



European
Commission



CHEMICAL INDUSTRY

The chemical industry is a vital player in the EU economy, and most goods that are manufactured in Europe rely on chemicals for a wide range of various functions. They are at the heart of Europe's major value chains, including pharmaceuticals, electronics, batteries for electric vehicles, construction materials and more. The chemical value chain typically includes chemicals producers, mixture manufacturers and producers of articles.

Despite its significant contributions, the industry faces significant challenges. As a high-emission sector, it is under intense pressure to improve sustainability. Global events, notably Russia's war of aggression in Ukraine, also highlighted vulnerabilities in supply chains. The industry faces challenges related to ensuring a stable supply chain for raw materials, energy, and other critical resources.

To ensure the resilience and sustainability of the industry, EU chemical policy places a strong emphasis on boosting global competitiveness, achieving a 'toxic-free' environment, climate neutrality, circularity, and digitalization.

KEY FACTS AND FIGURES



1.2 million direct jobs, supporting an additional 3.6 million jobs indirectly



Labour productivity is 67% higher compared to the average in the EU manufacturing sector



SMEs account for 96% of the sector, about one third of the sector's workforce



The EU is the second largest chemicals producer in the world



€760 billion in sales in 2022



KEY CHALLENGES



Staying competitive in a fast-changing landscape: the EU Chemical Industry is undergoing the greatest transformation in its history to achieve net-zero by 2050. Unprecedented challenges, including global competition, higher energy prices, and sluggish global demand are making this task more difficult.



A need to increase sustainability: the chemical industry is the third-largest CO₂ emitter in the EU. Although the industry has already made progress towards reducing emissions, the 2030 and 2050 legally-binding EU climate targets represent the next important step for its emission-reduction efforts.



Research, Innovation and Digitalisation: the industry is driven by innovation, and companies need to invest in research and development to stay competitive. In addition, implementing advanced technologies like smart manufacturing and data analytics can make processes more efficient, improve quality and meet environmental goals. However, balancing the need such innovations with the associated costs can be challenging, particularly for smaller companies.

MAKING CHEMICALS GREENER, MORE DIGITAL AND MORE RESILIENT

The European Commission co-developed the Transition Pathway for the Chemical Industry together with EU countries, chemical industry stakeholders, NGOs and other interested parties. This is an actionable plan to support investments for a competitive, green, digital, and resilient EU Chemical Industry.

The Commission is now working hand in hand with stakeholder to co-implement the actions laid out in the Pathway and achieve the twin transition.



SUPPORTING THE TRANSITION



SECURING RELEVANT SKILLS FOR CHEMICALS

The Skills Alliance for Industrial Symbiosis (SPIRE), brings together stakeholders from the SPIRE Community (Sustainable Process Industry through Resource and Energy Efficiency). This public-private partnership has as one of its main objectives enabling and accelerating the uptake of industrial symbiosis and energy efficiency through a comprehensive cross-sectorial plan, detailing the future skills needs of 10 sectors in the process industry.



FINANCIAL GUIDANCE

On 29 February 2024, the European Commission published [its Guidance on EU Funding opportunities](#) to support the co-implementation process.

This guide lists relevant funding programmes and calls that can finance investments in the twin transition of the EU Chemical Industry, who can apply and by when.

