CHEMICAL TRENDS REPORT

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cefic

General enquiries
Dr Moncef Hadhri
Chief Economist
Tel. +32 479 79 66 99
mha@cefic.be

Cefic, the European Chemical Industry Council, is the forum for large, medium, and small chemical companies across Europe, accounting for 1.2 million jobs and 13% of world chemical production. On behalf of its members, Cefic's experts share industry insights and trends, and offer input and perspectives on the EU agenda. Cefic also provides its members with services such as guidance and training on regulatory and technical matters, while contributing to the advancement of scientific knowledge.

The European Chemical Industry Council, AISBL
Rue Belliard 40, 1040 - Brussels, Belgium
Cefic.org

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The Chemicals Trends summary report provides a snapshot of the chemical industry performance in the 27 countries of the European Union and is based on data released by Eurostat.

Issued quarterly, the current report distils Eurostat data into top areas: economic climate, business climate, energy prices, output, total sales, extra-EU trade, consumption and capacity utilisation.

SUMMARY

The EU27 chemical industry: Fragile improvement amid structural competitiveness challenges

- During the first half of 2026, the EU27 chemical industry performed better than expected, potentially 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.

- Market conditions improved modestly as producer prices and chemical sales increased. This was largely driven by higher prices rather than stronger production volumes, highlighting the continued weakness of underlying demand. Business confidence improved by 4.1 points compared to the same period in 2025, driven by an increase in recent production of 8.0 points. Yet both confidence and production remained in negative territory. While inventories normalised, demand remained weak, capacity utilisation continued to lag behind manufacturing, and employment expectations deteriorated.

- Structural competitiveness challenges persisted. European chemical producers continued to face a substantial energy cost disadvantage relative to the United States, with the EU27-US gas price gap widening further in 2026. At 75%, capacity utilisation remained substantially below long-term averages, reflecting ongoing spare capacity and subdued operating conditions, particularly in Belgium, Germany and Italy.

- Production performance remained mixed across the EU27 area. While France and Spain returned to growth, and Poland remained relatively stable, output continued to decline in several major producing countries, notably the Netherlands, Germany and Italy. Sectorally, 'other organic basic chemicals' and polymers remained the weakest-performing segments, weighed down by global structural oversupply and weak demand, while parts of the specialty and consumer chemicals segments proved more resilient.

- Trade developments continued to be concerning. EU27 chemical exports and imports both declined in value and volume during the first half of 2026, with imports down by €5.6 bn (-5.9%) and exports by €7.2 bn (-6.3%). The export values downturn was concentrated in 'other organic

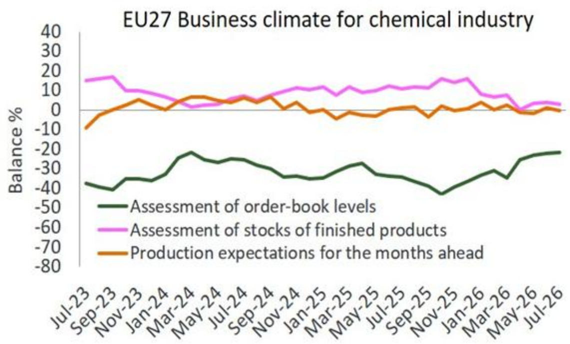
basic chemicals' (-23%) and driven largely by weaker sales to the United States (-29%). Although the EU27 maintained a substantial chemical trade surplus in value terms (€18.4 bn in H1 2026), it narrowed as exports fell faster than imports. In volume terms, the trade deficit improved by 3.7 mn tonnes as imports declined significantly faster than exports (-12% vs -6%), primarily due to reduced imports of basic chemicals.

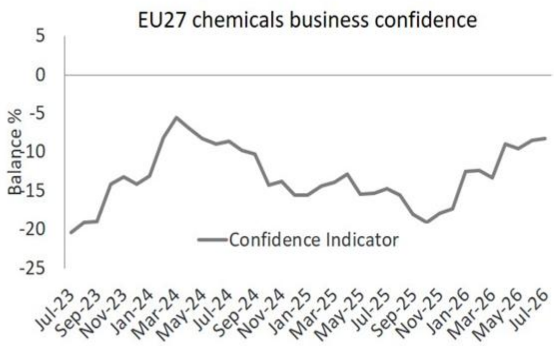
- While market conditions improved from recent lows, the EU27 chemical industry continues to face significant structural headwinds. Weak demand, persistent energy disadvantages, low capacity utilisation and competitive pressures continue to prevent a strong and sustainable rebound.

IN-DEPTH ANALYSIS

1. Business confidence improves but remains below neutral levels

The latest European Commission business survey shows a 4.1-point rise in EU27 chemical business confidence during the first seven months of 2026. The confidence indicator averaged −10.5 between January and July 2026, up from −14.6 during the same period of 2025 and reached −8.2 in July, compared with −14.7 a year earlier. Despite this increase, confidence remained well below zero, reflecting ongoing challenges for the European chemical industry.





Source: EU Commission business and consumer survey results, NACE 20.

Demand conditions improved but remained weak overall. Firms' assessment of total order books averaged −27.3 between January and July 2026, up from −31.8 one year earlier, corresponding to an 4.5-point increase. Export order books also improved. However, both indicators remained firmly in the negative, suggesting a moderation of the demand downturn rather than a sustained recovery in market conditions.

Production conditions showed a more pronounced improvement. Firms' assessment of recent production rose from an average of −11.7 between January and July 2025 to −3.7 in the corresponding period of 2026, an increase of 8.0 points. Production expectations for that same period also improved, averaging 0.6 compared with −1.4 a year earlier. Inventory pressures eased significantly during the period. The assessment of stocks of finished products declined from an average of 10.5 between January and July 2025 to 4.7 in the same period of 2026, a reduction of 5.8 points.

The business survey also highlights a continued deterioration in labour market sentiment. Employment expectations averaged approximately −13.6 between January and July 2026, compared with −6.7 one year earlier, indicating that chemical companies remain cautious regarding workforce expansion despite improving production conditions. At the same time, selling price expectations increased sharply during the spring of 2026 before easing again in July, reflecting the volatile market environment.

In summary

Overall, the first seven months of 2026 point to a transition from pronounced weakness towards a fragile and uneven upturn. Business confidence strengthened, production recovered markedly and excess inventories declined substantially. However, order books remained deeply negative, export demand continued to be weak and employment expectations deteriorated further. Persistent demand weakness and continued economic and geopolitical uncertainty remain significant constraints on the sector's outlook.

2. EU27 chemical business climate by main countries: Improvement remains uneven across Europe

Germany: Production rebounds sharply, but the outlook remains cautious

Germany recorded a broad-based improvement in current business conditions. Confidence increased by 4.1 points, while order-book assessments strengthened by 8.7 points. The most notable development was the sharp 11.4-point increase in recent production compared with 2025. Stocks of finished products also fell markedly, by 9.6 points, pointing to significant inventory adjustment. However, production expectations deteriorated by 6.1 points and remained clearly negative. Germany therefore shows tangible operational improvement, but firms remain cautious about whether the production rebound can be sustained.

France: The strongest and most balanced performance among major producers

France therefore stands out as the country with the clearest and most balanced performance. Confidence rose by 8.5 points, while recent production increased by 12.7 points, the largest gain among the selected countries. Production expectations surged by 17.8 points and moved firmly into positive territory. Order-book assessments increased more modestly, by 2.6 points, and remained weak, showing that demand has yet to match production and expectations. Stocks of finished products declined by 4.9 points, providing further evidence of improving operating conditions.

Italy: Demand strengthens, but production remains subdued

Italy recorded a moderate but broadly positive improvement in business conditions. Confidence increased by 3.1 points, supported by a substantial 8.0-point strengthening in order-book assessments. Recent production improved by 3.4 points, while production expectations also rose by 3.4 points and returned to positive territory. Overall, Italy shows signs of gradual improvement, led primarily by stronger demand assessments and a more favourable production outlook, although current activity remains subdued.

Netherlands: Expectations improve despite weaker demand and production

The Netherlands continued to present a mixed picture. Confidence improved by 3.5 points, while production expectations increased by 5.3 points and moved into positive territory. However, recent production declined by 1.1 points, and order-book assessments weakened by 1.6 points, indicating softer underlying activity and demand. The Dutch chemical industry therefore benefits from improving sentiment and expectations, but this improvement has not yet been supported by stronger production or order books.

Spain: Confidence moves slightly positive, while demand approaches balance

Spain recorded an improvement in confidence of 2.6 points, bringing its January–July 2026 average slightly above neutral. Order-book assessments strengthened significantly, by 6.9 points, and moved close to balance. However, recent production declined by 1.5 points, while production expectations improved by only 0.6 points. Stocks of finished products remained broadly unchanged, declining by just 0.1 points. Spain therefore benefits from comparatively resilient demand conditions, but this has not yet translated into stronger production momentum.

Belgium: Meaningful improvement, but demand and confidence remain weak

Belgium's confidence indicator rose by 7.2 points compared with January–July 2025. Recent production strengthened by 8.3 points, while order-book assessments improved by 4.6 points. Production expectations increased only marginally, by 0.2 points, and remained negative, indicating continued caution about the near-term outlook. Belgium is therefore experiencing a meaningful improvement in production and inventory conditions, but demand remains exceptionally weak and confidence is still deeply negative in absolute terms.

Poland: Limited improvement and continued lagging performance

Poland recorded the weakest rise in confidence among the countries analysed, with an increase of only 1.4 points. Order-book assessments improved marginally, by 1.9 points, while recent production strengthened by 3.7 points and production expectations rose by 1.2 points. Stocks of finished products declined modestly, by 1.0 point. Although the Polish chemical industry is no longer deteriorating, its performance lags behind other European countries.

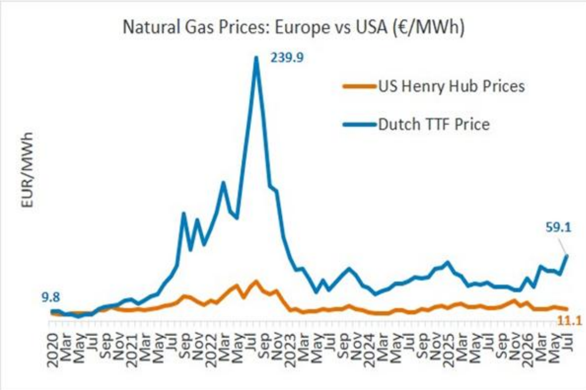
In summary

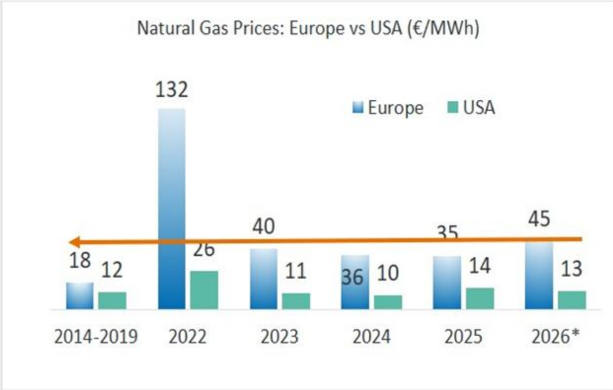
Overall, the comparison between January–July 2026 and January–July 2025 points to a broad but highly uneven upturn in Europe's chemical business climate. France shows the strongest and most balanced improvement, combining higher confidence, stronger production and markedly improved expectations. Germany has achieved a sharp rebound in current production but remains cautious about future activity, while Belgium records substantial production growth and the strongest inventory correction, although demand remains exceptionally weak. Italy is benefiting from stronger order books, whereas Spain has the most balanced demand position but lacks production momentum. The Netherlands continues to show a disconnect between improving expectations and weakening current activity, while Poland remains the weakest performer in terms of overall improvement. Across the EU27, production and inventory conditions have improved markedly, but persistently weak order books continue to prevent a fully-fledged recovery.

3. Energy: Structural cost disadvantage for European chemicals

Energy remains one of the most critical cost factors for the European chemical industry and has become a structural determinant of its global competitiveness. For energy-intensive activities, regional differences in natural gas, electricity and oil prices directly affect production costs, operating rates, investment decisions and international trade flows. The latest data point to a renewed deterioration in Europe's relative cost position. Between January and July 2026, European gas prices averaged €45.1/MWh, up 15.7% from €39.0/MWh in the same period of 2025. By contrast, US gas prices declined by 9.0%, from €13.8/MWh to €12.5/MWh. As a result, the EU27–US gas price ratio widened markedly from 2.8 in January–July 2025 to 3.6 in January–July 2026. European gas prices in

January–July 2026 were still approximately 2.5 times their 2014–2019 average, while US prices were only around 6% above their corresponding pre-crisis level.





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

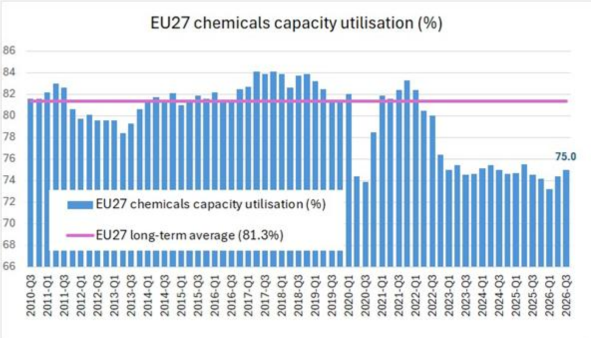
This contrast shows that the energy shock has left a much more persistent cost legacy in Europe than in the United States. The divergence was particularly pronounced in July 2026. European gas prices reached €59.1/MWh, an increase of 67.4% compared with July 2025, while US prices fell by 10.3% to approximately €11.1/MWh. European gas was consequently more than five times as expensive as US gas in July 2026. Oil prices added further pressure: Brent averaged approximately €74.6 per barrel in January–July 2026, up 14.2% from €65.3 per barrel one year earlier. The simultaneous increase in European gas and oil prices reinforces cost pressures across energy-intensive chemical value chains.

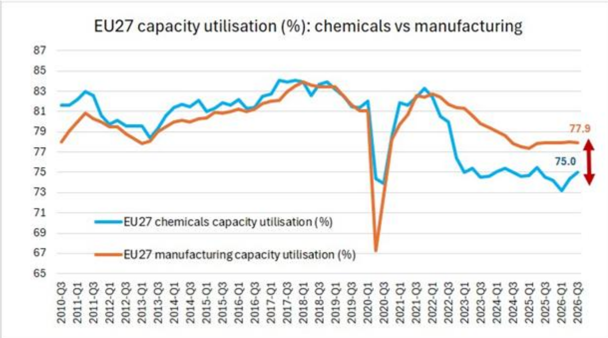
In summary

Overall, Europe's energy disadvantage is no longer explained solely by the exceptional conditions of 2022. The renewed widening of the EU27–US gas price gap in 2026 indicates a persistent structural competitiveness challenge.

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

Capacity utilisation in the EU27 chemicals sector increased to 75.0% in Q3 2026, up from 74.4% in Q2 2026 and 73.2% in Q1 2026. Despite this gradual rise, utilisation remains 6.3 percentage points below its long-term average of 81.3% and around 9% below its pre-crisis level in relative terms. By comparison, EU27 manufacturing capacity utilisation stood at 77.9% in Q3 2026, broadly unchanged from 78.0% in Q2 2026 and around 4.7% below its pre-crisis benchmark. The gap between chemicals and manufacturing therefore remained substantial at 2.9 percentage points, confirming that idle capacity and subdued operating conditions remain significantly more pronounced in chemicals than across manufacturing overall.





Source: Cefic analysis based on Eurostat Data, Nace 20

<u>A broad-based but highly uneven shortfall across Member States</u>
Weak capacity utilisation remains widespread among Europe's principal chemical-producing countries, although country performance diverged markedly in Q3 2026. Belgium, at 71.8%, and Germany, at 72.9%, remained among the weakest major producers, despite Belgium improving by 0.4 percentage points from Q2 2026 while Germany declined by 0.7 points. These figures continue to signal considerable production slack in several of Europe's core chemical locations.

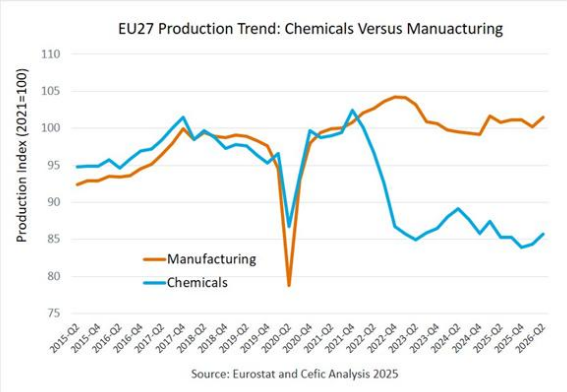
Conditions were comparatively stronger in France, where utilisation increased from 76.5% to 77.7%, and in the Netherlands, where it rose from 74.0% to 76.1%. Poland also improved markedly, reaching 75.8%, up 2.4 percentage points from Q2 2026 and moving slightly above the EU27 chemical average. However, all three countries remained below historical operating norms, indicating that the recent improvement has not yet restored normal utilisation levels.

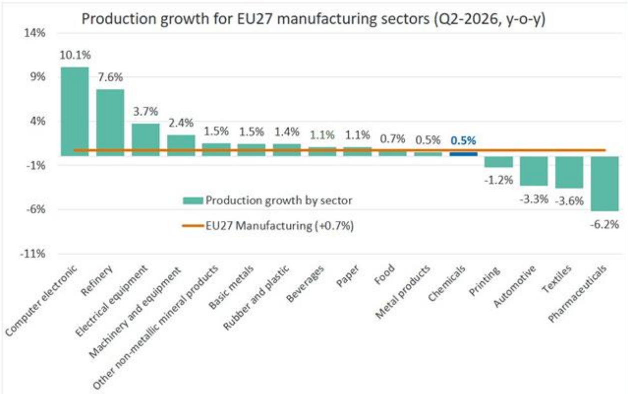
Spain continued to stand out as the strongest performer among the major chemical producers, with capacity utilisation at 80.6% in Q3 2026. Although this was below the 81.8% recorded in Q2 2026, Spain remained ahead of Germany, Belgium and Italy. Spain's relatively high utilisation contrasts with the persistent weakness across much of the rest of the European chemical industry.

<u>In summary</u>
Overall, EU27 chemical capacity utilisation has recovered from 73.2% in Q1 2026 to 75.0% in Q3 2026, but the improvement remains insufficient to signal a return to normal operating conditions. The sector is still operating 6.9 percentage points below its long-term average and materially below overall manufacturing. At country level, Spain and France report the strongest utilisation rates, while Belgium, Germany and Italy continue to show substantial spare capacity. The persistent utilisation gap confirms that structural overcapacity and weak demand remain major constraints on the European chemical industry.

5. EU27 chemical production continues to lag behind most growth sectors

Total manufacturing production increasing by 0.7% year-on-year in Q2 2026. However, the chemical industry remains among the weakest-performing major manufacturing sectors. Chemical production rose by only 0.5% compared with Q2 2025, significantly below the manufacturing average and well behind the strongest growth sectors.





Source: Cefic analysis based on Eurostat data.

Following a modest rise in Q1 2026, chemical production increased by a further 1.7% quarter-on-quarter in Q2 2026, outperforming overall manufacturing growth (+1.3% q-o-q). This suggests that the sector may have passed the trough reached during 2023-2025, although the upturn remains considerably weaker than in many other parts of EU27 manufacturing sector.

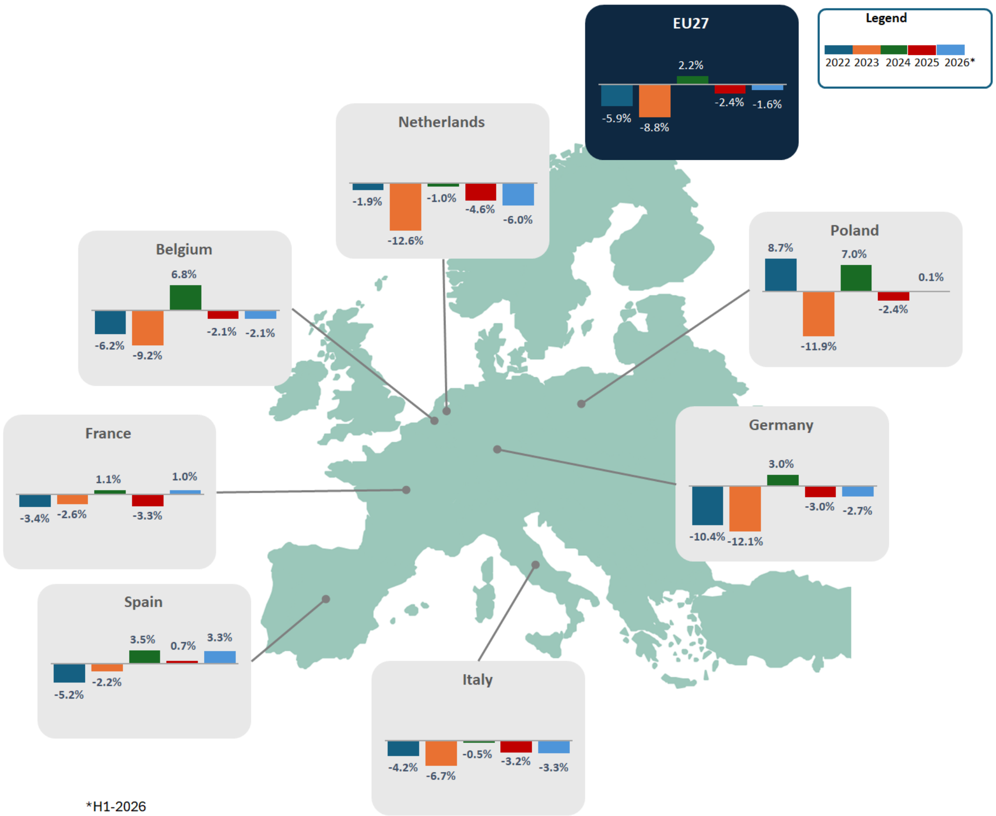
<u>Chemicals lag behind the manufacturing rebound</u>
Compared with other industrial sectors, chemicals remain positioned in the lower half of the performance ranking. While production of computer and electronic products (+10.1%), refining (+7.6%), electrical equipment (+3.7%), and machinery and equipment (+2.4%) recorded solid year-on-year growth in Q2 2026, chemicals expanded by less than 0.5%. Several traditional industrial sectors also outperformed chemicals, including other non-metallic mineral products: +1.5%, Basic metals: +1.5%, Rubber and plastics: +1.4%, Paper: +1.1%, and Beverages: +1.1%. The limited growth in chemicals contrasts with a broader improvement in investment-related sectors, suggesting that the upturn in industrial demand has yet to translate into a meaningful rebound for chemical producers.

<u>In summary</u>
While output increased modestly and quarterly growth accelerated in Q2 2026, chemicals remain one of the weakest-performing major manufacturing sectors. Unlike electronics, electrical equipment, machinery and refining, the sector has yet to participate meaningfully in the broader industrial rebound. Chemical production remains around 10% below its pre-crisis average, underlining that the industry's recovery continues to be constrained by weak demand, cautious customer purchasing and the slow normalisation of downstream supply chains.

6. Strong production disparities across Member States

Chemical output declined by 1.6% year-on-year between January and June 2026, but national performances ranged from renewed growth in some countries to substantial contractions in others.

EU27 chemical production growth 2022-2026* (y-o-y)



Source: Cefic analysis based on Eurostat data.

Among the major chemical-producing countries, Spain recorded the strongest performance, with production increasing by 3.3%. France also returned to growth, posting a 1.0% increase, making it one of the few major producers to record higher output than a year earlier. Poland remained broadly stable (+0.1%), demonstrating greater resilience than the EU27 average. By contrast, several of Europe's largest chemical producers continued to experience declining output. Belgium (-2.1%) and Germany (-2.7%) recorded moderate contractions, while Italy posted a larger decline of -3.3%. The Netherlands remained the weakest performer among the major producing countries, with chemical production falling by 6.0% year-on-year, reflecting continued pressure in export-oriented and upstream chemical activities.

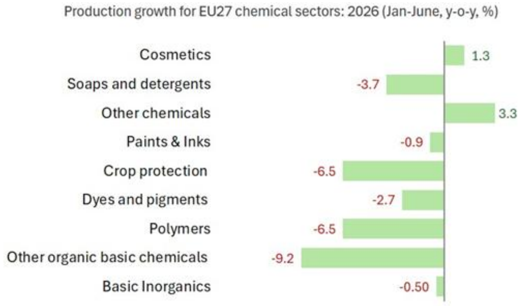
In summary

Overall, the EU27 chemical industry remains a multi-speed sector. While Spain (+3.3%) and France (+1.0%) have returned to growth and Poland remains broadly stable, production continues to contract in most major producing countries, with the Netherlands (-6.0%), Italy (-3.3%) and Germany (-2.7%) exerting the largest downward pressure on overall EU27 chemical output (-1.6%).

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

The sectoral breakdown for the first half of 2026 confirms that the EU27 chemical industry remains under pressure, although performance varies significantly across segments. 'Other organic basic chemicals (Petrochemicals)’ continued to record the steepest decline, with production falling by 9.2%

year-on-year, reflecting persistent global structural oversupply, weak demand from downstream manufacturing industries and continued competitiveness challenges. Polymers also remained under significant pressure, with output down 6.5%, while crop protection products recorded a similar decline (-6.5%), highlighting continued weakness in industrial and agricultural value chains.



Source: Cefic analysis based on Eurostat data

Among the more energy-intensive segments, basic inorganics showed greater resilience, with production declining by only 0.5% compared with the first half of 2025. This represents a notable improvement relative to the sharper contractions seen in recent years, although output levels remain well below historical norms.

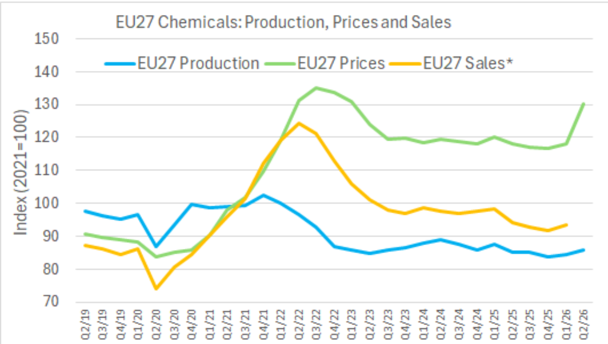
Performance within specialty chemicals was mixed. Dyes and pigments contracted by 2.7%, while paints and inks remained broadly stable (-0.9%). In contrast, other chemicals posted the strongest growth among major chemical segments, expanding by 3.3%, suggesting more resilient demand in selected specialty applications. Consumer-oriented segments continued to outperform upstream chemicals. Cosmetics recorded positive growth of 1.3%, while soaps and detergents declined by a more moderate 3.7%. The relative resilience of these segments reflects the support provided by household and personal care demand, which remains less exposed to industrial cyclical weakness than bulk chemicals and intermediates.

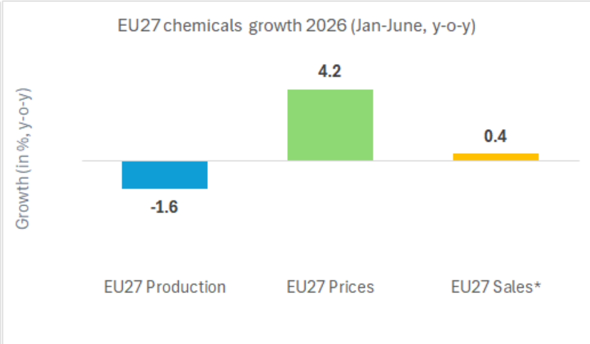
In summary

Overall, the sectoral picture for the first half of 2026 remains highly uneven. While ‘Other organic basic chemicals’ (-9.2%) and polymers (-6.5%) continue to weigh on overall EU27 chemical production (-1.6%), parts of the specialty and consumer chemical segments are showing greater resilience, with other chemicals (+3.3%) and cosmetics (+1.3%) remaining among the few areas of growth.

8. EU27 chemicals sales 0.4% above 2025 levels

The latest data suggest that the EU27 chemical industry continues to operate in a challenging environment. Between January and June 2026, chemical production averaged an index level of 85.0 (2021=100), down from 86.4 in the same period of 2025, corresponding to a 1.6% year-on-year decline. Despite some improvement during spring 2026, production remains well below its 2021 baseline, indicating that the sector has yet to achieve a sustained recovery in output volumes.





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

Chemical prices moved in the opposite direction. The average producer price index increased by 4.2%, from 119.1 between January and June 2025 to 124.1 that same period in 2026. This marks a clear reversal from the disinflationary environment observed over much of 2023 and 2024 and reflects higher pricing across parts of the chemical value chain. The rise in prices therefore contributed positively to turnover performance despite continued weakness in physical production.

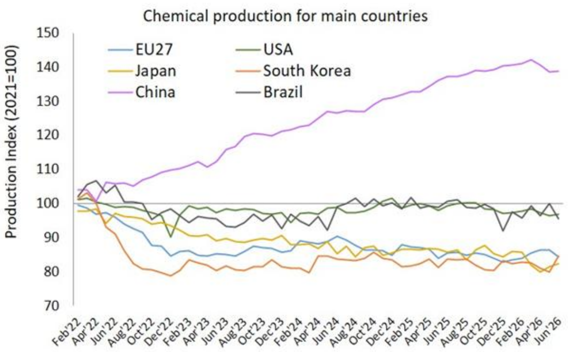
The strongest signal comes from chemical sales, which have shown a modest 0.4% increase. Based on the latest available data (January–May 2026), sales reached an average index level of 97.0, slightly above the 96.6 recorded in the same period of 2025. The divergence between sales and production suggests that the improvement remains fragile. While higher prices have supported turnover, production volumes continue to contract, indicating that underlying industrial demand remains subdued. The sector therefore continues to operate below historical norms, with the recovery driven more by prices than by a broad-based rebound in physical output.

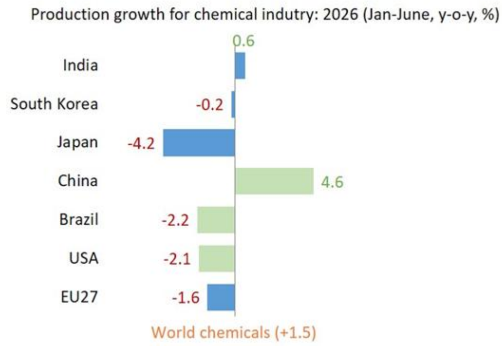
<u>In summary</u>
Overall, the first-half data paint a mixed picture for the EU27 chemical industry. Production remained weak (-1.6%), but the combination of rising prices (+4.2%) and marginally higher sales (+0.4%) points to a gradual improvement in market conditions.

9. Global chemical production: China continues to drive growth while mature regions struggle to regain momentum

Growth moderated in 2025, with global chemical production increasing by 3.8%. Weakness re-emerged in Europe, where output declined by 2.4% in the EU27 and 3.0% in Germany. By contrast, China maintained strong momentum (+7.9%), while production continued to expand modestly in the United States (+1.0%) and Brazil (+1.1%).

The latest data for January–June 2026 indicate a further slowdown in global growth. World chemical production increased by 1.5% year-on-year, less than half the pace recorded in 2025. Growth remains highly concentrated in China (+4.6%), while India (+0.6%) and South Korea (-0.2%) show little momentum. Most mature chemical-producing regions continue to contract, including the United States (-2.1%), Brazil (-2.2%), EU27 (-1.6%), Russia (-1.3%), Germany (-2.7%) and Japan (-4.2%).





Source: Cefic analysis based on Eurostat and Chemdata, Nace 20.

A comparison of production index levels further illustrates the widening performance gap. By the first half of 2026, China's chemical production index had reached approximately 140 (2021=100), compared with 112 for the world average. In contrast, production remained well below 2021 levels in the EU27 (85.0), Germany (79.1), Japan (81.2) and South Korea (81.9). India remained above its 2021 benchmark, while the United States was broadly flat relative to 2021 levels.

In summary

Overall, the latest data confirm the emergence of a multi-speed global chemical industry. While global chemical production continues to expand, growth has slowed from 4.9% in 2024 to 3.8% in 2025 and further to 1.5% in the first half of 2026. China remains by far the dominant engine of global growth, accounting for most of the industry's expansion, while many mature chemical-producing regions, including the EU27, Germany, Japan and the United States, continue to struggle with weak demand, competitiveness pressures and subdued industrial activity. The result is an increasingly fragmented global landscape characterised by strong Asian growth and persistent weakness across most advanced chemical economies.

10. EU27 chemical trade performance (2026 vs 2025, January-June)

Executive overview

Indicator	Value development	Volume development	Principal driver	Executive interpretation
Exports	€114.3bn → €107.1bn −€7.2bn | −6.3%	46.6Mt → 43.7Mt −2.9Mt | −6.2%	Other organic basic chemicals; US market	Value decline highly concentrated; volume weakness geographically broader.
Imports	€94.2bn → €88.7bn −€5.6bn | −5.9%	52.4Mt → 46.0Mt −6.4Mt | −12.3%	Other organic basic chemicals in value; basic inorganics in volume	Volumes fell twice as fast as values, signalling weak upstream demand.
Trade balance	€20.1bn → €18.4bn surplus −€1.7bn | −8.3%	−5.8Mt → −2.3Mt deficit +3.6Mt improvement	US and other organic basic chemicals in value; basic inorganics in volume	Monetary surplus narrowed, while the physical deficit improved.

Source: Cefic analysis based on Eurostat data, NACE 20

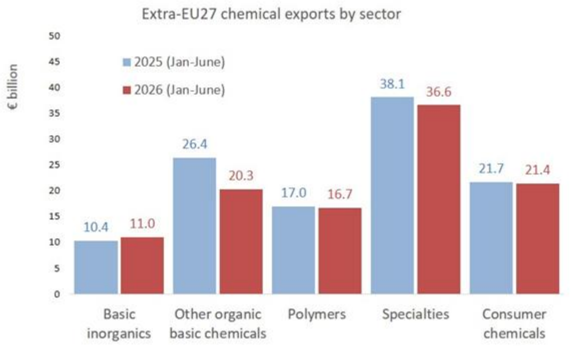
EU27 chemical trade weakened in the first half of 2026. Export and import values both declined, reducing the trade surplus. In volume terms, however, the deficit narrowed because imports contracted considerably faster than exports. The evidence points to weaker European demand for upstream inputs rather than a broad improvement in export competitiveness.

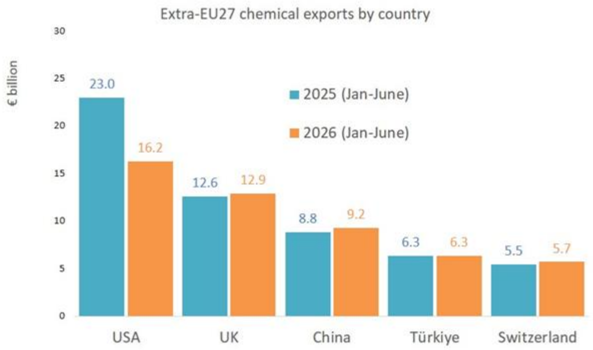
In summary, export deterioration was concentrated in the US market and ‘other organic basic chemicals’, while the volume decline was more geographically widespread

10-1. Export value falls sharply as the US market drives the downturn

Extra-EU27 chemical exports declined from €114.3 billion in January-June 2025 to €107.1 billion in January-June 2026, a reduction of €7.2 billion or 6.3%. ‘Other organic basic chemicals’ fell by €6.1 billion and accounted for around 84% of the total decline. Specialty chemicals declined by a further €1.5 billion, while basic inorganics was the only segment to grow, rising by €0.7 billion.

Geographically, the United States accounted for approximately 93% of the overall contraction, with exports down €6.7 billion. The decline was centred on ‘other organic basic chemicals’ and specialty chemicals. Saudi Arabia, Japan and Algeria also contributed negatively. Gains in China, the United Kingdom and several medium-sized markets provided only a partial offset.





Source: Cefic analysis based on Eurostat data, NACE 20

Table1: Sectoral developments of exports (€bn)

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%

Source: Cefic analysis based on Eurostat data, NACE 20

10-2 Export volumes weaken across markets

Export volumes fell from 46.6 million tonnes to 43.7 million tonnes, a decline of 2.9 million tonnes or 6.2%. ‘Other organic basic chemicals’ decreased by 2.2 million tonnes or 13.1% and accounted for around 78% of the contraction. Smaller declines occurred in polymers and basic inorganics, while specialty chemicals were broadly stable and consumer chemicals recorded a marginal increase.

Unlike the value decline, the reduction in export volumes was geographically dispersed. The largest falls were recorded for the United Kingdom and Morocco, followed by Norway, Canada and the United States. The combined evidence therefore shows a concentrated value shock but broader weakness in physical export demand.

Table2: Sectoral developments of exports (MT)

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%

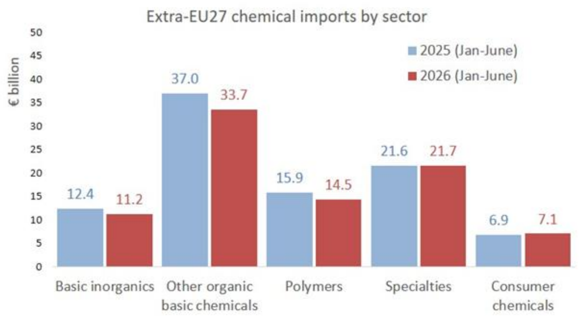
Source: Cefic analysis based on Eurostat data, NACE 20

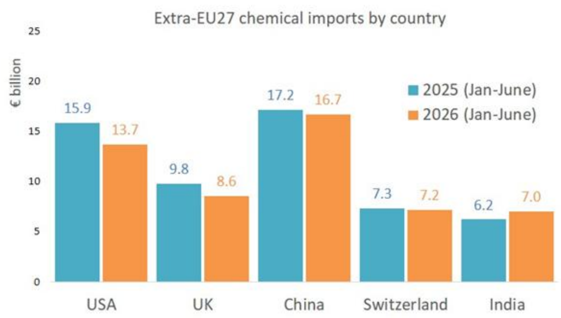
In summary, the import contraction was concentrated on upstream chemicals, with a much sharper fall in physical volumes than in values.

10-3 Import value declines across major upstream segments

Extra-EU27 chemical imports declined from €94.2 billion to €88.7 billion, a reduction of €5.6 billion or 5.9%. 'Other organic basic chemicals' recorded the largest fall, at €3.4 billion, followed by polymers at €1.5 billion and basic inorganics at €1.2 billion. Specialty chemical imports remained broadly stable, while consumer chemical imports increased slightly.

The largest country reductions came from the United States, down €2.1 billion, and the United Kingdom, down €1.3 billion, followed by Saudi Arabia, Japan and China. These declines were partly offset by a €0.8 billion increase in imports from India and smaller gains from Singapore and Türkiye.





Source: Cefic analysis based on Eurostat data, NACE 20

Table3: Sectoral developments of imports (€bn)

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

Source: Cefic analysis based on Eurostat data, NACE 20

10-4 Import volumes contract sharply, driven by basic inorganics

Import volumes fell from 52.4 million tonnes to 46.0 million tonnes, a decline of 6.4 million tonnes or 12.3%. Basic inorganics alone decreased by 5.5 million tonnes or 31.9%, accounting for around 86% of the overall contraction. ‘Other organic basic chemicals’ and polymers also declined, while specialty and consumer chemical volumes increased.

Geographically, the largest reductions were recorded for the United Kingdom and Saudi Arabia, followed by Egypt, the United States, Morocco and Algeria. A strong 1.1 million-tonne increase in imports from China was the main counterweight. Overall, the volume decline was widespread across suppliers but heavily concentrated in basic inorganics at sector level.

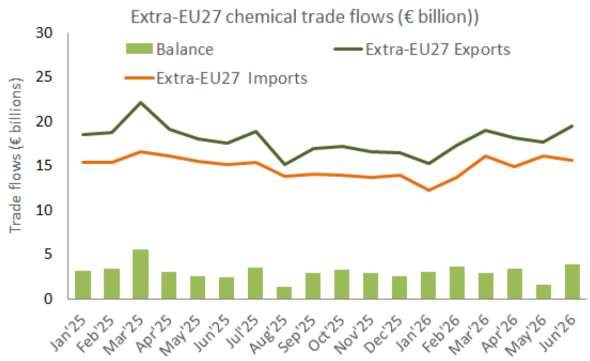
Table4: Sectoral developments of imports (MT)

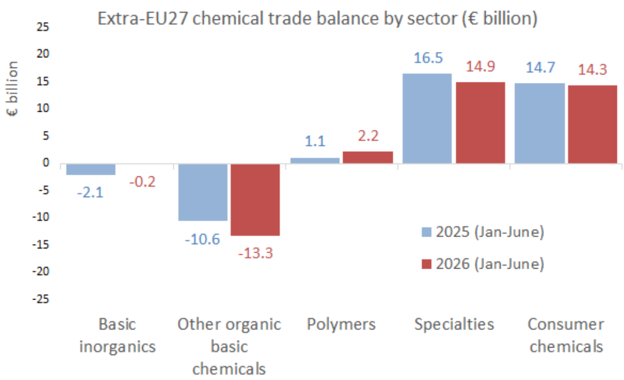
Extra-EU27 chemical imports (MT)	Basic inorganics	Other organic basic chemicals	Polymers	Specialties	Consumer chemicals	Chemicals
2025 (Jan-June)	17.3	19.6	8.8	4.8	1.3	52.4
2026 (Jan-June)	11.8	18.5	8.6	5.3	1.3	46.0
Delta	-5.53	-1.1	-0.2	0.5	0.0	-6.4

Source: Cefic analysis based on Eurostat data, NACE 20

10-5 Trade surplus narrows as exports fall faster than imports

The extra-EU27 chemical trade surplus declined from €20.1 billion to €18.4 billion, a deterioration of €1.7 billion or 8.3%. ‘Other organic basic chemicals’ contributed the largest sectoral deterioration, with the deficit widening by €2.7 billion, while the specialty chemicals surplus decreased by €1.5 billion. Improvements of €1.9 billion in basic inorganics and €1.1 billion in polymers provided substantial offsets. Geographically, the trade balance with the United States deteriorated by €4.6 billion because exports fell much more sharply than imports. The balance with India also weakened by €0.7 billion. These losses were partly offset by a €1.6 billion improvement with the United Kingdom and stronger balances with China, Saudi Arabia, Switzerland and Japan.

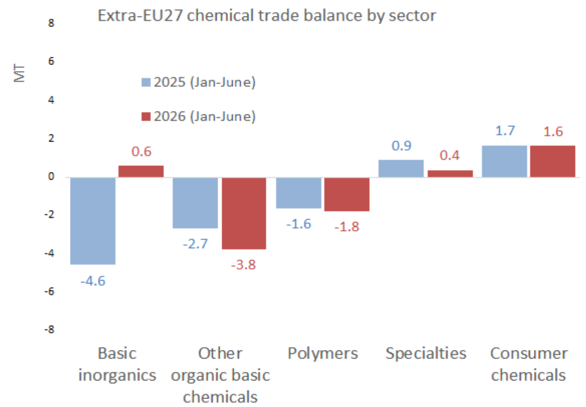


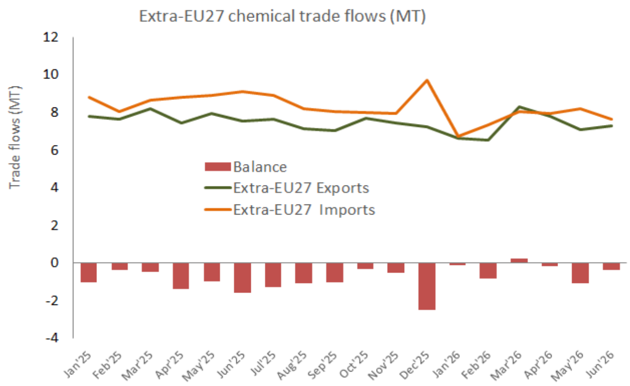


Source: Cefic analysis based on Eurostat data, NACE 20

10-6 Volume deficit narrows as imports contract much faster than exports

The extra-EU27 volume deficit narrowed from 5.8 million tonnes to 2.3 million tonnes, an increase of 3.6 million tonnes. The increase was overwhelmingly driven by basic inorganics, where the balance strengthened by 5.2 million tonnes and shifted from deficit to surplus. This more than offset deteriorations in ‘other organic basic chemicals’, specialty chemicals and polymers. The largest geographical improvements were recorded with Egypt, Saudi Arabia and the United Kingdom. The balance with the United States also improved as imports contracted more strongly than exports. By contrast, the balance with China deteriorated by 1.2 million tonnes as import volumes increased sharply. The improved physical balance therefore reflects lower import demand, not stronger export momentum.





Source: Cefic analysis based on Eurostat data, NACE 20

Three conclusions stand out. First, export weakness was concentrated in the US market and ‘other organic basic chemicals’. Second, the sharper decline in import volumes points to weak demand for basic chemical inputs across European value chains. Third, the improvement in the volume balance should not be interpreted as stronger competitiveness: it resulted primarily from imports contracting faster than exports, while the value surplus continued to narrow.

In summary, the first-half results point to a concentrated export weakness and a broad contraction in upstream import demand, with contrasting implications for the value and volume trade balances.