The EU27 chemical industry: Fragile Recovery Amid Structural Competitiveness Challenges (Q2-2026)

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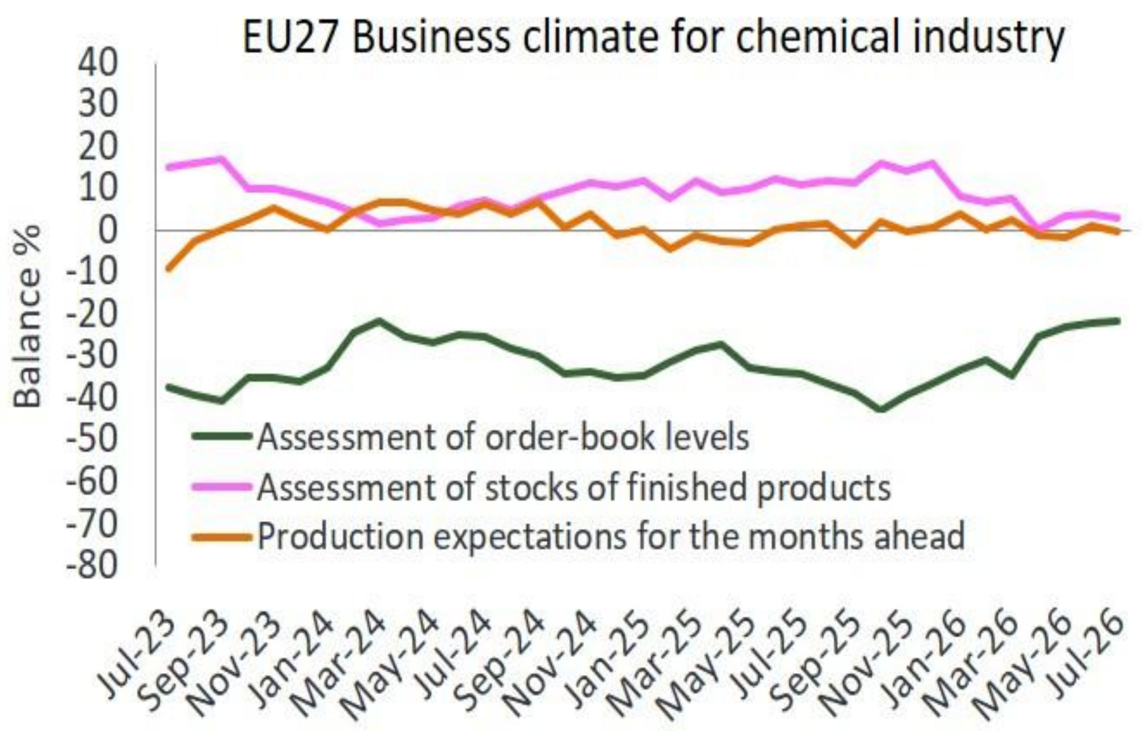
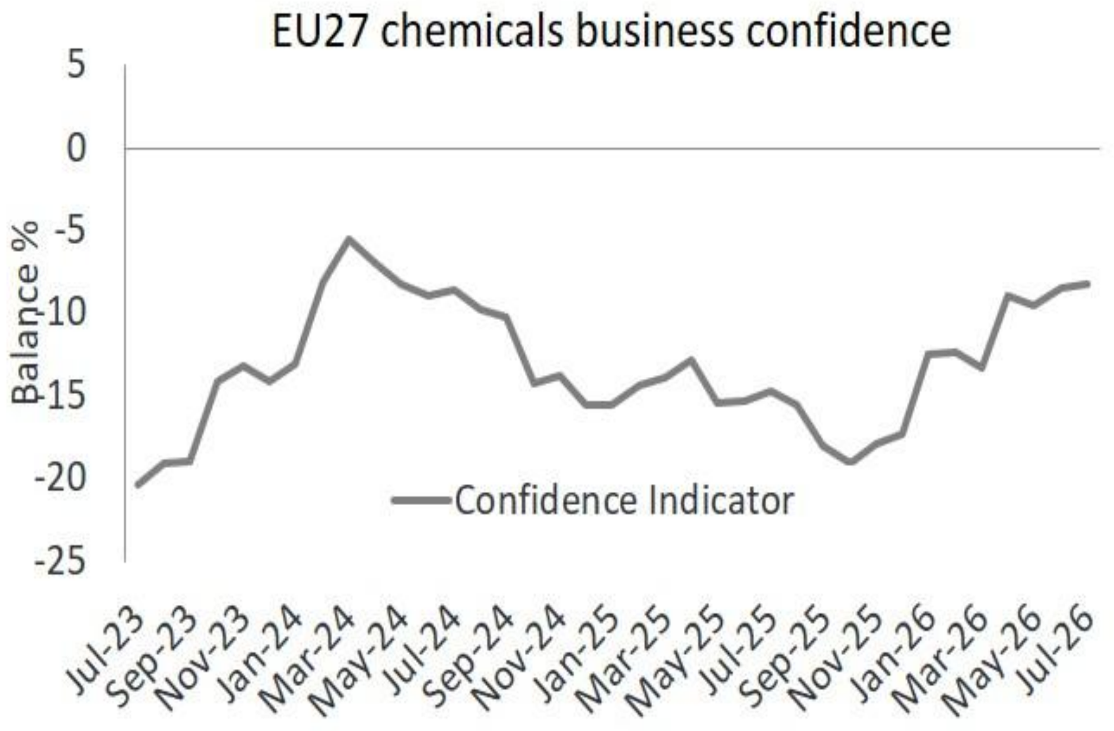
EU27 chemical business confidence improves, but remains weak

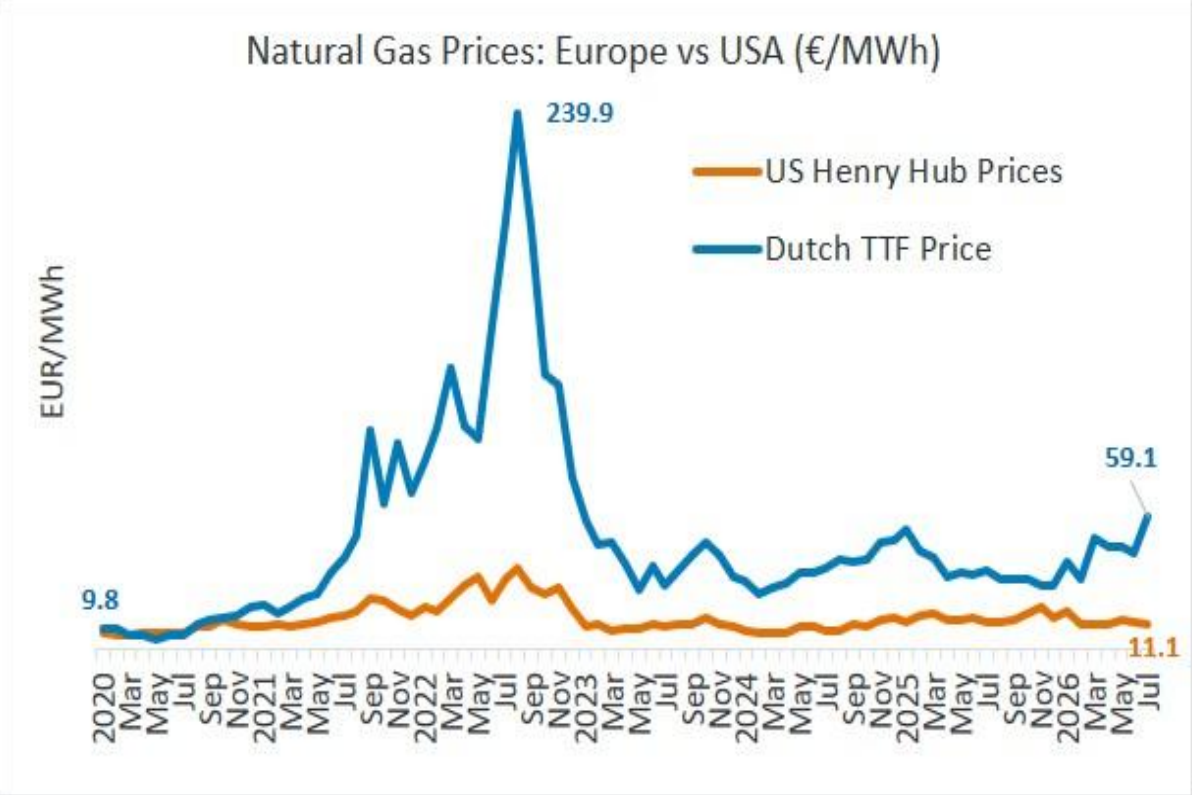


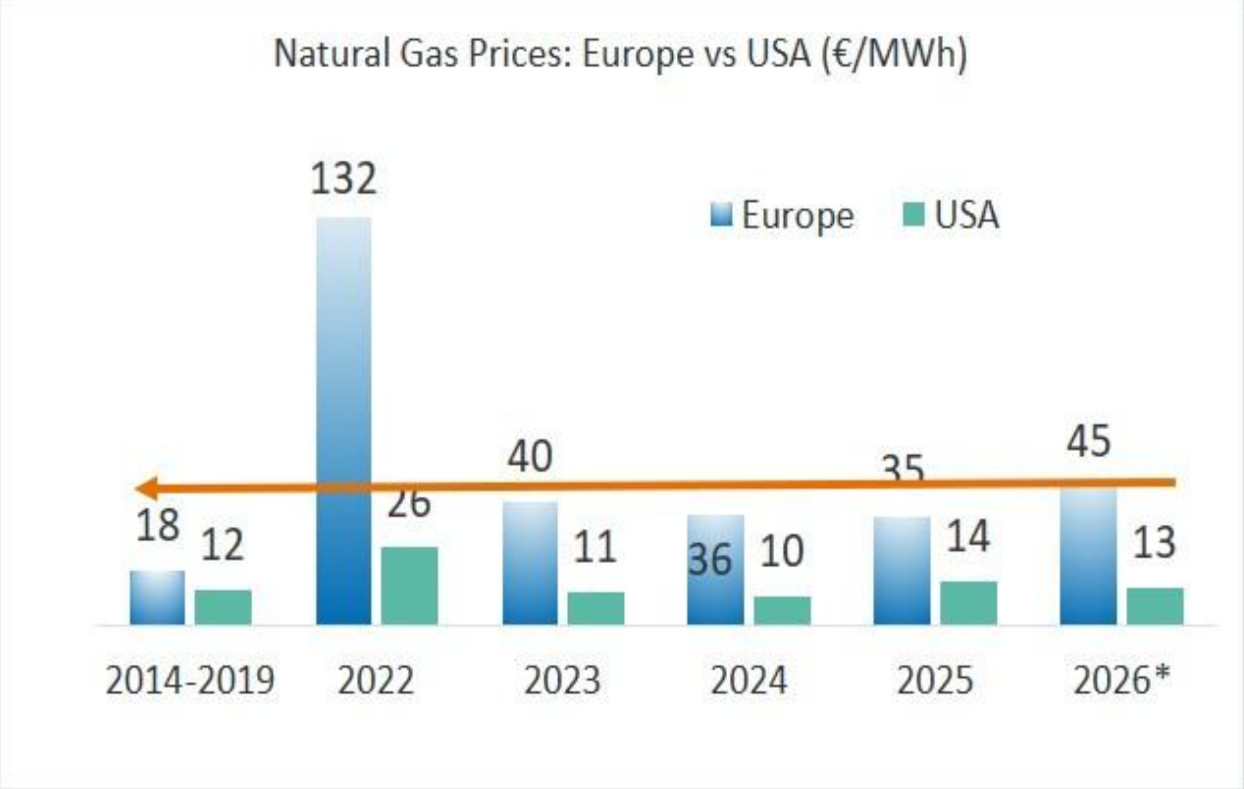


Source: EU Commission business and consumer survey results: Answers obtained from the surveys are aggregated in the form of balances, constructed as the difference between the percentages of respondents giving positive and negative replies.

Energy: Structural cost disadvantage for European chemicals

Gas prices in Europe in 2026: 2.5 times higher than pre-crisis levels (2014-2019)

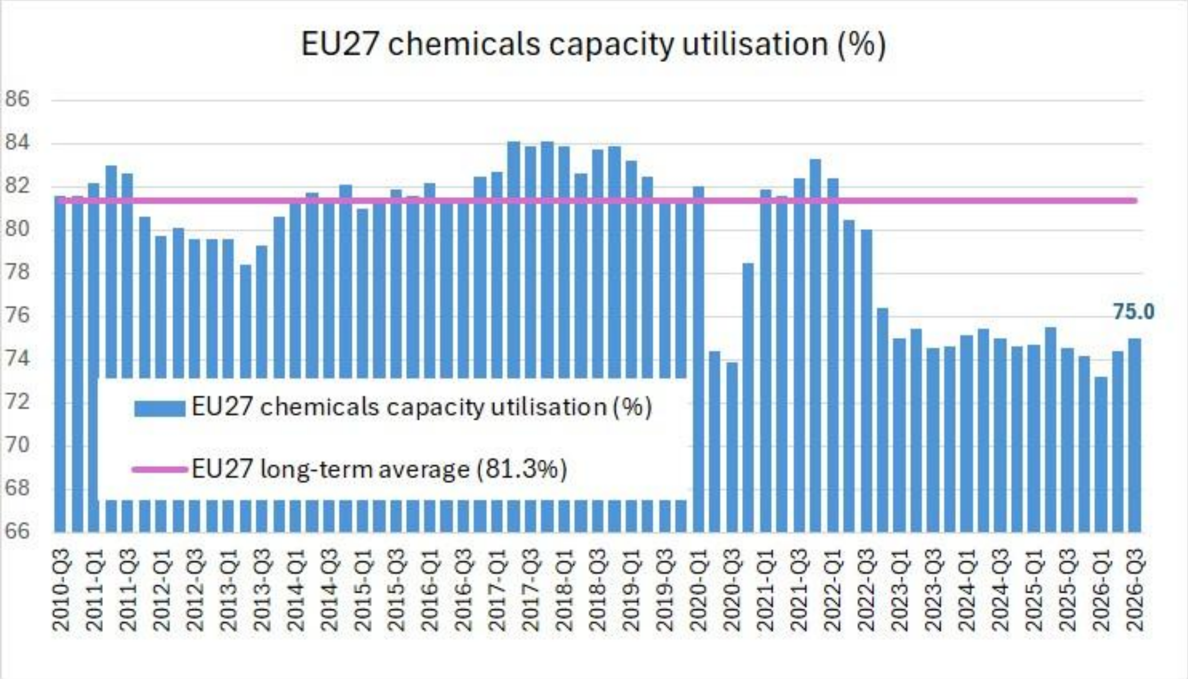


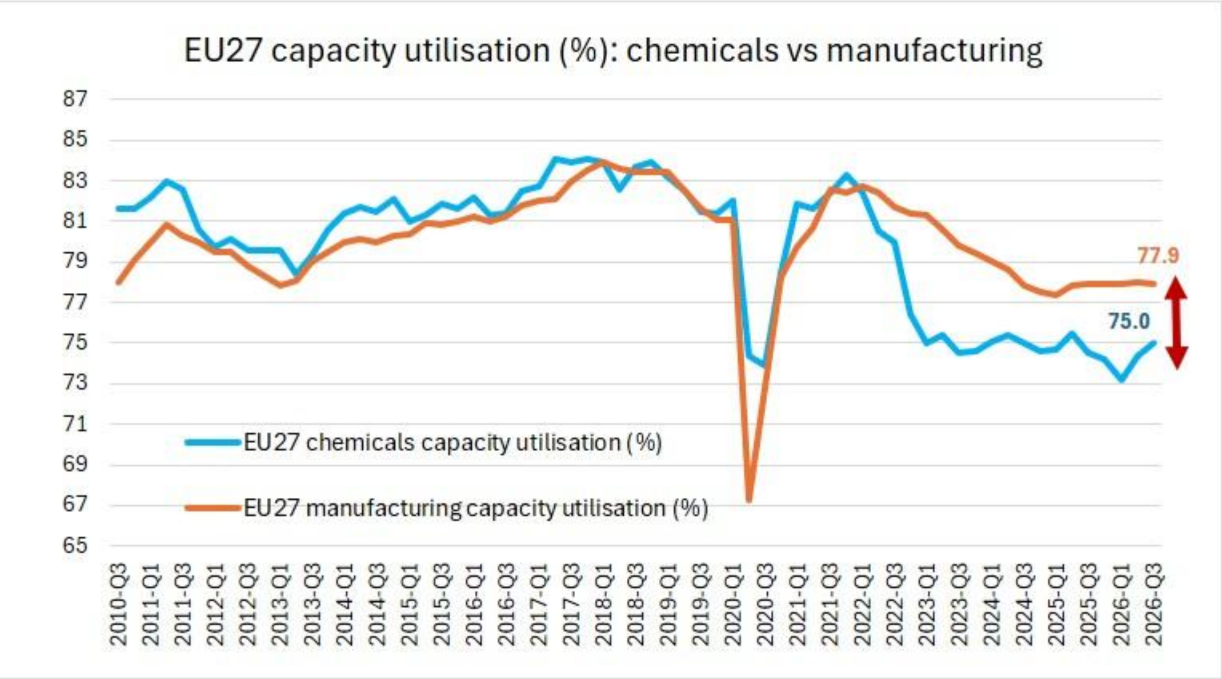


Compared to the USA, the gas price in Europe 2026* is 3.6 times higher, leaving Europe at a competitive disadvantage.

Source ICE Dutch TTF Natural Gas Futures Historical Prices - Investing.com and INSEE Oil Prices data and ICIS, *2026 (Jan-July)

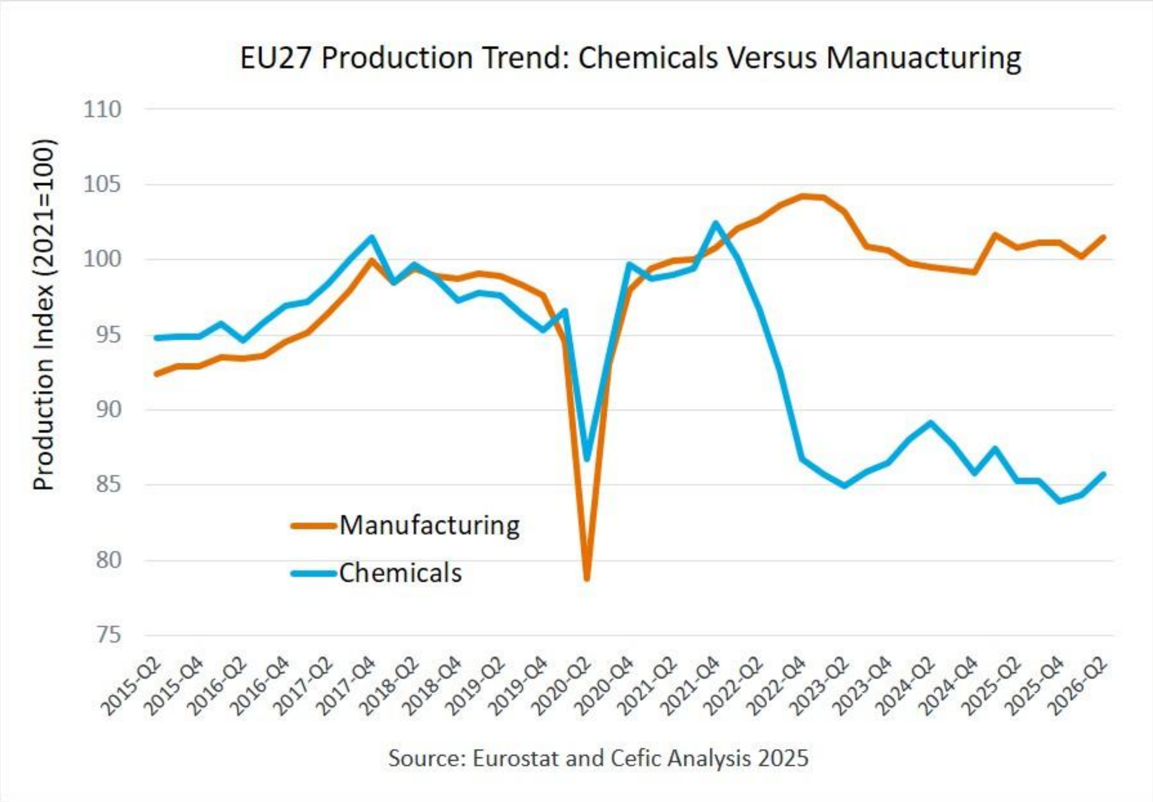
EU27 chemical capacity utilisation: gradual rise, but structural weakness persists

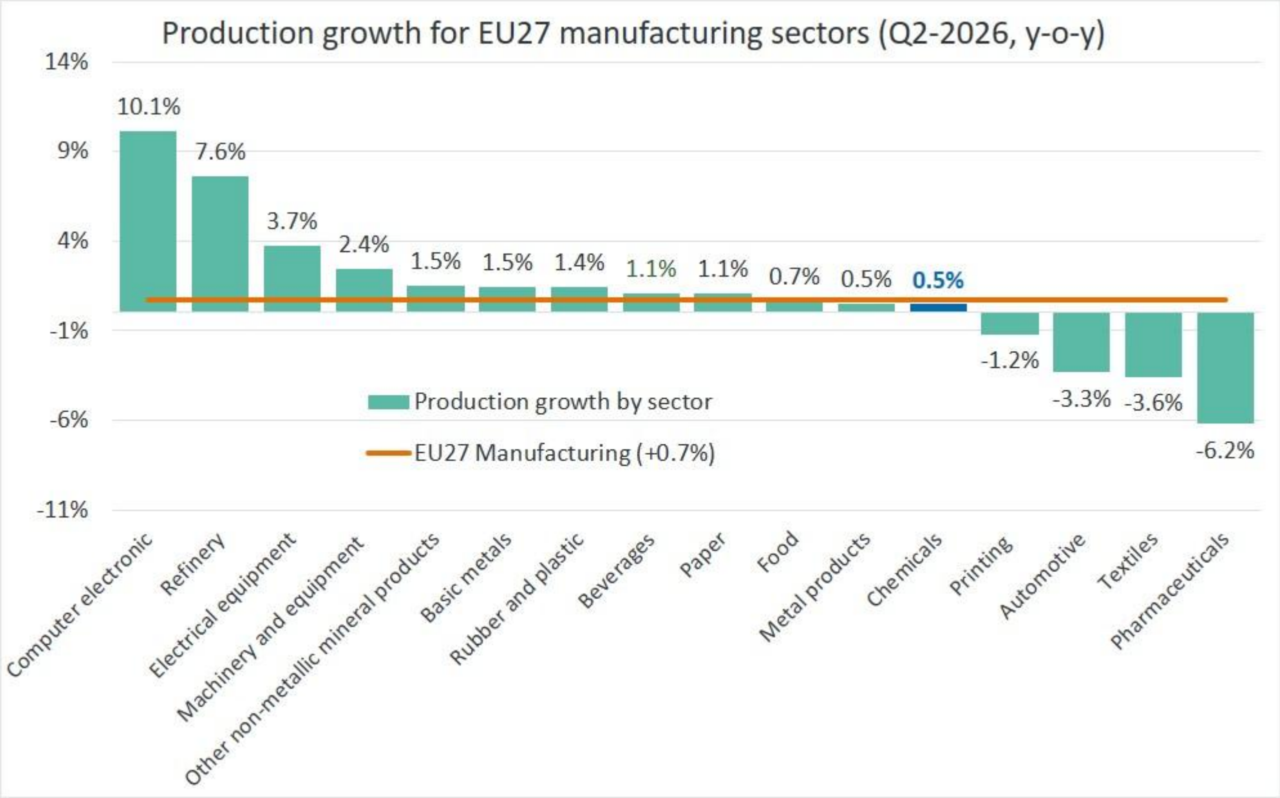




Source: Cefic analysis based on Eurostat data, Nace 20 only

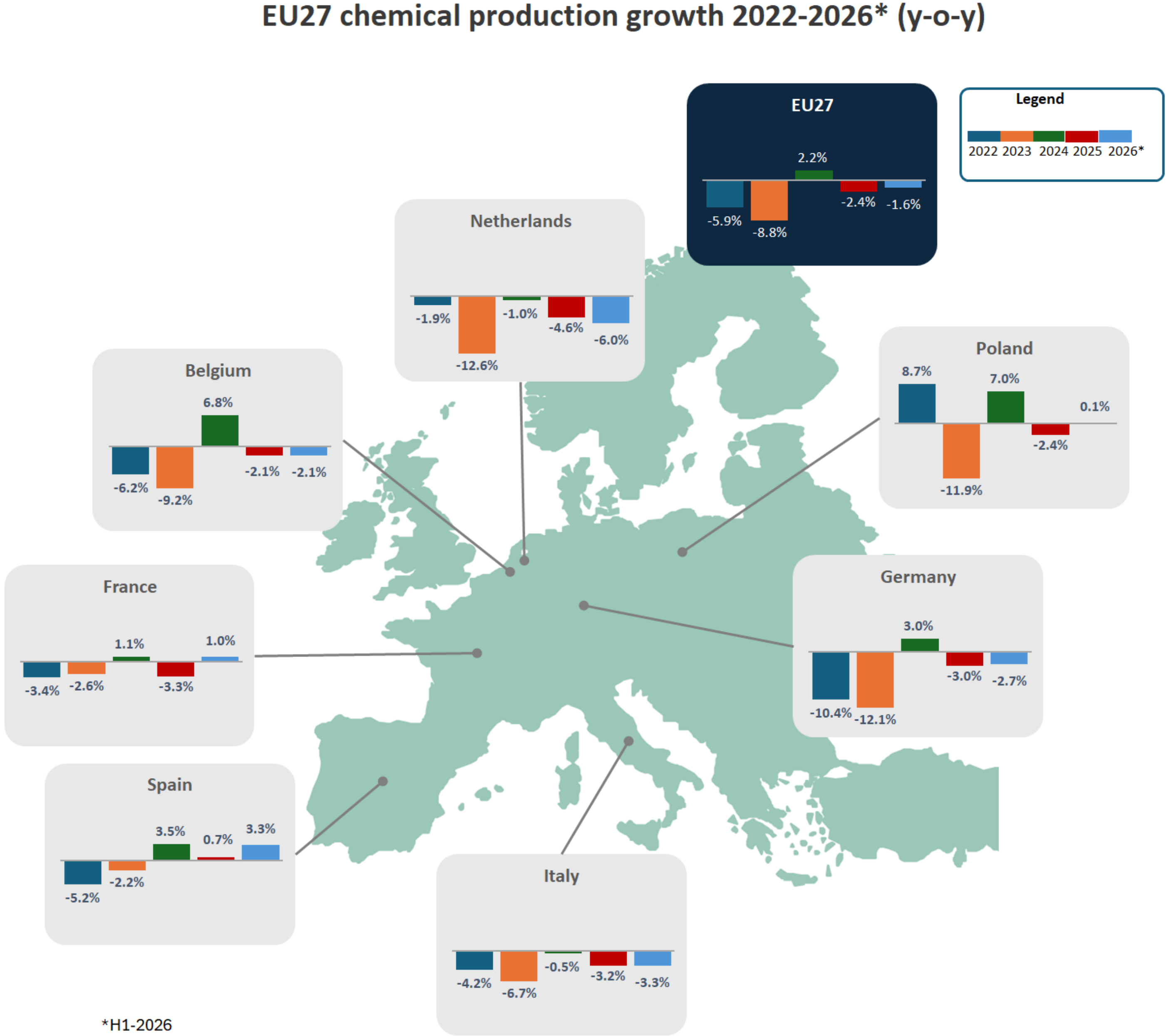
EU27 chemical production continues to lag behind most growth sectors





Source: Cefic analysis based on Eurostat data, Nace 20 only

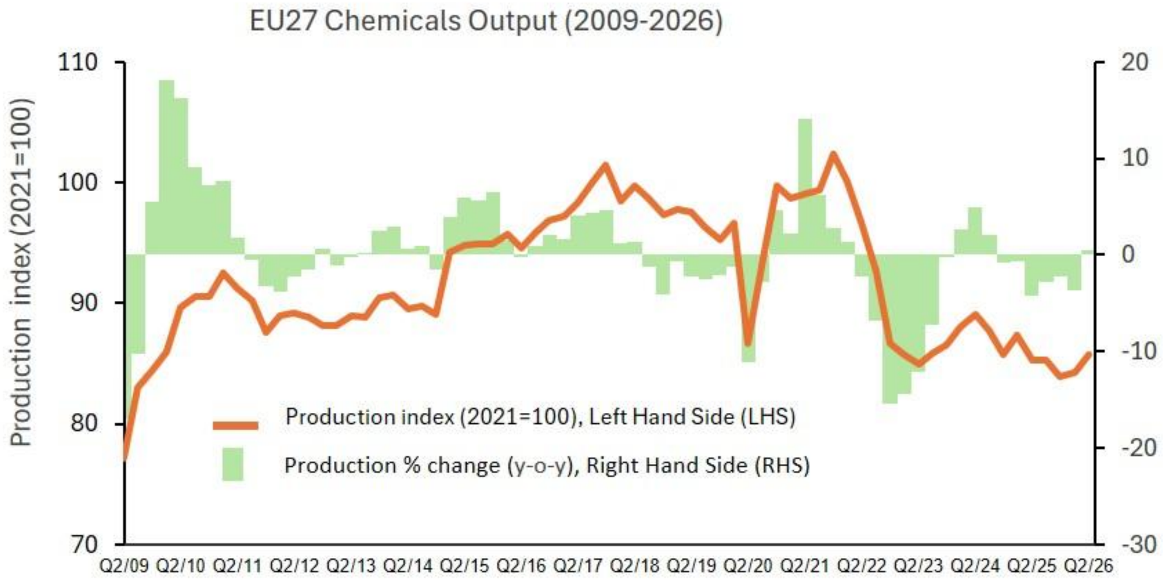
Strong production disparities across Member States

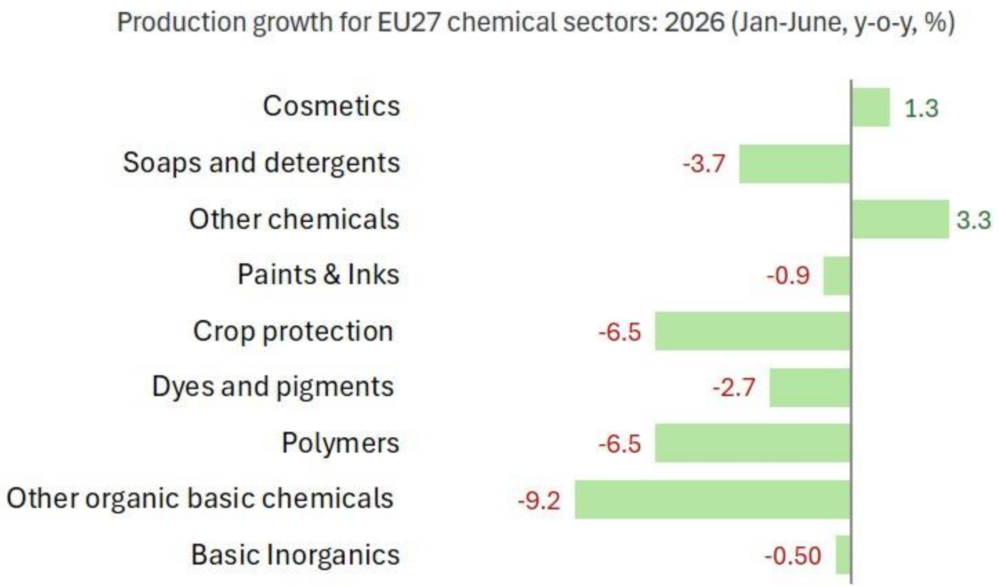


*H1-2026

Source: Cefic analysis based on Eurostat data, Nace 20 only

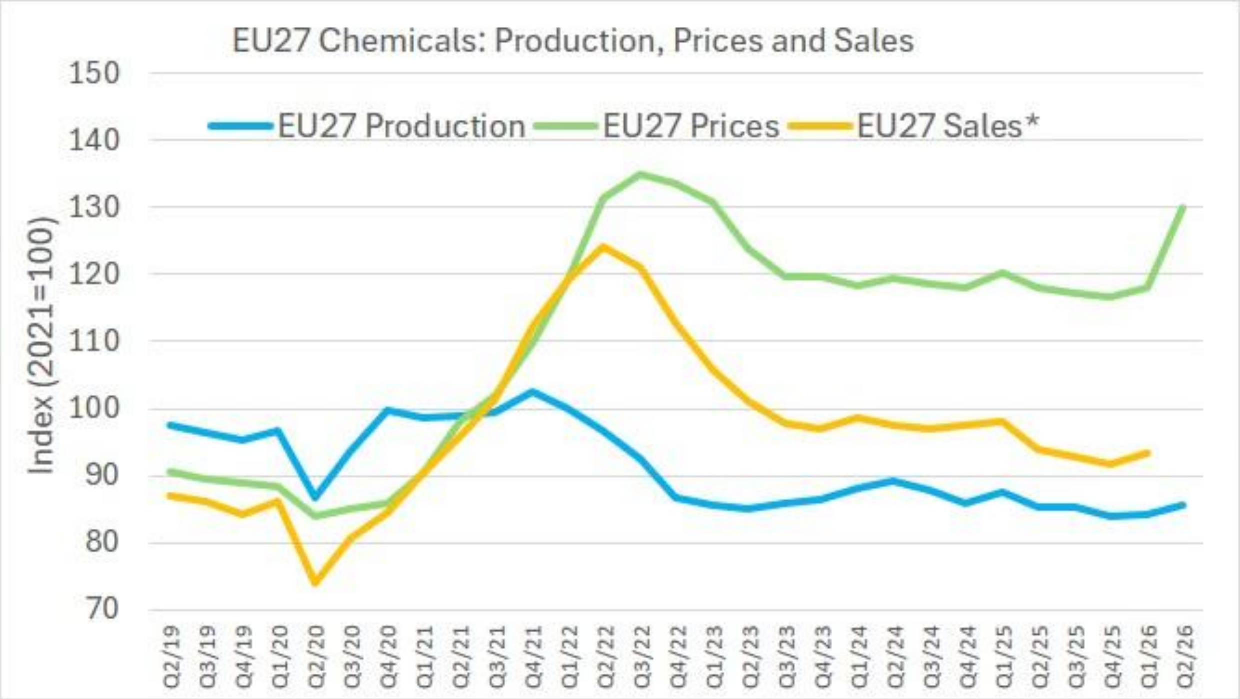
EU27 ‘other organic basic chemicals’ and polymers continue to lag behind

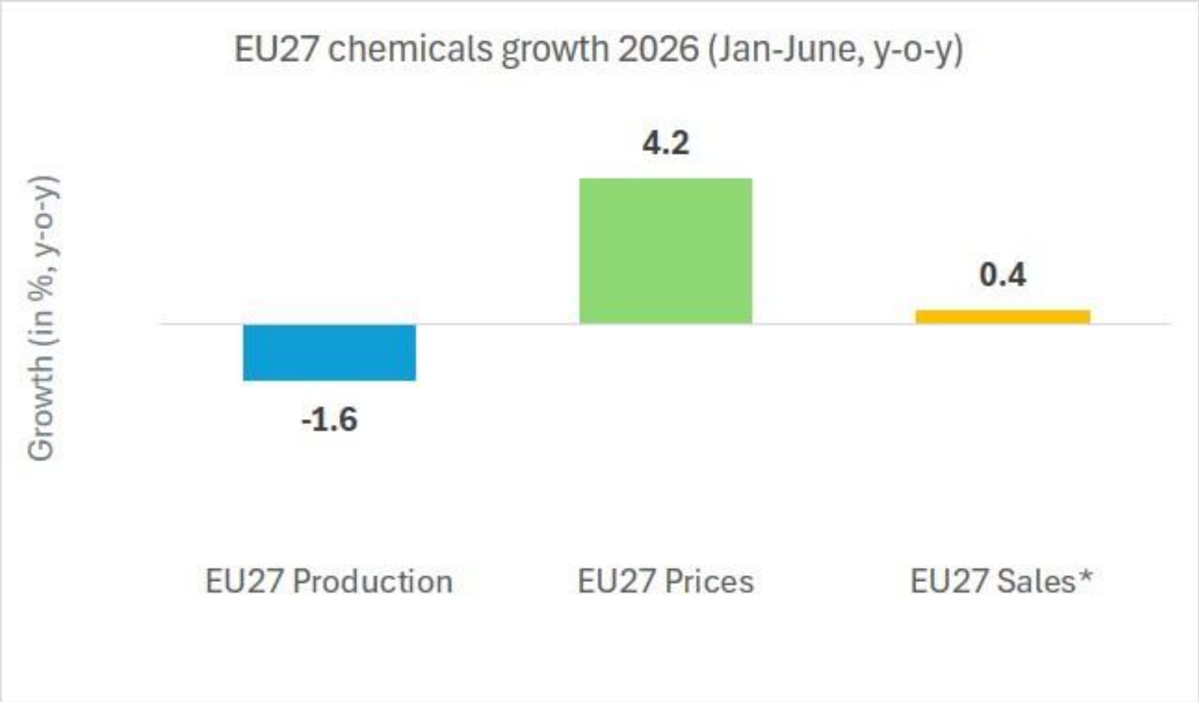




Source: Cefic analysis based on Eurostat data, Nace 20 only

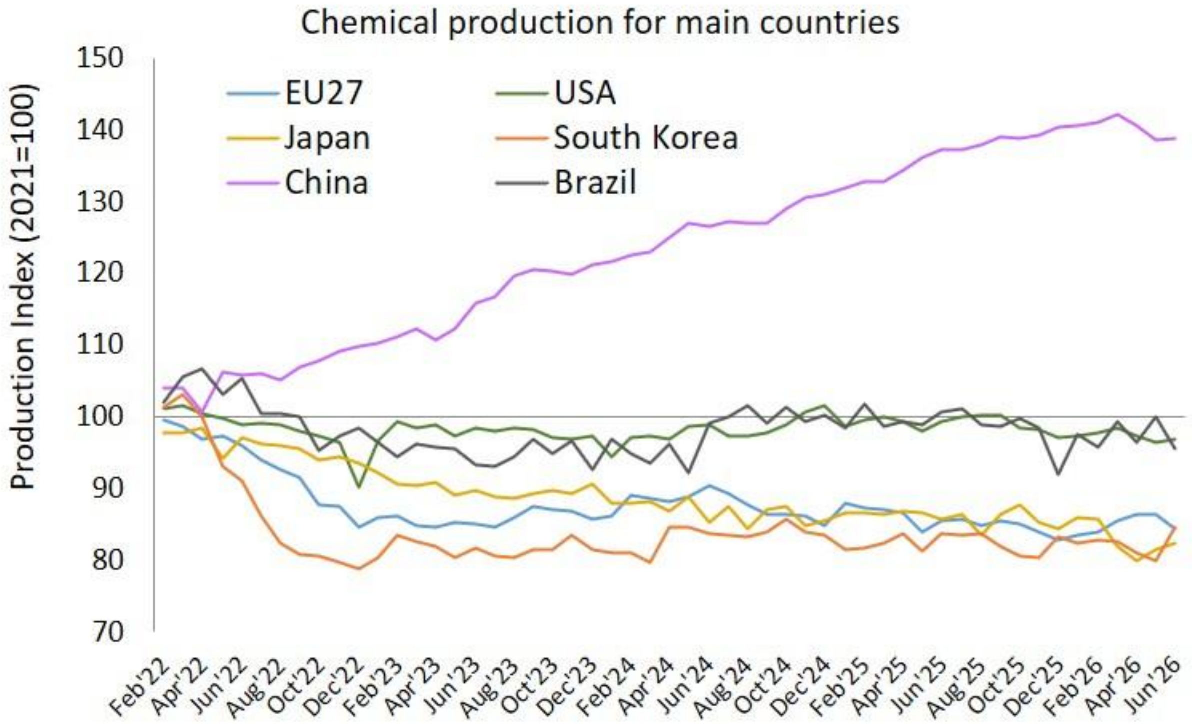
EU27 chemicals sales* 0.4% above 2025 levels

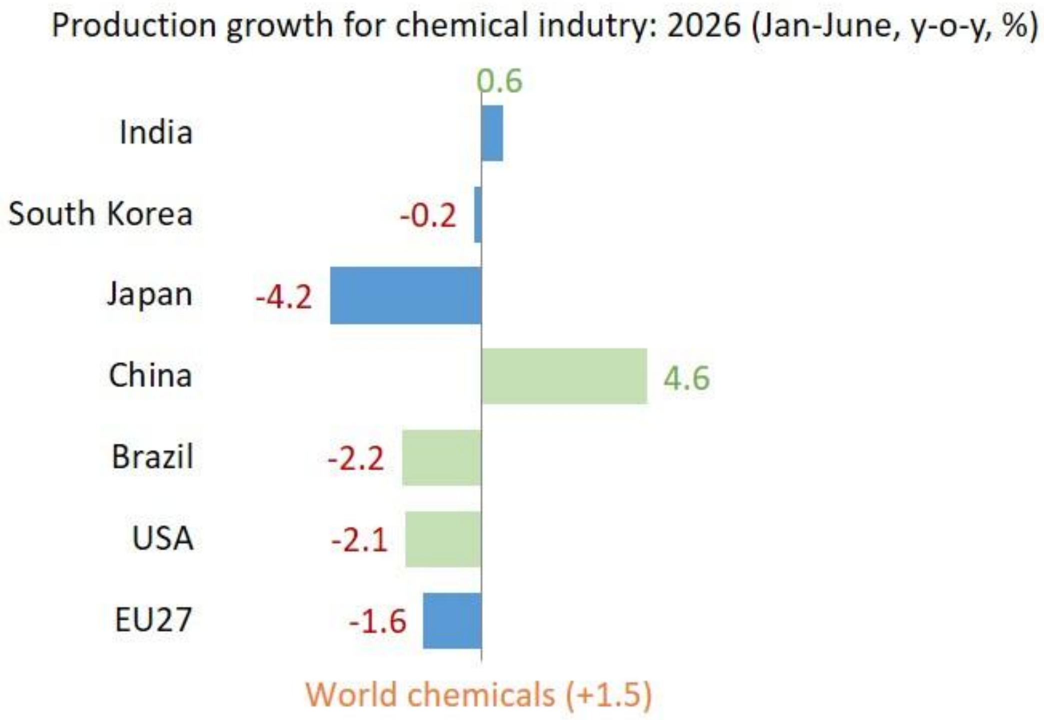




Source: Cefic analysis based on Eurostat data, Nace 20 only, *2026 (Jan-May)

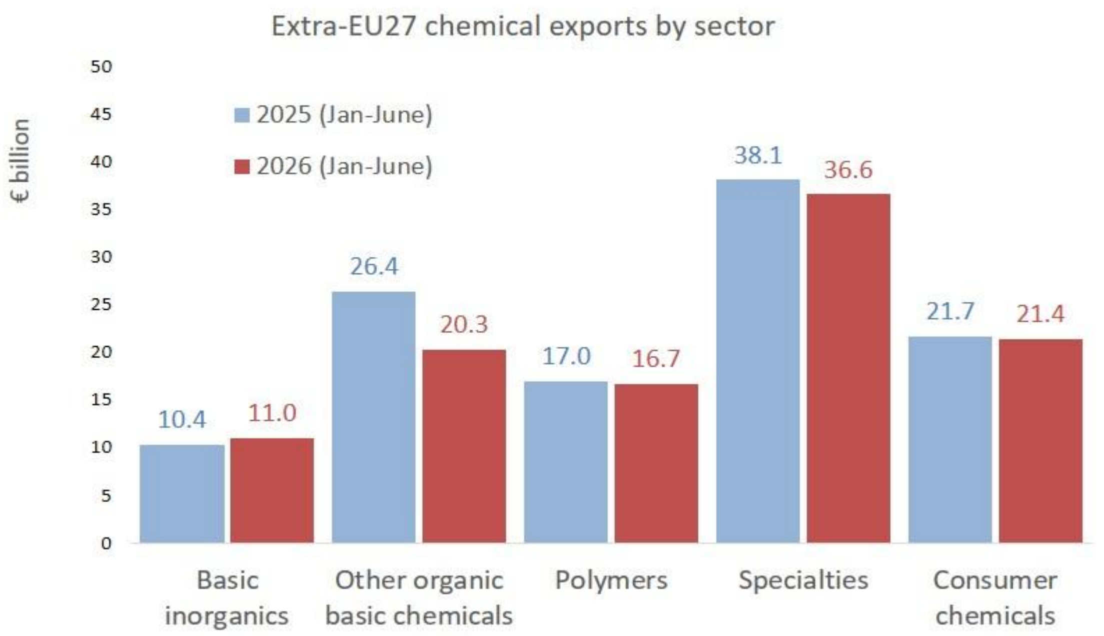
China continues to drive global growth while mature regions struggle to regain momentum

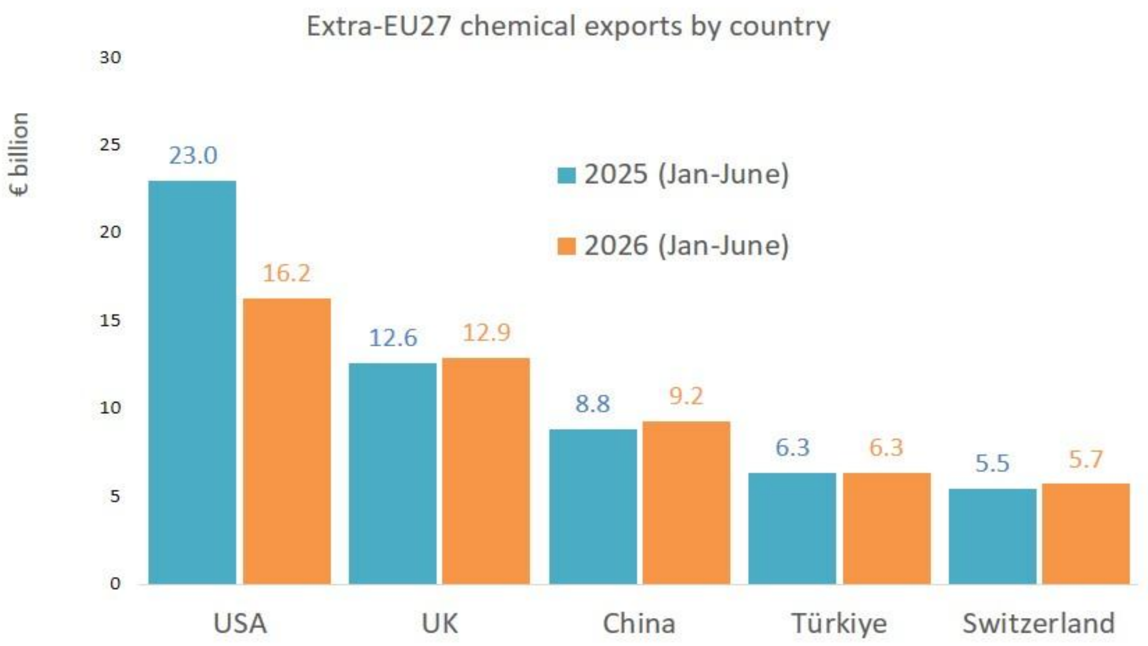




Source: Cefic analysis based on Eurostat data, Nace 20 only, *2026 (Jan-June)

Sharp fall in EU27 export values led by declining sales to the United States



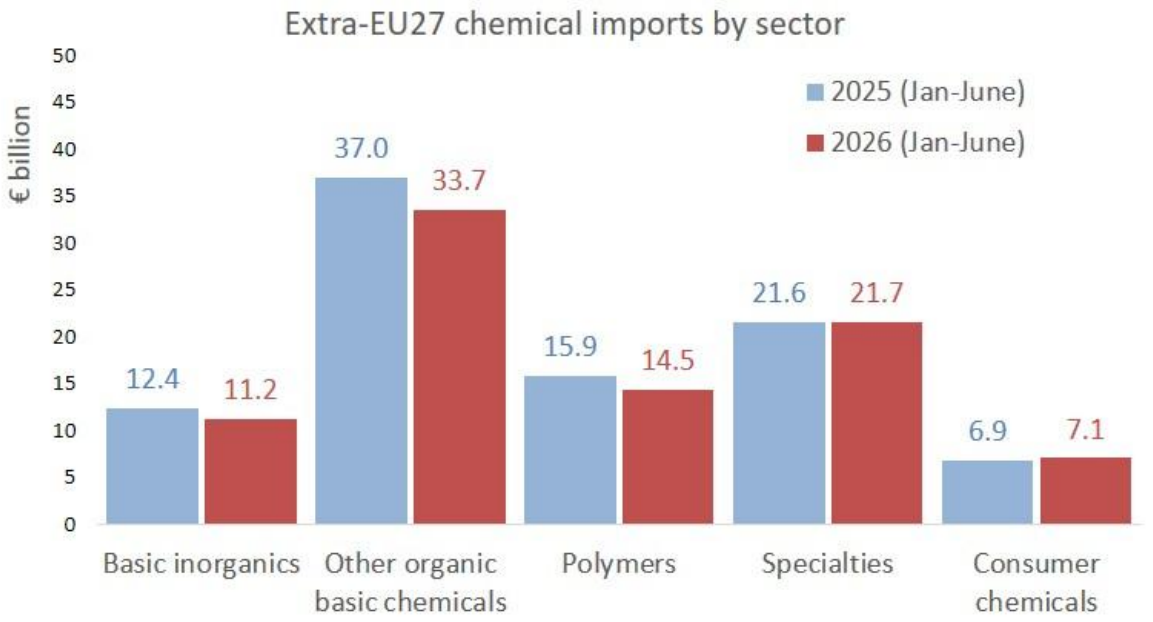


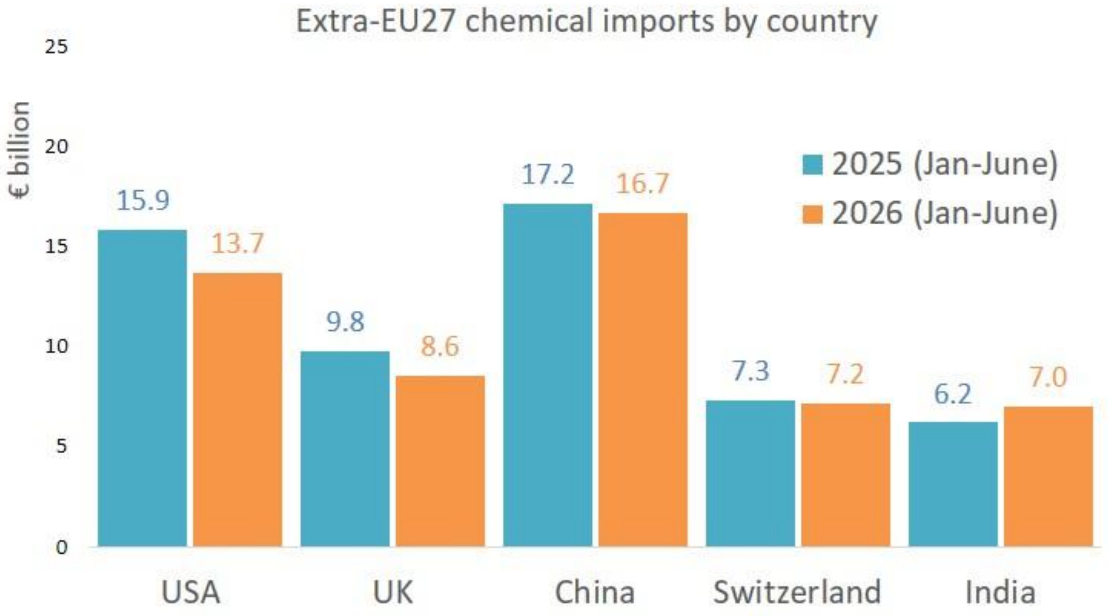
Extra-EU27 chemical exports (€bn)	Basic inorganics	Other organic basic chemicals	Polymers	Specialties	Consumer chemicals	Chemicals
2025 (Jan-June)	10.4	26.4	17.0	38.1	21.7	114.3
2026 (Jan-June)	11.0	20.3	16.7	36.6	21.4	107.1
Delta	0.67	-6.1	-0.3	-1.5	-0.2	-7.2
Growth	6.4%	-23.0%	-1.9%	-4.0%	-1.1%	-6.3%

Extra-EU27 chemical exports (€bn)	USA	UK	China	Türkiye	Switzerland	Extra-EU27
2025 (Jan-June)	23.0	12.6	8.8	6.3	5.5	114.3
2026 (Jan-June)	16.2	12.9	9.2	6.3	5.7	107.1
Delta	-6.7	0.3	0.4	0.0	0.2	-7.2
Growth	-29.2%	2.7%	5.1%	0.3%	4.3%	-6.3%

Source: Cefic analysis based on Eurostat data, Nace 20 only

EU27 import value declines across major upstream segments



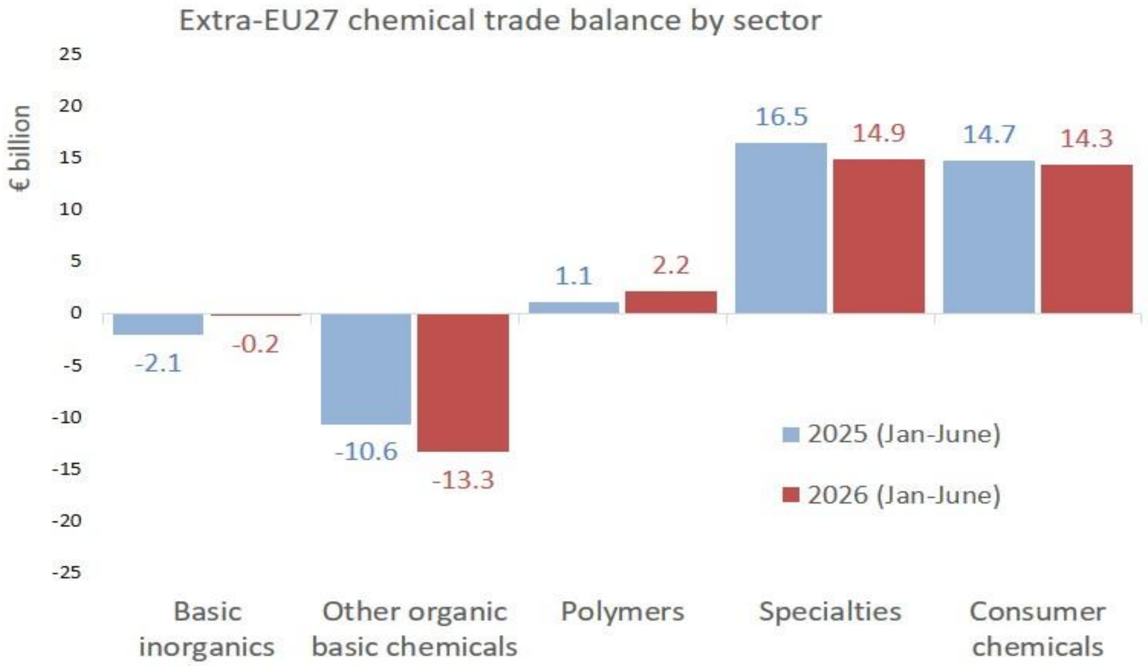


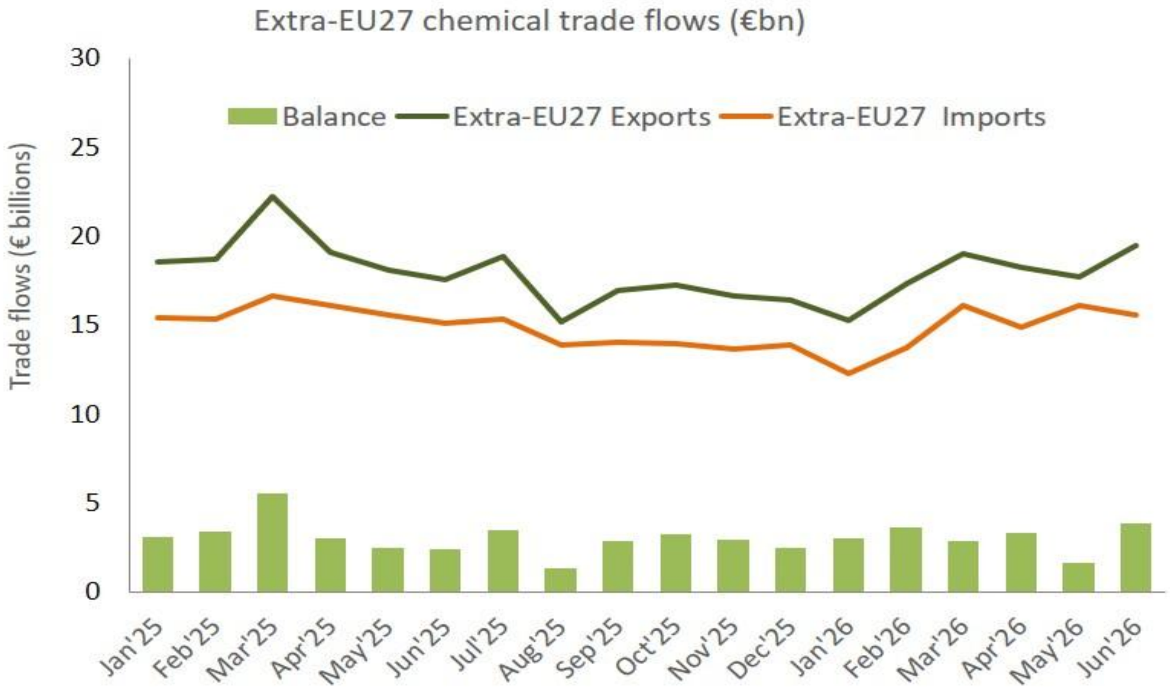
Extra-EU27 chemical imports (€bn)	Basic inorganics	Other organic basic chemicals	Polymers	Specialties	Consumer chemicals	Chemicals
2025 (Jan-June)	12.4	37.0	15.9	21.6	6.9	94.2
2026 (Jan-June)	11.2	33.7	14.5	21.7	7.1	88.7
Delta	-1.20	-3.4	-1.5	0.0	0.2	-5.6
Growth	-9.7%	-9.1%	-9.2%	0.1%	2.6%	-5.9%

Extra-EU27 chemical imports (€bn)	USA	UK	China	Switzerland	India	Extra-EU27
2025 (Jan-June)	15.9	9.8	17.2	7.3	6.2	94.2
2026 (Jan-June)	13.7	8.6	16.7	7.2	7.0	88.7
Delta	-2.14	-1.3	-0.4	-0.2	0.8	-5.6
Growth	-13.5%	-12.8%	-2.4%	-2.4%	12.6%	-5.9%

Source: Cefic analysis based on Eurostat data, Nace 20 only

EU27 trade surplus value narrows as exports fall more than imports

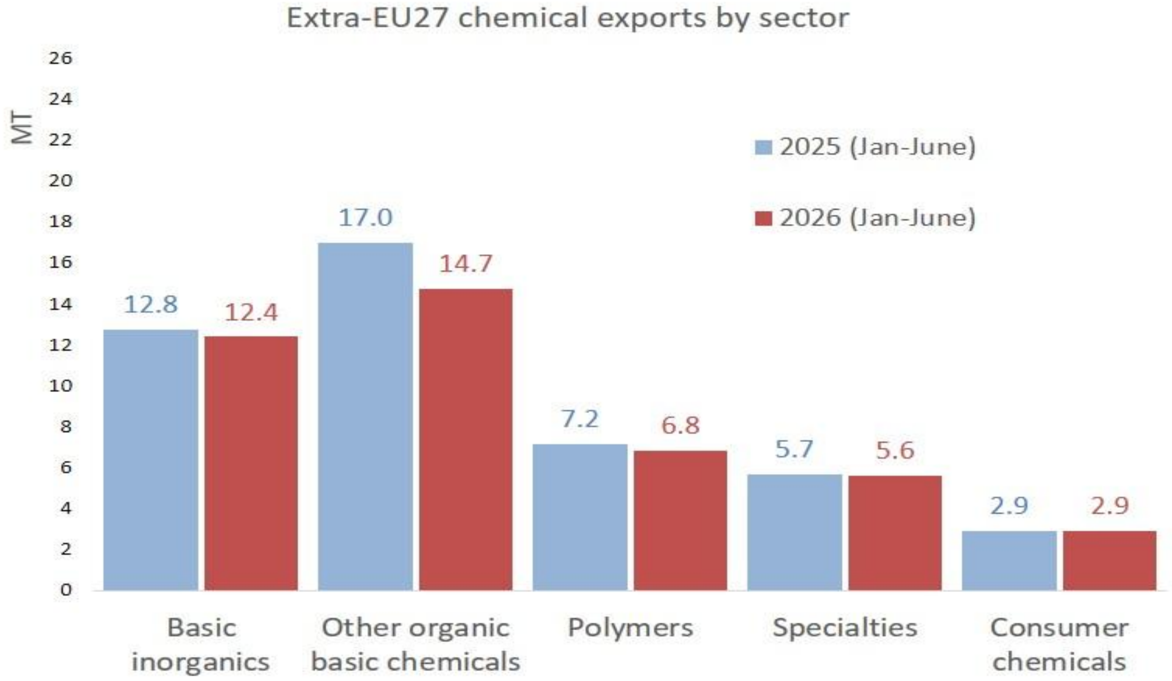


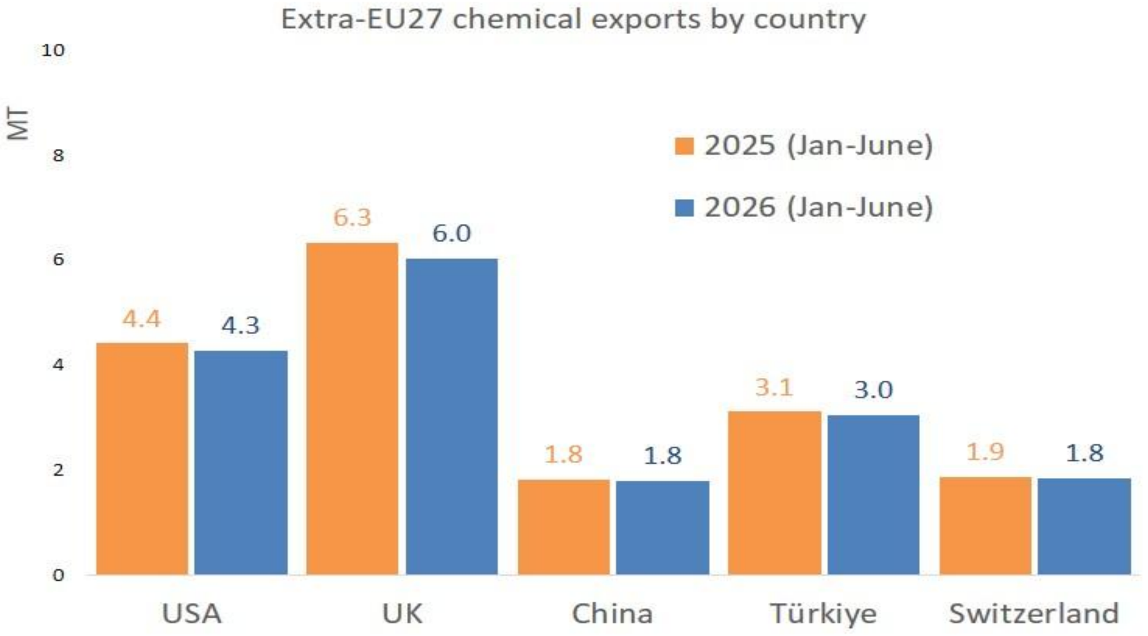


Extra-EU27 chemical trade balance (€bn)	Basic inorganics	Other organic basic chemicals	Polymers	Specialties	Consumer chemicals	Chemicals
2025 (Jan-June)	-2.1	-10.6	1.1	16.5	14.7	20.1
2026 (Jan-June)	-0.2	-13.3	2.2	14.9	14.3	18.4
Delta	1.9	-2.7	1.14	-1.5	-0.4	-1.7

Source: Cefic analysis based on Eurostat data, Nace 20 only

Extra-EU27chemical exports — Decline concentrated in basic chemicals



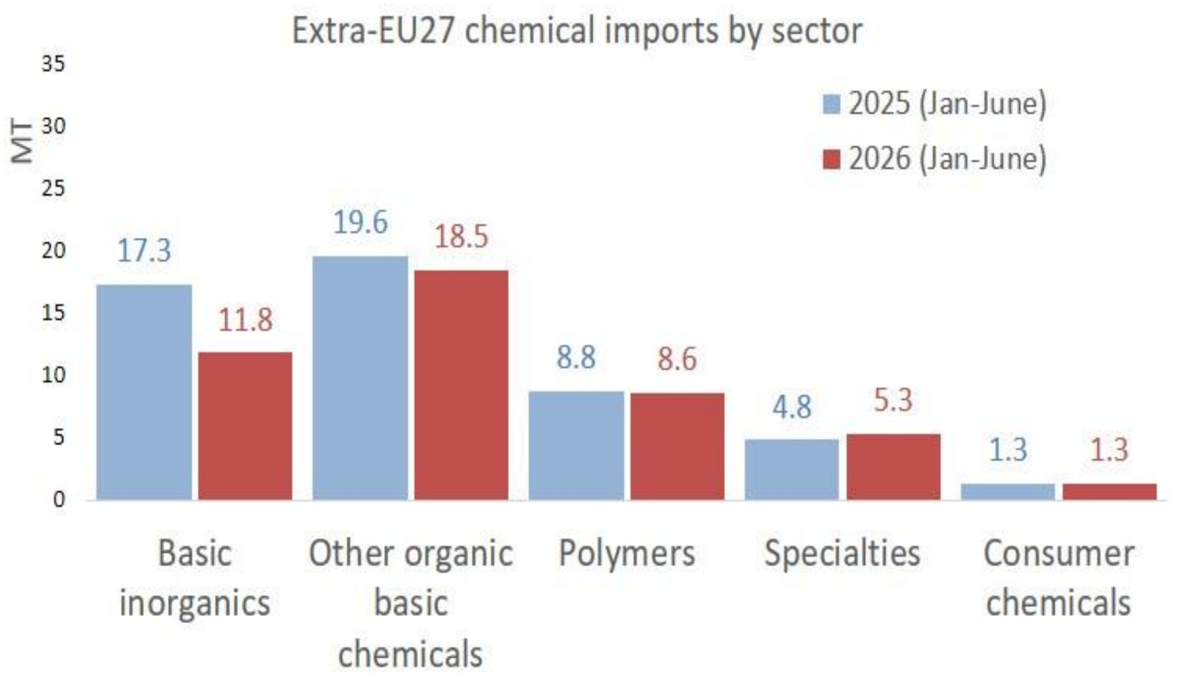


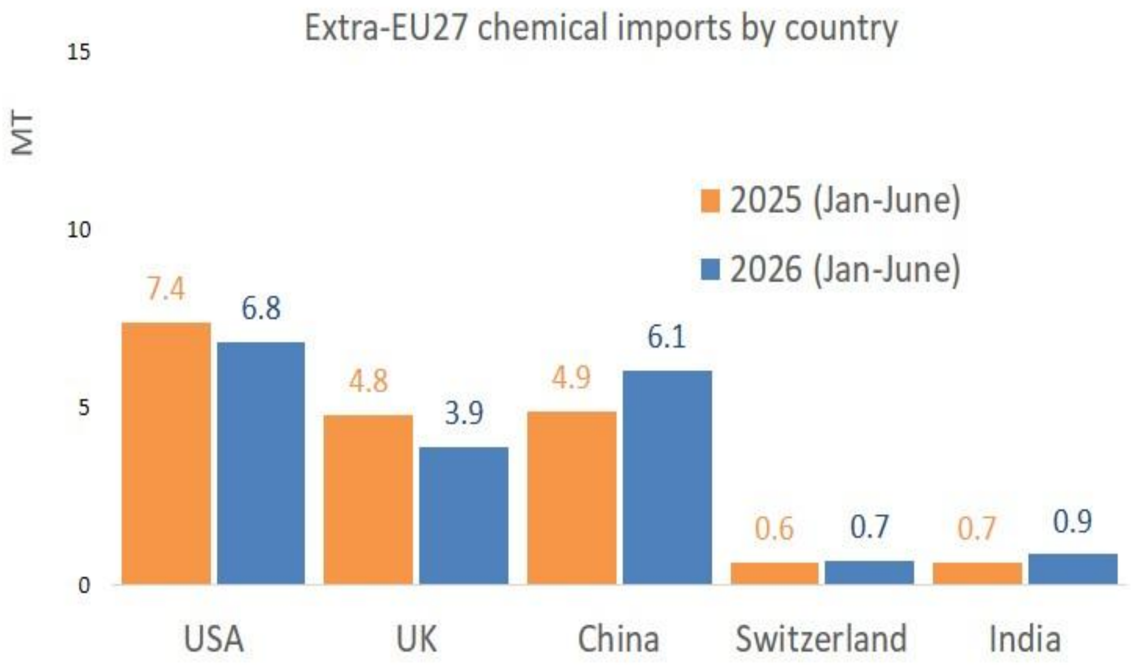
Extra-EU27 chemical exports (MT)	Basic inorganics	Other organic basic chemicals	Polymers	Specialties	Consumer chemicals	Chemicals
2025 (Jan-June)	12.8	17.0	7.2	5.7	2.9	46.6
2026 (Jan-June)	12.4	14.7	6.8	5.6	2.9	43.7
Delta	-0.4	-2.2	-0.3	-0.1	0.0	-2.9
Growth	-2.8%	-13.1%	-4.8%	-1.0%	0.1%	-6.2%

Extra-EU27 chemical exports (MT)	USA	UK	China	Türkiye	Switzerland	Extra-EU27
2025 (Jan-June)	4.4	6.3	1.8	3.1	1.9	46.6
2026 (Jan-June)	4.3	6.0	1.8	3.0	1.8	43.7
Delta	-0.1	-0.3	0.0	-0.1	0.0	-2.9
Growth	-3.2%	-4.8%	-0.8%	-2.2%	-2.0%	-6.2%

Source: Cefic analysis based on Eurostat data, Nace 20 only

Extra-EU27 chemical Imports — Sharp decline in volume driven by lower purchases of basic chemicals



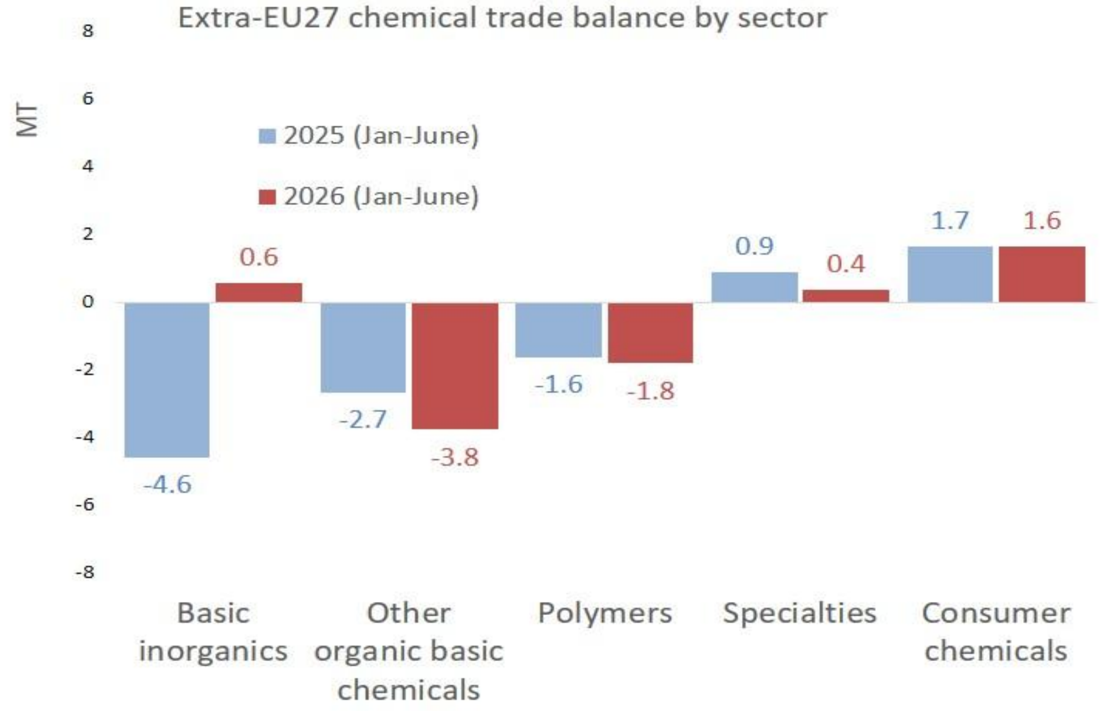


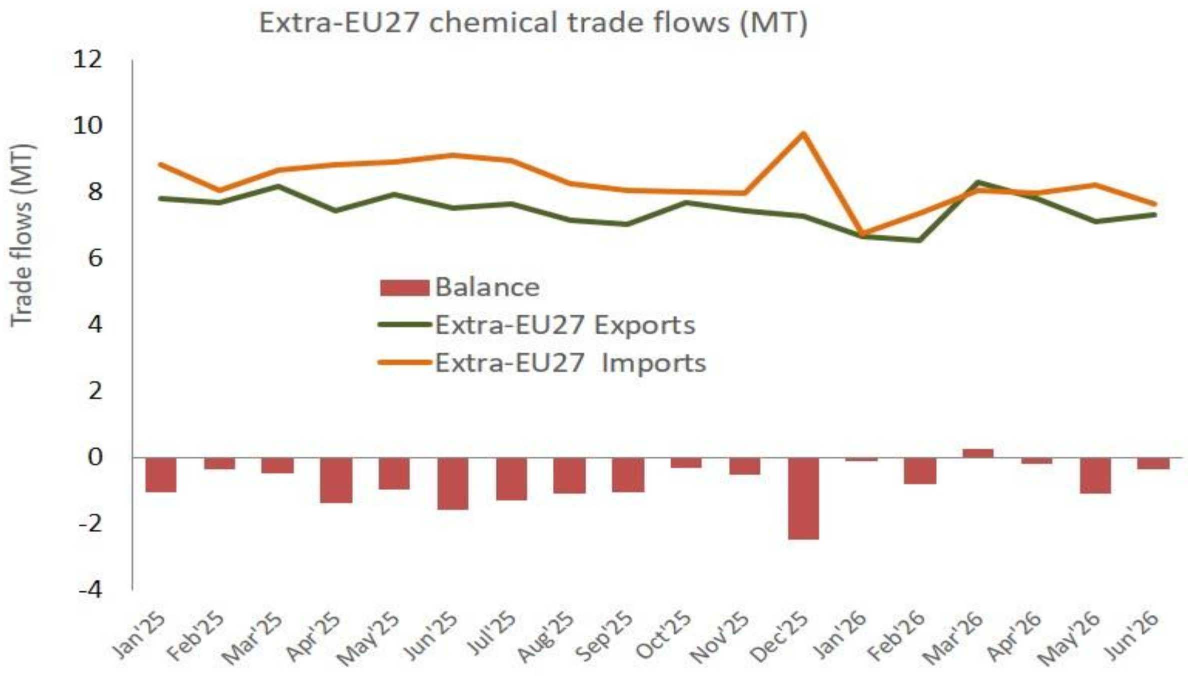
Extra-EU27 chemical imports (MT)	Basic inorganics	Other organic basic chemicals	Polymers	Specialties	Consumer chemicals	Chemicals
2025 (Jan-June)	17.3	19.6	8.8	4.8	1.3	52.4
2026 (Jan-June)	11.8	18.5	8.6	5.3	1.3	46.0
Delta	-5.5	-1.1	-0.2	0.5	0.0	-6.4
Growth	-31.9%	-5.8%	-1.8%	9.5%	1.9%	-12.3%

Extra-EU27 chemical imports (MT)	USA	UK	China	Switzerland	India	Extra-EU27
2025 (Jan-June)	7.4	4.8	4.9	0.6	0.7	52.4
2026 (Jan-June)	6.8	3.9	6.1	0.7	0.9	46.0
Delta	-0.6	-0.9	1.1	0.1	0.2	-6.4
Growth	-7.5%	-19.2%	23.3%	9.7%	31.2%	-12.3%

Source: Cefic analysis based on Eurostat data, Nace 20 only

Trade balance — Deficit narrows substantially as imports fall faster than exports





Extra-EU27 chemical trade balance (MT)	Basic inorganics	Other organic basic chemicals	Polymers	Specialties	Consumer chemicals	Chemicals
2025 (Jan-June)	-4.6	-2.7	-1.6	0.9	1.7	-5.8
2026 (Jan-June)	0.6	-3.8	-1.8	0.4	1.6	-2.3
Delta	5.2	-1.1	-0.18	-0.5	0.0	3.6

Source: Cefic analysis based on Eurostat data, Nace 20 only

Fragile improvement amid structural competitiveness challenges

- **Overall Message:** The EU27 chemical industry performed better than expected, likely linked to supply chain disruptions due to the situation in the Strait of Hormuz and the wider Middle East. However, the improvement remained fragile, uneven and well below historical norms, as the industry's long-term structural challenges remained unchanged.
- **Key Takeaways**
  - **Business confidence improved**, but remains below neutral levels.
  - **Production is stabilising**, but chemicals continue to lag behind most manufacturing sectors.
  - **Energy costs remain a major structural disadvantage** versus the United States.
  - **Capacity utilisation remains weak**, signalling persistent spare capacity.
  - **France and Spain outperform**, while Germany, Italy and the Netherlands continue to struggle.
  - **'Other organic basic chemicals' and polymers remain the main weak spots**.
  - **Prices are rising faster than volumes**, suggesting only limited market improvement.
  - **The trade surplus narrowed**, largely because of weaker exports to the United States.
  - **A broad-based and self-sustaining recovery has not yet materialised.**