

EUROPEAN DEVELOPMENTS

Can Europe's industrial ambition bring
relief to the EU chemical industry?



cefic

MAVESZ Conference - 7 October 2026

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Deputy Director General

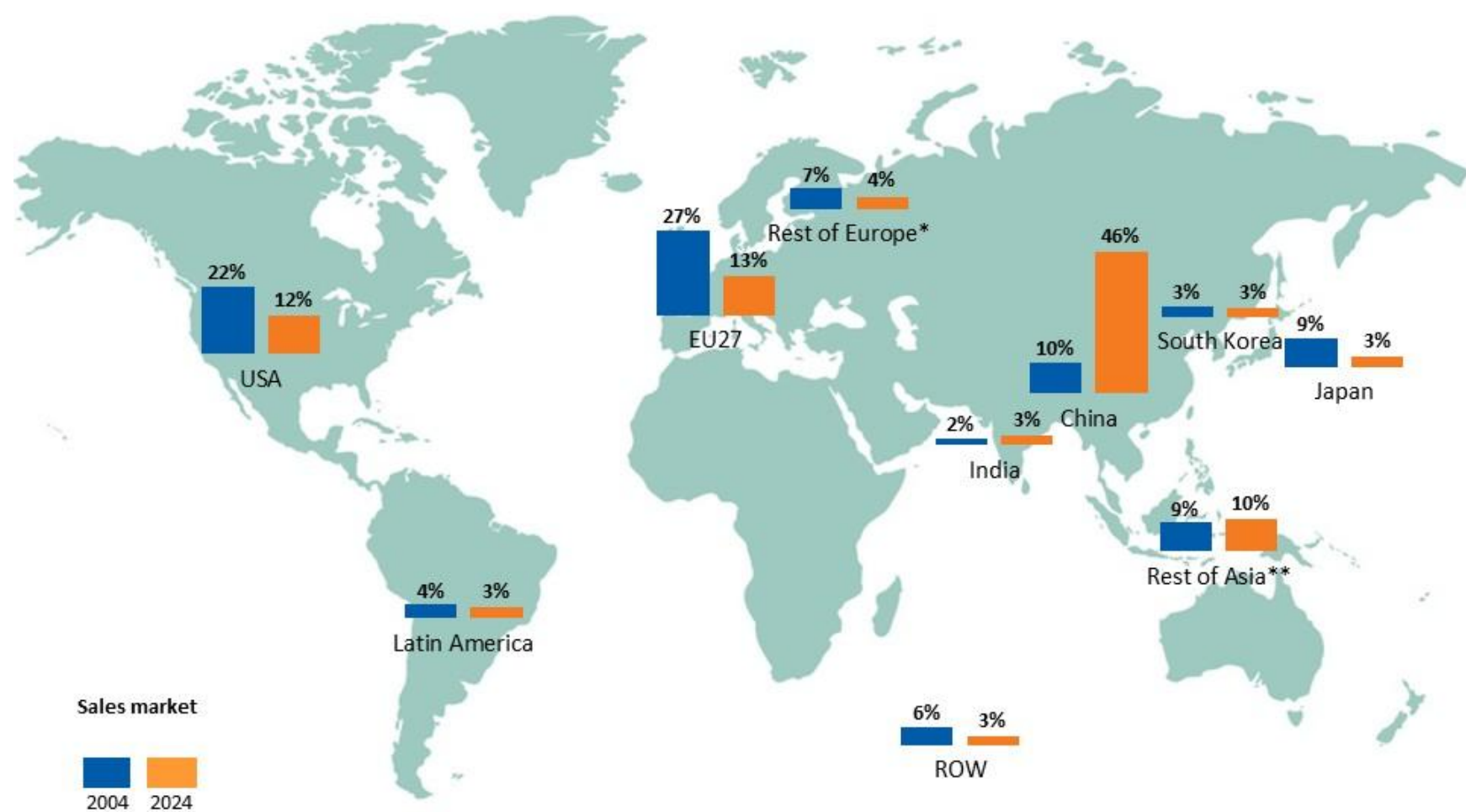
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Setting the scene: economics of the sector



China overtakes Europe and the US as global leader in chemical sales



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

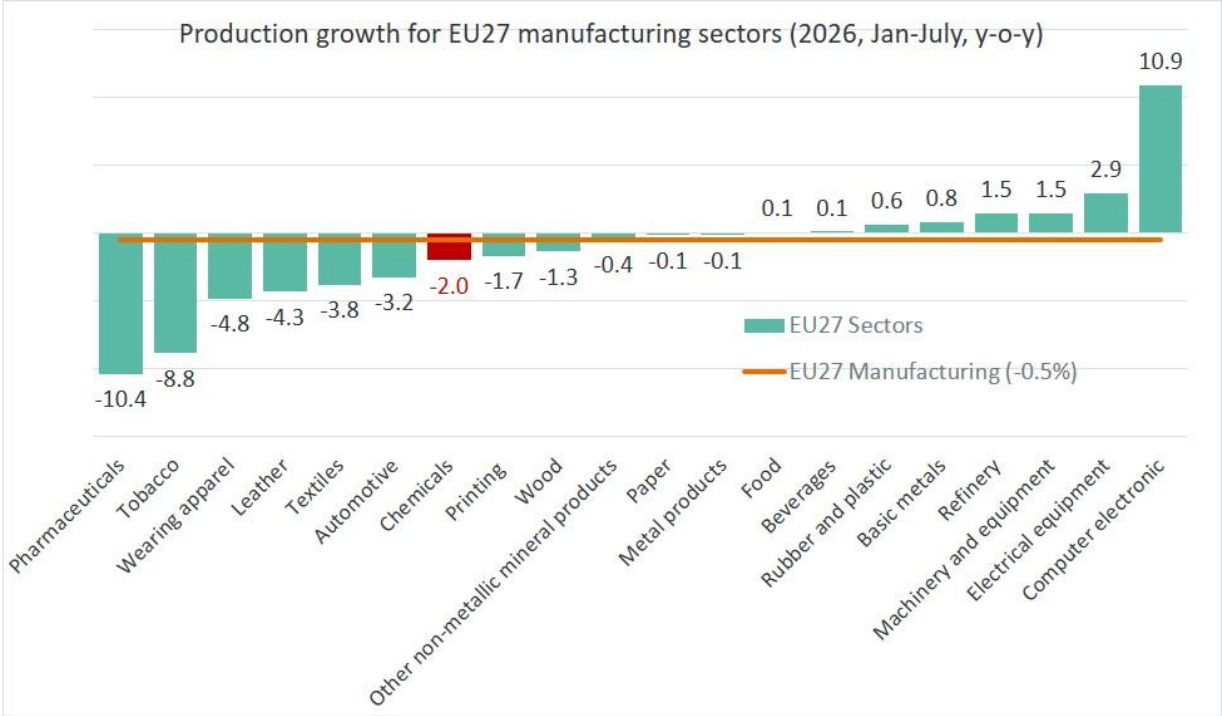
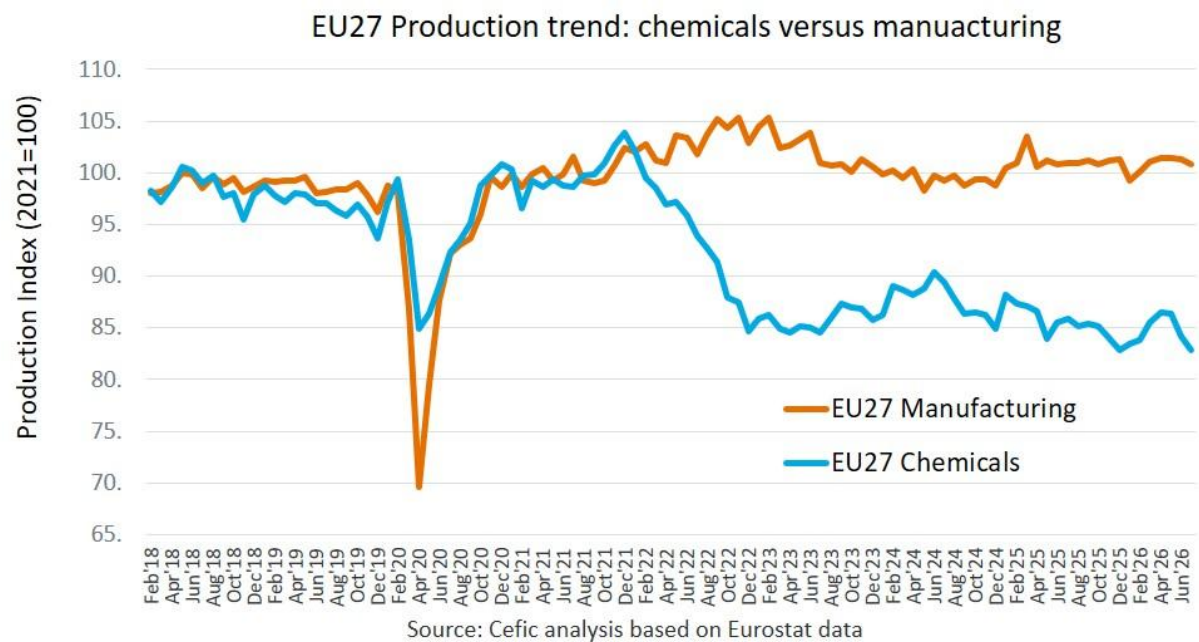
Source: Cefic Chemdata International

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

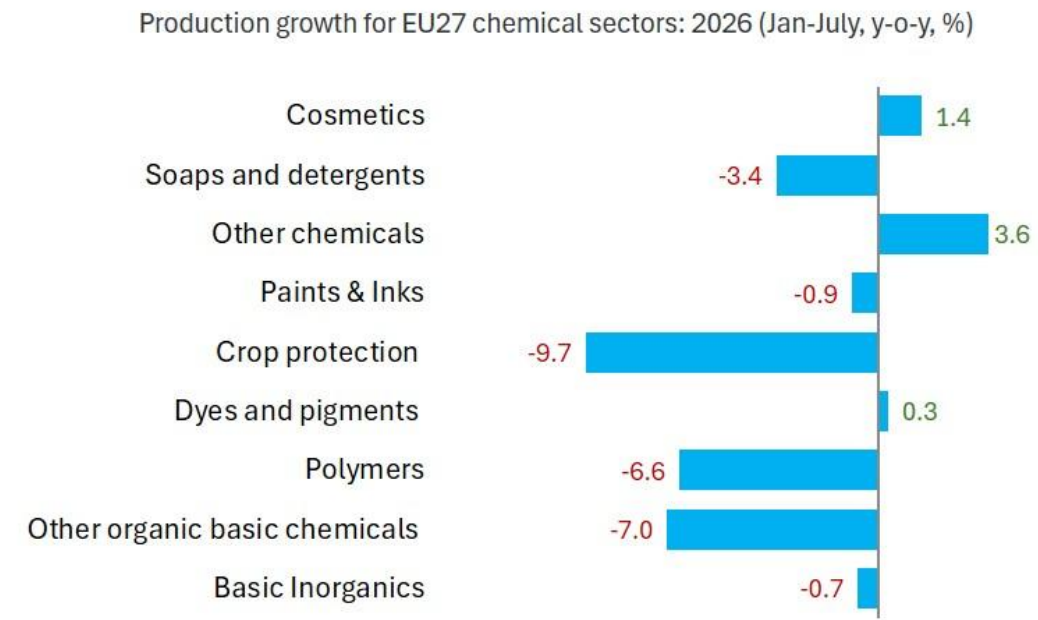
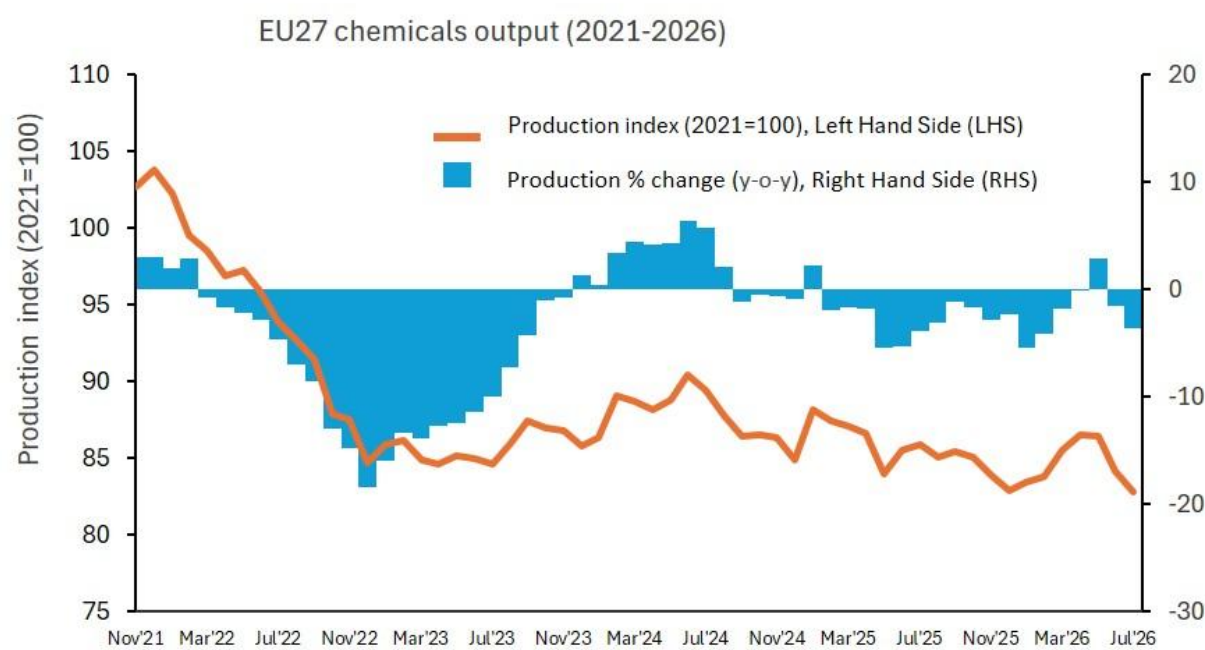
** Asia excluding China, India, Japan and South Korea



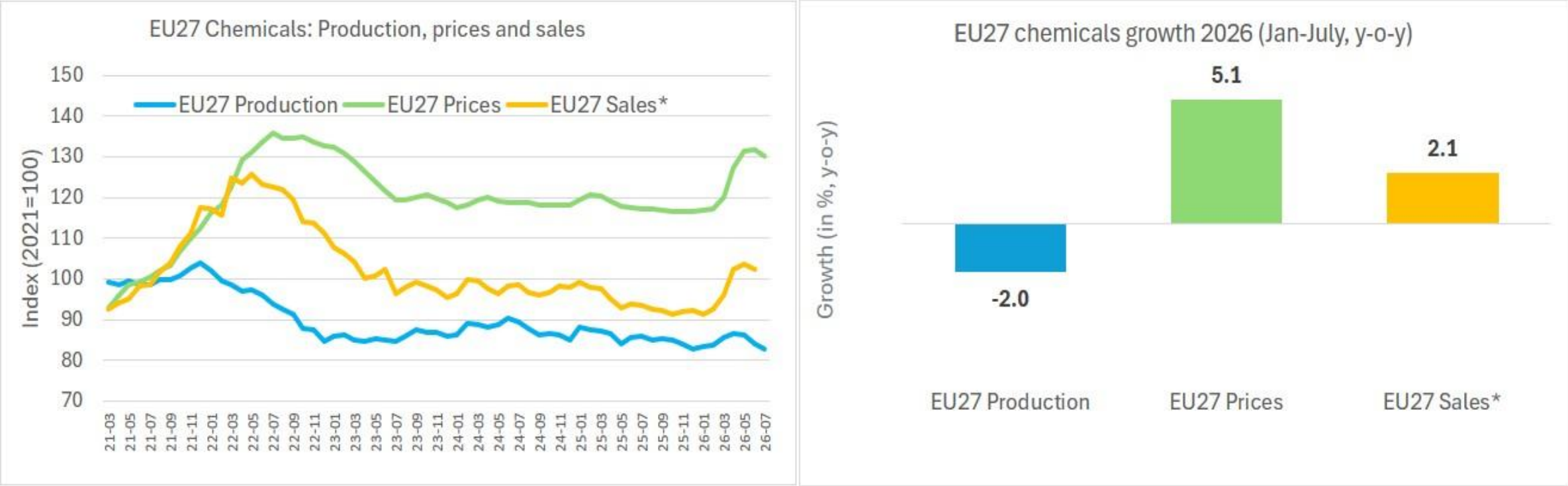
EU27 chemical production remains among the weakest-performing manufacturing sectors



'Other organic basic chemicals' and polymers continue to weigh on EU27 chemical production

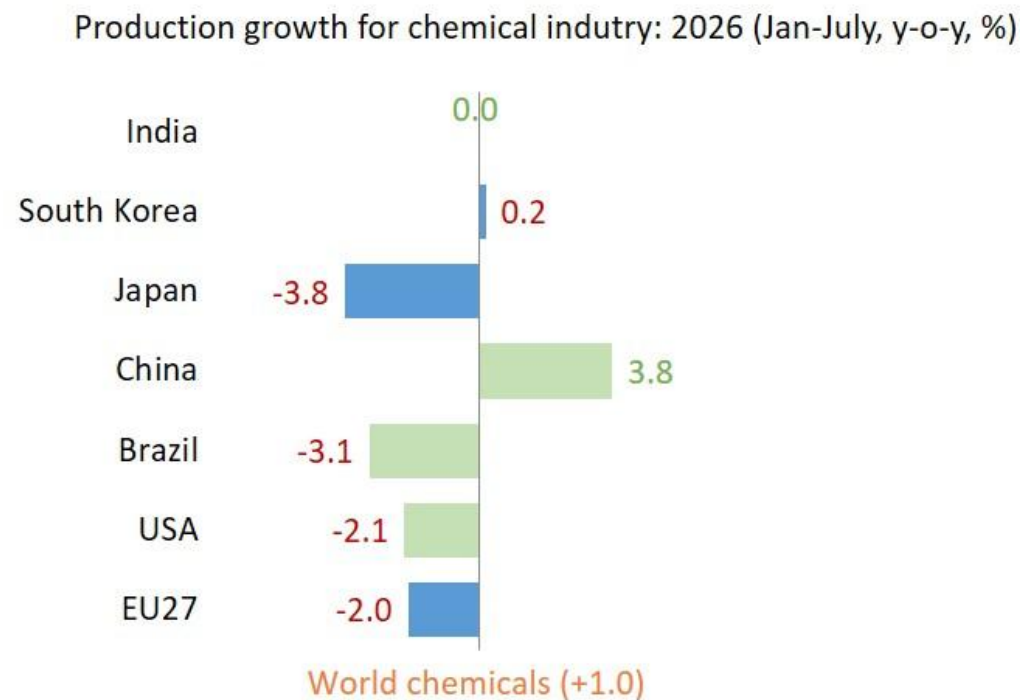
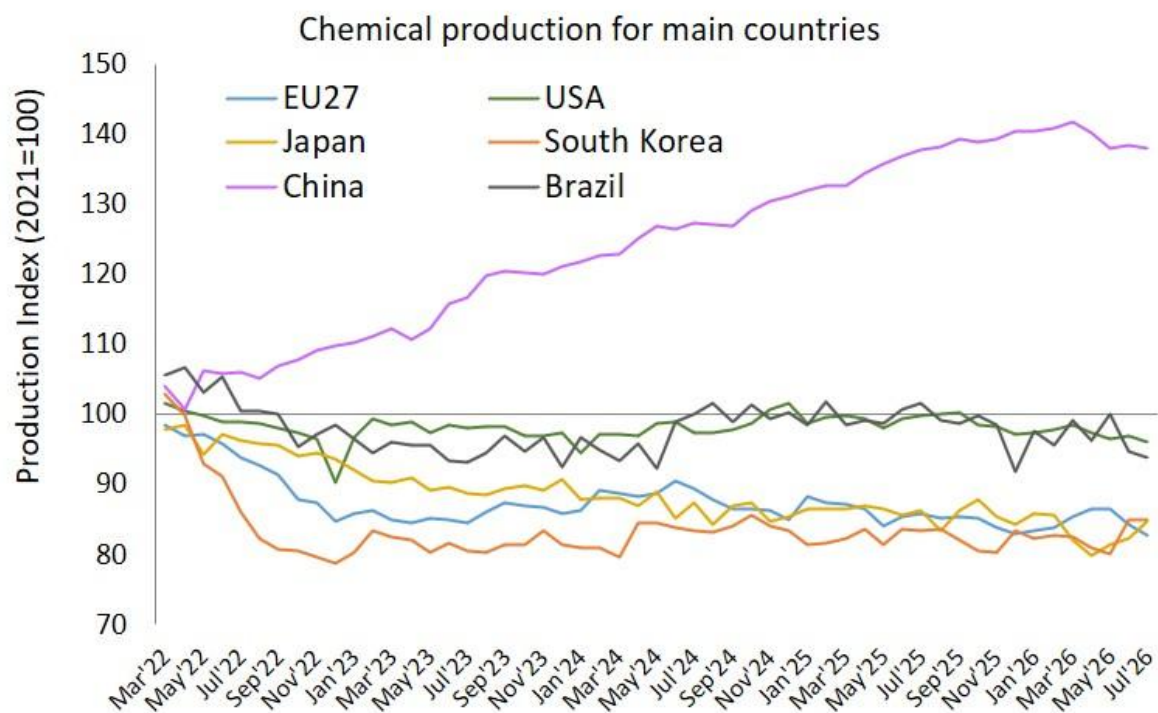


EU27 chemicals sales* 2.1% above 2025 levels

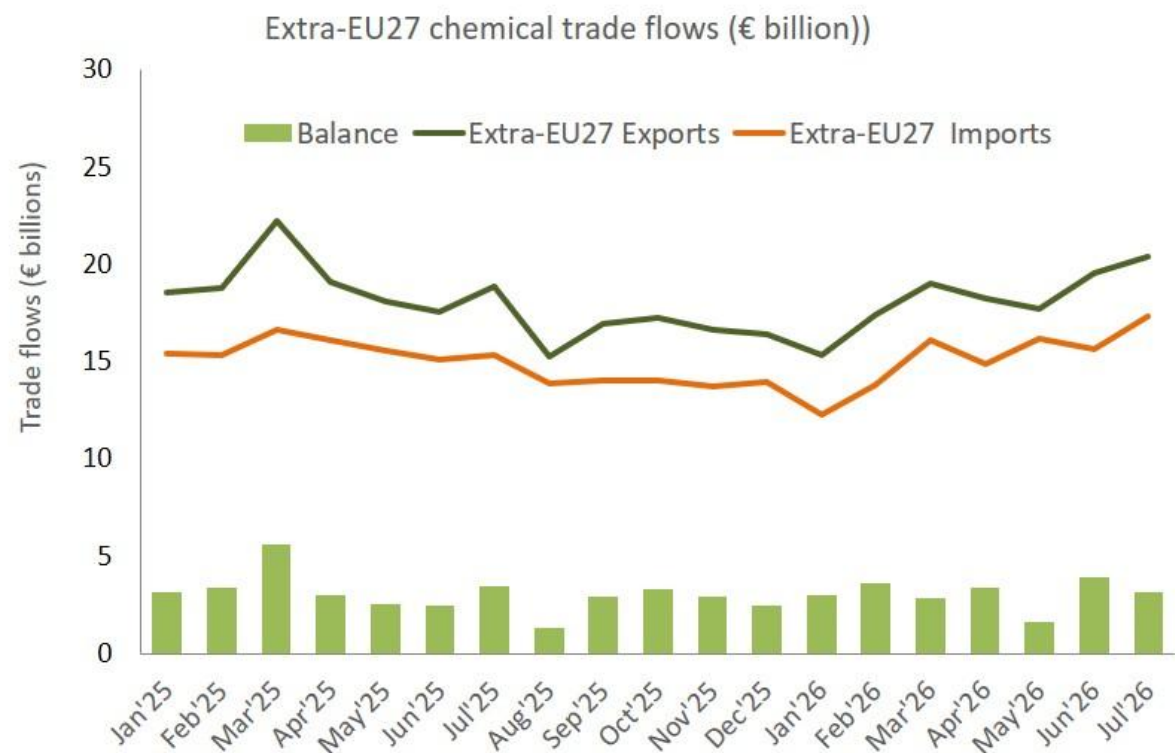
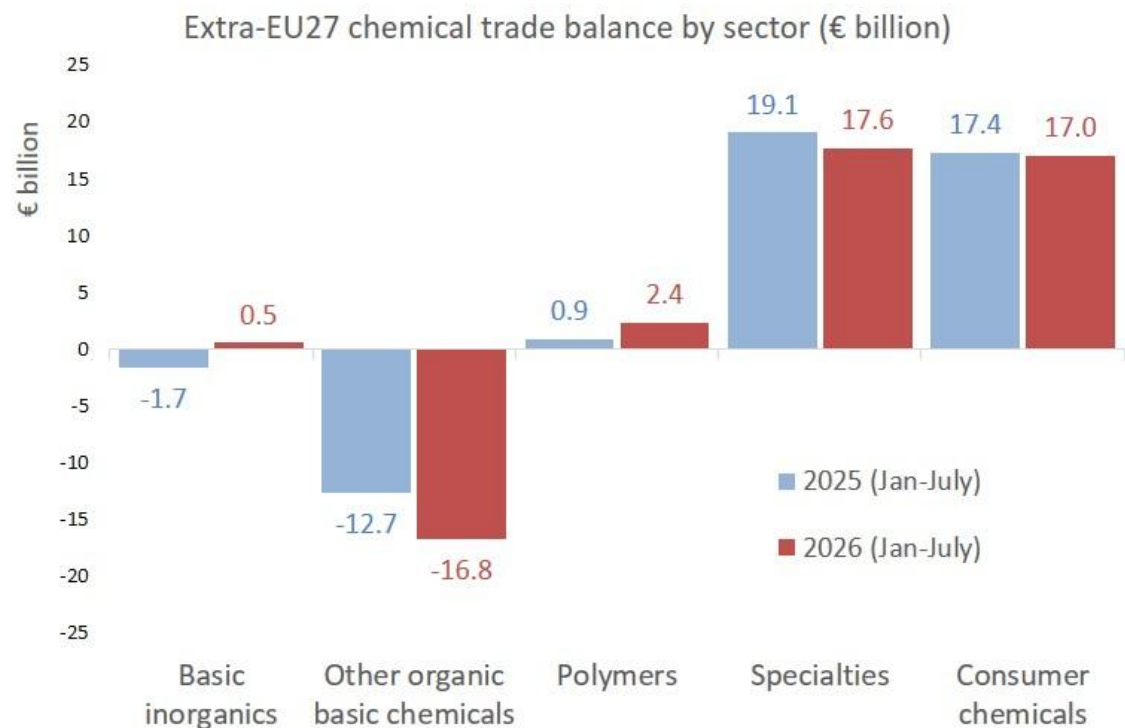


Source: Cefic analysis based on Eurostat data, Nace 20 only, *2026 (Jan-June)

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



Trade surplus narrows as exports fall faster than imports



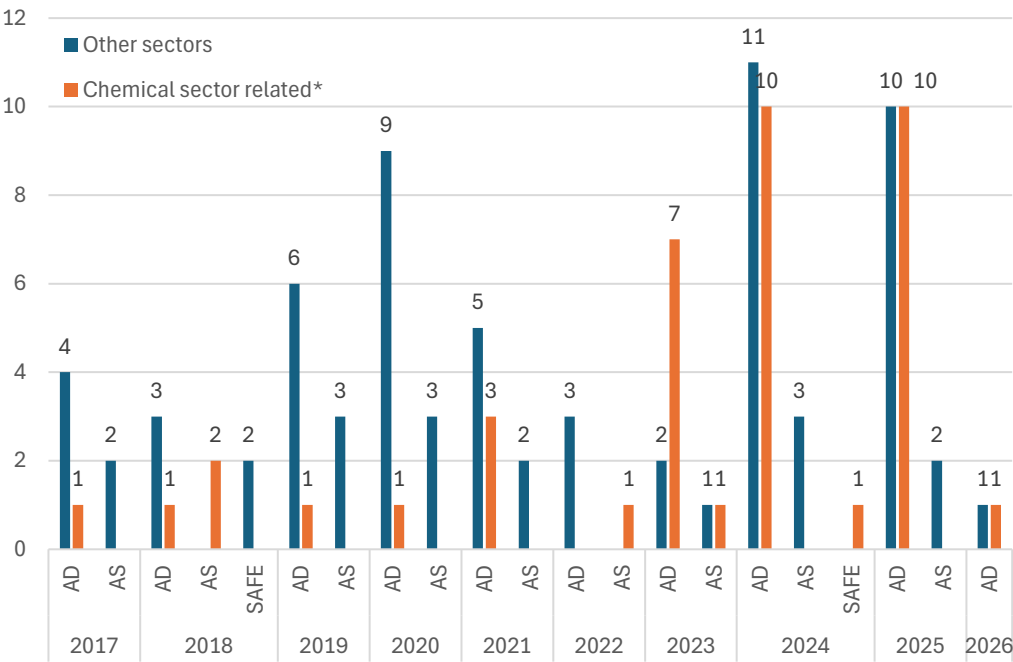
Extra-EU27 chemical trade balance (€bn)	Basic inorganics	Other organic basic chemicals	Polymers	Specialties	Consumer chemicals	Chemicals
2025 (Jan-July)	-1.7	-12.7	0.9	19.1	17.4	23.6
2026 (Jan-July)	0.5	-16.8	2.4	17.6	17.0	21.4
Delta	2.2	-4.1	1.44	-1.4	-0.3	-2.2

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



EU27 Trade defence actions

Launched trade defence investigations by EU Commission



Overview of ongoing Trade Defence investigations related to chemical products

Type of measure	Case Number	Product	Country of origin
Antidumping	AD731	Adipic acid	China
Antidumping	AD730	Phosphorous acid	China
Antidumping	AD732	Polyethylene terephthalate (PET)	Vietnam
Antidumping	AD734	1,4-Butanediol (BDO)	China, Saudi Arabia, USA
Antidumping	AD736	Terephthalic acid (TA)	Korea, Mexico
Antidumping	AD737	Pea protein	China
Antidumping	AD740	Certain alkyl phosphonic acids and their sodium salts	China
Antidumping	AD741	Urea	Russia
Antidumping	AD747	Sodium benzoate	China
Antidumping	AD748	Benzyl Alcohol	China
Antidumping	AD751	Acrylic esters	China, Saudi Arabia, South Africa, USA

*The graph consider those cases as chemical sector related if at least one of the mentioned CN codes falls under HS 28-39.14 ex HS 30. This is a proxy and does not cover all the tariff lines that relate to NACE 20 and NACE 21.1. (e.g. the launched Antidumping case on pea protein includes CN 3504009091)

Cefic analysis based on <https://tron.trade.ec.europa.eu/investigations/ongoing> (12/03/2026)



European chemical closures and investments radar 2022-2025

Radar report 1 – Commissioned by Cefic

December 2025

Prepared for external distribution

INVESTMENTS (confirmed)

- 2022 – 2025 YTD: **deceleration** (from 2.7 Mt to 0.3 Mt),
- - 86% decrease last year
- Total : **7 Mt** (2% of EU capacity)
- Mostly in petrochemicals (BE, DE, FR)
- Investment areas: battery value chain, emission reduction and recycling

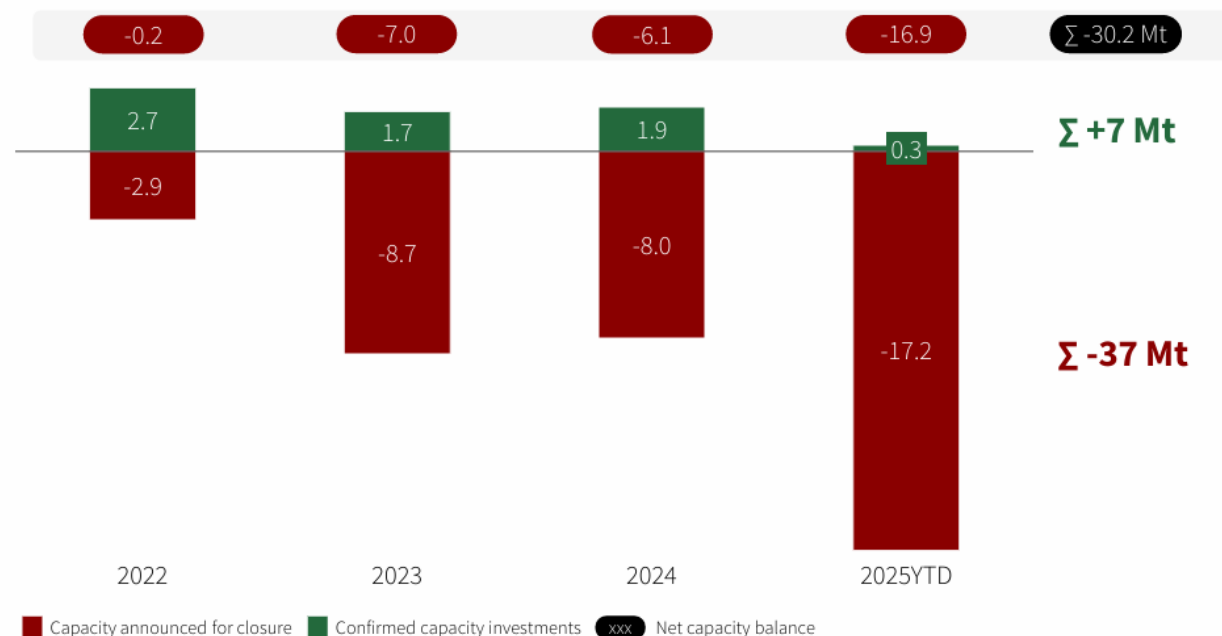
CLOSURES

- 2022 – 2025 YTD Announced closures: **x 6**
- Total: **37 Mt** (9% of the EU capacity); 20.000 jobs
- Accelerating: x2 between 2024 and 2025
- Mainly **upstream petrochemicals** (48%)
- 16% net reduction steam cracking capacity, all located in clusters
- Spans across Europe (Spain is doing well, relatively)
- Main causes: **energy costs** (49%), demand-related considerations (19%), overcapacity (9%), regulatory (8%)

C Net effect on the European chemical industry

The European chemical industry faces a structural capacity contraction, as net announced capacity balance points to a loss of -30.2 Mt

Net capacity balance of announced closures and confirmed investments in Europe, 2022-25YTD [Mt p.a.]



Insights

- The asymmetry between investment and closures is increasing between 2022-25YTD
- Closure announcements are typically **nearer-term** (1-2 years), whereas investments are typically longer term (2-5 years)

The political and policy response



What support can be expected from policy makers?

The Antwerp Declaration for an EU Industrial Deal

1200+
organisations are
calling for a

**European
Industrial Deal**



Implement the EU Green Deal



Safeguard quality jobs



Restore Europe's competitiveness

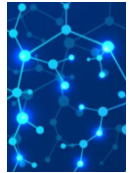
Antwerp-declaration.eu



The EU Competitiveness journey... now it's time to deliver !



Competitiveness Compass sets reform in motion



Antwerp Declaration



Industrial Competitiveness and Resilience are a **priority** for the **2025-2029 COM**
Nov 2024



Competitiveness Compass
Jan 2025



Clean Industrial Deal
+ Action Plan on Affordable Energy
Feb 2025



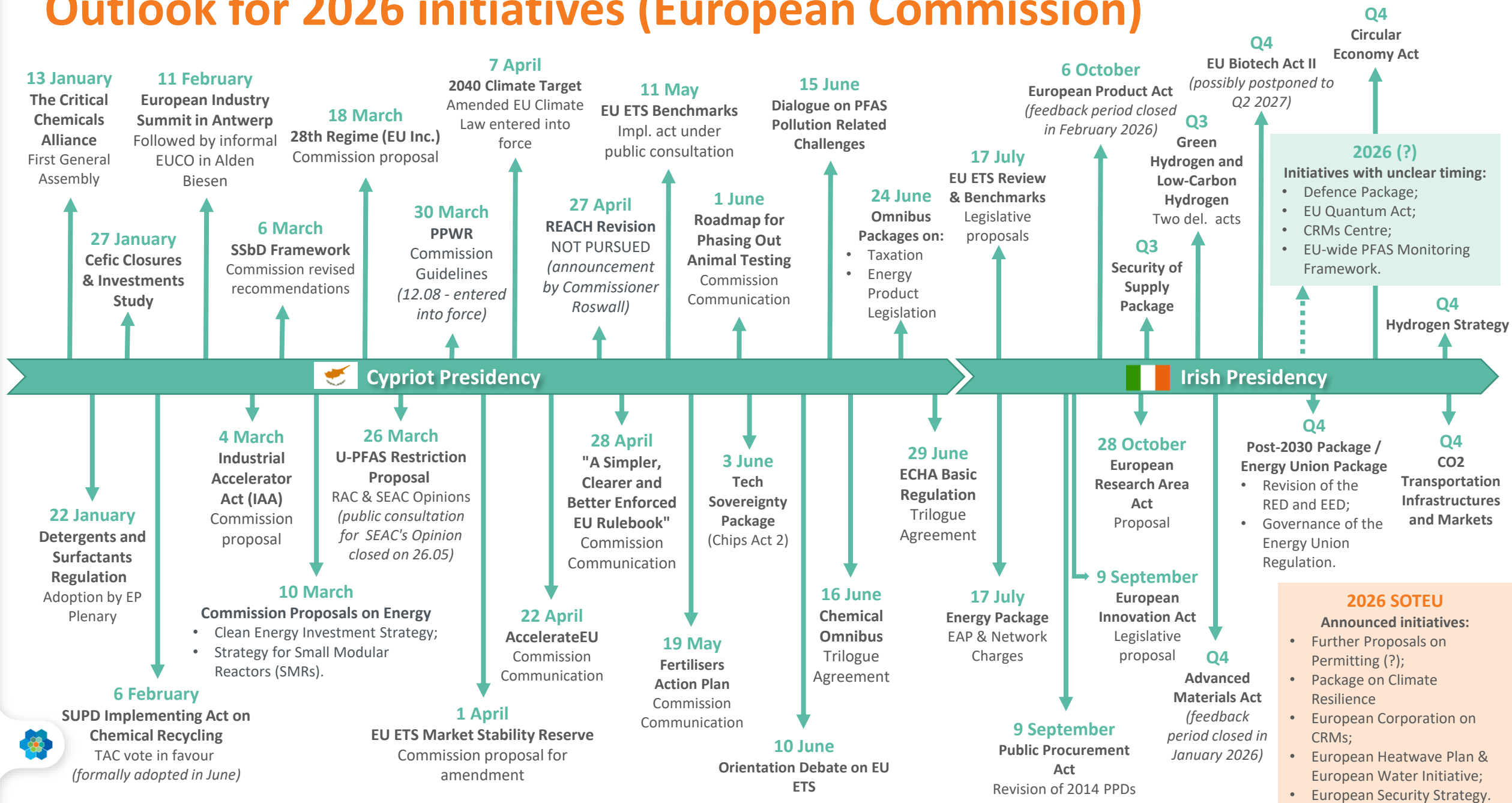
Chemical Industry Action Plan
July 2025

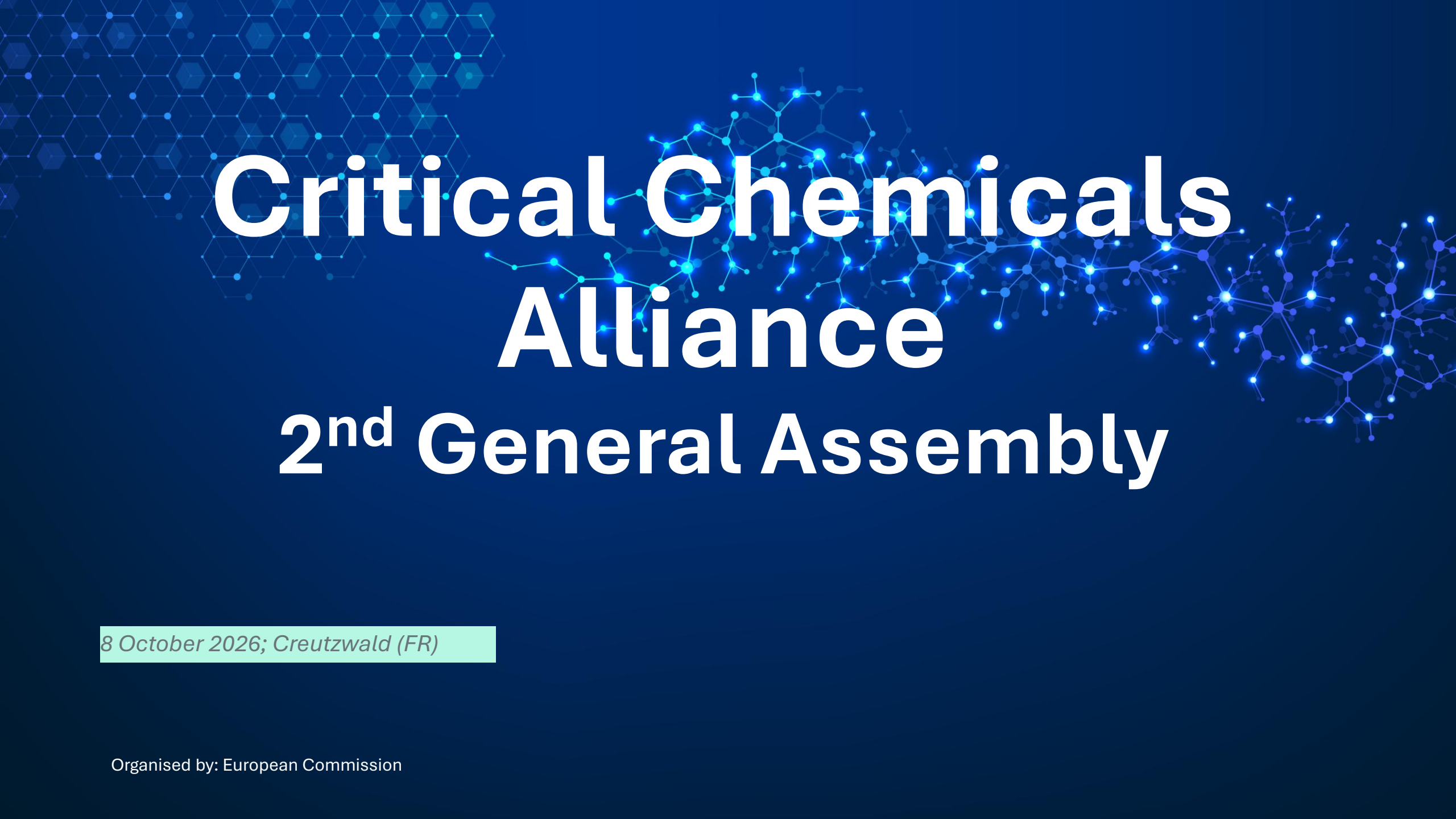


Critical Chemicals Alliance
Oct 2025



Notes and references





Critical Chemicals Alliance

2nd General Assembly

8 October 2026; Creutzwald (FR)

Organised by: European Commission

Critical Chemicals Alliance (CCA): deliveries

GENERAL ASSEMBLY / STEERING BOARD

FR / Cefic

WG 1

Critical Molecules
and Critical Sites

- **Methodologies** for critical molecules and critical sites, based on essentiality and vulnerability criteria
- **Indicative, non-exhaustive list** of 49 molecules (/70)
- No list of critical sites
- **Policy recommendations**

Cefic / FE

WG 2

Trade

- Import surge **monitoring tool**: 'alert mechanism'
- **Recommendations for improved Trade defence (8-point plan)**
- Oversupply trends
- Cooperation agreements / opportunities with 3rd countries

Trilat Reg / Lombardia

WG 3

Modernisation
and long-term
competitiveness
(critical production)

- Reforms and funding mechanisms at EU, national and regional level to support the modernisation of EU chemical production
- **Charter**: Restore the *Investment Climate for EU Chemicals Production*
Survive / Modernise / Accelerate
- Steam crackers & ammonia

NL / BIC

WG 4

Lead markets

- Low-carbon and sustainable carbon products (biomass, recycled, CCS)
- Priority lead markets
- **Policy options**: no one-size-fits-all ; phased approach needed (end-market and horizontal measures)

What happens next ???

Other EU 'hot topics'



EU ETS Review

- A more gradual post-2030 trajectory, but free allocations tied to investments (conditionalities)
- Keep alignment with the 2040 targets

COMMISSION PROPOSAL

1 Cap and allowance trajectory

The cap declines more slowly after 2035, keeping allowance supply available into the 2040s.

2 Free allocation and conditionality

Free allocation is extended, but access is linked to investment plans and delivery conditions.

3 Flexibility mechanisms

The proposal introduces international credits and domestic permanent removals (CCU) into the architecture.

4 Funding and wider scope

More targeted decarbonisation funding
ETS Booster



Cefic position: make decarbonisation investable in Europe

Support climate neutrality, but align the ETS with technical feasibility, infrastructure and global competition

1. CONDITIONALITY FOR FREE ALLOCATIONS

2. ENABLING CONDITIONS

3. ISSUES REQUIRING ADDITIONAL FOCUS

- Benchmarks
 - ☐ 2026-2030 quick fix
 - ☐ Methodology from 2031 onwards
- CSCF avoidance

CORE MESSAGE

A carbon price cannot substitute for affordable energy, infrastructure and market demand





Commission proposes Industrial Accelerator Act to strengthen industry and create jobs in Europe

PAGE CONTENTS

Top

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Today, the European Commission has adopted a legislative proposal to **increase demand for low-carbon, European-made technologies and products**. The **Industrial Accelerator Act (IAA)** will boost manufacturing, grow businesses, and create jobs in the EU, while supporting industry's adoption of cleaner, future-ready technologies.

In line with the recommendations of the [Draghi report](#), the IAA introduces **targeted and proportionate 'Made in EU' and / or low-carbon requirements for public procurement and public support schemes**. These will apply to selected strategic sectors, notably **in steel, cement, aluminium, cars, and net-zero technologies**, while establishing a framework that can be extended, where appropriate, to other energy-intensive sectors such as chemicals. This will **strengthen European production capacities and boost demand for European-made clean technologies and products**. The Act includes a requirement for Member States to set up a single digital permitting process to speed up and simplify manufacturing projects.



- **Demand creation for low-carbon and Made-in-Europe** products in strategic sectors – public
- Accelerated and streamlined **permitting** (EU decarbonisation projects) - procurement and funding
- FDI conditions
- Designation of industrial acceleration areas to be boosted
- **Chemicals:** (aet 16): placeholder for future measures, focused on sustainable carbon sources



Trade policy

NEW

French-German non-paper

Strengthening European resilience, addressing global macroeconomic imbalances and market distorting practices

1. On the basis of a presentation by the President of the Commission, the European Council of the 18th and 19th of June addressed the risks that global macroeconomic imbalances induced by major EU trading partners pose to the EU economy. As a matter of fact, a massive industrial shock is affecting sectors at the heart of the European industrial model and of systemic relevance [*pharmaceuticals, aerospace, automotive, machine tools, chemicals, etc.*]. This can be seen in increasing and unsustainable trade deficits with key partners, declining market shares for EU industries both globally and in the EU, widespread job losses and industrial footprint destruction, hurting the economic fabric of European societies. This can be attributed to, among other factors, significant non-market practices, including **systemic and persistent market distortions**, caused by practices such as dumping, excessive and across-the-board subsidies and other unfair industrial policy measures, as well as restrictions of currency convertibility, and currency manipulation. These distortions, lead to global structural excess capacity and currency undervaluation. They undermine the level playing field for open and rules-based trade and put European businesses at a disadvantage. Simultaneously, the said distortions lead to an increase in the European Union's dependencies, thus exposing Europeans to geoeconomic risks. This jeopardizes not only the European economy, in particular its position as a key industrial producer and its ability to innovate, but also the EU's position as a sovereign and key international actor.

2. Faced with this reality, the EU must act urgently by diversifying and *derisking*, strengthening its resilience, competitiveness, and making more systematic and swifter use of its trade defence, industrial policy and economic security toolbox, while exploring ways to strengthen it further.

These efforts need to go hand in hand with a reinforced and constructive dialogue with our main economic partners, an ambitious and balanced EU trade agenda and the conclusion of further bilateral and regional trade agreements. At the same time, we have to deliver and follow-up on our ambitious roadmap to strengthen our own competitiveness. *Derisking* actions would not amount to decoupling as the EU would adopt a gradual, selective approach to minimize vulnerabilities while fostering trade relationships, signalling our commitment to solving differences through dialogue so as to avoid escalation, while being clear on the EU's readiness to take action to enforce the level playing field and prevent irreversible damage to its industrial and technological footprint. In particular, *derisking* must be pursued in sectors where dependencies are already being weaponized or where there is a risk of such weaponization [*AI, semiconductors, quantum, critical raw materials, lithium-ion battery supply chains, clean energy components, biotech, financial services*]. This has to be mapped and implemented in a broader architecture of European economic security.

3. So as to effectively defend our endangered industries and jobs, our priority should be to fully leverage the existing trade defence toolbox by deploying trade defence instruments (TDI) more swiftly and more efficiently:

- The Commission should: (i) open more investigations under TDI (e.g. safeguards while minimizing negative consequences of its *erga omnes* effect), and (ii) adopt a broader approach

Call for Evidence: proposal for a new trade instrument '**Diversify EU**' to help diversification and economic resilience
29 Sept – 27 Oct



Conclusions

- The loss of chemical competitiveness in Europe is multi-dimensional, mostly driven by **weak demand**, uncompetitive **energy prices** and **CO₂ costs**. **Trade tensions** come on top
- The EU chemical industry remains committed to the climate neutrality goals, but sustainability needs to come with business opportunities
- The chemical sector is seen as strategic, the diagnosis is understood, new policies are being launched but improvement needs to be felt **on the ground**
- Time for EU policy to make a change !

