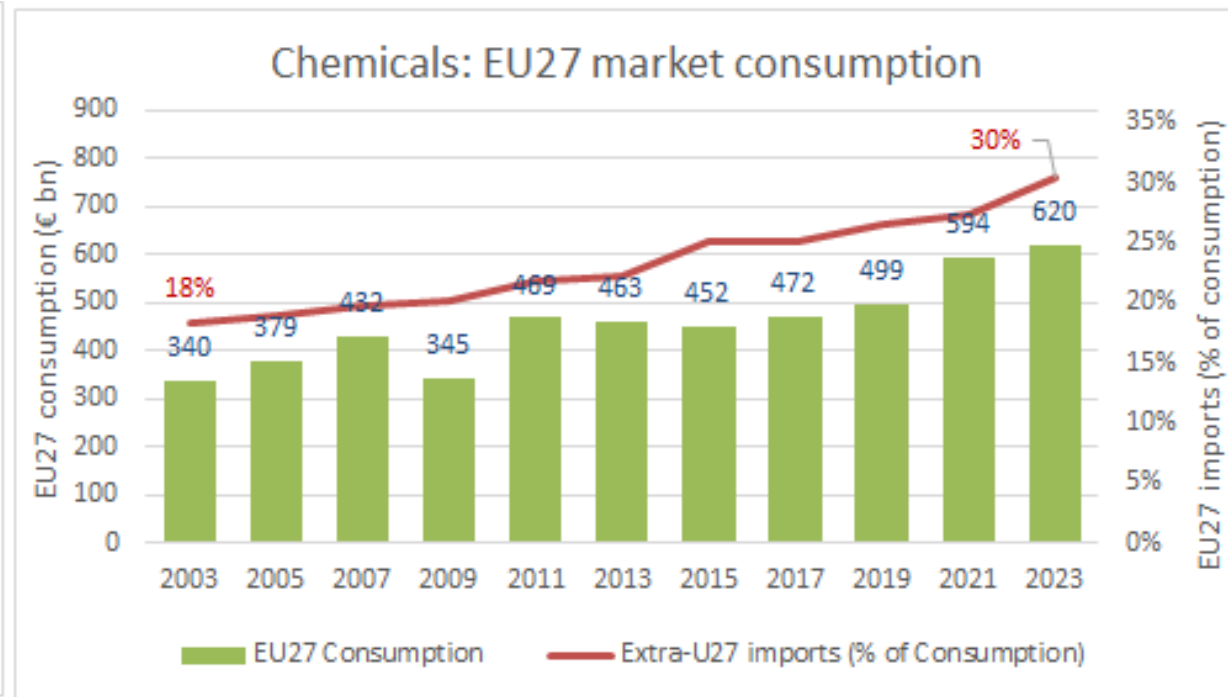
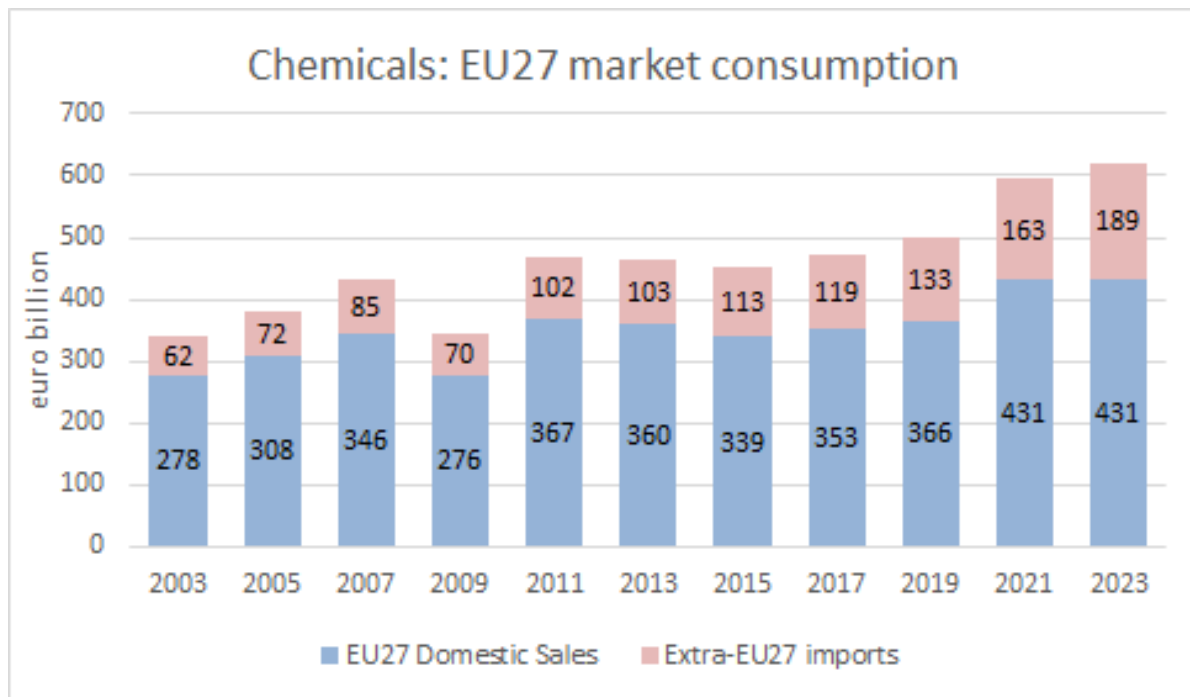
EU27's export market share nearly halved in two decades (9% vs 5%). To maintain its EU27 market share of 2003 (9%) for the last 20 years, Europe would have needed growth of 8% instead of 5%.



# EU27 domestic sales continue to grow

EU27 domestic sales in 2023: 1.6 times higher than in 2003

Extra-EU27 imports in 2023: 3.1 times higher than in 2003



To maintain the EU27 home market share of 2003 (82%) of the last 20 years, it should have increased by 3.1% instead of 2.2%.

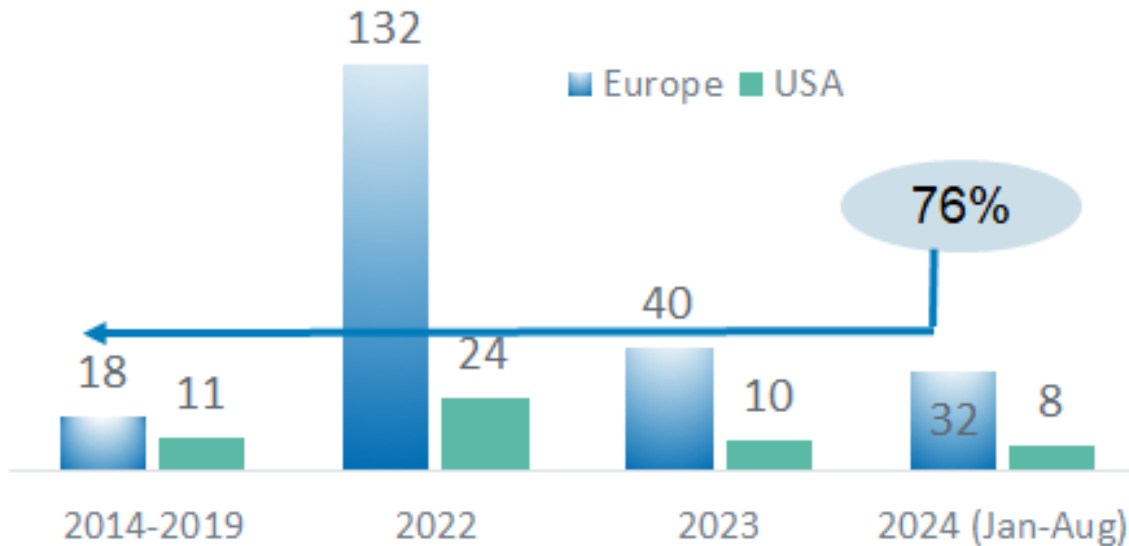


# 2023 Energy! Ethylene Cash Cost are 42% above the pre-crisis levels

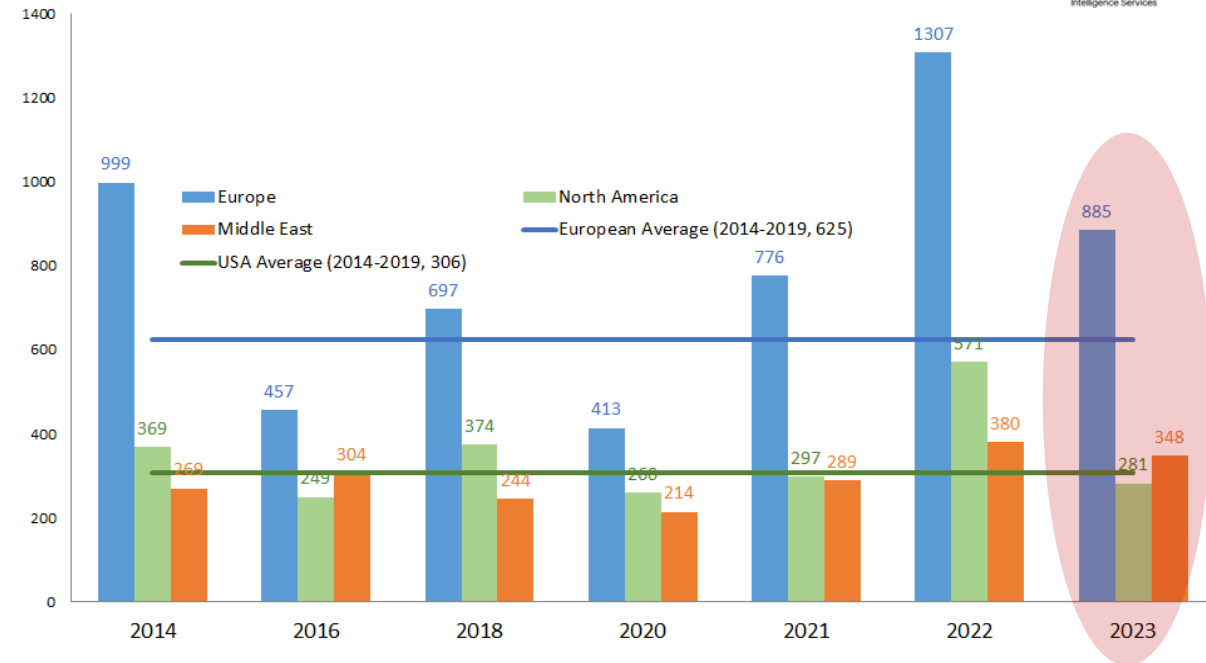
The gas prices in Europe 2023: 2.2 times higher than in the pre-crisis levels (2014-2019)

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

Natural Gas Prices: Europe vs USA (€/MWh)



Ethylene Cash Cost of Regional Steam Crackers (US\$/tonne C2)



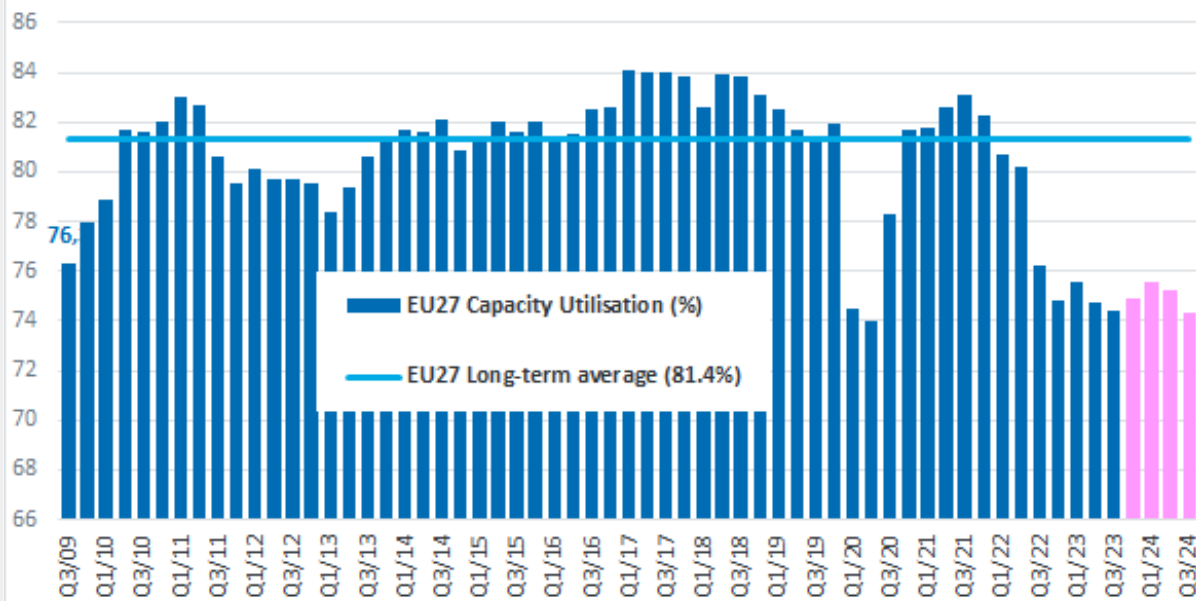


# 2024: EU27 chemicals capacity utilisation is a key concern

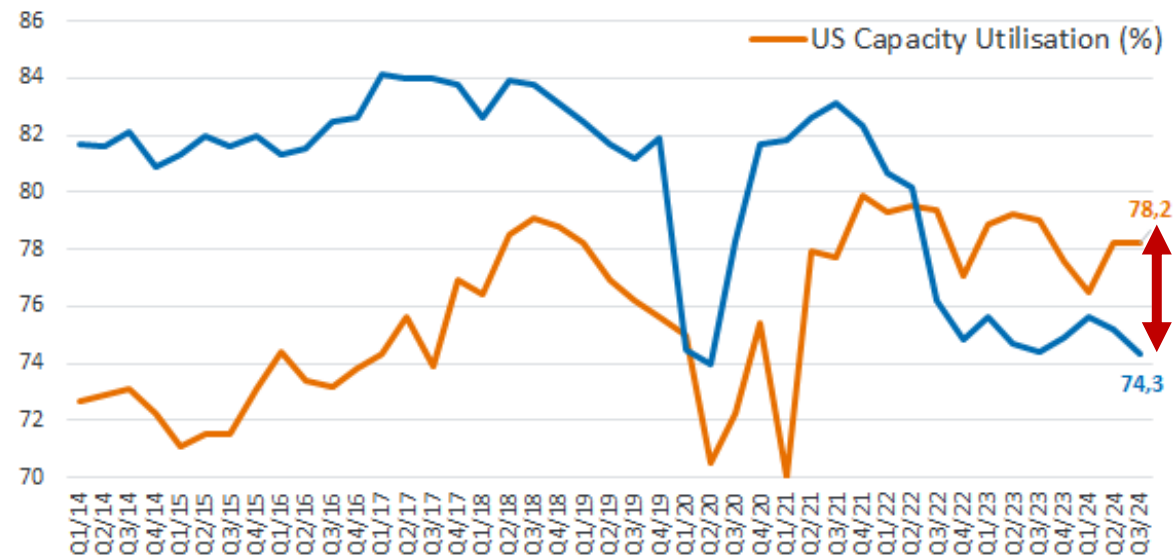
EU27 chemicals capacity utilisation further down in Q3-2024

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

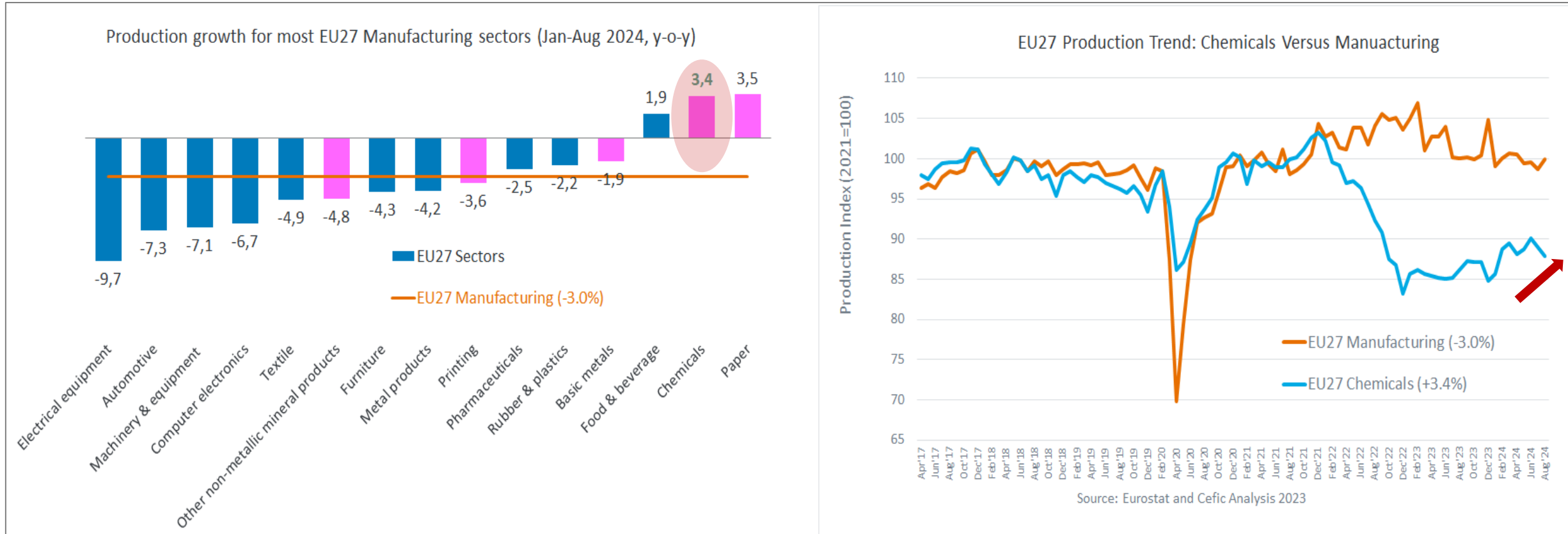
EU27 chemical industry capacity utilisation (%)



EU27 vs USA: Chemical industry capacity utilisation



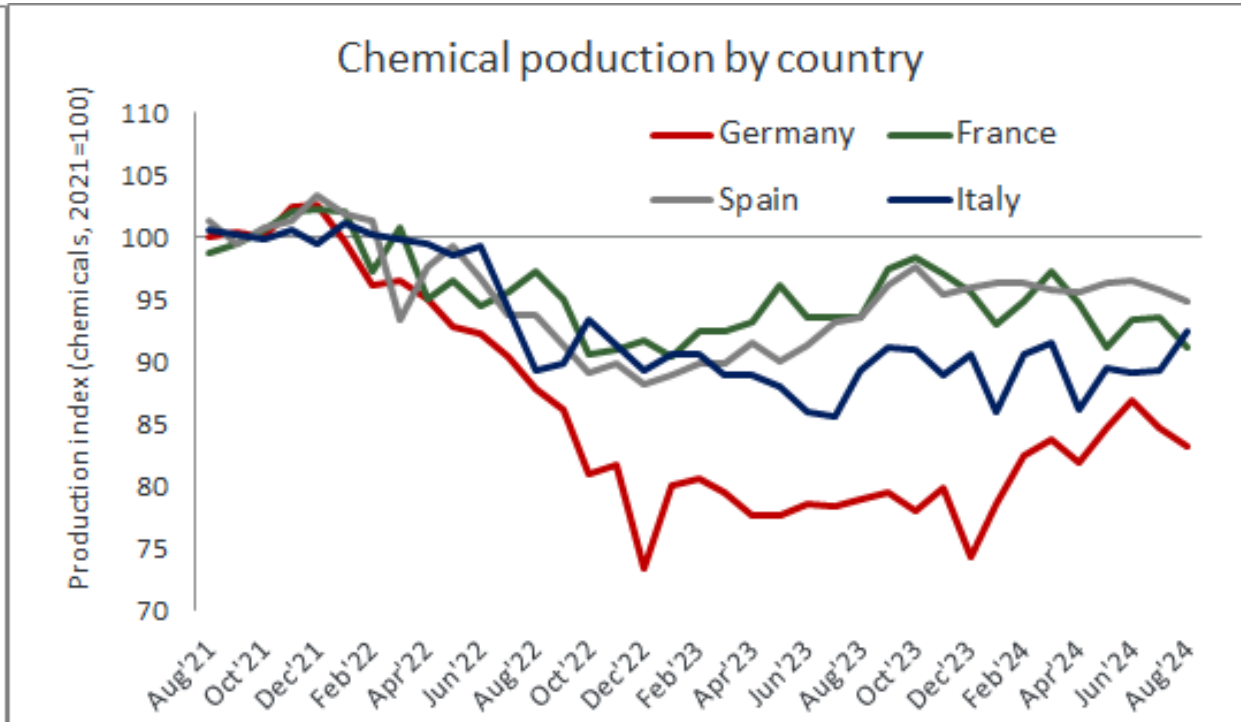
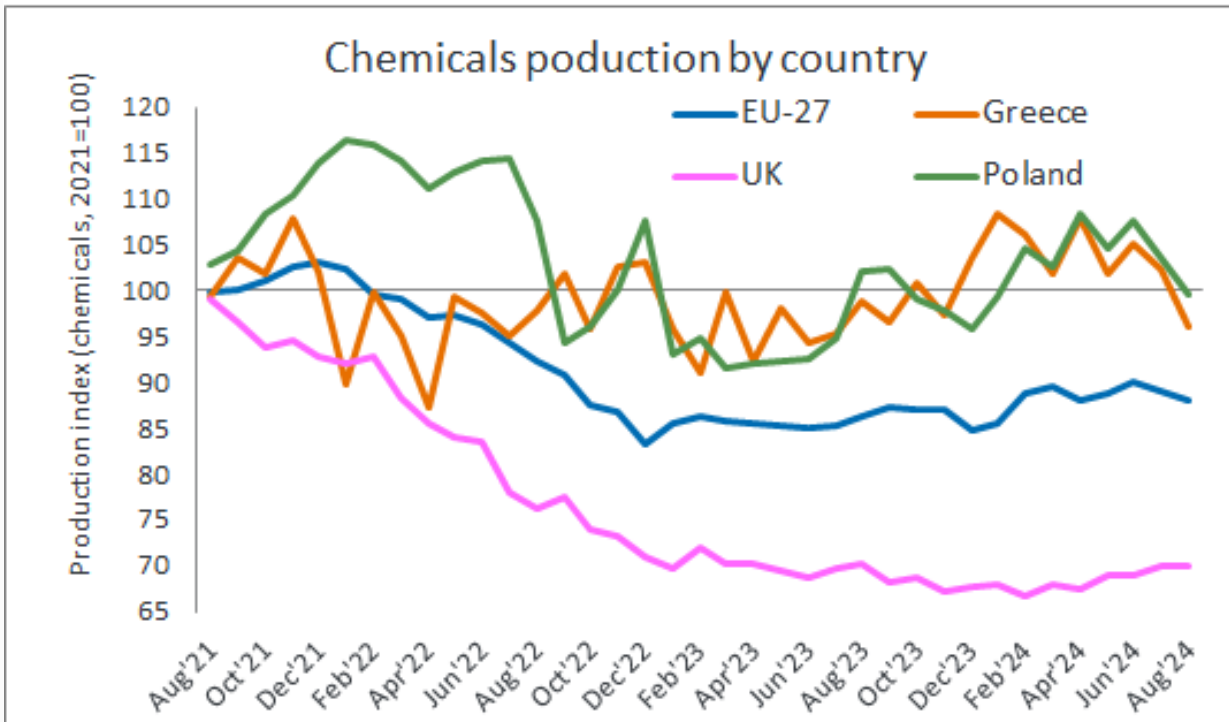
# 2024 (Jan-Aug): It is all about customer sectors' demand



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



# 2024 (Jan-Aug): 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.

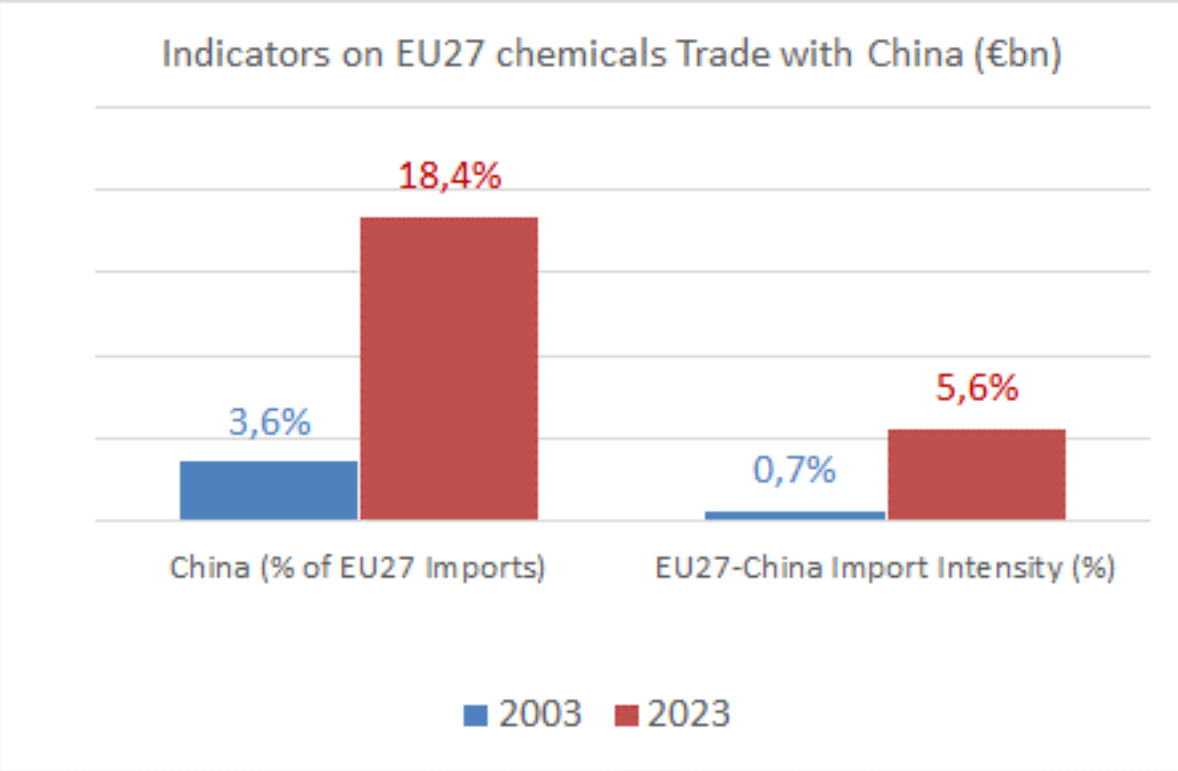
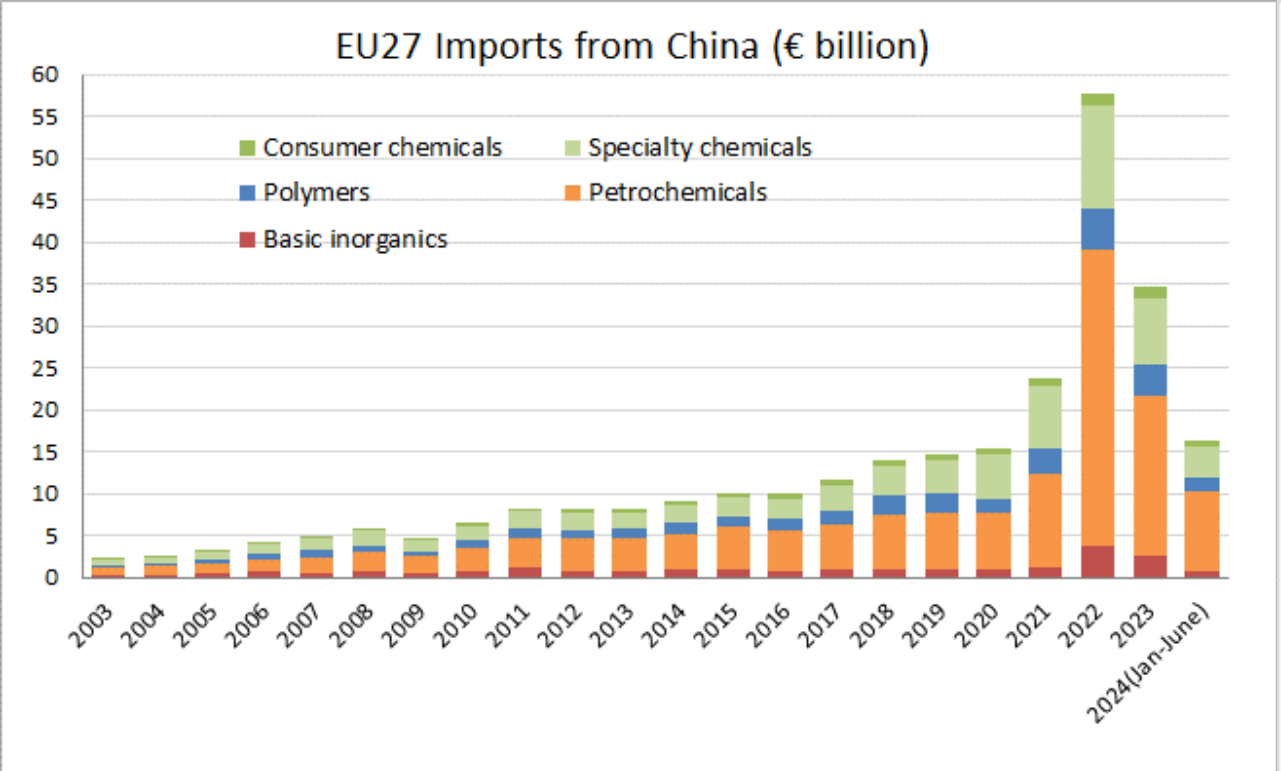
Germany, saw its production increase by 5.5% in 2024 (Jan-Aug). Poland showed the highest growth. France and Italy posted a modest increase of less than 1%.



# EU27 Strategic dependencies are the next political hot topic

China has already become the 1<sup>st</sup> source of imports of the EU27 area for Chemicals (2023)

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



Source: Eurostat and Cefic Analysis 2024

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# Thank you

