

# Quarterly report Q4/2025

European plastics manufacturers (EU27)

JUNE 2026

## CONTACT DETAILS

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## Bottom line for 2025: Moderate growth in challenging times

By the end of 2025, the gross domestic product (GDP) of the EU27 grew despite increased uncertainty caused by geopolitical challenges and US trade policy. In the fourth quarter, GDP grew by 1.4% year-on-year and 0.2% quarter-on-quarter, due to increased consumption, government spending and investments<sup>1</sup>, as in the previous quarter. While Malta recorded the strongest quarterly increase (plus 2.1% compared with the previous quarter), Austria's GDP stagnated, and Ireland experienced the sharpest decline (minus 3.8%). Although the EU27 outperformed the United States in the fourth quarter (GDP growth of just 0.1% quarter-on-quarter), they are far from keeping pace with China's dynamic growth of 1.2%. Overall, GDP growth of the EU27 amounted to 1.6% in 2025 compared to the previous year. Thus, in the light of the ongoing challenges and uncertainty, the European economy proved to be resilient in 2025.

Industrial production in 2025 was also 1.6% higher than in 2024. In the final quarter of the year, industrial production in the EU27 continued its slight upward trend of 0.2% quarter-on-quarter, thus developing in exactly the opposite direction to that of the United States. On a year-on-year basis, the EU27 recorded growth of 2.0%.

### Gross domestic product & industrial production EU27

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

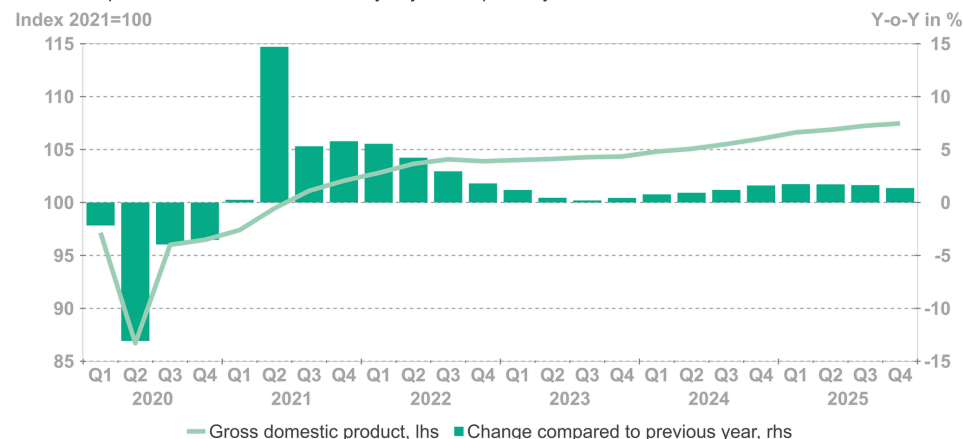
	2024 % to prev. year	Q4/25 % to prev. year	Q4/25 % to prev. quarter	Q1/25-Q4/25 % to prev. year
GDP	1.0	1.4	0.2	1.6
Industrial production	-2.8	2.0	0.2	1.6

Source: Eurostat, Macrobond, PED (May 2026)

<sup>1</sup>Eurostat (2026): GDP and employment both up by 0.2% in the euro area. [LINK](#)

### Gross domestic product EU27

Constant prices, calendar and seasonally adjusted, quarterly data



Source: Eurostat, Macrobond, PED (May 2026)

lhs: left-hand side; rhs: right-hand side

### Industrial production EU27

Calendar and seasonally adjusted, quarterly data



Source: Eurostat, Macrobond, PED (May 2026)

lhs: left-hand side; rhs: right-hand side

## Recovery in construction fails to offset overall weak demand in 2025

Industrial production in the EU27 increased only slightly in the fourth quarter of 2025, and this lack of momentum was also visible across large parts of the key customer industries for European plastics manufacturers. Compared with the previous quarter, production edged down slightly in food products and beverages (minus 0.1%), plastic products (minus 0.4%), and the automotive industry (minus 0.4%). By contrast, activity picked up in several other sectors: chemicals and chemical products as well as construction expanded by 0.4% compared with the previous quarter, and electrical equipment recorded the strongest increase (plus 2.0%), standing out as the most dynamic customer industry at the end of the year.

### Production of customer industries EU27

Calendar and seasonally adjusted, quarterly data

Customer industry	2024 % to prev. year	Q4/25 % to prev. year	Q4/25 % to prev. quarter	Q1/25-Q4/25 % to prev. year
Chemicals & chemical products	-2.3	-2.9	0.4	-3.4
Plastic products	-1.2	0.6	-0.4	-0.1
Construction	-1.4	2.3	0.4	2.3
Food products & beverages	1.5	0.3	-0.1	0.8
Automotive	-8.5	1.5	-0.4	-2.2
Electrical equipment	-8.9	2.1	2.0	0.8

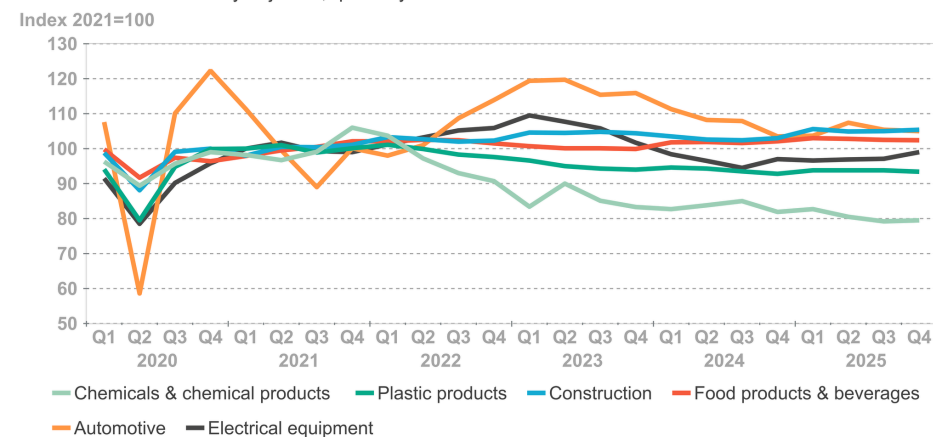
Source: Eurostat, Macrobond, PED (May 2026)

Looking at 2025 as a whole relative to 2024, the picture remains mixed. Production of plastic products virtually stagnated, while food products and beverages as well as electrical equipment recorded slight growth of 0.8%. The construction industry recovered in 2025, recording a year-on-year increase of 2.3%. Among other factors, the sector benefited from lower interest rates compared with 2024.

For the automotive industry, the negative trend of 2024 continued, albeit not quite as rapidly: Due to intense competition – particularly from Chinese manufacturers – and high energy costs in Europe, the sector recorded a 2.2% year-on-year decline. The energy-intensive chemical industry is also suffering particularly from structural challenges. The production of chemicals and chemical products declined by 3.4% compared with the previous year, as uncompetitive energy prices, global trade pressure, and weak demand weighed heavily on production. Structural weaknesses continue to undermine Europe's competitiveness and are amplifying the downturn.

### Production of customer industries EU27

Calendar and seasonally adjusted, quarterly data



Source: Eurostat, Macrobond, PED (May 2026)

# European plastics production 2025: declining output, rising competition

In the fourth quarter of 2025, weak demand from key customer industries continued to weigh on the production of plastics in primary forms in the EU27. Production declined by 2.2% compared with the previous quarter and was a significant 7.3% below the previous year's level. In 2025 as a whole, plastics production fell by 6.8% compared with the previous year, with significant variations within the EU27, for example in Spain (minus 3.8%) and France (minus 10.0%). Reasons for this negative trend included not only persistently weak demand but also the ongoing closures of production capacities.<sup>2</sup> Producer prices for plastics in primary forms also decreased in the fourth quarter of 2025, falling by 2.0% quarter-on-quarter and by 5.0% year-on-year. This is because cost pressures relating to energy and raw materials have eased somewhat recently: The price of naphtha fell by 8.2% compared with the previous quarter, and the natural gas price also declined in the final quarter of the year, albeit not as sharply. Nevertheless, European plastics producers are suffering from persistently fierce international competition. Thus, producer prices in 2025 were 3.2% lower overall than in 2024.

## Production & producer prices of plastics in primary forms EU27

Calendar and seasonally adjusted (production), quarterly data

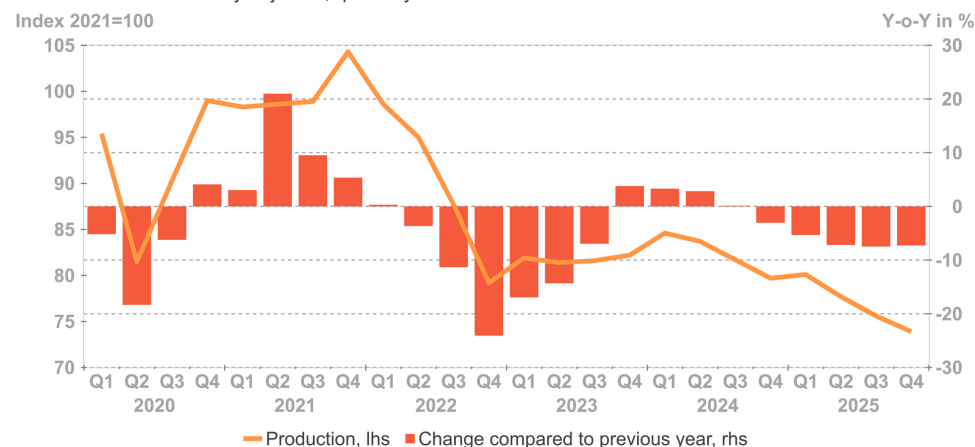
	2024 % to prev. year	Q4/25 % to prev. year	Q4/25 % to prev. quarter	Q1/25-Q4/25 % to prev. year
Production	0.8	-7.3	-2.2	-6.8
Producer prices	-4.0	-5.0	-2.0	-3.2

Source: Eurostat, Macrobond, PED (May 2026)

<sup>2</sup>Roland Berger (2025): European chemical closures and investments radar 2022-2025. [LINK](#)

## Production of plastics in primary forms EU27

Calendar and seasonally adjusted, quarterly data

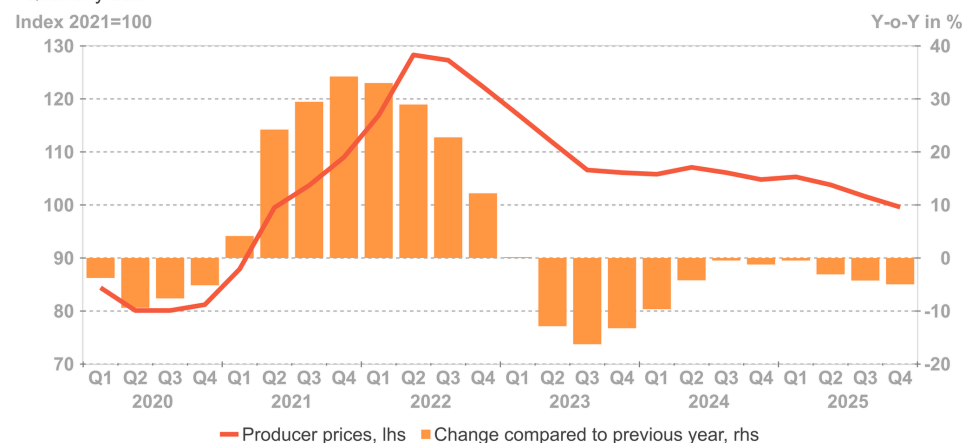


Source: Eurostat, Macrobond, PED (May 2026)

lhs: left-hand side; rhs: right-hand side

## Producer prices of plastics in primary forms EU27

Quarterly data



Source: Eurostat, Macrobond, PED (May 2026)

lhs: left-hand side; rhs: right-hand side

# Foreign trade in 2025 marked by a declining values and a fragile balance

Alongside production and producer prices, foreign trade in plastics in primary forms also continued to develop negatively in the fourth quarter of 2025. EU27 exports fell by 7.2% compared with the previous quarter. Only exports to China rose, while all other regions under review recorded declines. Compared with the previous year, exports fell by 13.8% in the final quarter of 2025. Imports fell even more sharply, dropping by 14.4% year-on-year and by 21.3% quarter-on-quarter. Nevertheless, the trade balance more than doubled compared with the previous quarter, reaching €1.5 billion in the fourth quarter. On an annual basis, however, the trade surplus in 2025 was still 34.6% below the previous year's level, demonstrating that the European plastics industry is losing competitive ground.

## Exports & imports of plastics in primary forms

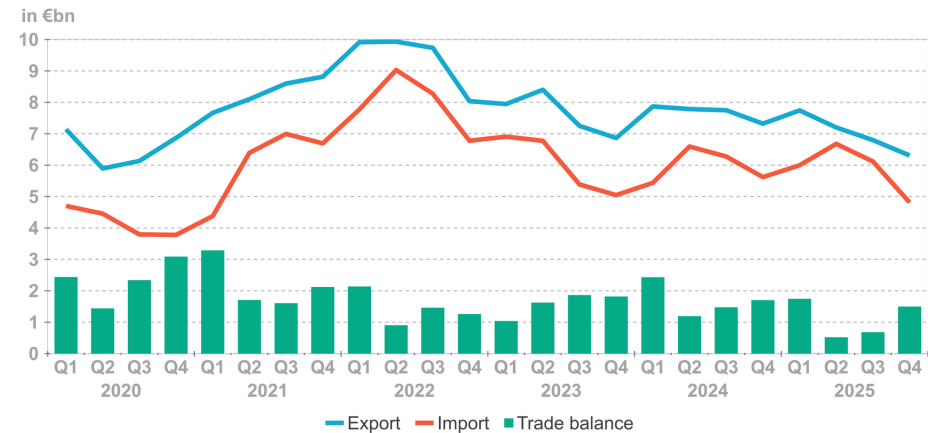
Quarterly data, in value

Region/ Country	EXPORT		IMPORT	
	Q4/25 % to prev. year	Q4/25 % to prev. quarter	Q4/25 % to prev. year	Q4/25 % to prev. quarter
Extra-EU27	-13.8	-7.2	-14.4	-21.3
United States	-27.1	-18.6	-16.3	-21.2
China	-4.6	1.9	9.5	-17.2
Japan	-16.6	-5.8	-14.9	-25.6
India	-17.9	-11.8	8.0	-11.9
Brazil	-15.9	-0.1	-34.3	-10.7

Source: Eurostat, Macrobond, PED (May 2026)

## Trade balance of plastics in primary forms Extra-EU27

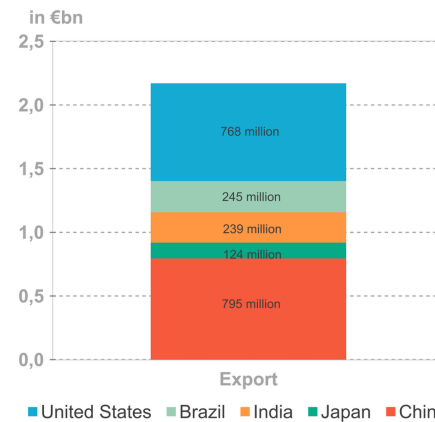
Quarterly data, in value



Source: Eurostat, Macrobond, PED (May 2026)

## Foreign trade regions of plastics in primary forms EU27 (export)

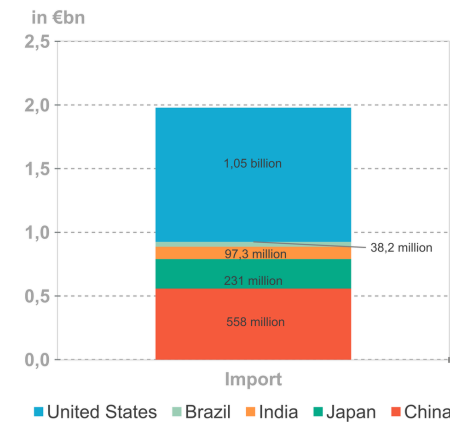
Q4/25, in value



Source: Eurostat, Macrobond, PED (May 2026)

## Foreign trade regions of plastics in primary forms EU27 (import)

Q4/25, in value



Source: Eurostat, Macrobond, PED (May 2026)

## No turnaround for European plastics manufacturers in 2025

European plastics manufacturing looks back on a difficult year. 2025 was marked by US trade policy and characterised by ongoing geopolitical and macroeconomic uncertainties. In light of these circumstances, the European economy proved resilient. In the fourth quarter, GDP and industrial production again recorded slight growth, but overall economic momentum remained rather weak. This was reflected in subdued demand from key customer industries, with particularly pronounced weakness persisting in the chemical and automotive sectors. By contrast, construction benefited from lower interest rates and recorded comparatively solid performance over the course of the year.

Consequently, the fourth quarter of 2025 did not mark a turning point for the European plastics industry. Production of plastics in primary forms declined further and remained significantly below the previous year's level. Producer prices also continued to fall, due to falling raw material and energy prices, but above all to intense international competition. Foreign trade developments underlined this pressure: Both exports and imports fell sharply, and although the trade balance improved in the final quarter due to the slump in imports, the trade surplus for 2025 as a whole was significantly lower than in 2024.

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 average ESI for the EU27 reached 97.1 index points in the fourth quarter of 2025, which corresponds to the ESI for December. Whilst confidence among consumers, service providers and the construction

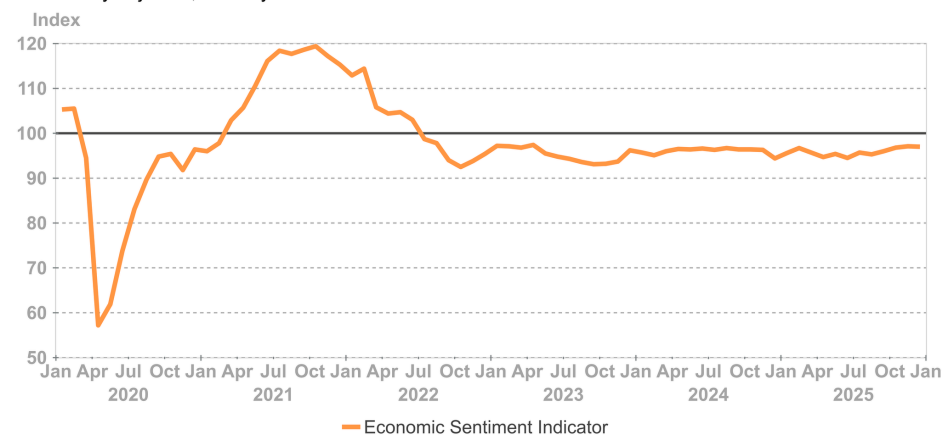
sector remained unchanged at the end of the year, there was an improvement in confidence in industry, which was offset by a decline in retail. Compared with September, the ESI improved by 1.0 index points overall.

Among the larger European economies, the picture remains mixed: The ESI for Germany (minus 1.1 index points) and France (minus 0.9 index points) dropped significantly compared with the previous month, meaning both countries remain below the long-term average. In contrast, the Netherlands improved by 0.5 index points and Poland even recorded a strong jump of 1.1 index points.

Although economic confidence across the EU27 improved slightly once again towards the end of the year, it remains below its long-term average. Consequently, there are no signs of a genuine economic recovery in 2026. Given the Iran conflict, which flared up at the end of February and is still ongoing, and the resulting global price surges for oil and gas, a turnaround in the coming months also appears unlikely.

### Economic Sentiment Indicator EU27

Seasonally adjusted, monthly data



Source: Eurostat, Macrobond, PED (May 2026)

