

EU27 Chemicals Industry: Latest Development



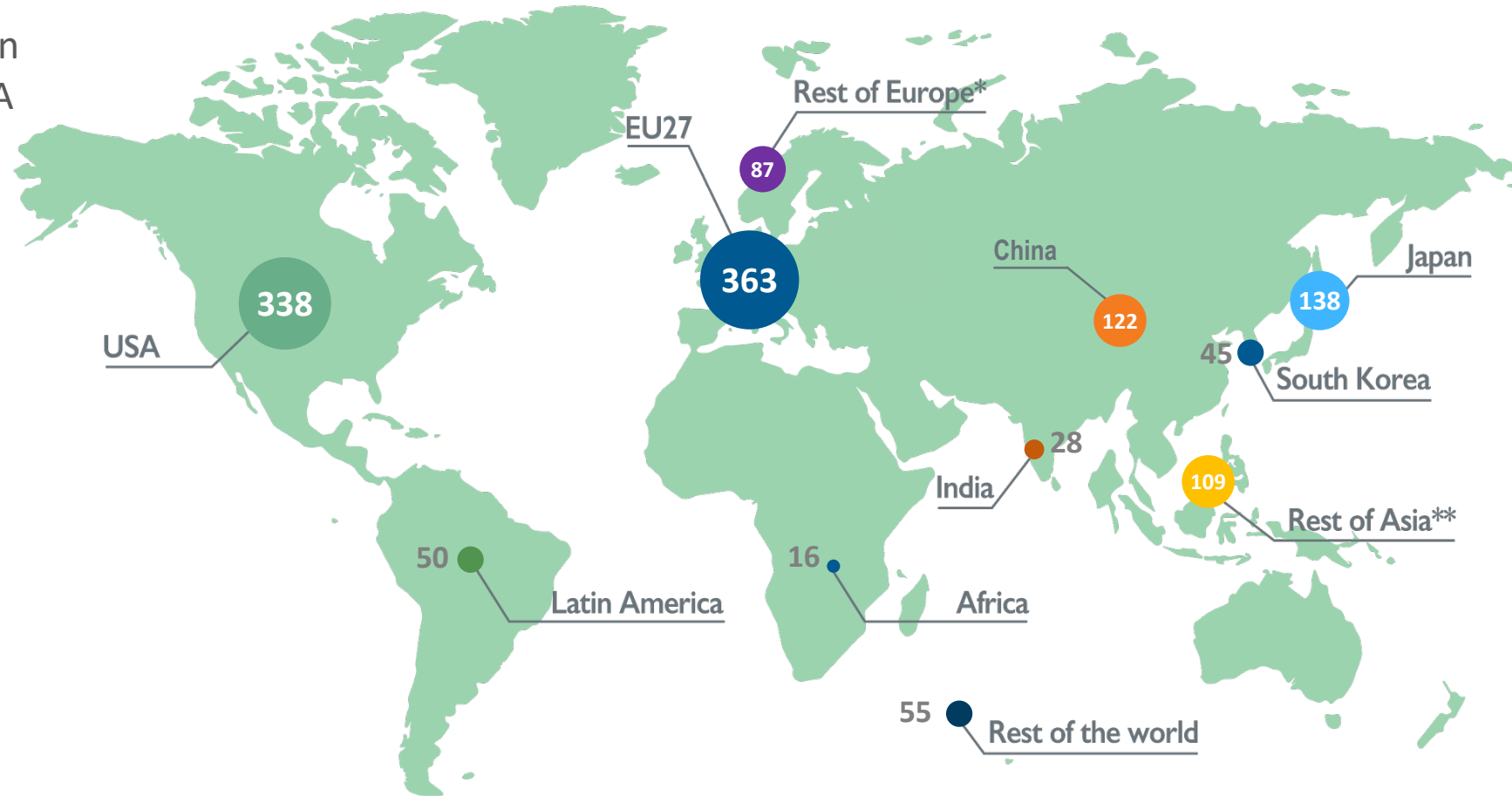
5 October 2023



EU Chemicals Industry - 2002

World chemicals sales (2002; €1,352 bn)

- **1st largest chemicals producer** in the world (27%) followed by USA (25%), Japan (10%), and China (9%)
- Employs **1.25 million people** + around **three times more indirect jobs**
- The **biggest industrial users** of European chemicals are rubber and plastics, construction, consumer goods industries, and automotive.



Source: Cefic Chemdata International 2002

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

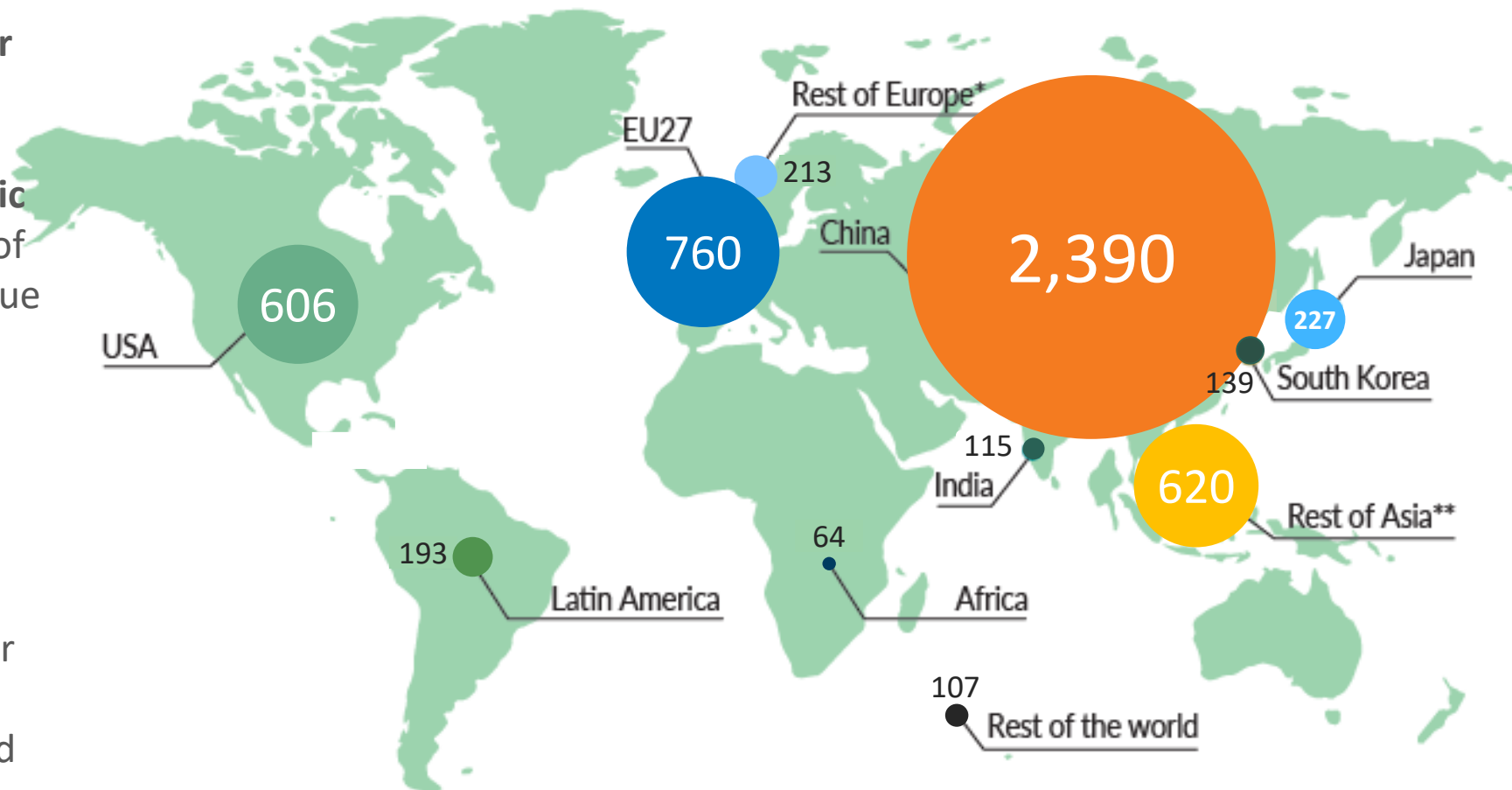
**Asia excluding China, India, Japan and South Korea



EU Chemicals Industry - 2022

World chemicals sales (2022; €5,434 bn)

- **2nd largest chemicals producer** in the world
- **Major importance for economic development and wealth:** 7% of EU27 manufacturing added value
- Employs **1.2 million people** + around **three times more indirect jobs**
- The **biggest industrial users** of European chemicals are rubber and plastics, construction, consumer goods industries, and automotive.



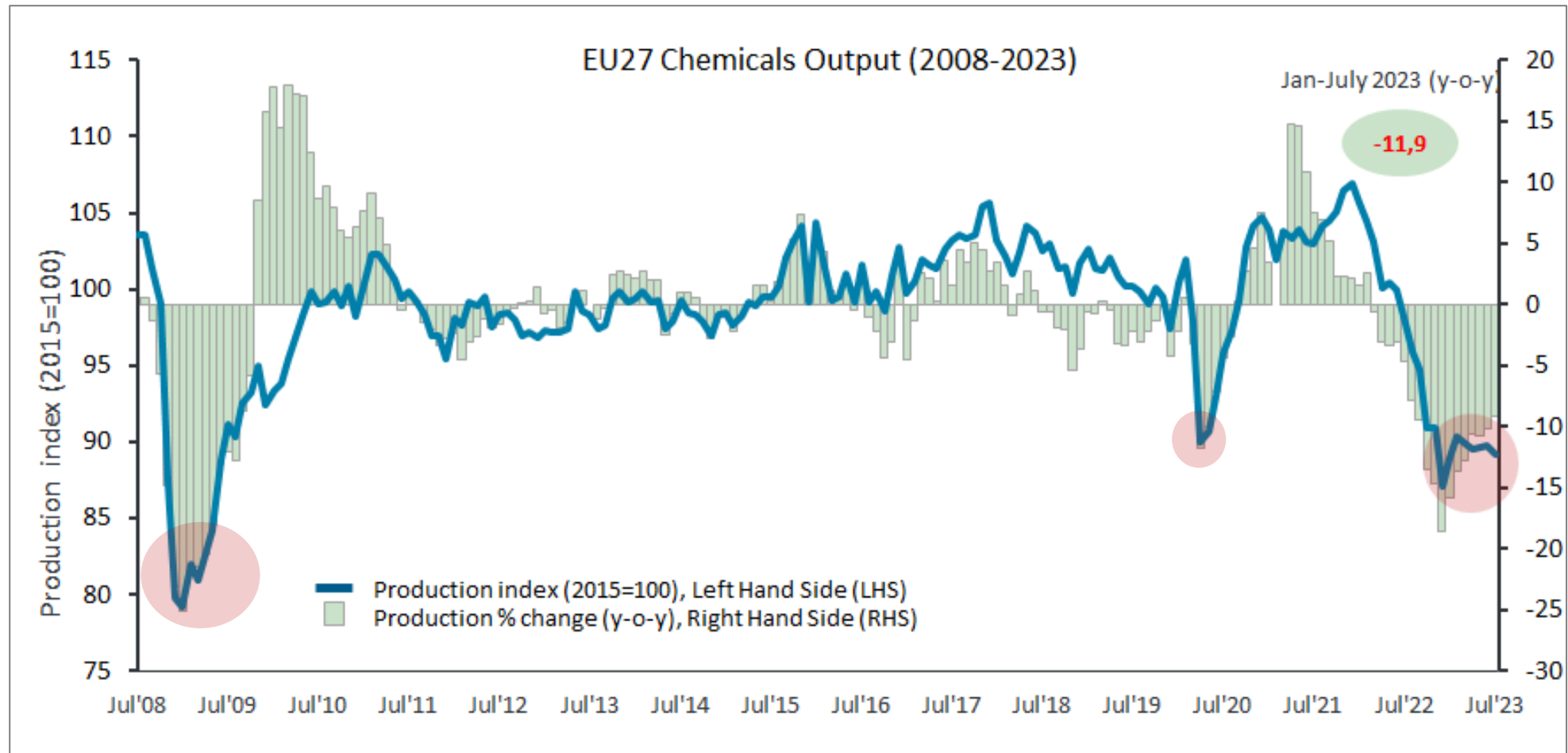
Source: Cefic Chemdata International 2023

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The EU27 chemicals industry output

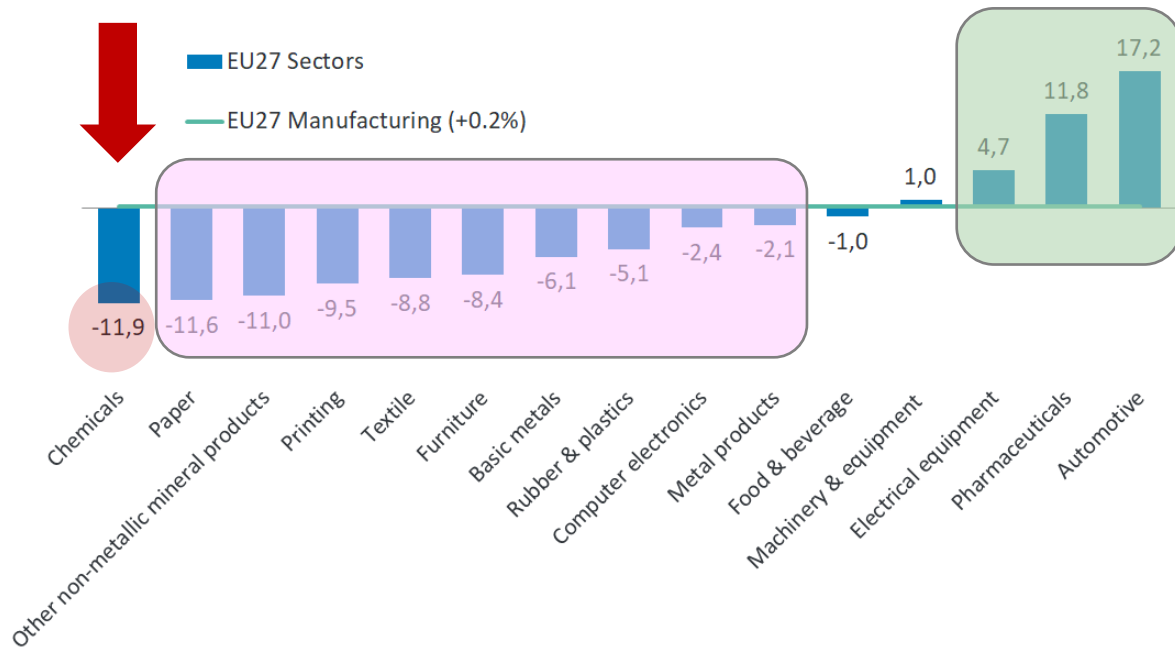


The significant drop in energy and raw materials prices was expected to provide short relief at the beginning of 2023. That did not happen. Production level in 2023, 11.9% below 2022's levels.

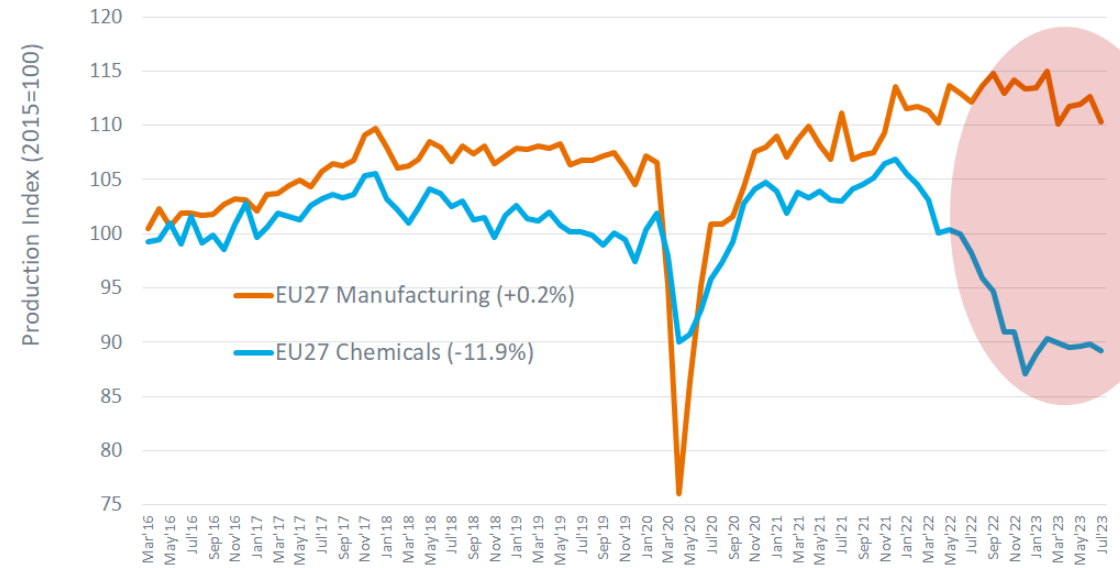


EU27 chemicals versus manufacturing

Production growth for most EU27 Manufacturing sectors (Jan-July 23, y-o-y)



EU27 Production Trend: Chemicals Versus Manufacturing



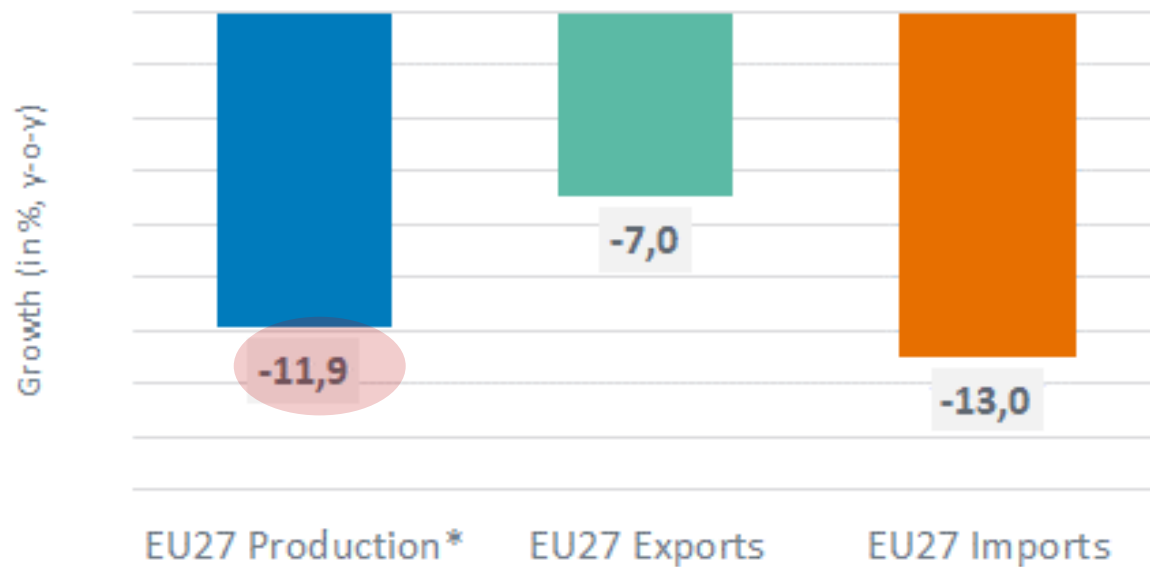
Source: Eurostat and Cefic Analysis 2023

The EU27 manufacturing output grew by 0.2% only during the first seven months of 2023 compared to 2022.



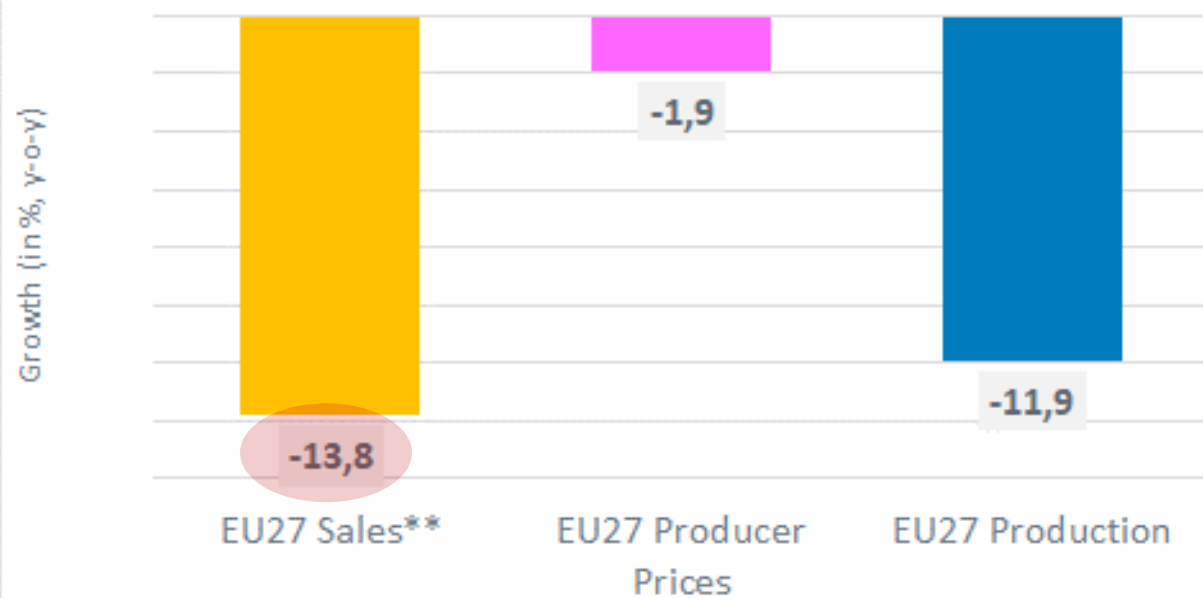
Overall chemicals activity is down

EU27 Chemicals Growth (2023 vs 2022, Jan-June)



Production

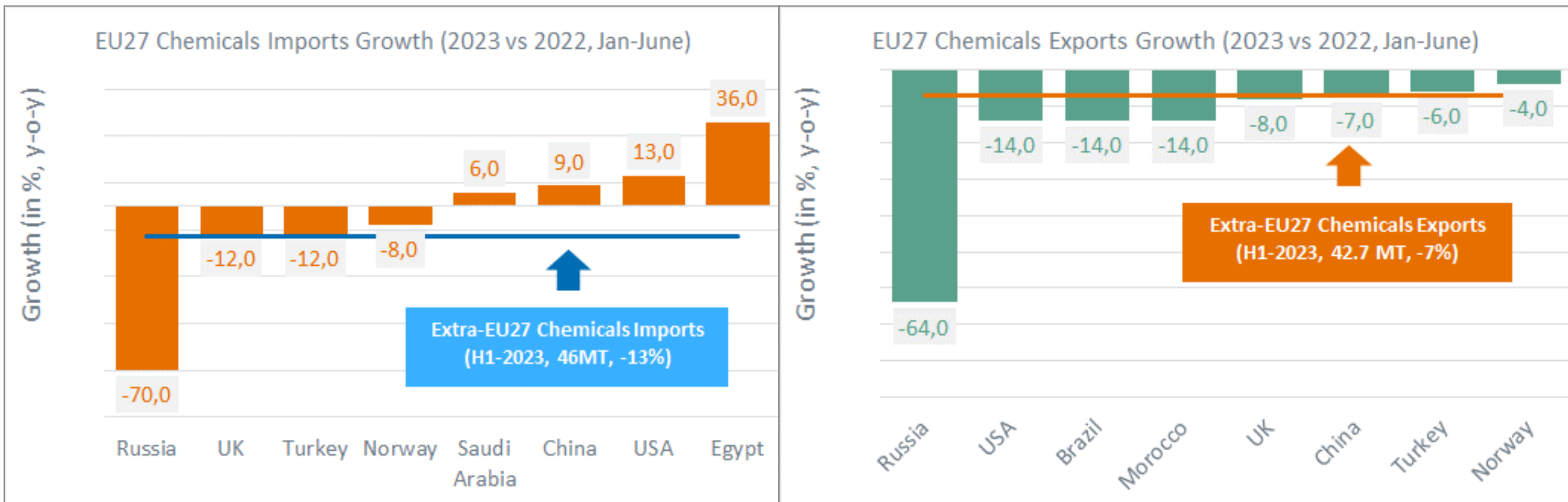
EU27 Chemicals Growth (2023 vs 2022, Jan-July)



Sales



Russia replaced by other regions



The recovery will be probably be slow and far from robust

- Year 2022: our industry was very much hit by the energy crisis. Exports were weak due to **reduced competitiveness and weak global demand**.
- H1 2023: The significant drop in energy and raw materials prices was expected to provide relief at the beginning of 2023. Hopes for a recovery after the mild winter 2022/23 and with much lower gas prices **did not materialise**.
- European gas prices have eased significantly yet remain **60% above their average 2015 to 2019 level, causing high energy prices relative to the rest of the world**.
- Full Year 2023: In view of the weak business situation of industries in general, the output of chemicals is expected to further **decline across 2023 (- 8%)**
- Outlook 2024: Weak global demand from key downstream sectors and persistently high energy costs **will continue to weigh on the sectors prospects into 2024**

