



Council of the European Union  
General Secretariat

**Brussels, 27 March 2025**

**WK 4035/2025 INIT**

**LIMITE**

**COMPET**

**IND**

*This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.*

## **WORKING DOCUMENT**

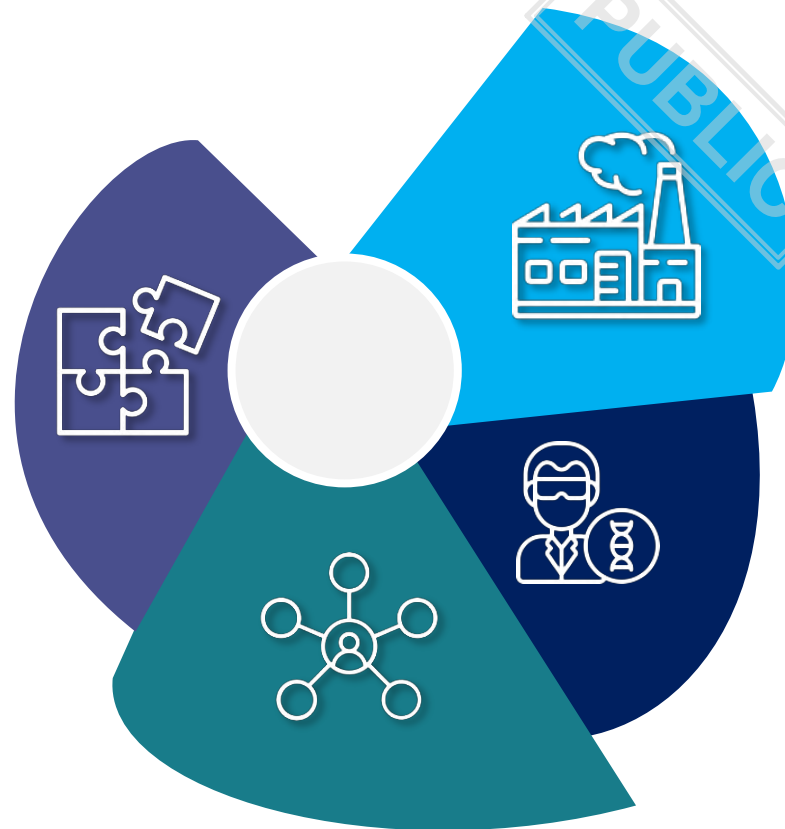
From:	General Secretariat of the Council
To:	Working Party on Competitiveness and Growth (Industry)
Subject:	Presentation by the European Commission, DG GROW: The needs of the chemical industry (agenda item 2.) Working Party on Competitiveness and Growth (Industry) meeting on 27 March 2025

# The Chemicals Industry Package

*Working Party on Competitiveness and Growth (Industry)*  
27 March 2025

# The EU Chemical Industry

Innovation: R&D  
Investments reached  
EUR 10.7 billion and  
EUR 10.2 billion in  
2021 and 2023.



Europe is the 2<sup>nd</sup> largest chemical producer in the world with €655 billions of sales in 2023<sup>1</sup>

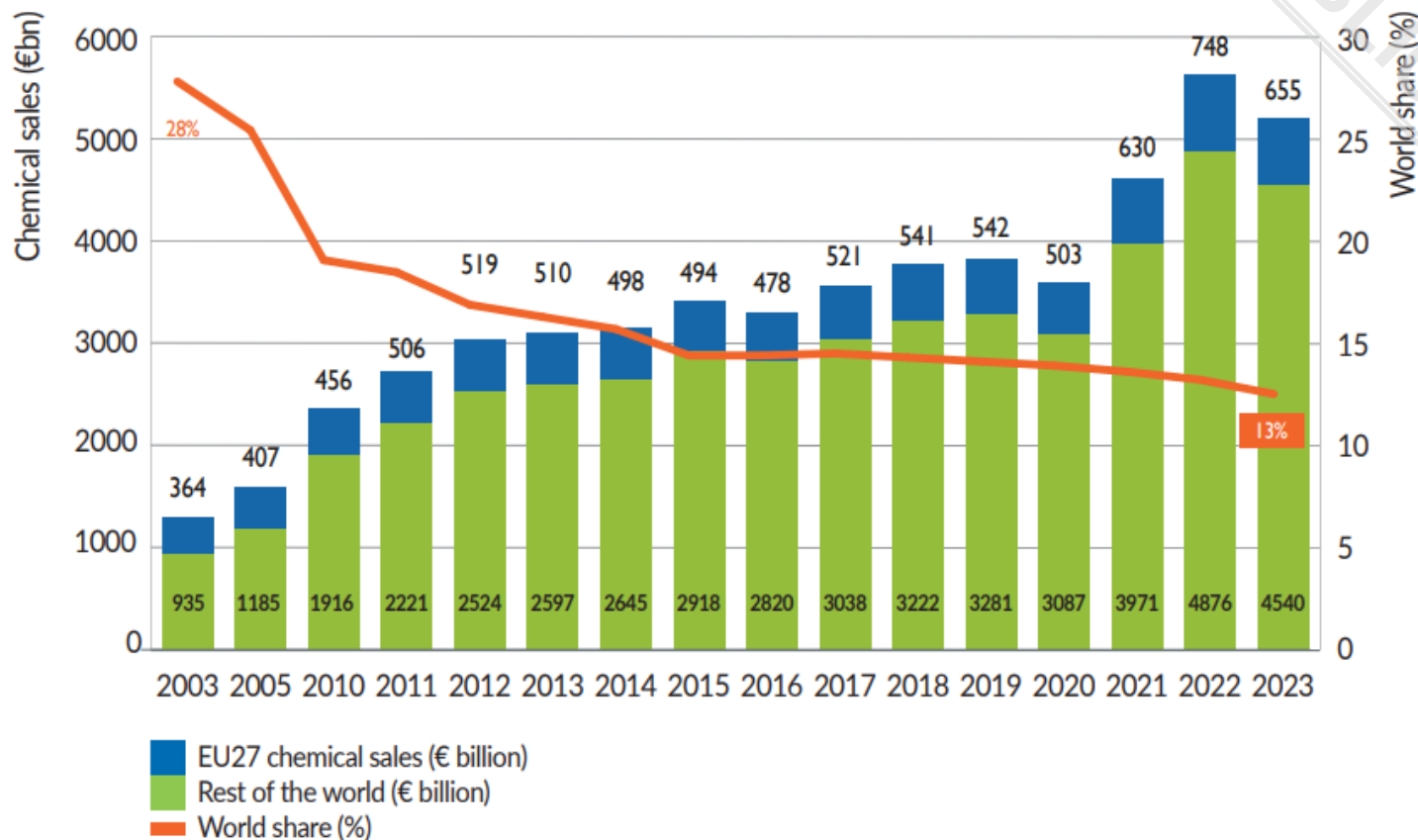
4th largest manufacturing industry with 7% of EU manufacturing turnover

- 1.2 million direct highly skilled jobs<sup>2</sup>
- 3.6 million indirect jobs
- 19 million jobs across all value supply chains

The chemical industry is at the heart of many value chains:  $\approx$  56% of chemicals are sold to other industries<sup>2</sup>

# Current challenges

## EU27 share of global chemical market



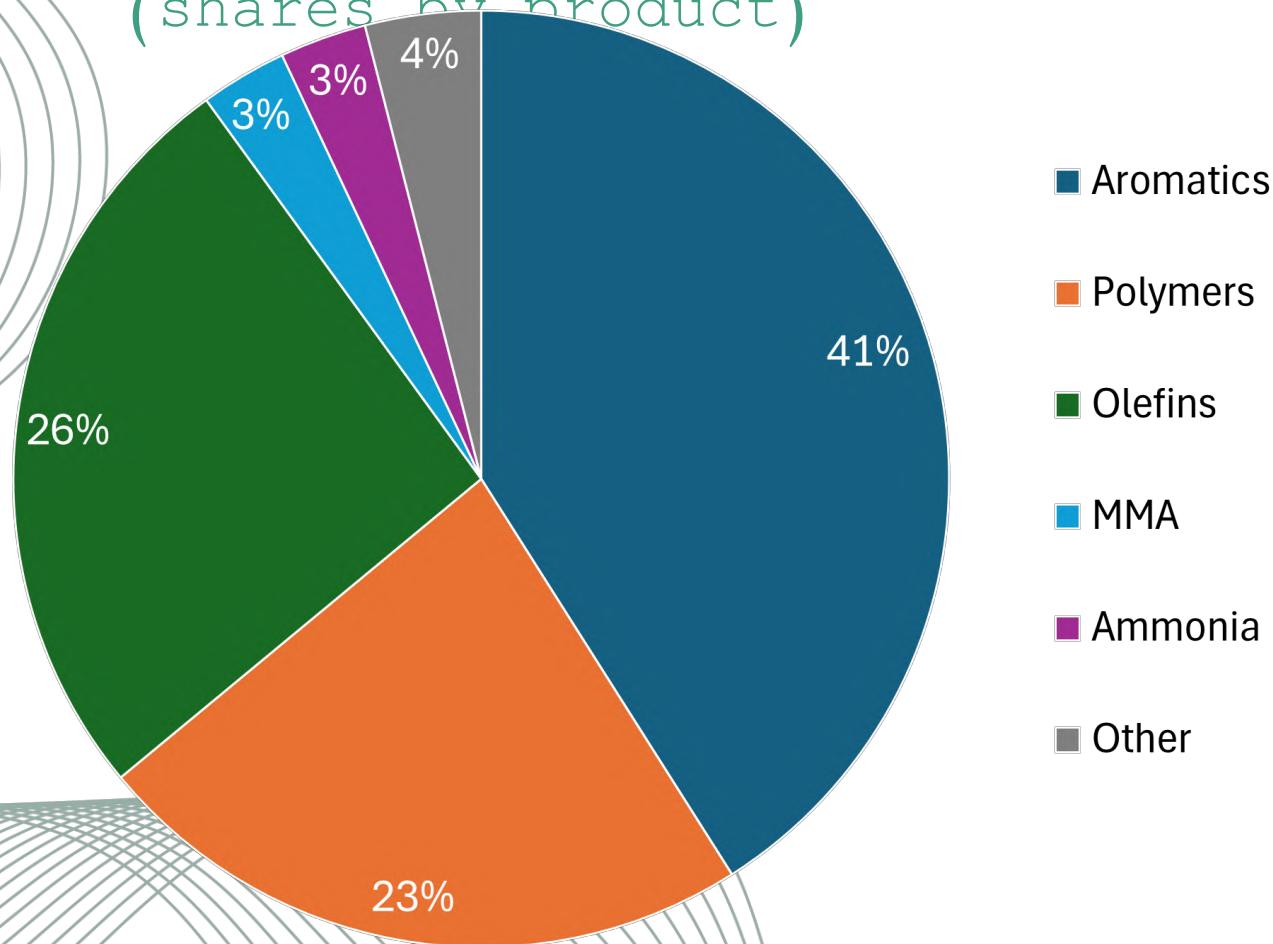
Source: Cefic Chemdata International

- Natural gas prices 4–5 times higher than the US.
- Electricity prices around 2 times higher than the US and China.
- EU CO<sub>2</sub> prices (80–90 EUR/t) higher than US (up to 30 EUR/t) and China (up to 8 EUR/t).
- Shrinking production capacity: utilisation at less than 75% in Q3 2024, well below the long-term average of 81.5%.



# Recent wave of closures

Closure announcements in  
2023-24  
(shares by product)



- The upstream segment of the value chain, the most capital and energy intensive, is the **most affected by the recent downturn**.
- The downstream sector, which generates a trade surplus (around EUR 50 billion in 2023), **depends heavily on upstream outputs**.
- Capacity closure announcements for approximately 23-24 sites (more than 11 Mt of

# Clean Industrial Deal

## AFFORDABLE ENERGY

Affordable Energy Action Plan;  
European Grid Package (Q1 2026);

Uptake of Power Purchase  
Agreements

## LEAD MARKETS

Industry Decarbonisation  
Accelerator Act

"IDAA" (Q4 2025); revised  
Public Procurement framework  
(Q4 2026).

## ACCESS TO FINANCE

Industry Decarbonisation Bank  
(EUR 100  
Billion, Q2 2026)  
Competitiveness Fund

## MATERIALS AND CIRCULARITY

Critical Raw Materials Act:  
first list of strategic  
projects (Q1 2025);

Circular Economy Act (Q4 2026);

## GLOBAL MARKETS

Clean Trade and Investments  
Partnership (Q4 2025); FDI  
screening regulation review;  
CBAM simplification (Q1 2025)

## SKILLS AND QUALITY JOBS

Union of skills (Q1 2025); EUR  
90 million from Erasmus +;  
Quality jobs roadmap to  
support workers in transitions  
(Q4 2025).

*Note: the list of measures presented here  
is not exhaustive*

# Chemicals Industry Package

## Timing and main elements

- Chemicals Industry Package planned for **Q4 2025**.
- EVP Séjourné/GROW and Commissioner Roswall/ENV will work jointly on the Package.
- "It will recognise **the strategic role of the chemicals sector** as industry of industries and of critical molecules".
- "**Simplify REACH** and provide **clarity on PFAS**, working with sustainability, competitiveness, security and safety considerations in mind".
- Possible **additional elements still under discussion** (e.g. measures to support innovation and substitution).

# Chemicals Industry Package

## Simplification of REACH

- **Overall objective:** “simplify rules for the chemicals industry without compromising on safety and environmental protection” (CWP 2025)
- Three pillars of the revision:
  - **Modernise** information requirements on chemicals, where needed.
  - Simplify the **authorisation** and **restriction** processes and digitalise **supply chain communication**.
  - Strengthen **enforcement** and **level playing field** for companies.



# Chemicals Industry Package

## Clarity on PFAS

- Explain the further steps to address the risks of PFAS, in particular the “**Universal**” PFAS **restriction**
- Restrict the use of PFAS in **consumer uses**, like cosmetics, food contact materials and outdoor clothing.
- Ensure the continued use of PFAS in **industrial applications**, in particular critical ones, where adequate alternatives are not available.
- Such continued use should take place under **strict conditions** until acceptable substitutes are found.

# French proposal on Critical Chemicals

- It identifies a list of critical chemicals for the competitiveness and resilience of the European chemical industry.
- **Objective:** to enable appropriate support schemes dedicated to the production of critical chemicals in Europe.
- Discussed during under AOB during **COMPET on 12 March.**
  - **Endorsed by 7 Member States** (IT, ES, NL, RO, CZ, SK, HU)
  - **Consensus on the urgent need** to address the current challenges of the EU Chemical industry.
  - **Diverging views** on the proposed solutions.

PUBLIC

# THANK YOU!

