

CHEMICAL
CONVENTION



23-25 SEPTEMBER 2025

Navigating Disruption: Global Trade, Geopolitics, and the Future of Chemicals

24 September 2025

Berlin



Presentations by



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Followed by a discussion with



Dr. Bernd Elser

Senior Managing Director, Chemicals and Natural Resources Global Industry
Lead
Accenture

Carsten Brzeski

Global Head of Macro Research and Chief Eurozone Economist
ING



Moderator



Camilla Martelli

Executive Director Public Affairs
Cefic

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EU27 Chemical Industry: Latest Developments



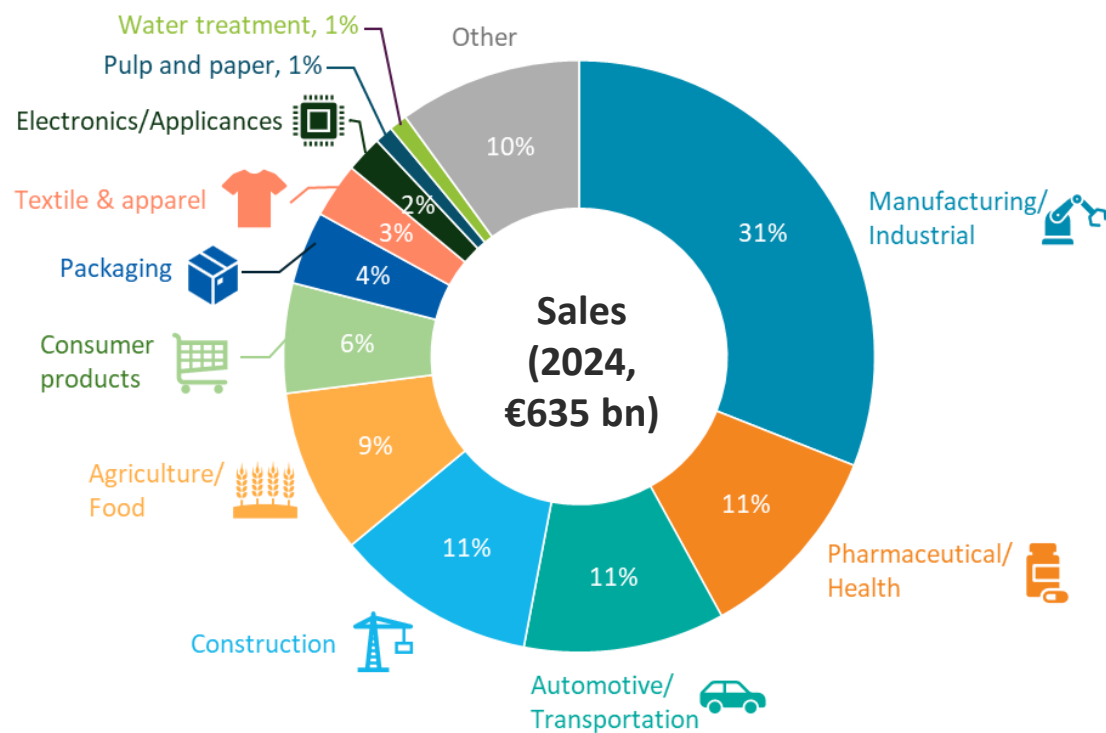
Cefic Convention 24 Sep, Berlin

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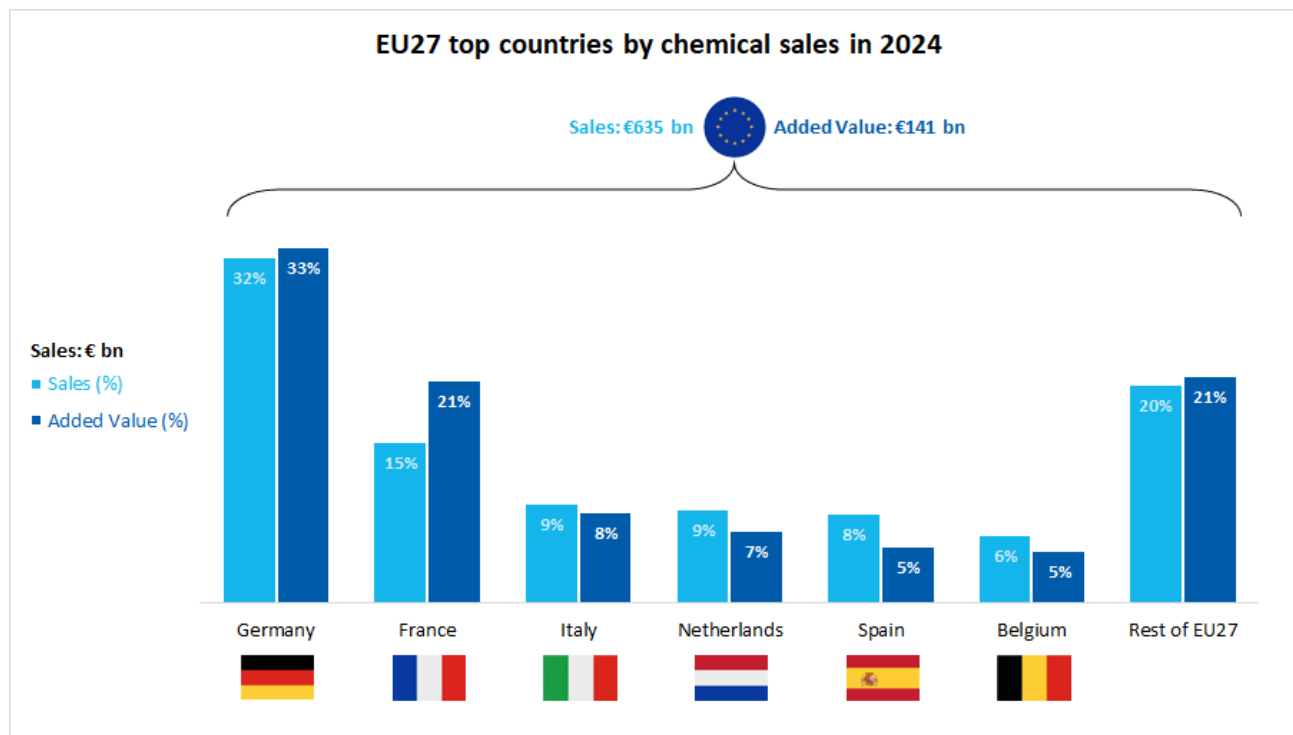


A snapshot of the European chemical industry

Chemical sales in Europe by end market



EU27 top countries by chemical sales in 2024



We are “the industry of industries”



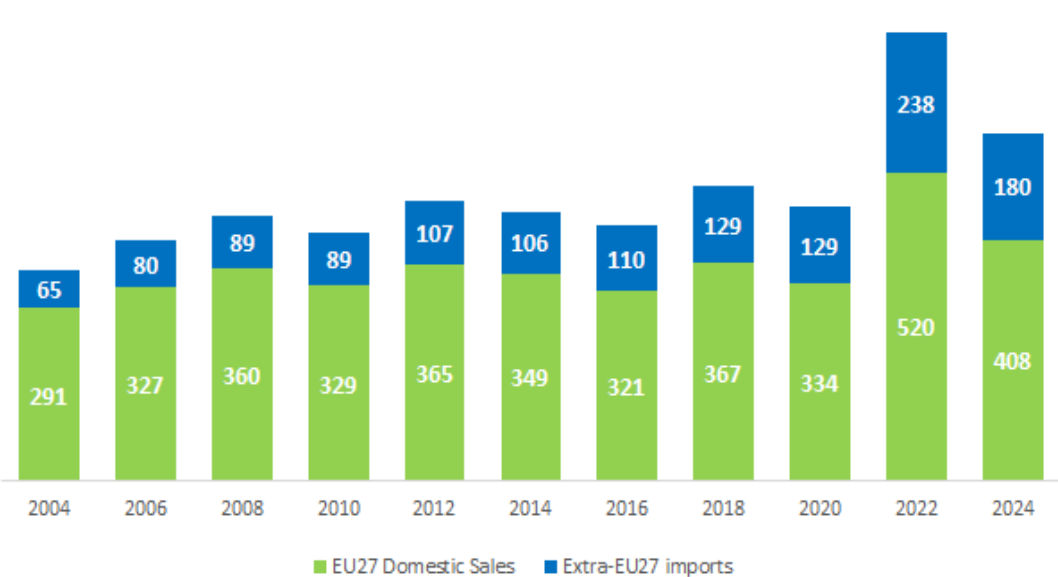
Source: Cefic-Advancy Joint Study: The Competitiveness of the European Chemical Industry.

Imports have a more dominant position in our home market

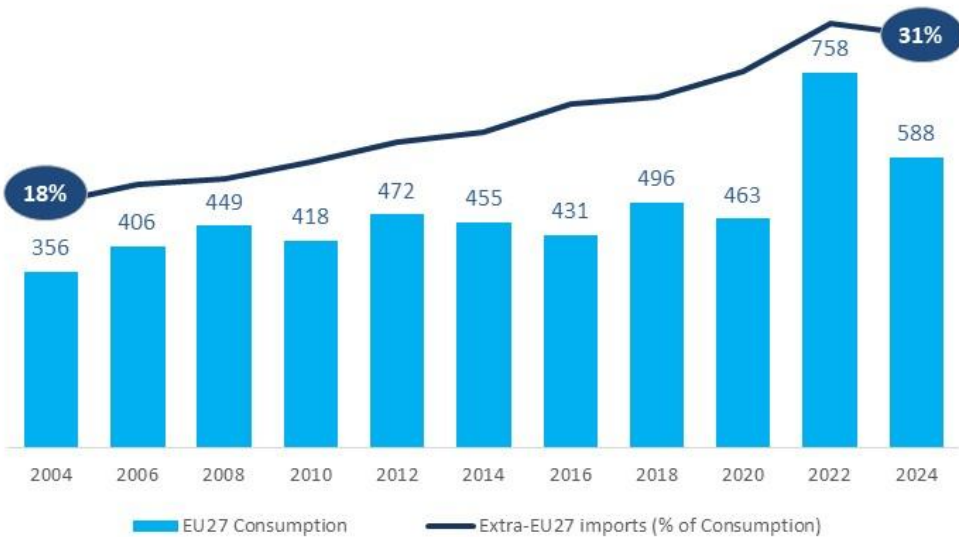
EU27 domestic sales in 2024:
1.5 times higher than in 2009

Extra-EU27 imports in 2024:
2.6 times higher than in 2009

Chemicals: EU27 market consumption (€ bn)



Chemicals: EU27 market consumption (€ bn)



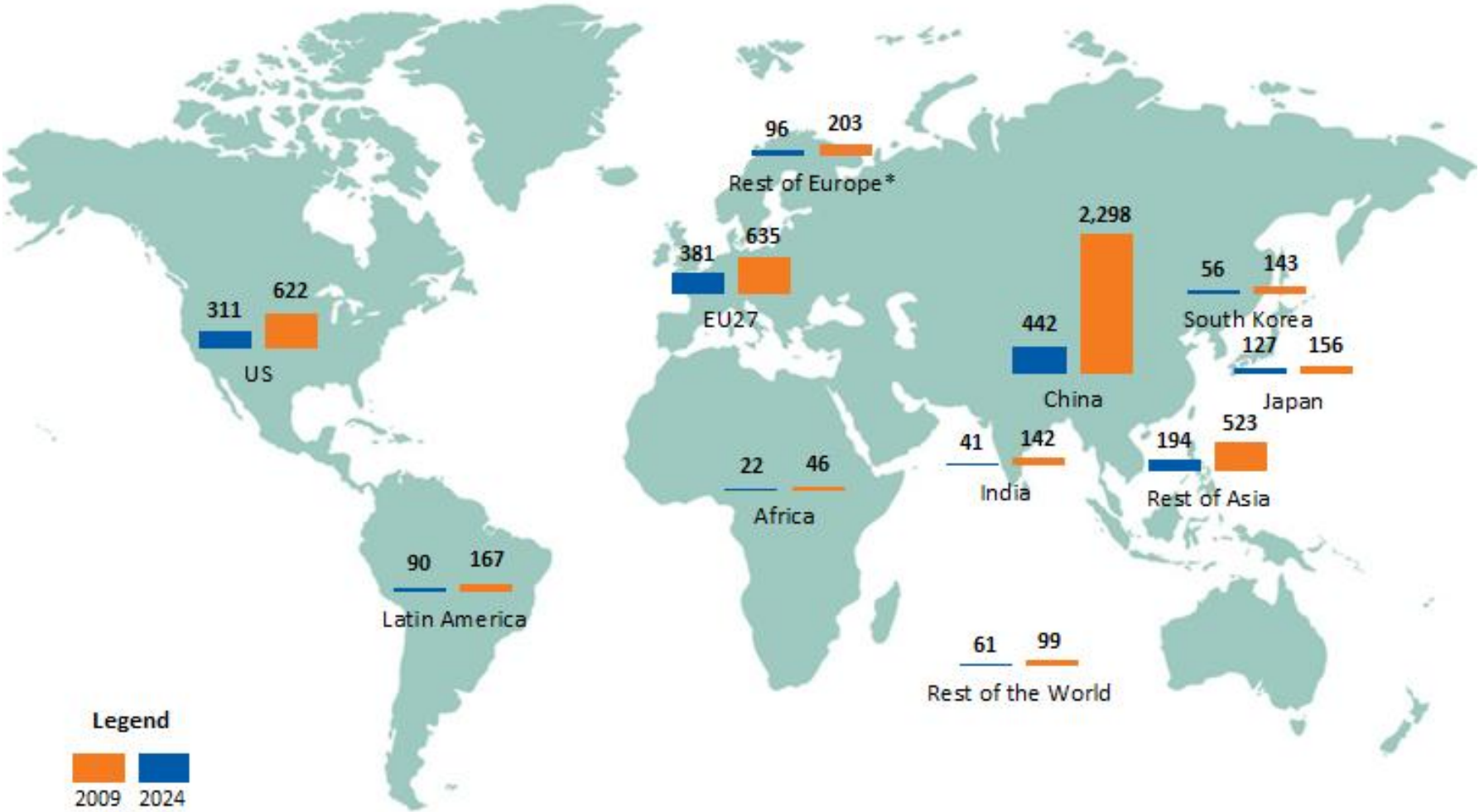
EU27 production accounts for approximately 70% of domestic consumption

Import (%)	EU27	USA	China
2004	18%	15%	29%
2024	31%	21%	8%
Delta	12%	5%	-21%

Source: Eurostat and Cefic Analysis 2025, Nace 20 only.



Global chemical sales 2024: 2.6 times higher than in 2009



Global
chemical sales
(2024,
€5,031 bn)

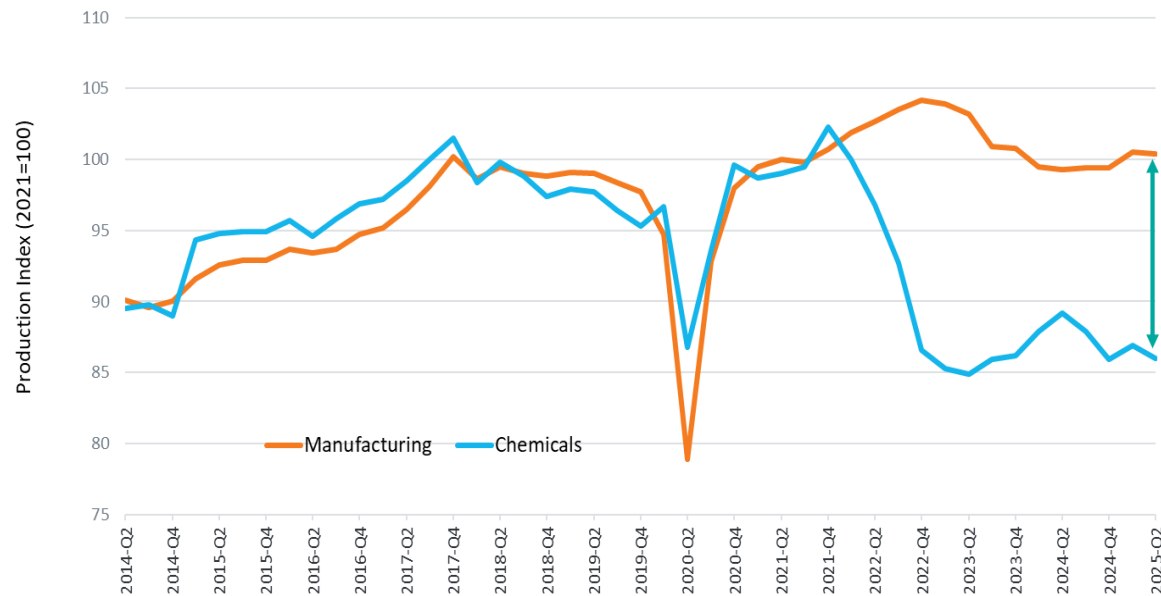
Europe is the second chemicals producer in the world (13%)



Source: Cefic Chemdata International
* Rest of Europe covers UK, Switzerland, Norway, Turkey, Russia and Ukraine
** Asia excluding China, India, Japan and South Korea

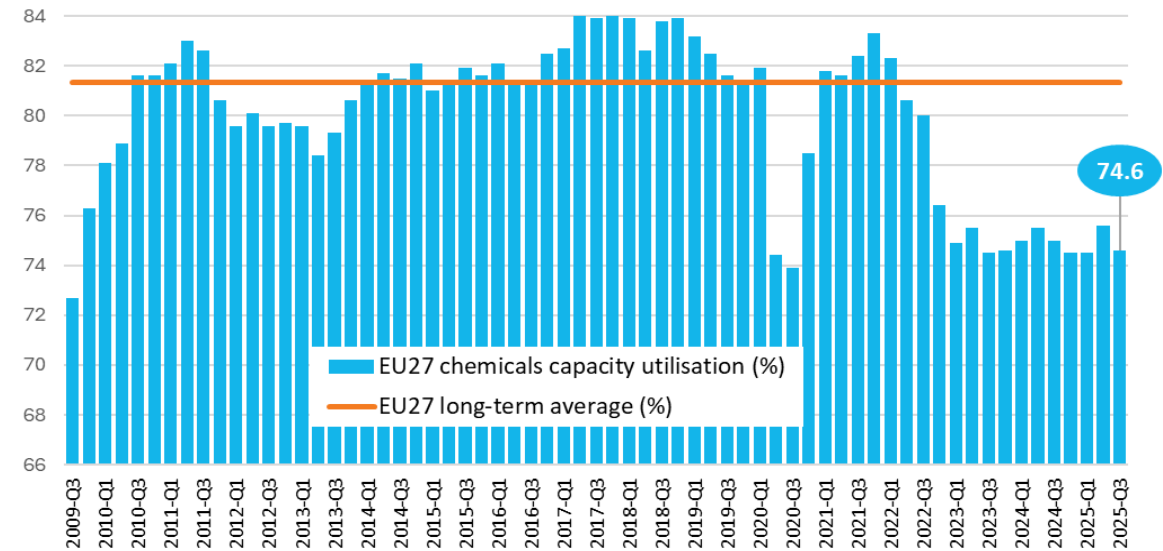
EU27 operating rates

EU27 Production Trend: Chemicals Versus Manufacturing



EU27 chemicals capacity utilisation remains well below the long-term average (1991-2022, 81%)

EU27 chemical industry capacity utilisation (%)

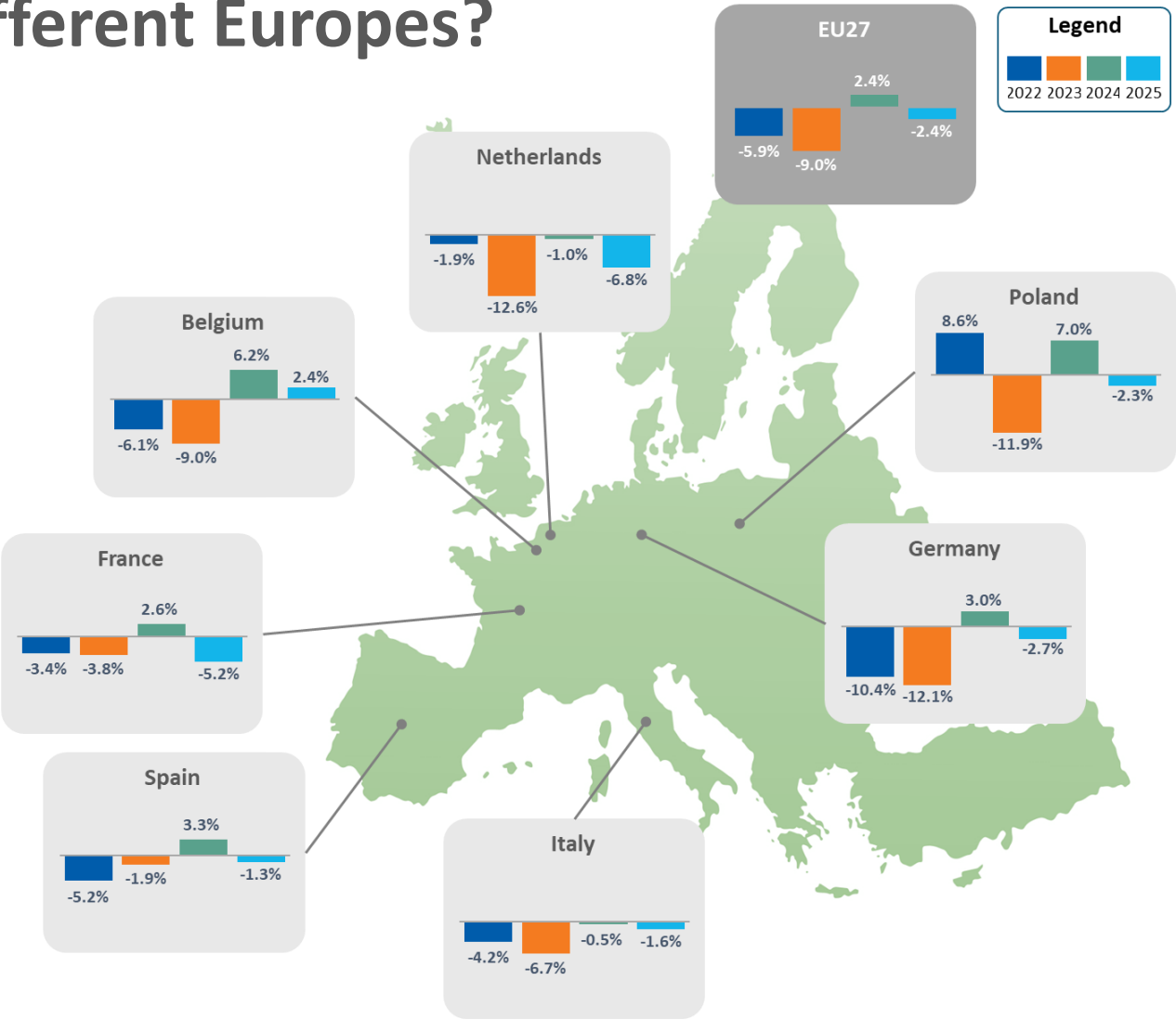


EU27 chemical output remains 10% below the pre-crisis levels (2014 to 2019)



Source: Eurostat and Cefic Analysis 2025, Nace 20 only.

2022-2025: Different Europes?



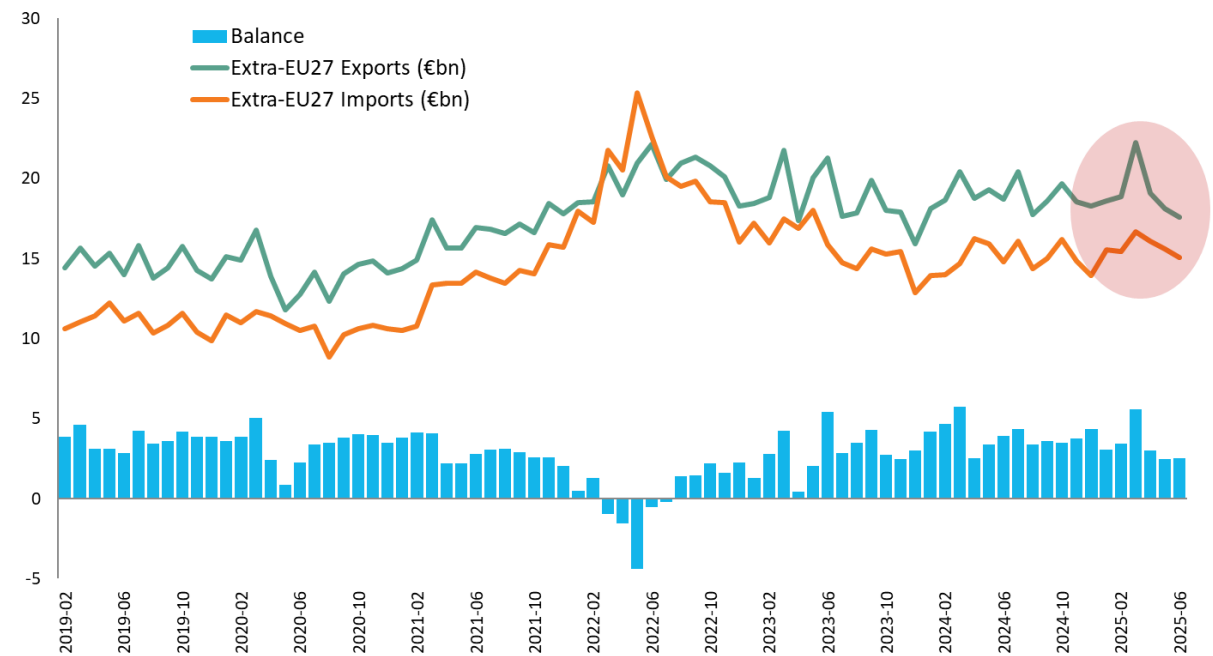
Italy and Netherlands showed less resilience to the energy crisis



Source: Eurostat and Cefic Analysis 2025

Trade dynamics

Extra-EU27 chemical trade flows (€bn)



Trade competitive positions (TCI*): Four possible diagnoses

EU27 has a trade deficit but its weak competitive position improved.	EU27 has a trade surplus and its healthy competitive position improved.
EU27 has a trade deficit and its weak competitive position weakened.	EU27 has a trade surplus but its positive competitive position weakened

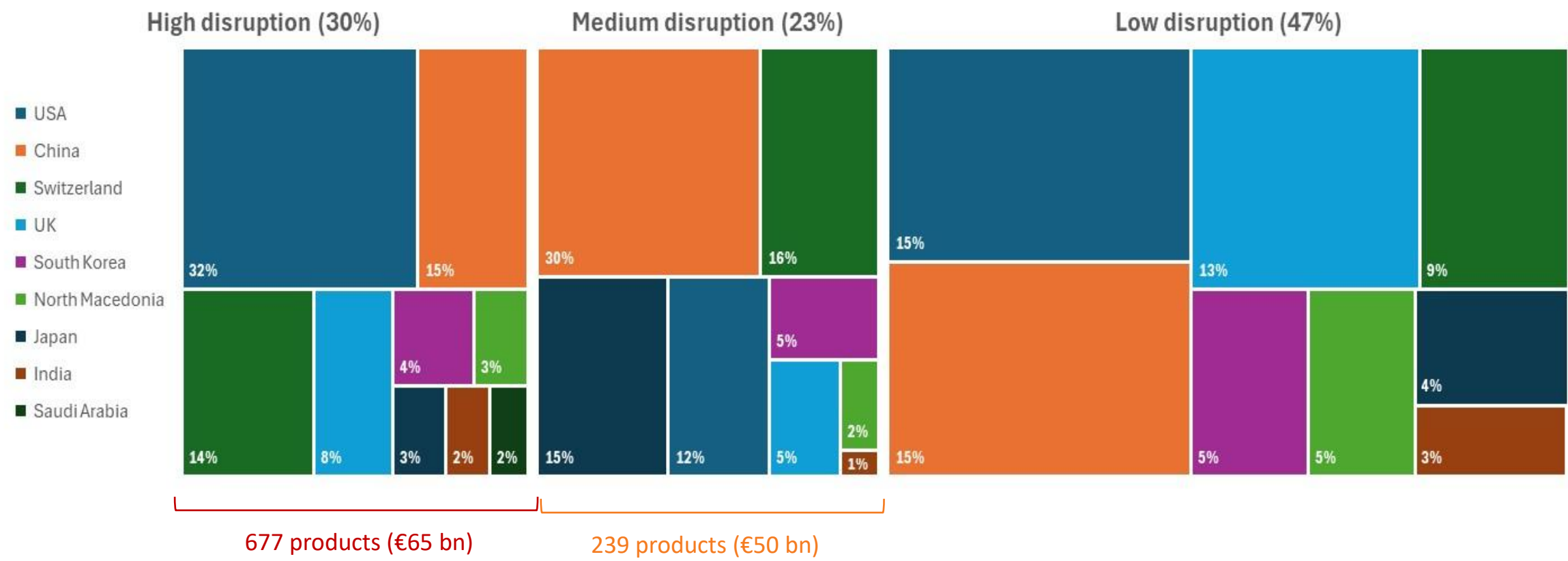
€bn	Exp	Imp	Balance	Trade	TCI*
H1-2024	114.0	90	24	204	12%
H1-2025	114.5	94	20	209	10%
Delta	0.6	4.8	-4.3	5.4	-2%
2025/2024	0.5%	5.4%	-17%	2.6%	

Europe has a trade surplus but its healthy competitive position weakened (-2%)



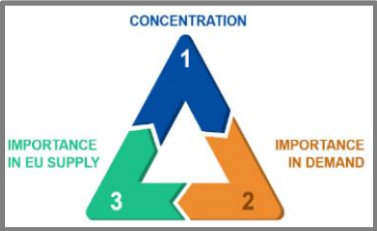
Source: Eurostat and Cefic Analysis 2025, Nace 20 only, *TCI = (Exp-Imp)/(Exp+Imp)

EU27 strategic dependencies are the political hot topic



$$CDI_1 = \sum_{i=1}^n (s_i^2) \quad (CDI_1 > 40\%)$$

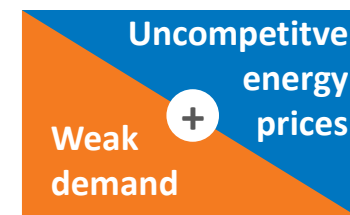
where s_i is the market share of the extra EU supplying country i in EU's imports, and n is the total number of extra EU supplying countries.



Summary



- The EU27 chemicals industry has faced two years of economic recession (2022-2023).
- The loss of chemical competitiveness in Europe is driven by a combination of weak demand and uncompetitive energy prices.
- European chemical companies are exposed to high risks due to global trade disruptions caused by US tariffs.
- EU27 strategic dependencies are a current political hot topic.
- Recovery remains uncertain.



Global petrochemical market outlook

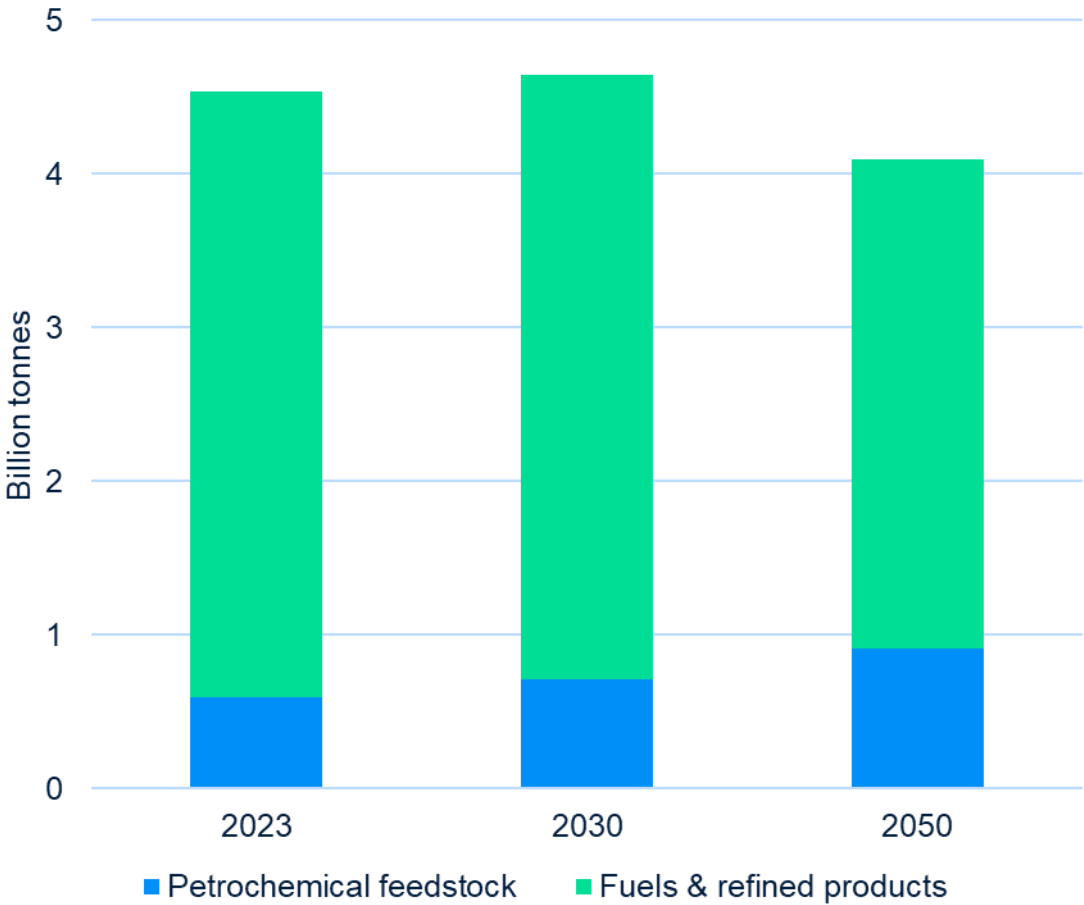
CEFIC Chemical Convention
September 2025

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james.wilson@icis.com

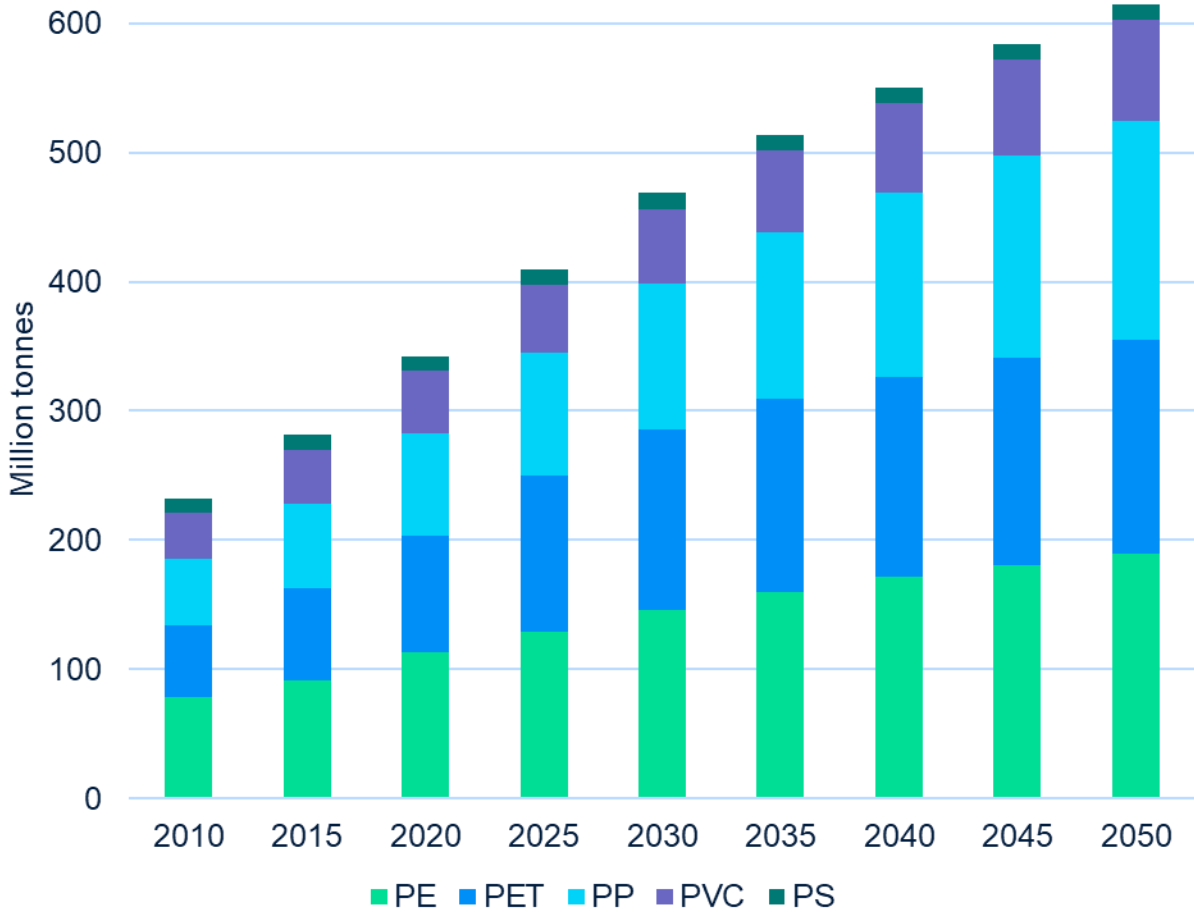
Global Demand Outlook | Petchem demand growth continues



Global Oil Demand



Global Plastics Demand

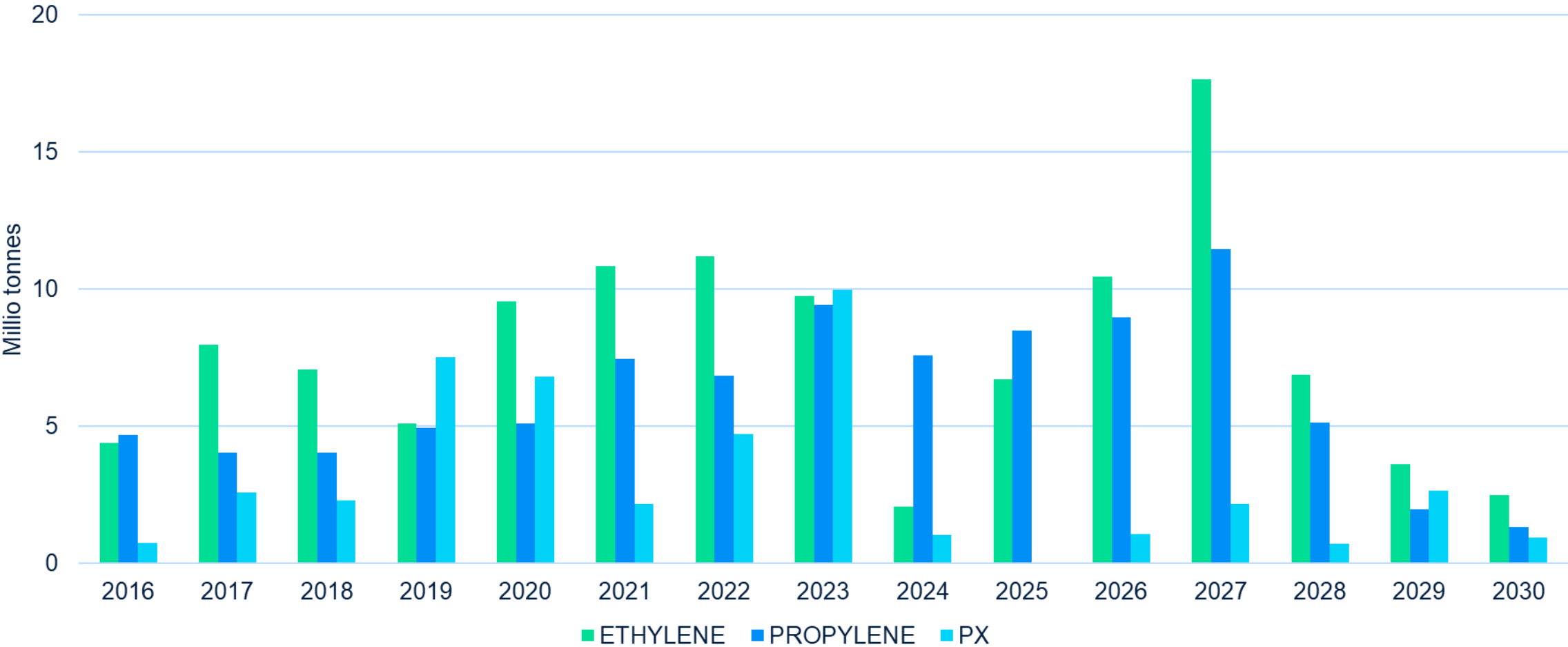


Source: ICIS Supply & Demand Database (2024)

Global Capacity Investments | Record level of additions continue



Incremental Capacity Growth by Product

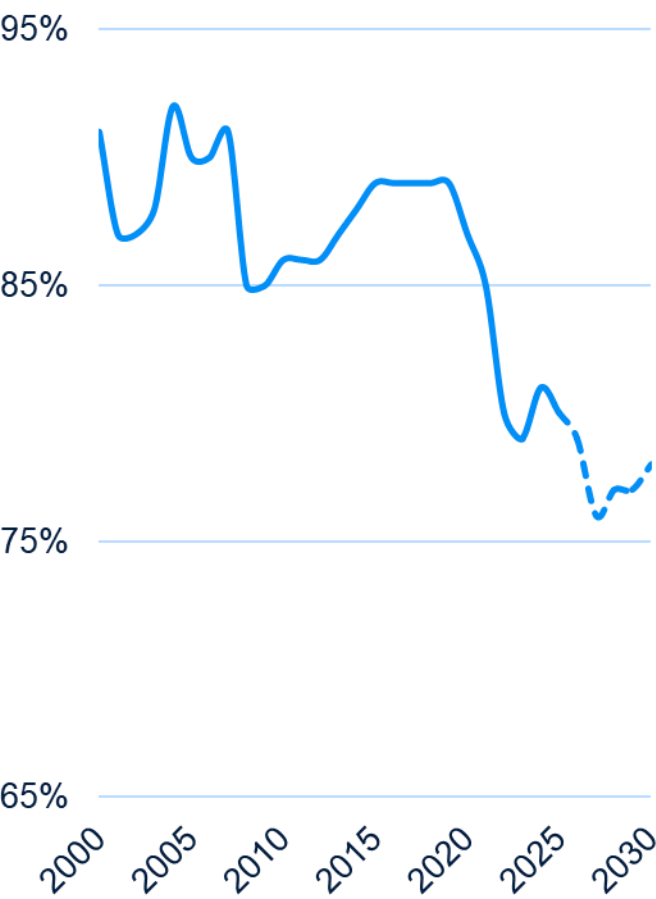


Source: ICIS Supply & Demand Database

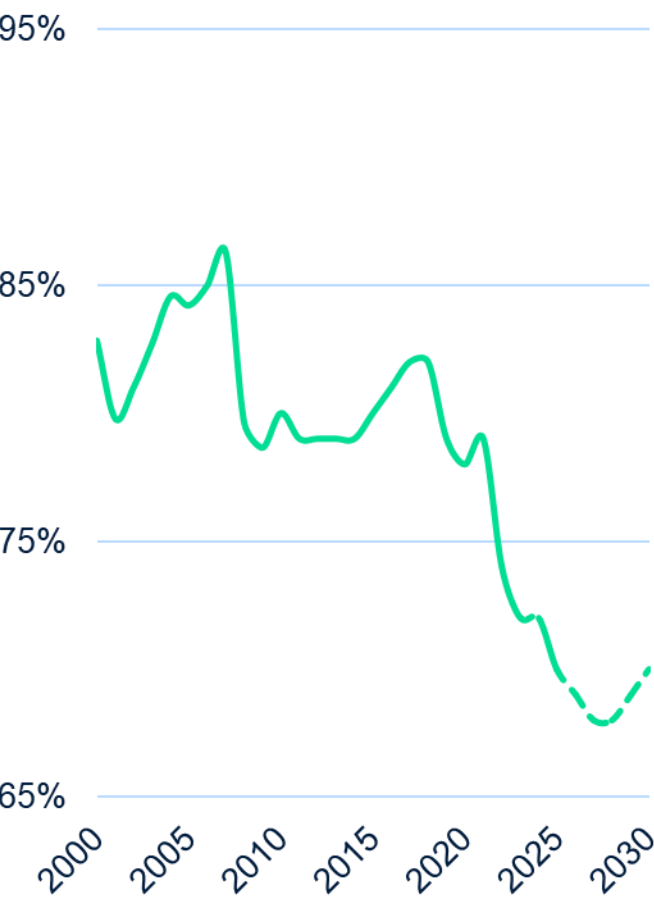
Global Operating Rates | Unprecedented lows



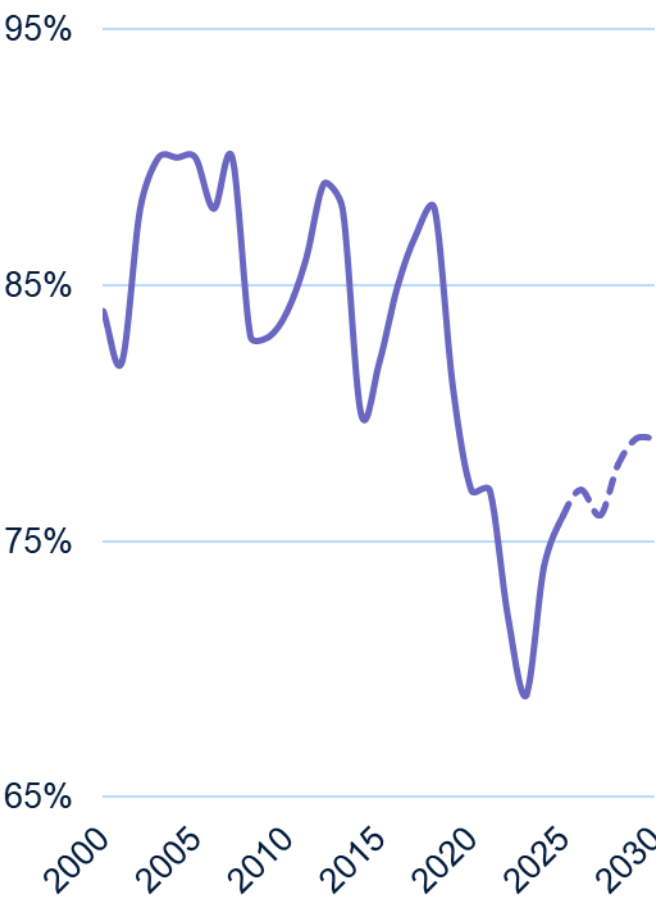
Ethylene



Propylene



PX



Source: ICIS Supply & Demand Database

Global oversupply | Scale of rationalisation required



Demand (CAGR)
2024-2030
2.5%

Capacity reduction required
to meet 85% in 2030

24m tonnes

Equivalent to current
demand of Europe, Former
USSR and Africa



Demand (CAGR)
2024-2030
2.8%

Capacity reduction required
to meet 80% in 2030

26m tonnes

Equivalent to capacity
Europe, Former USSR and
Africa



Demand (CAGR)
2024-2030
1.9%

Capacity reduction required
to meet 80% in 2030

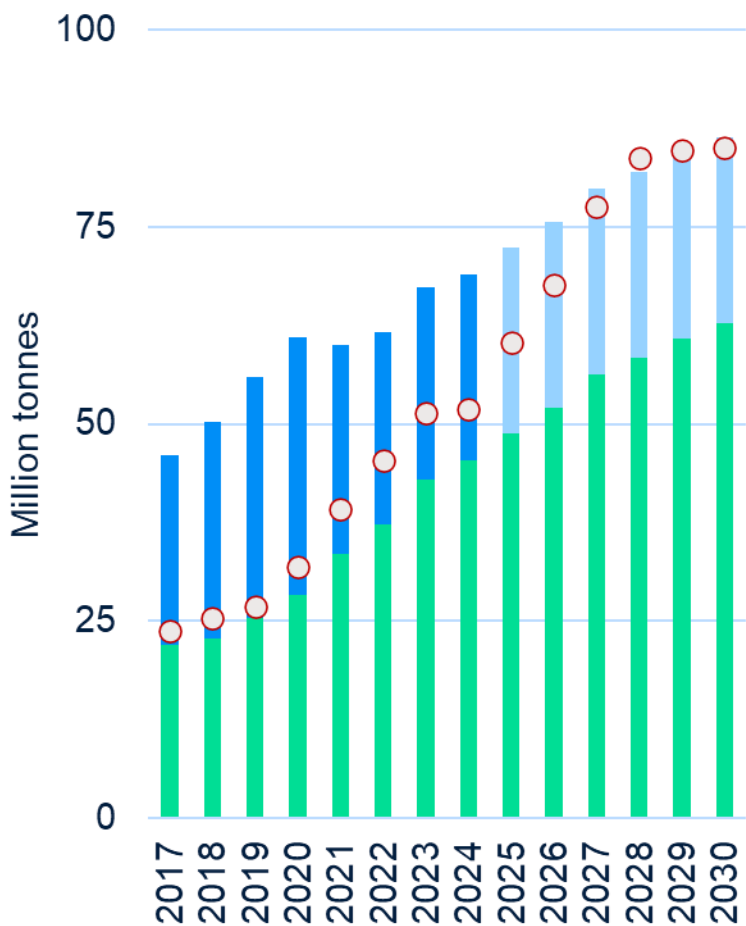
7m tonnes

Equivalent to total
production of Southeast
Asia in 2024

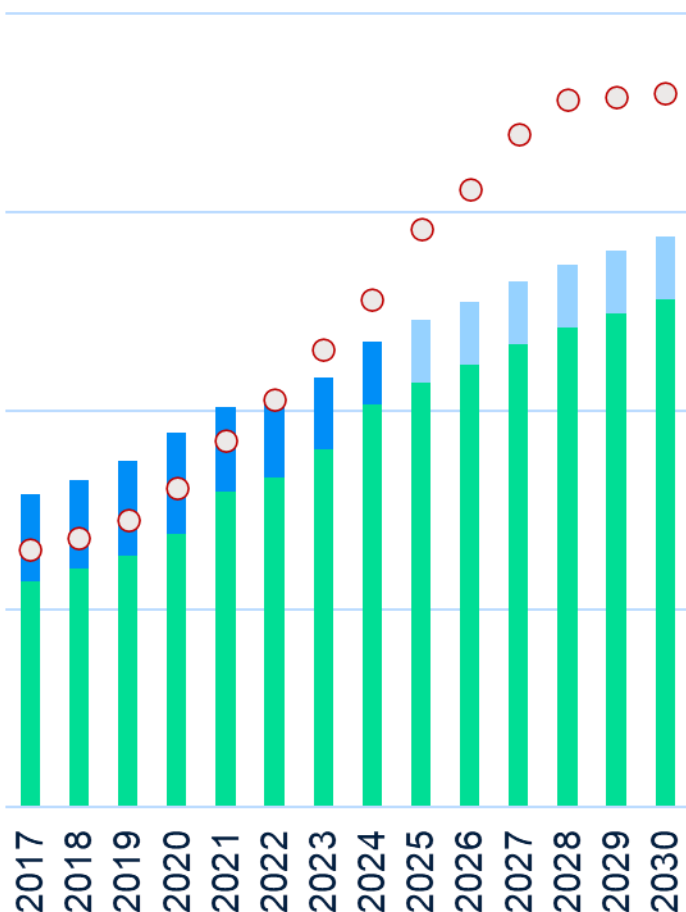
China Capacity Additions | Ethylene and PX track self sufficiency needs



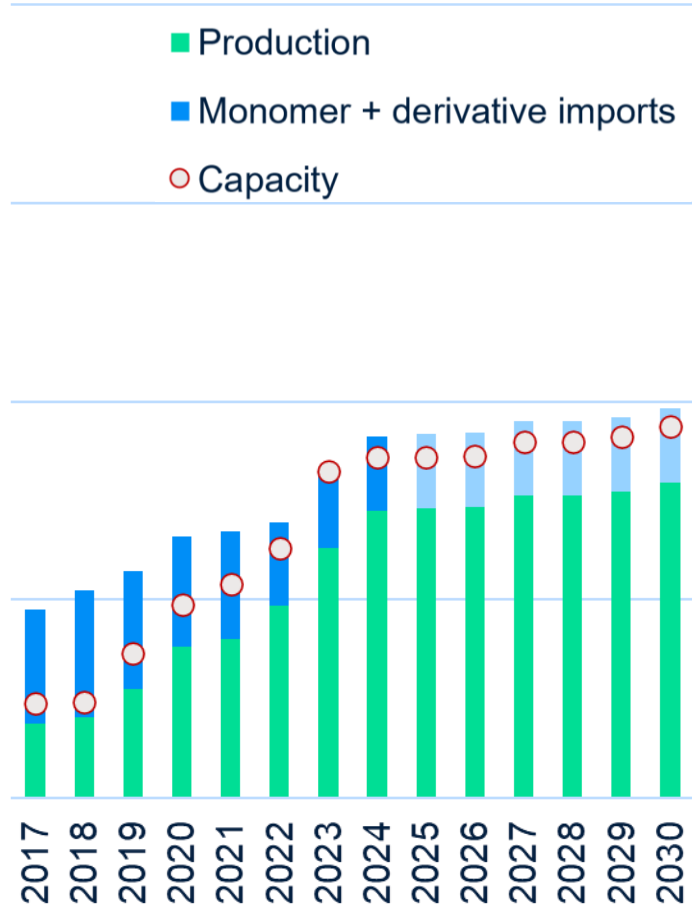
Ethylene



Propylene



PX



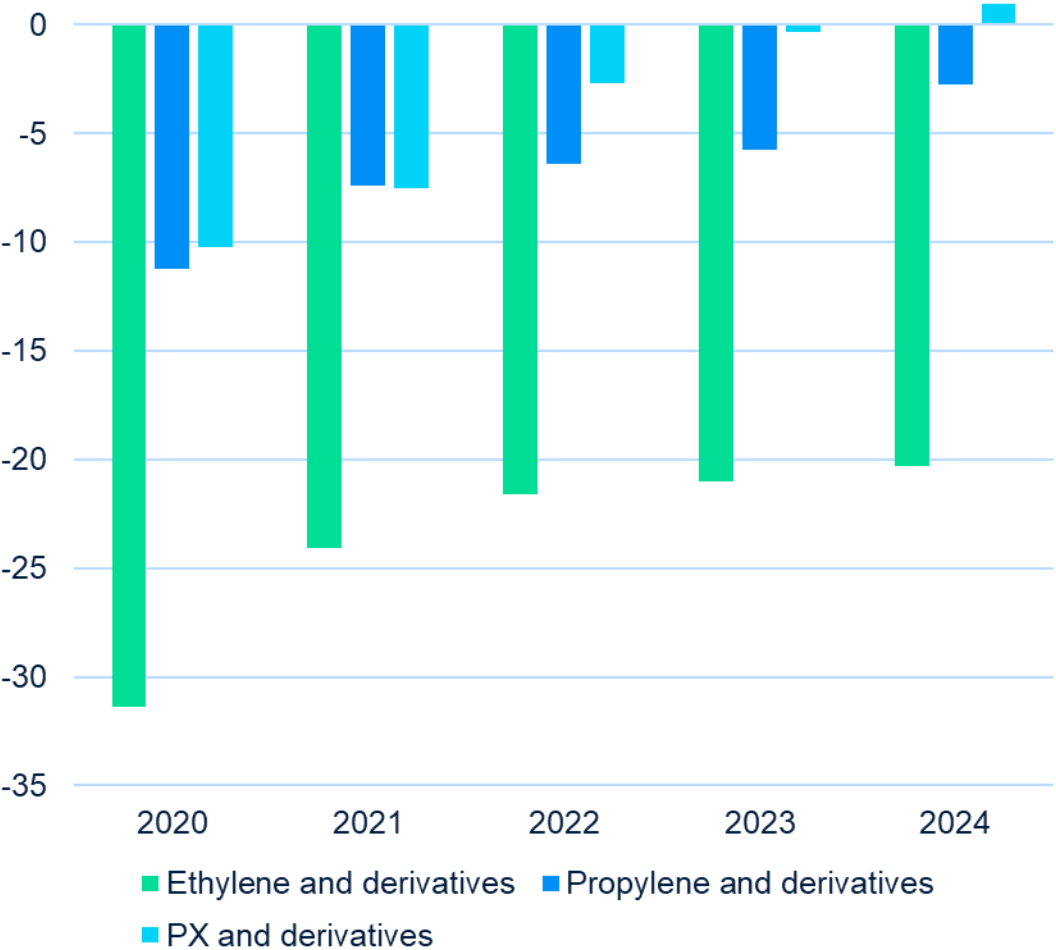
Please note – future import figures set equal to 2024 values

Source: ICIS Supply & Demand Database

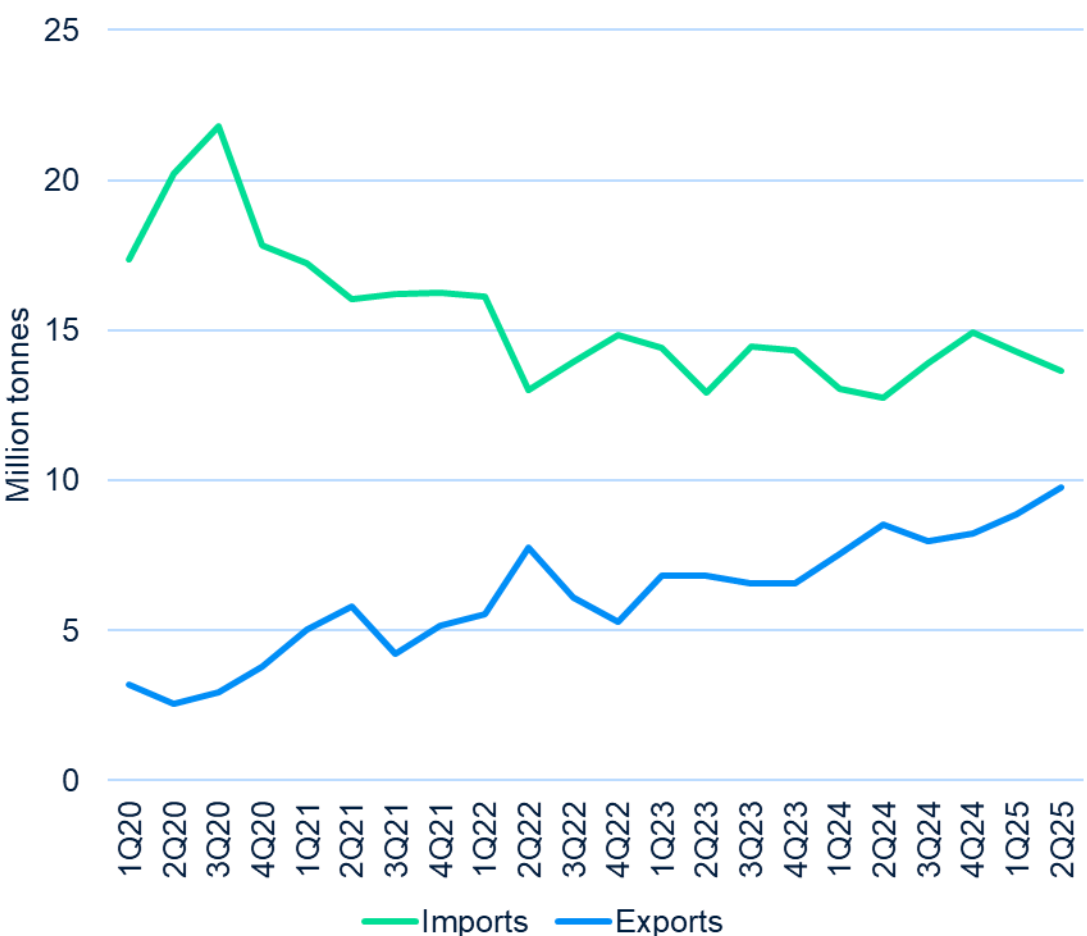
China Trade | Net import position decreasing through growing exports



China net trade (monomer equivalent)



China chemical trade flows
(includes major olefin and aromatics derivatives)



Source: ICIS Analytics

China Trade | Net import position decreasing through growing exports



China chemical trade flows (includes major olefin and aromatics derivatives)

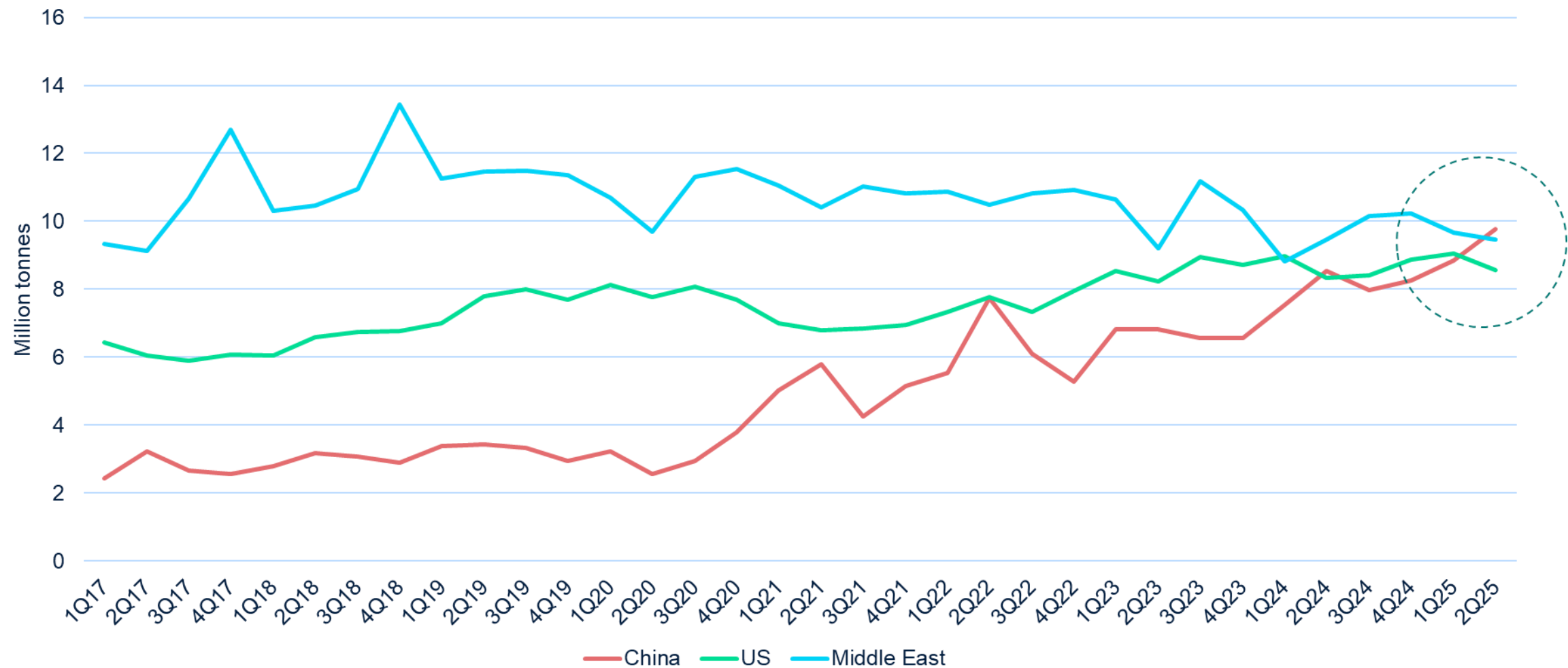


Source: ICIS Analytics

China Trade | China chemical export volumes exceeded US and ME in 2Q25



China chemical exports (includes major olefin and aromatics derivatives)



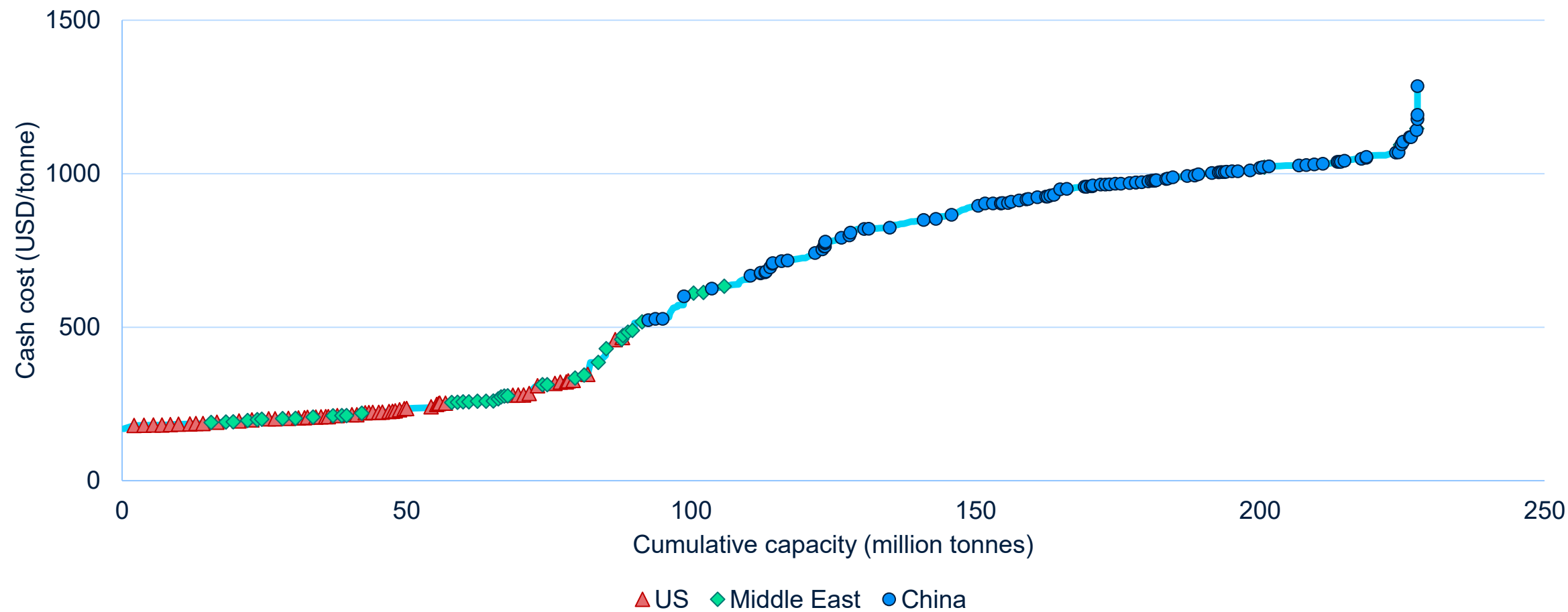
Note: China and US figured based on export declarations, Middle East figures based on import partner declarations

Source: ICIS Analytics

Cost Competitiveness | US and Middle East significantly advantaged



Global Ethylene Cost Curve, 2024

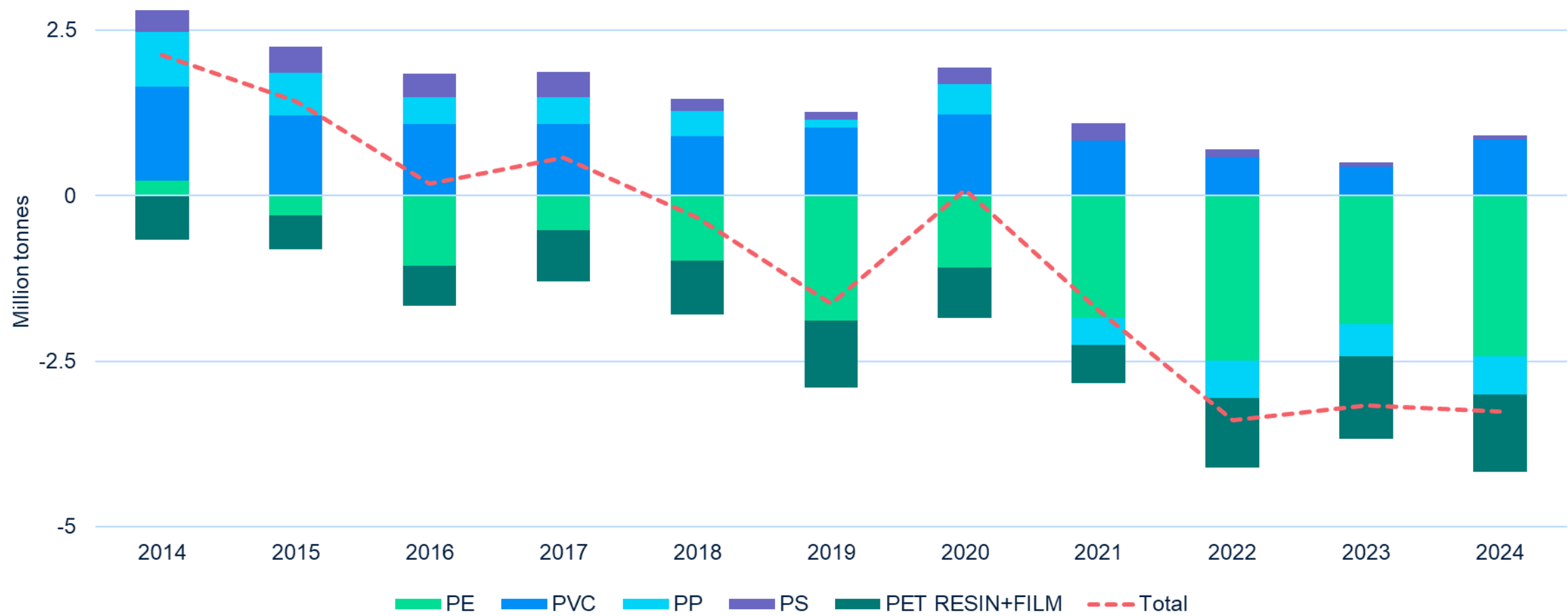


Source: ICIS Analytics

European Competitiveness | From net exporter to net importer...



EU27 polymer net trade

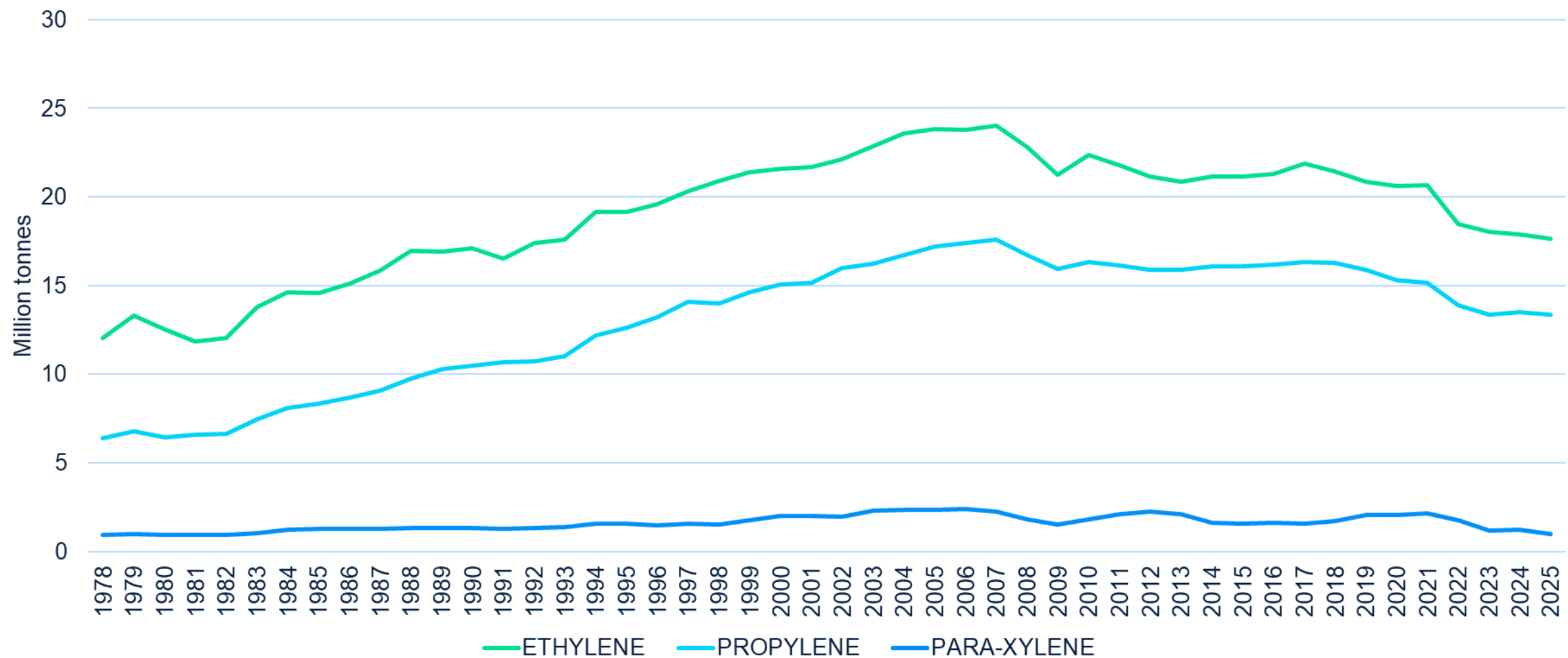


Source: ICIS Research & Analysis

European Demand | Olefin volumes at 30 year lows, PX at 40 year lows

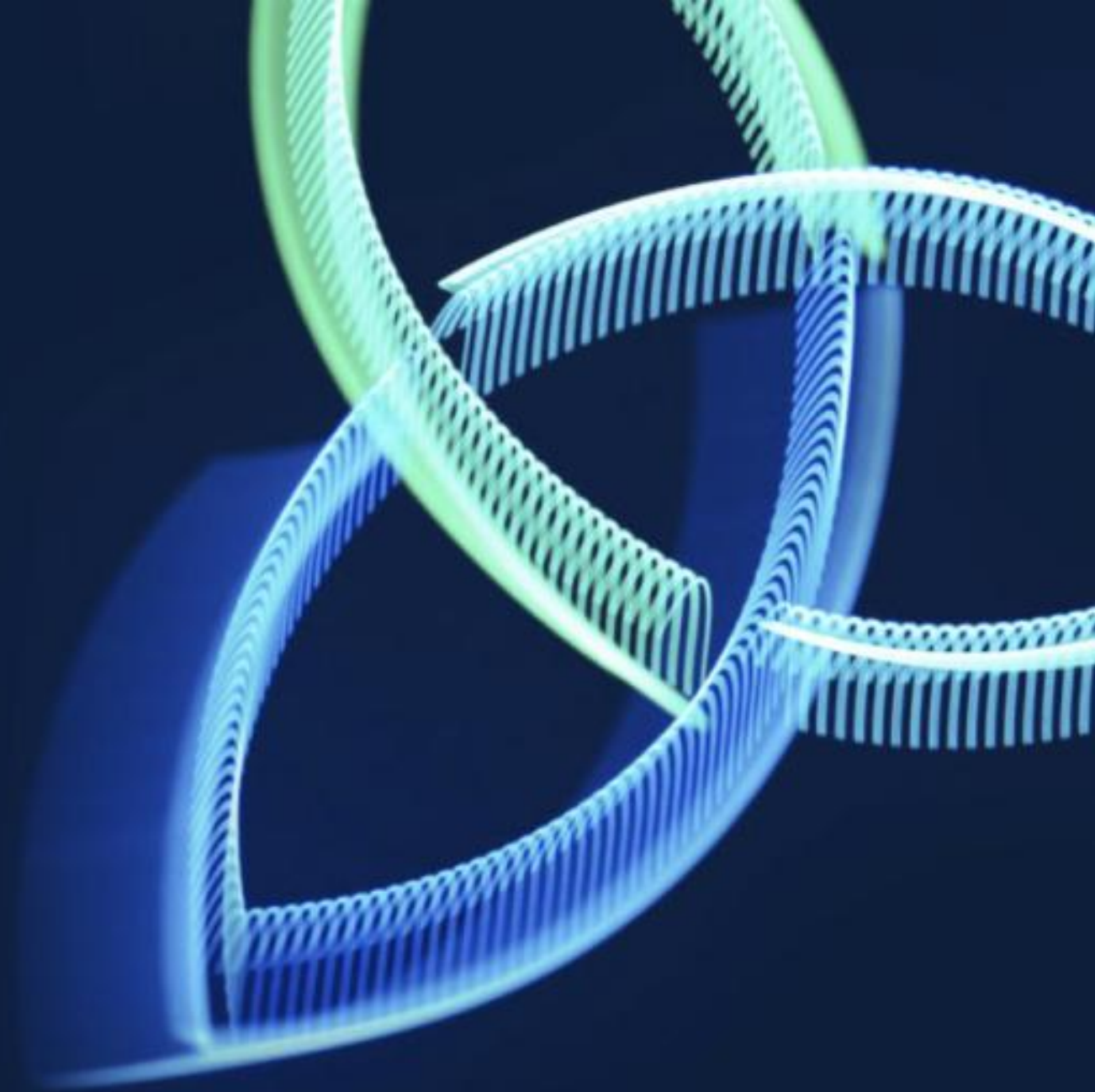


European demand (excluding Turkey)



Source: ICIS Supply & Demand Database

Thank you





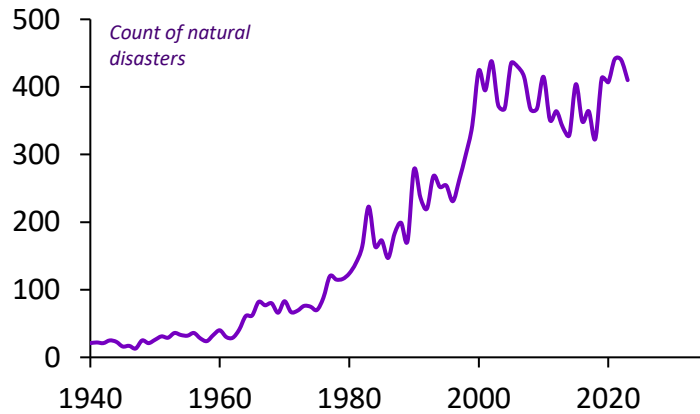
Navigating Disruption: Global Trade, Geopolitics, and the Future of Chemicals

September 2025

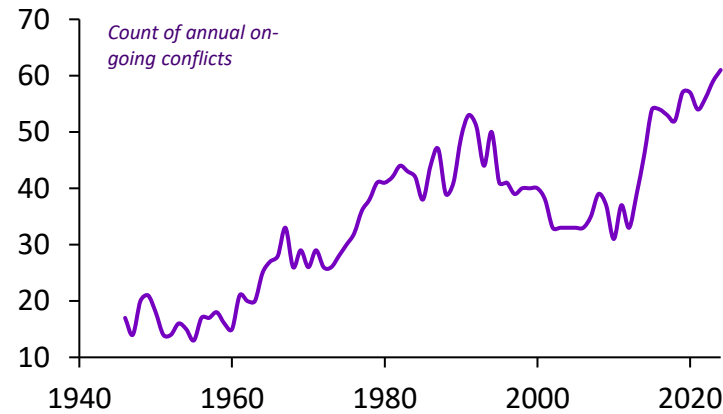

accenture

Rising volatility and uncertainty are a new normal

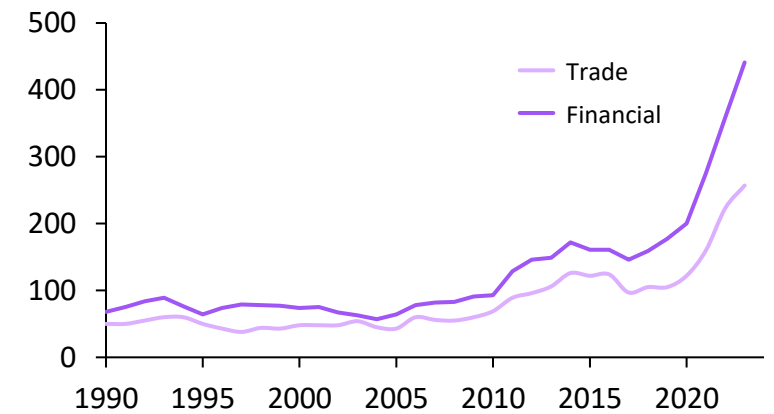
Natural disasters worldwide



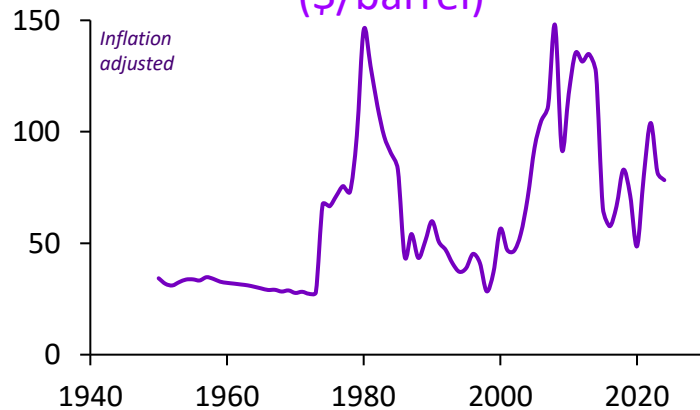
State-based conflicts



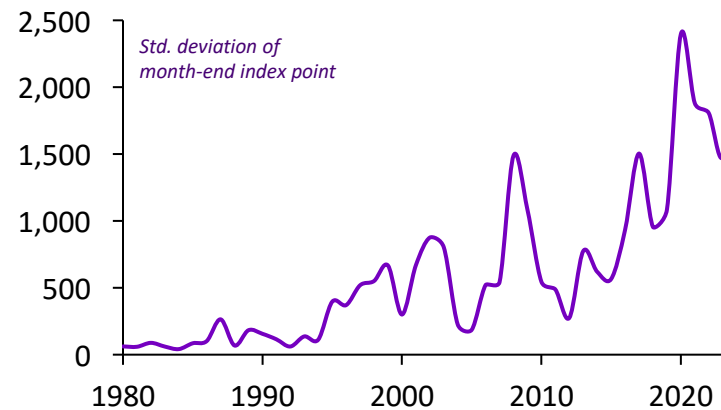
Number of sanctions



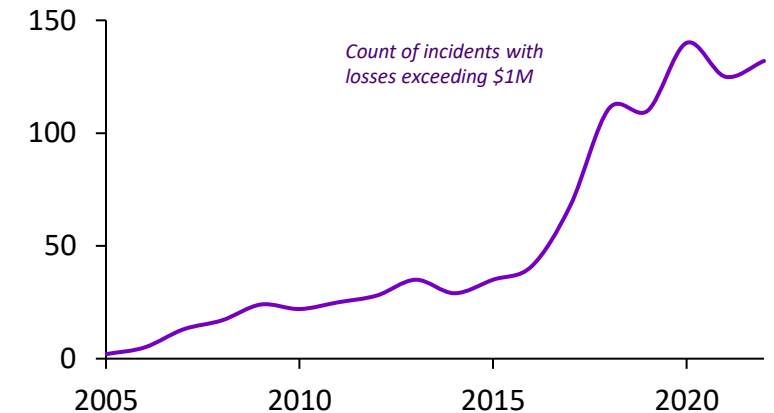
Brent Crude Oil (\$/barrel)



Dow Jones Index Volatility

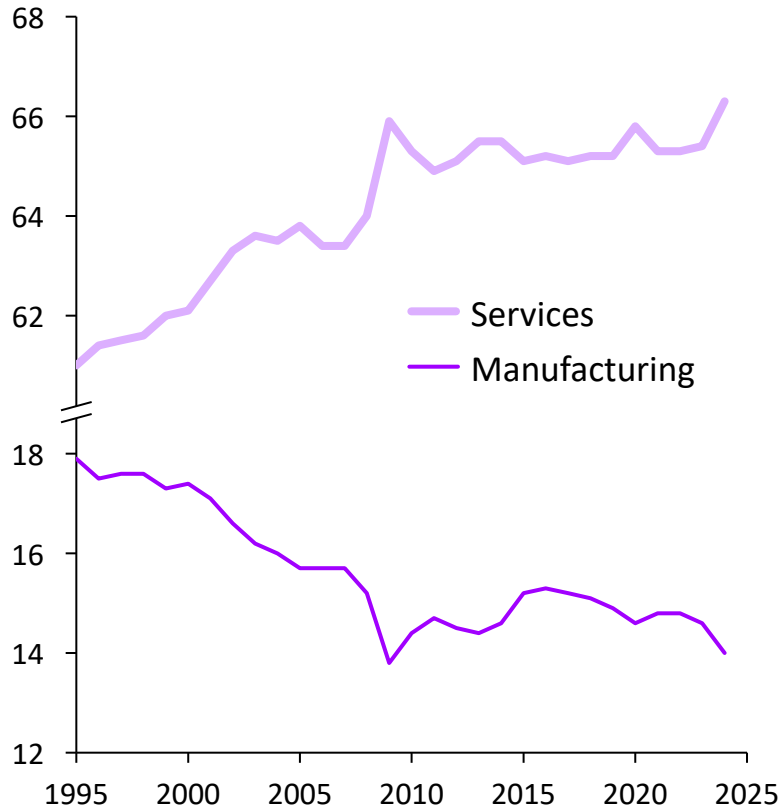


Significant cyber incidents

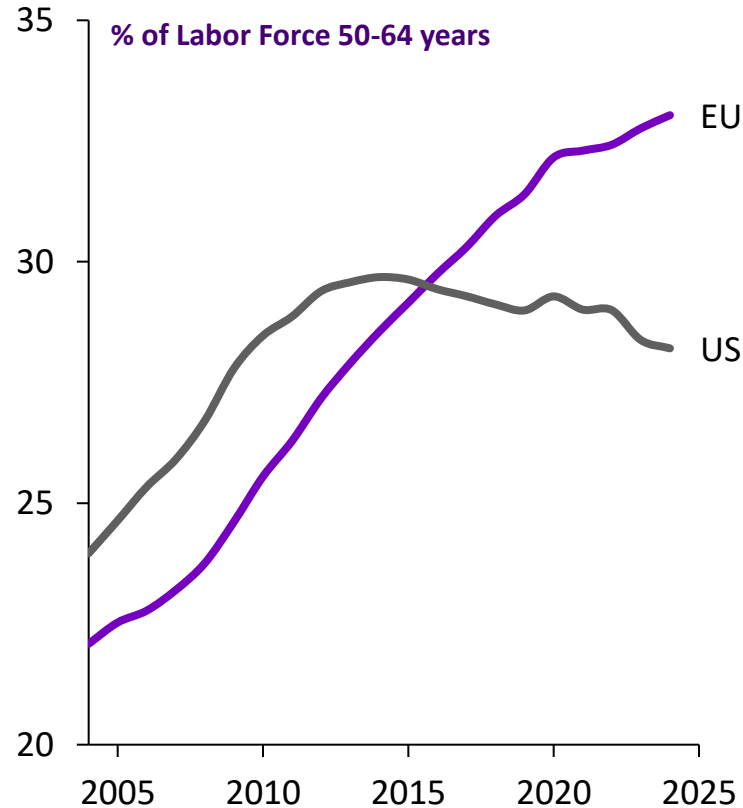


Europe faces additional structural challenges

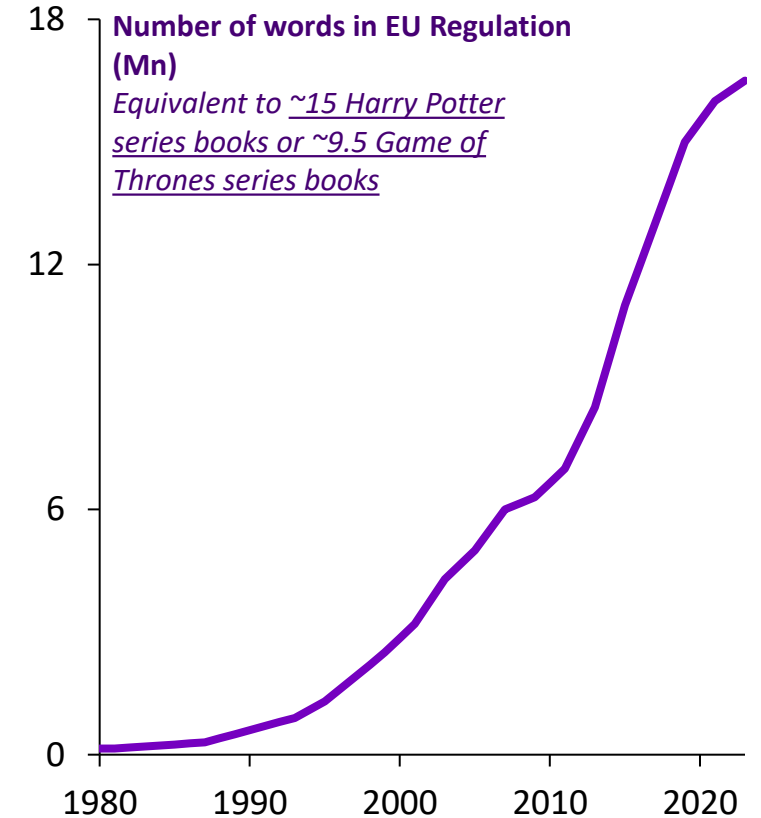
Value added as % of GDP (EU)



Demographic Change

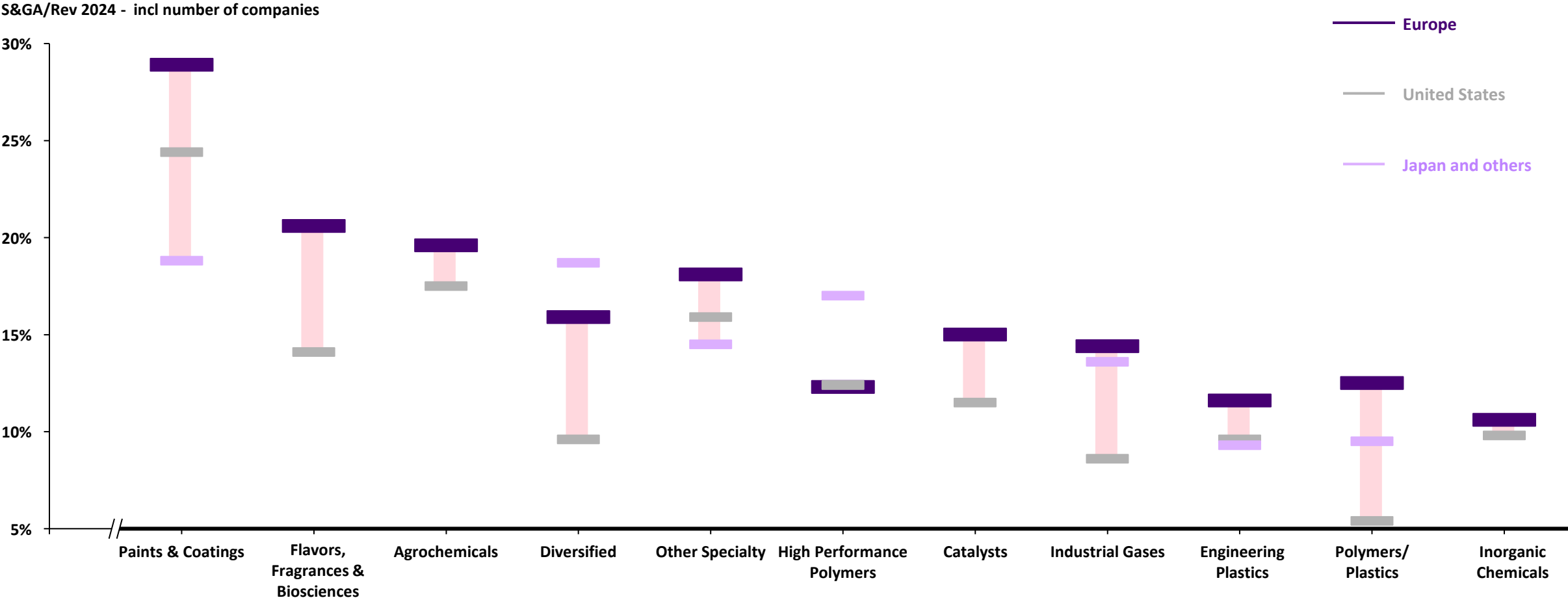


Number of Words in EU Regulation (1973-2023)



... and some challenges seem to be “homemade”

Regional SG&A/Rev share by chemical groups



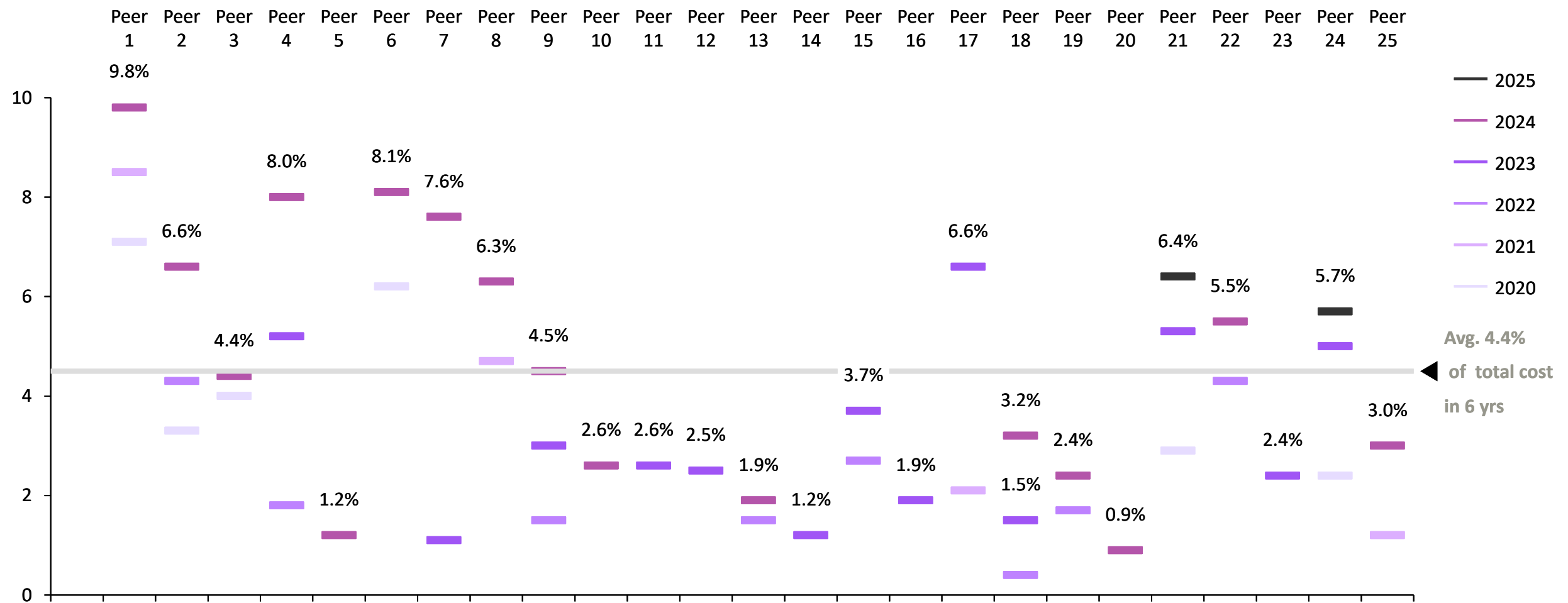
Chemical companies resort to usual cost reduction actions

Action area (top 15 programs)	Peer 1	Peer 2	Peer 3	Peer 4	Peer 5	Peer 6	Peer 7	Peer 8	Peer 9	Peer 10	Peer 11	Peer 12	Peer 13	Peer 14	Peer 15
Headcount reduction															
Asset Shutdown															
CapEx reduction															
Productivity															
Procurement															
Work Cap./ Inventory															
Maintenance															

Source: Company quarterly and annual earnings report/presentation, Press releases related to cost saving program current & past.

The cost reduction programs set new performance frontiers

Added (Cumulative) cost reductions (% of total cost) in last 6 years

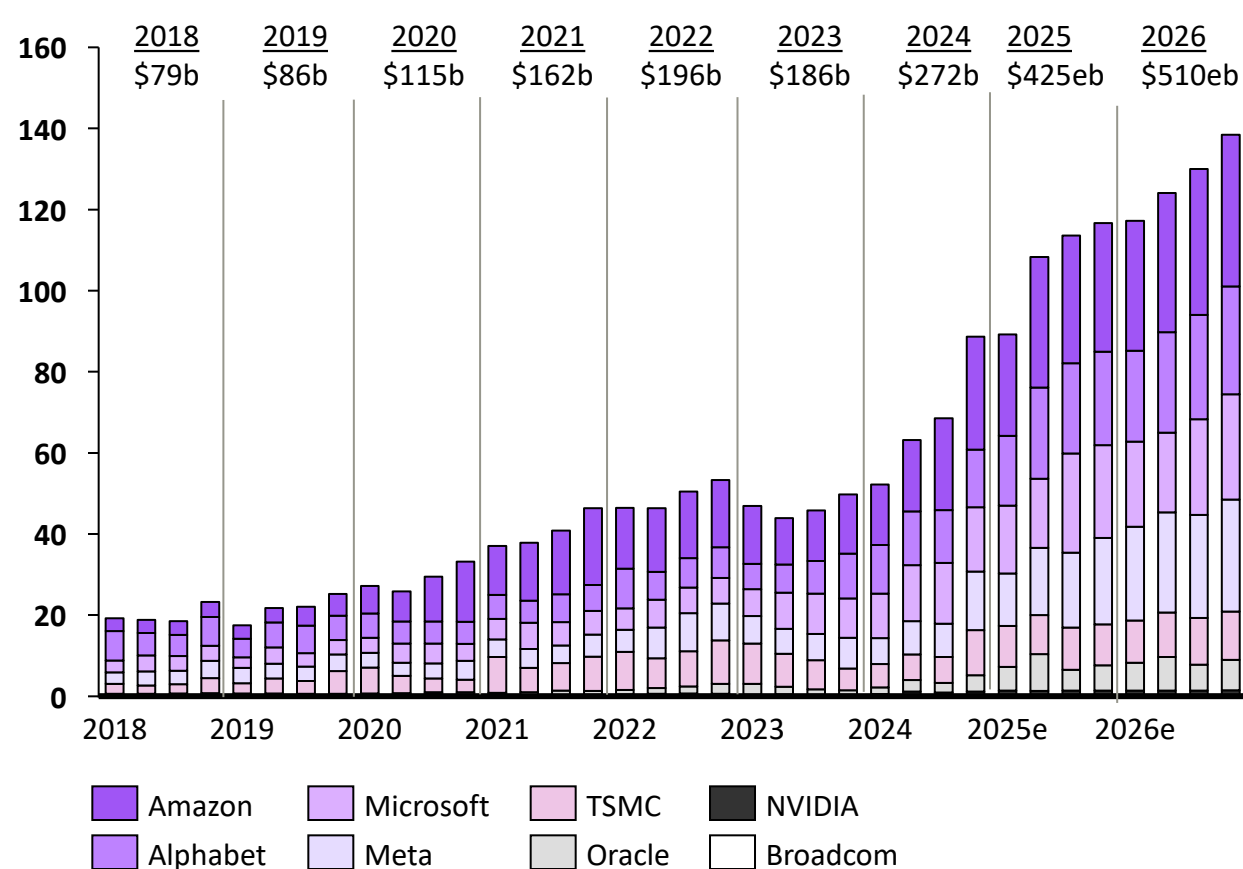


Source: Company reports, Capital IQ (Revenue and EBITDA, base year considered announcement year; final cost saving announcement adjusted to 2025 targets);
Note: All data for calculations is considered in local currency; 2025 targets for few companies such as Peer 6, Peer 13 are considered on prorata basis, cost savings program are multiyear programs (previous year values only mentioned if it's a different program or an extended target, same program are grouped together only when it continues till 2025); Peer 5 & Peer 22 based on fixed cost numbers

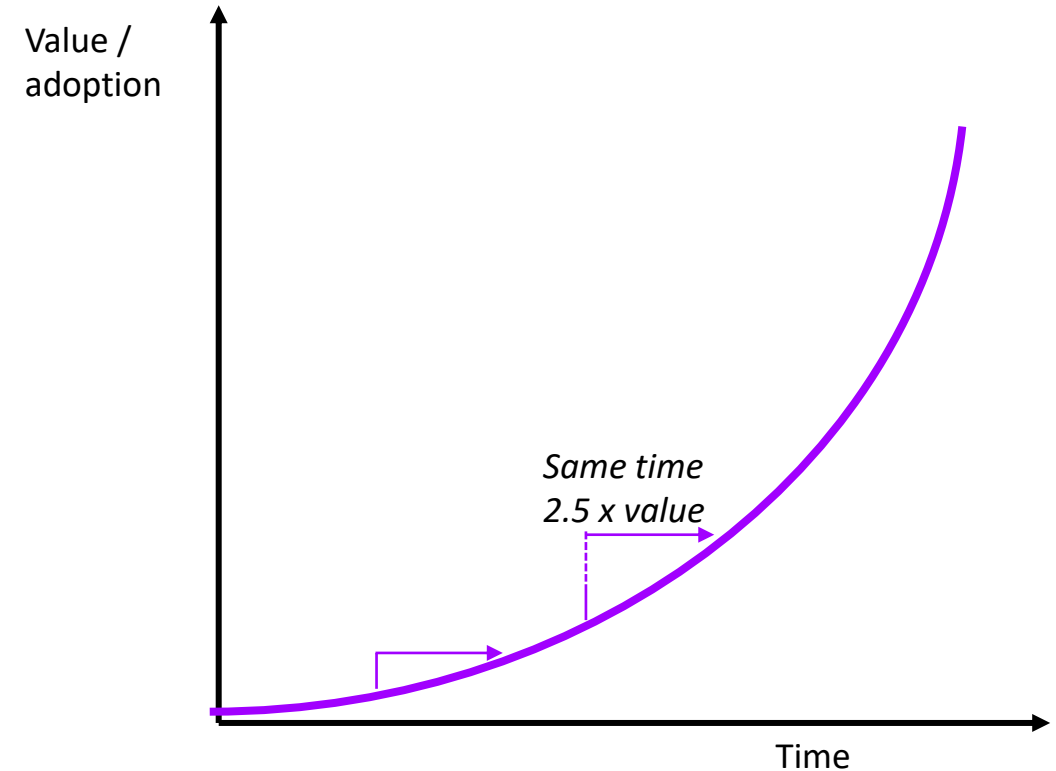
There is a gamechanger: “Big Tech” is investing \$400B in AI—per year

Big Tech started the “race in AI”

Capital Expenditure, Quarterly (based on CY), US\$ Bn



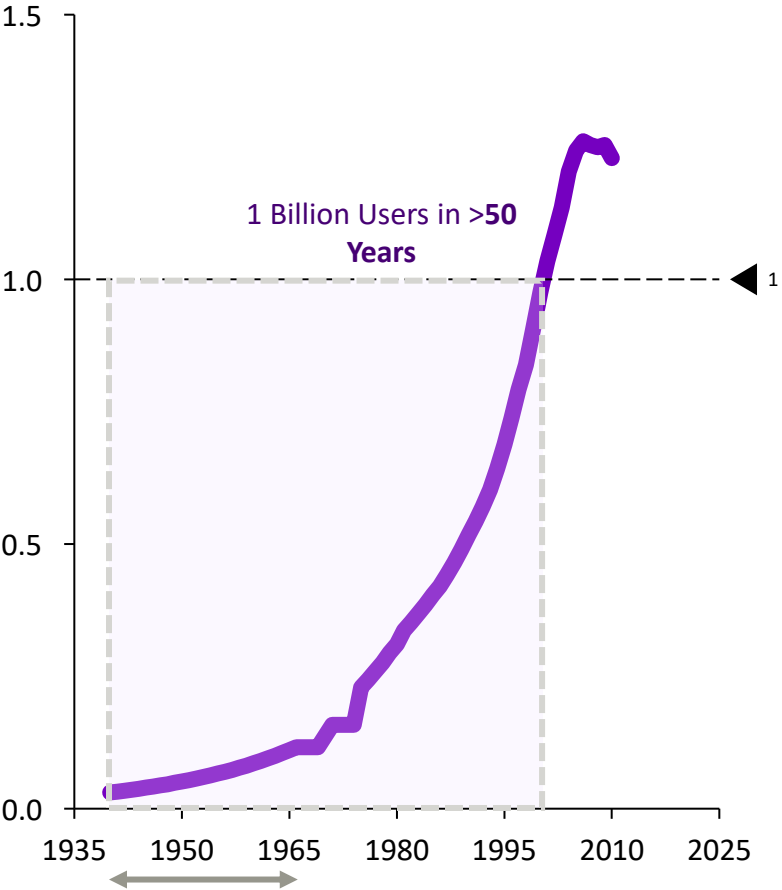
Aiming for the position in the learning curve dynamics



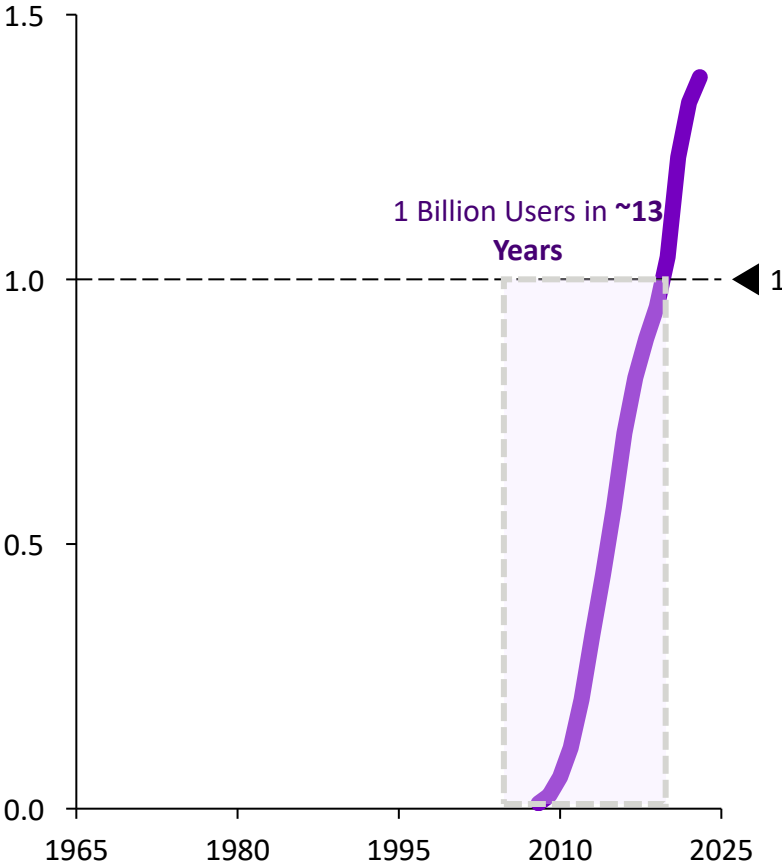
Source: Company reports, Capital IQ (CY considered for CAPEX inputs) | *Up to Q2 2025, the figures reflect actual results for all companies except Nvidia and Broadcom. For these two, Q2 2025 is based on the quarterly consensus estimates from S&P. Additionally, CY2025 and CY2026 values are derived by summing the quarterly consensus estimates from S&P

Speed of change and adoption is increasing

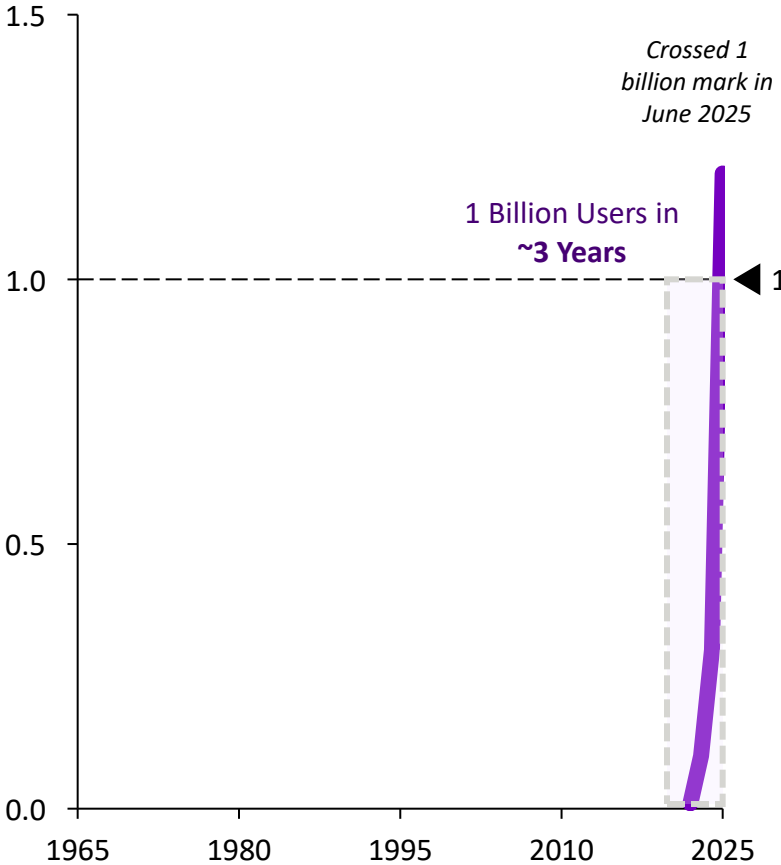
Global fixed telephone subscriptions (Bn)



Global active iPhone units (Bn)



Global ChatGTP Users (Bn)



"Historical data was estimated using the average CAGR over the next 10 years, excluding outliers."



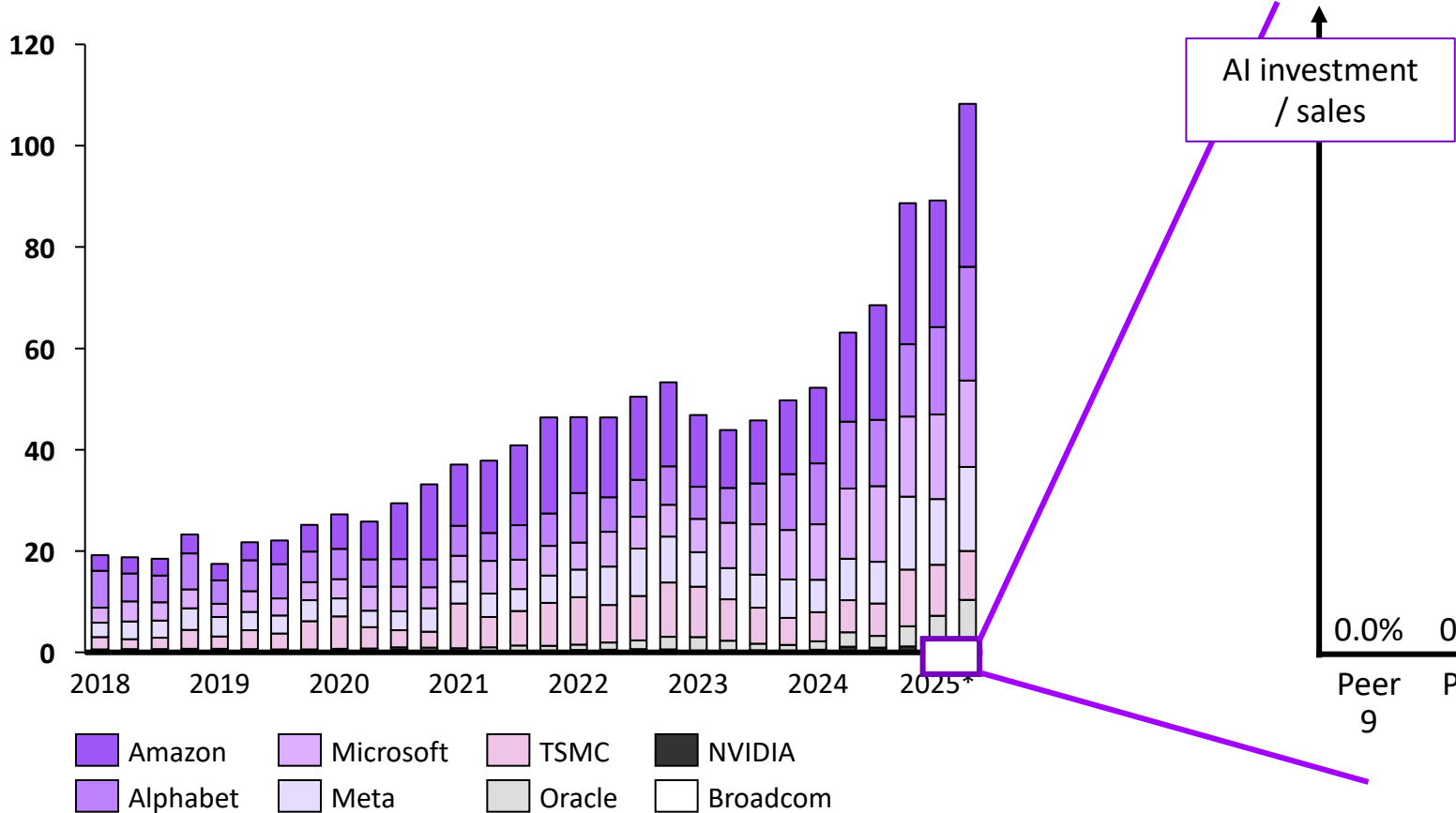
Source: Statista, Ember (2025); Toottester 2025, Demand sage, Our World In Data (International Telecommunication Union), Accenture analysis

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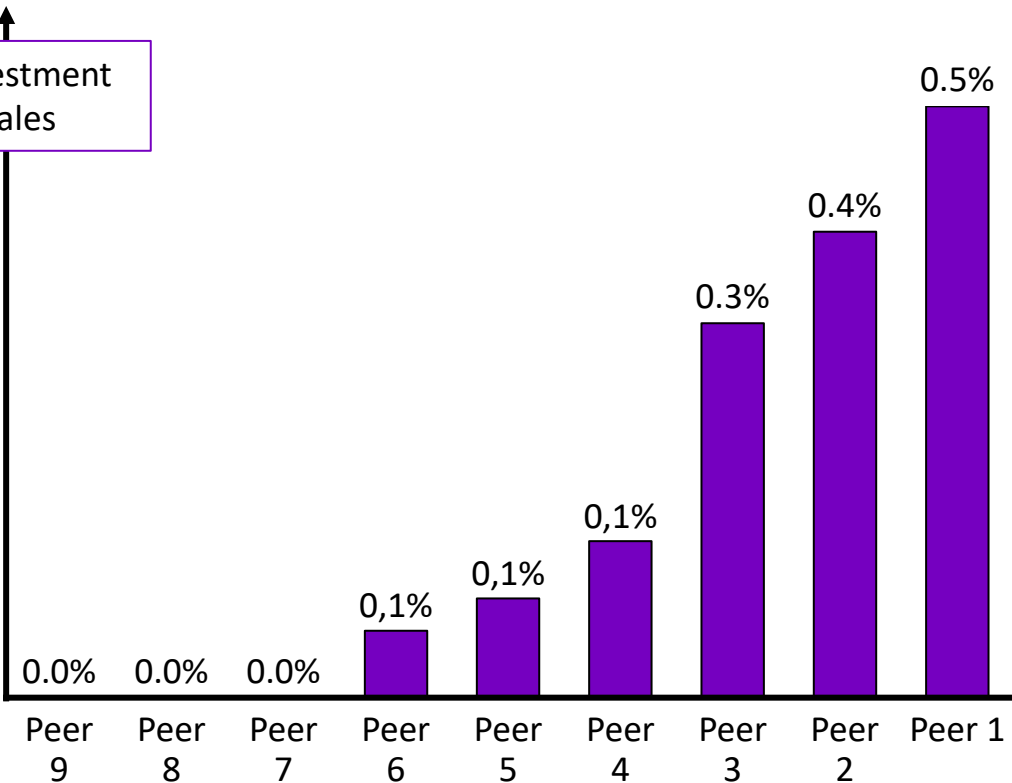
Foreseeably, AI will create the same learning curve dynamics in chemicals

AI Investments of “Big Tech”

Capital Expenditure, Quarterly (based on CY), US\$ Bn



AI Investments of process industry companies



Source: Company reports, Capital IQ (CY considered for CAPEX inputs) | *Up to Q2 2025, the figures reflect actual results for all companies except Nvidia and Broadcom. For these two, Q2 2025 is based on the quarterly consensus estimates from S&P.

The value pools for chemical companies are clear

2 – 4 x

Effectivity in R&D

Days

To develop a new formulation

1 – 3%

Yield / output increase

0.5 – 3x

Acceleration of fulfilment cycle

1 - 2 x

Higher conversion rate
opportunity to contract

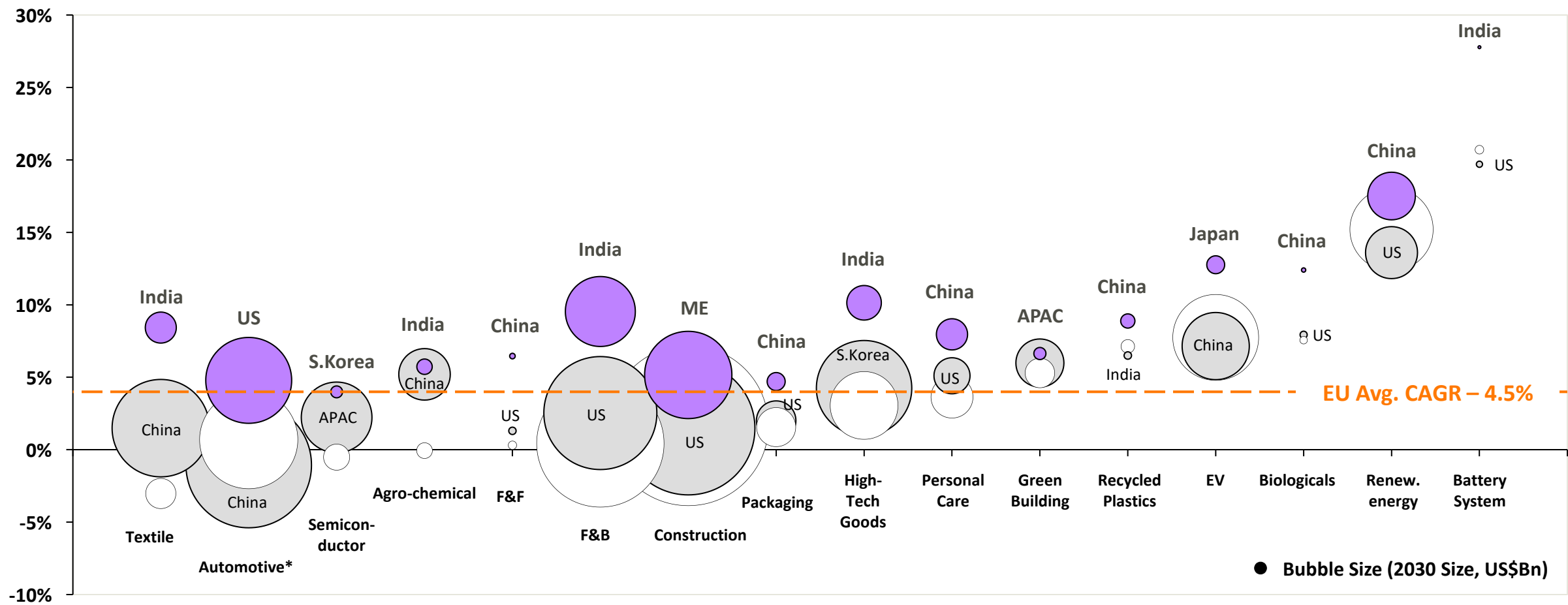
40 – 60%

Reduction in backoffice cost



Companies changing fast are likely best positioned to capture the growth

CAGR 2025-2030



Note: Overall growth is based on Oxford Economics Gross Output (sales, Real, \$B) for construction, automotive, high-tech goods, textile, agrochemical, and F&F, with others estimated from published reports and adjusted for inflation. High growth markets (HGM) have significantly higher CAGR during 2025-2030, while comparable markets (CM) are those not in the HGM group but of comparable or larger size than the EU. | *Notes: Automotive – includes motor vehicles, components, trailers, semi-trailers, and parts (incl. EV)

The world is changing faster—companies have to change faster too

Tech adoption

Deploy AI at scale and speed – in line with “Big Tech” advancements

Change roles, ways of working and skills pervasively and at scale

Core – Non core

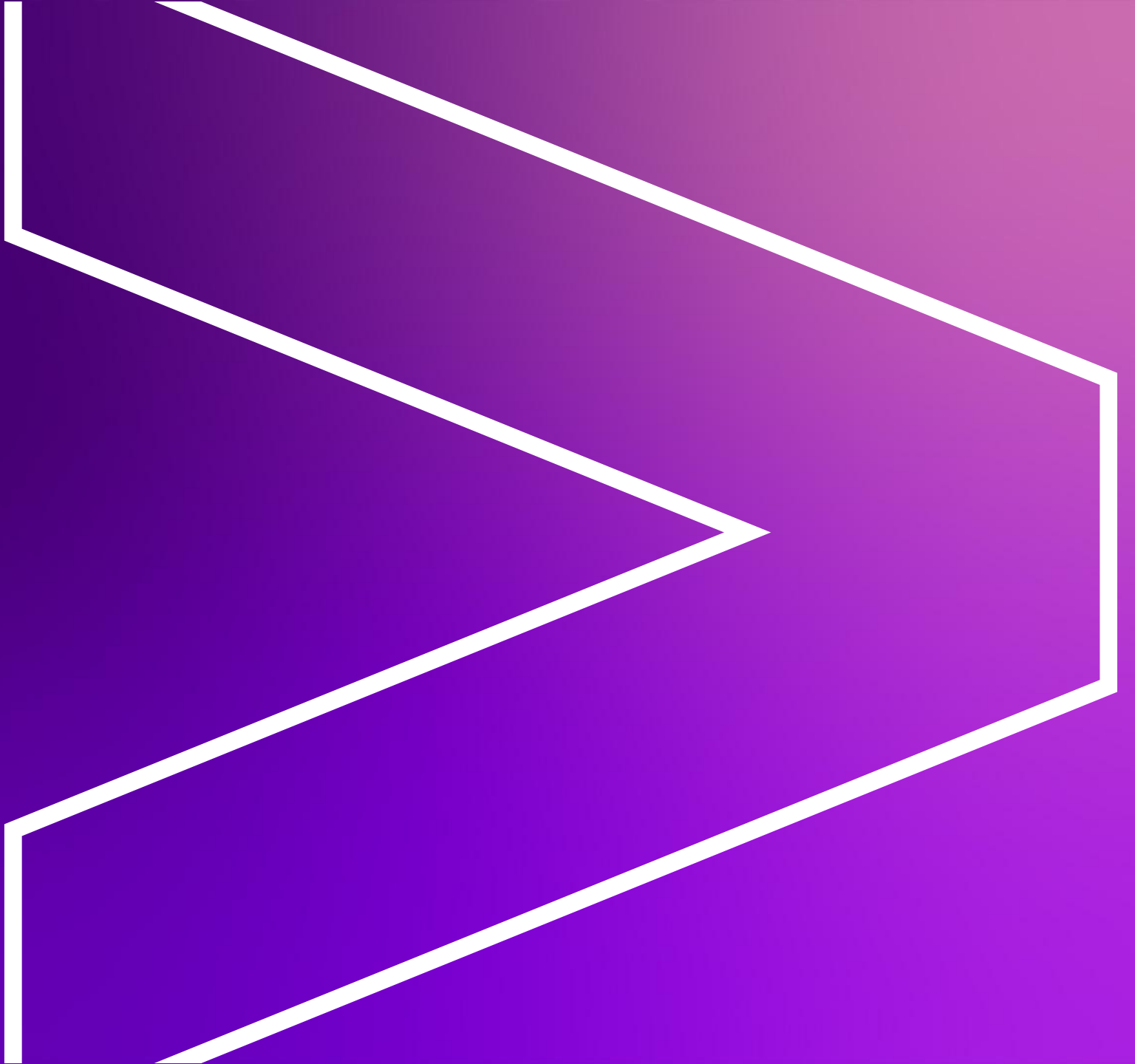
Execute the required interventions in non-core businesses & functions

Open-up to collaborative solutions in non-core areas

Execution

Execute AI-based transformation as CEO led program
 (“not pilots, but programs”)

Thank you.



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23-25 SEPTEMBER 2025

Discussion



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23-25 SEPTEMBER 2025

Questions?



Thank you for your attention

Next session starting at 10:30 CEST:

From Plan to Package: What is next for REACH and
PFAS?

