

ESF EUROPE 2027

EUROPEAN REFINING & CHEMICALS STAKEHOLDER STRATEGY:

FROM CHALLENGE  TO OPPORTUNITY 

ADVISORY MEETING TAKEAWAYS

01

High Refining Margins



CHALLENGE

The Russia-Ukraine and Iran-Gulf conflicts have constrained global refinery throughputs and product availability.



OPPORTUNITY

Tighter global supply has supported strong refining margins and points to a relatively healthy outlook over the next few years. This creates a window to reinvest today's earnings into European assets, strengthening security of supply, improving efficiency and competitiveness, reducing emissions and helping fund the energy transition.

02

Security of Supply Is Here to Stay



CHALLENGE

Recent geopolitical and energy-market disruption has put security of supply firmly back on the political and industry agenda. This is no longer a short-term crisis response, but a long-term strategic priority for Europe.



OPPORTUNITY

Policymakers are increasingly recognising the need for resilient and diversified domestic energy supply. This creates opportunities to invest in European refineries alongside green and alternative fuels, strengthening energy resilience while supporting the transition to a lower-carbon energy system.

03

European Chemicals Are in Crisis



CHALLENGE

Europe's chemicals sector is under acute pressure, squeezed by high energy and feedstock costs, carbon regulation, constrained investment and global overcapacity.



OPPORTUNITY

The crisis facing European chemicals has triggered policy momentum and recognition of the sector's strategic importance. Initiatives such as the Critical Chemicals Alliance and Industrial Accelerator Act provide a platform for change; the opportunity now is to convert this momentum into measurable action that unlocks investment, protects strategic production and restores European competitiveness.

04

Europe's Naked Emperor



CHALLENGE

China's chemicals sector faces significant overcapacity, lower utilisation and margin pressure, yet continues to benefit from a financial system capable of supporting strategic industries through difficult market cycles. European producers are competing on an increasingly uneven playing field.



OPPORTUNITY

Europe has an opportunity to rethink how financing and industrial policy support strategically important industries. Better access to competitive capital, targeted investment support and a clearer framework to support strategic assets could help level the playing field, unlock investment and protect the capabilities Europe cannot afford to lose.

05

Finding Competitiveness



CHALLENGE

Europe's competitiveness in green molecules is constrained by high energy costs and the cost and speed of building new production capacity, making it difficult to compete with regions that have access to abundant, low-cost renewable energy and fast permitting regimes.



OPPORTUNITY

Europe does not need to build every part of the low-carbon value chain domestically. Energy-intensive inputs, such as green methanol, can be sourced from the most competitive locations globally, while Europe focuses on higher-value conversion, such as sustainable aviation fuel, leveraging its existing infrastructure, technical expertise and industrial capabilities.

06

The Refinery of the Future



CHALLENGE

Much of the early development of green molecules is being driven by new players outside the traditional refining system, challenging existing refineries to redefine their role beyond conventional fossil fuels and remain relevant in the emerging energy system.



OPPORTUNITY

Refineries can reframe themselves as molecule-agnostic industrial hubs rather than fossil assets. Integrating renewable, synthetic and circular molecules into existing sites can leverage established processing capabilities, infrastructure, logistics and shared services. Collaboration is key to creating synergies that improve the competitiveness and scalability of new energy pathways.

07

From Pilot to Scale



CHALLENGE

Europe excels at R&D and piloting new technologies, but too often loses the commercial scale-up to other regions. If first-of-a-kind projects and commercial deployment move to the US, China or elsewhere, the investment, capabilities and value chains they create may never return to Europe.



OPPORTUNITY

Europe must create a long-term roadmap for scaling new technologies with clear 10-, 20- and 30-year pathways from pilot to commercial deployment. Aligning infrastructure, financing, regulation and market demand around these pathways can give developers the confidence to scale in Europe and anchor the resulting investment, capabilities and value chains here.

08

Choosing Where Europe Can Win



CHALLENGE

Europe's industrial base is shrinking. Refinery numbers have fallen significantly over the past two decades, while chemical plant closures have accelerated sharply since 2022. The loss of critical production capacity risks weakening downstream value chains, increasing import dependency and permanently eroding Europe's industrial capabilities.



OPPORTUNITY

Europe cannot protect every asset, but it can strategically strengthen its industrial base around areas/clusters where it can win. With deep technical expertise, a strong education base, complex integrated clusters, and valuable legacy assets, Europe can identify and invest in the capabilities and assets that can remain globally competitive and sustainable long term.

09

Capitalising Capabilities in Clusters



CHALLENGE

Much Cost gaps are widening, margins are compressing, and investment is migrating. As industrial clusters thin, the loss of one facility can undermine the shared infrastructure, skills, supply chains and economics that support the wider ecosystem, creating a domino effect that accelerates deindustrialisation.



OPPORTUNITY

Europe's integrated industrial clusters remain a significant competitive advantage, combining established infrastructure and supply chains, skilled workforces and access to a major consumer market. Giving existing industry the time and conditions to modernise, while concentrating new investment within these clusters, can reinforce their scale and integration and create a stronger platform for long-term competitiveness.



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ESF EUROPE 2027

INTRODUCING 5 NEW FOCUSED ADVISORY MEETINGS

As Europe's refining and chemical industries face mounting pressure to balance competitiveness, decarbonisation and industrial resilience, bringing the right industry voices together has never been more important.

That's why, new for **ESF Europe 2027**, we're introducing five focused advisory meetings — each centered on one of the industry's most critical themes. Bringing together senior leaders from across the sector, these meetings will help shape an agenda that reflects the industry's real priorities, challenges, and opportunities today.

01 10th September Sustainable Fuels



Accelerating the scale-up of sustainable fuels by addressing investment, feedstock, policy & value-chain challenges, while advancing the technologies & partnerships needed to turn demand into supply.

02 11th September Digitalisation & AI



Turning AI ambition into operational reality by addressing the challenges of trust, governance, workforce adoption & scalable business value.

03 30th September Stakeholder Strategy



Focusing on the competitiveness of Europe's refining & chemical industries, the policies & regulations shaping their future, & the action required to strengthen the sector's long-term resilience.

04 1st October Low Carbon Projects & Pathways



Turning low-carbon ambition into bankable, scalable projects that deliver meaningful industrial transformation.

05 2nd October Circularity & Sustainable Chemicals



Creating stronger demand for circular & low-carbon products, reducing reliance on subsidies & regulation to stimulate the market.



Join us from **23–25 February 2027**, in **Amsterdam**, one of Europe's leading industrial hubs, which plays a central role in shaping Europe's industrial future.

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