PLASTICS EUROPE
Enabling a sustainable future

Quarterly report Q3/2025

European plastics manufacturers (EU27)

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CONTACT DETAILS

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The European economy remains resilient despite tariff barriers

The gross domestic product (GDP) of the EU27 remained robust in the third quarter of 2025 despite the increase in US import tariffs. Compared to the second quarter, GDP grew by 0.4 % in the third quarter, driven by increased consumption, government spending and investments.[1] In comparison with the same quarter of 2024, it even rose by 1.6 %. Within the EU27, the picture is mixed: While German GDP stagnated in the third quarter, Ireland's and Finland's GDP actually shrank by 0.3 % compared with the previous quarter of 2025. In contrast, Sweden and Luxembourg (both plus 1.1 %) and, in particular, Denmark, with an increase of 2.3 %, mainly driven by strong pharmaceutical exports, recorded strong growth – considerably stronger than China (plus 0.7 %).

The performance of industrial production in the EU27 in the third quarter of 2025 also improved. It increased by 0.2 % compared with the previous quarter and by 1.8 % year-on-year. In contrast to the less dynamic situation in Europe, China continued its steady upward trend in the third quarter (plus 0.9 % compared with the second quarter). One of the main issues is the higher energy costs in the EU27, which considerably impair Europe's competitiveness with China, for example.

Gross domestic product & industrial production EU27

Constant prices (GDP), calendar and seasonally adjusted, quarterly data

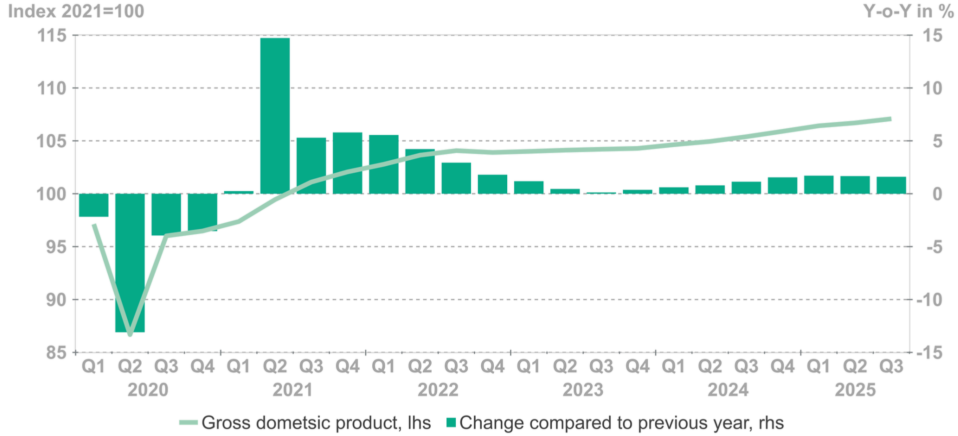
	2024 % to prev. year	Q3/25 % to prev. year	Q3/25 % to prev. quarter	Q1/25-Q3/25 % to prev. year
GDP	1.0	1.6	0.4	1.7
Industrial production	-2.8	1.8	0.2	1.4

Source: Eurostat, Macrobond, PED (January 2026)

[1]*Eurostat* (December 2025)

Gross domestic product EU27

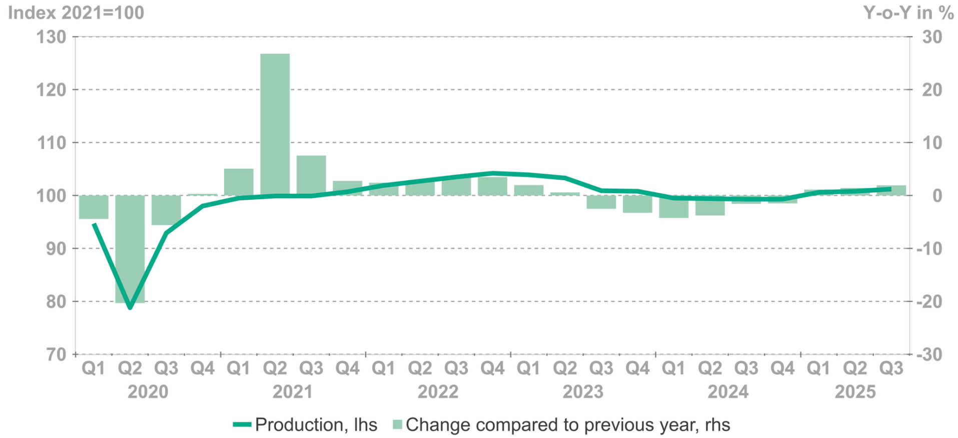
Constant prices, calendar and seasonally adjusted, quarterly data



Source: Eurostat, Macrobond, PED (January 2026) *lhs: left-hand side; rhs: right-hand side*

Industrial production EU27

Calendar and seasonally adjusted, quarterly data



Source: Eurostat, Macrobond, PED (January 2026) *lhs: left-hand side; rhs: right-hand side*

Weak demand from key customer industries

The trade deal between the US and the EU, agreed in July 2025, eased trade uncertainties slightly, and industrial production in the EU27 picked up a bit in the third quarter. These developments may have raised hopes of a positive impact on key customer industries for plastics manufacturers in the EU27, but this was only true to a limited extent: Production in the plastic products, construction, and electrical equipment sectors showed little momentum in the third quarter of 2025, with electrical equipment performing best with an increase of 0.4 % compared to the previous quarter and 2.9 % compared to the previous year. Food products and beverages production stagnated.

Production of customer industries EU27

Calender and seasonally adjusted, quarterly data

Customer industry	2024 % to prev. year	Q3/25 % to prev. year	Q3/25 % to prev. quarter	Q1/25-Q3/25 % to prev. year
Chemicals & chemical products	-2.3	-6.9	-1.5	-3.6
Plastic products	-1.2	0.5	0.2	-0.3
Construction	-1.4	0.9	0.2	0.5
Food products & beverages	1.5	1.0	0.0	0.9
Automotive	-8.5	-2.8	-2.1	-3.5
Electrical equipment	-8.9	2.9	0.4	0.4

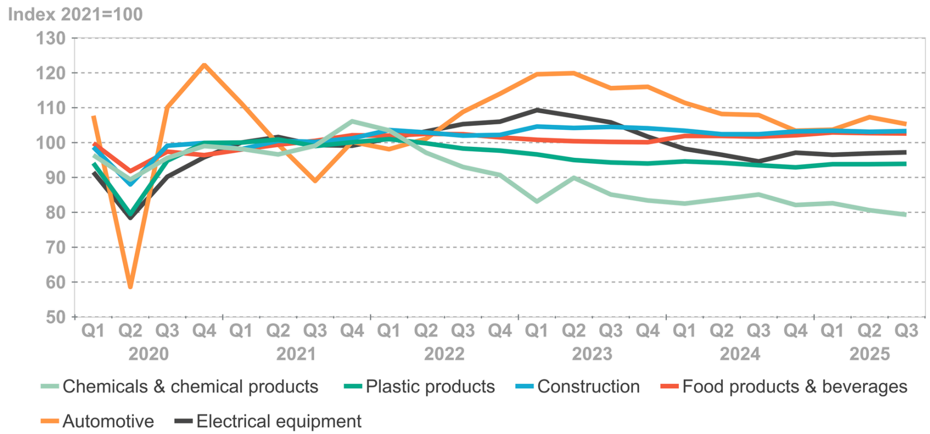
Source: Eurostat, Macrobond, PED (January 2026)

In particular, the situation for chemicals and chemical products remained worrying: In the third quarter of 2025, production fell by 1.5 % compared with the second quarter and and the previous year's level was even missed by 6.9 %. The EU27 chemical industry is particularly hard hit by the continuing sluggish industrial economy and high location costs in Europe, as well as the strong increase in global production capacity for chemicals, which is why the negative trend that has persisted for months is continuing.

The third quarter was also poor for the automotive industry due to weak demand. While production in the second quarter increased by 3.5 % compared with the previous quarter, it fell again by 2.1 % in the third quarter. As a result, the automotive industry has recorded a 3.5 % decline in production so far this year compared to the same period in 2024. The European automotive industry is also increasingly struggling with competition from China within its domestic market.

Production of customer industries EU27

Calendar and seasonally adjusted, quarterly data



Source: Eurostat, Macrobond, PED (January 2026)

Production and producer prices continue to decline

Weak demand from key customer industries was reflected in the production of plastics in primary forms. Production in the EU27 decreased by 1.7 % in the third quarter compared with the previous quarter, continuing the negative trend since the beginning of 2024. This shows that the challenging economic environment, consisting of high production costs, excessive bureaucracy and increasing international competition, combined with weak domestic demand, is weighing on the European plastics industry. Thus, the previous year's level was also significantly undershot, with a decline of 6.7 %.
In the third quarter of 2025, the price of naphtha (an important raw material for plastics manufacturing) decreased by 1.9 % compared with the previous quarter. Nevertheless, European plastics manufacturers are suffering from high production costs due to administrative and labour costs, taxes and duties, and high energy costs, which are among the highest in the world.[2] Given the low demand and high import pressure, producer prices for plastics in primary forms recorded a decline of 2.1 % compared with the previous quarter, which was twice as low as in 2024.

Production & producer prices of plastics in primary forms EU27

Calendar and seasonally adjusted (production), quarterly data

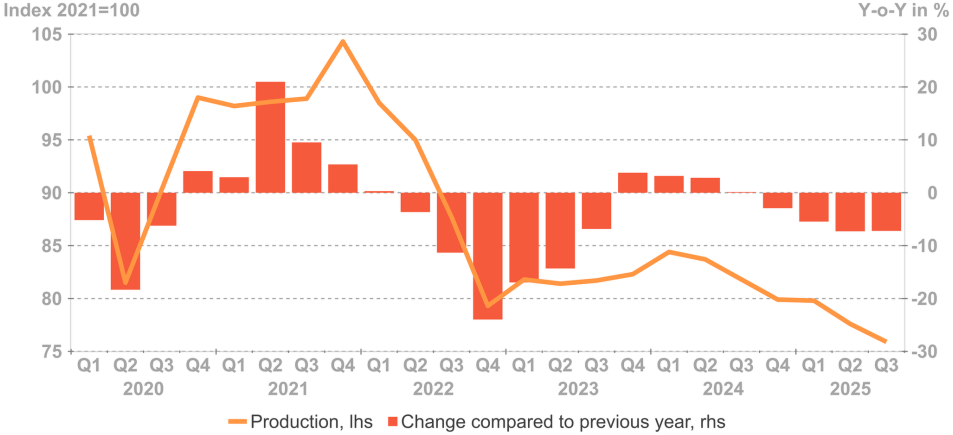
	2024 % to prev. year	Q3/25 % to prev. year	Q3/25 % to prev. quarter	Q1/25-Q3/25 % to prev. year
Production	0.8	-6.7	-1.7	-6.5
Producer prices	-4.0	-4.2	-2.1	-2.6

Source: Eurostat, Macrobond, PED (January 2026)

[2]vbw (November 2025)

Production of plastics in primary forms EU27

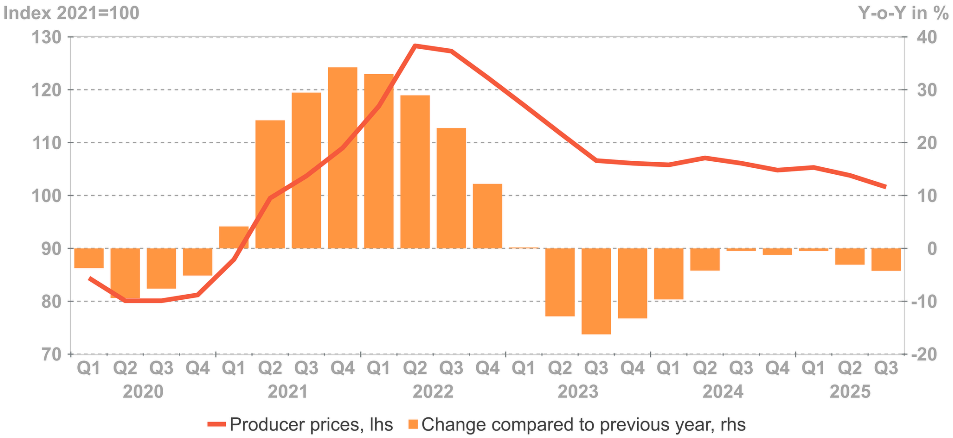
Calendar and seasonally adjusted, quarterly data



Source: Eurostat, Macrobond, PED (January 2026) *lhs: left-hand side; rhs: right-hand side*

Producer prices of plastics in primary forms EU27

Quarterly data



Source: Eurostat, Macrobond, PED (January 2026) *lhs: left-hand side; rhs: right-hand side*

Trade balance recovers slightly

Foreign trade data also reflects the challenging economic environment for European plastics manufacturers. In the third quarter of 2025, EU27 exports continued to decline (minus 5.6 % compared with the previous quarter), while imports also fell by 8.4 % due to low demand. Exports in particular were significantly below the previous year's level. As a result, the trade balance in the third quarter was €0.7 billion, slightly above the second quarter, but still well below the values of previous years. Following temporary effects (exports down, imports up) in the second quarter of 2025, foreign trade with Brazil has almost normalised again. The impact of the EU-Mercosur agreement will need to be monitored.

Exports & imports of plastics in primary forms

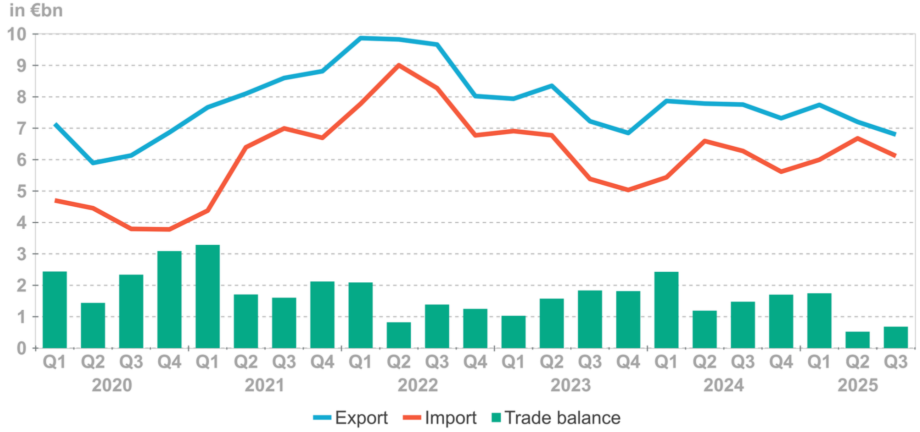
Quarterly data, in value

Region/ Country	EXPORT Q3/25 % to prev. year	EXPORT Q3/25 % to prev. quarter	IMPORT Q3/25 % to prev. year	IMPORT Q3/25 % to prev. quarter
Extra-EU27	-12.3	-5.6	-2.5	-8.4
United States	-10.8	-7.4	-4.8	-12.2
China	-11.0	-14.1	-9.0	-5.1
Japan	-22.2	-10.3	4.7	-9.2
India	-21.8	-6.1	14.5	2.2
Brazil	-18.8	16.4	-17.4	-46.1

Source: Eurostat, Macrobond, PED (January 2026)

Trade balance of plastics in primary forms Extra-EU27

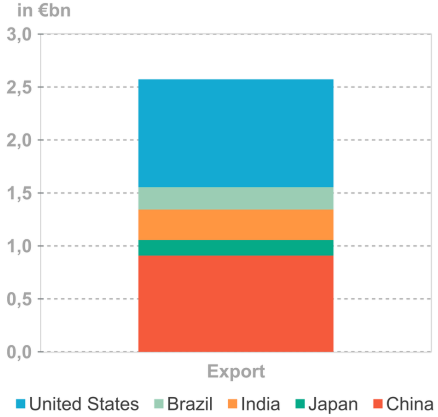
Quarterly data, in value



Source: Eurostat, Macrobond, PED (January 2026)

Foreign trade regions of plastics in primary forms EU27

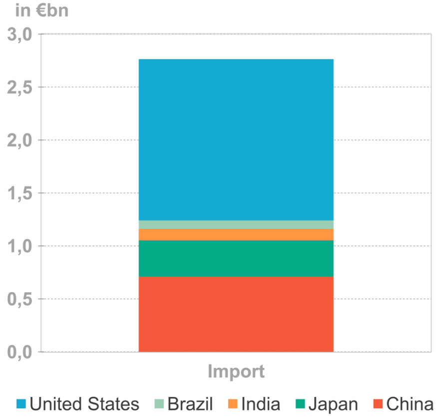
Q3/25, in value



Source: Eurostat, Macrobond, PED (January 2026)

Foreign trade regions of plastics in primary forms EU27

Q3/25, in value



Source: Eurostat, Macrobond, PED (January 2026)

ESI improves slightly, but plastics manufacturers remain under pressure

The difficult economic environment continued to weigh on plastics manufacturers in the EU27 in the third quarter of 2025. GDP and industrial production grew slightly, but the European economy remains weak. This is also reflected in the continuing weak demand for plastics from the key customer industries of plastics manufacturers on the domestic market. Production in the chemical and automotive industries was particularly low in the third quarter.

Thus, the third quarter did not bring a turnaround for the European plastics industry: The continuing weak demand also led to a further decline in the production of plastics in primary forms, and producer prices continued to fall. Accordingly, both imports and exports declined. Although the trade balance was positive, it remained comparatively low in the third quarter.

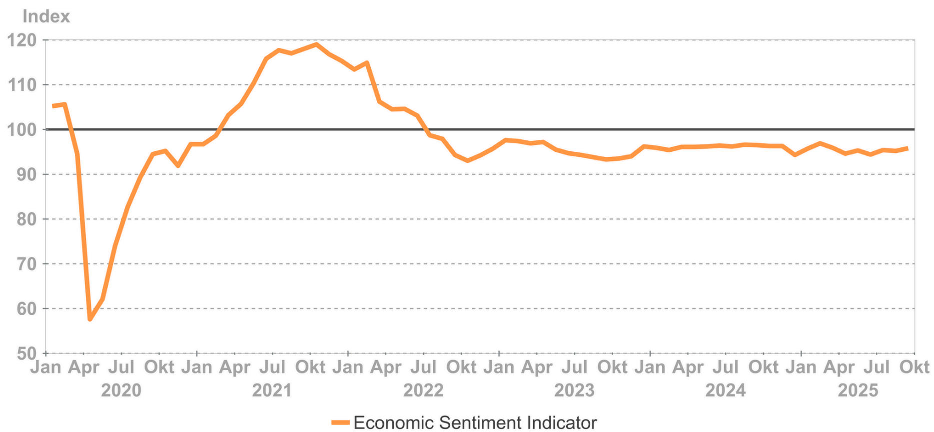
The Economic Sentiment Indicator (ESI) of the European Commission is a composite indicator that gauges overall economic confidence in the EU27. It is based on the weighted average of the balances of survey replies from five sectors – industry (weight 40 %), services (30 %), consumers (20 %), retail (5 %), and construction (5 %). The ESI is standardized to a long-term mean of 100. Readings above 100 indicate above-average economic sentiment, suggesting optimism about economic conditions and vice versa.

The ESI for the EU27 reached 95.8 index points in September 2025, 0.6 points above the previous month's value. The average ESI for the entire third quarter also improved by 0.7 index points. Economic confidence in the EU27 thus improved slightly, but remains below its long-term mean. This improvement is attributable to increased confidence in construction and among consumers. Although the business outlook in industry also brightened, the order situation deteriorated, causing the index for this sub-sector, as well as for services and retail, to decline. Among the Member States, Germany (90.3 index points), whose ESI has continued to fall, still ranks last among the major European economies. Even though the Netherlands lost some economic sentiment (down 0.7 points) after its strong jump in August, it remains well above the EU27 average, as does Italy. Although the improvement in the ESI for the EU27 is encouraging, it remains too modest to indicate a genuine economic recovery.

Although recently published figures show that the European GDP rose slightly again in the fourth quarter of 2025, the situation is different for the plastics industry: demand for plastics in the EU27 appears to have remained weak in the fourth quarter, with production recording further declines in October and November. Producer prices also fell again in the final quarter of the year. Consequently, there was no turnaround towards recovery for European plastics manufacturers in 2025, and January 2026 has already shown that the ongoing geopolitical and macroeconomic uncertainties remain.

Economic Sentiment Indicator EU27

Seasonally adjusted, monthly data



Source: Eurostat, Macrobond, PED (January 2026)

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