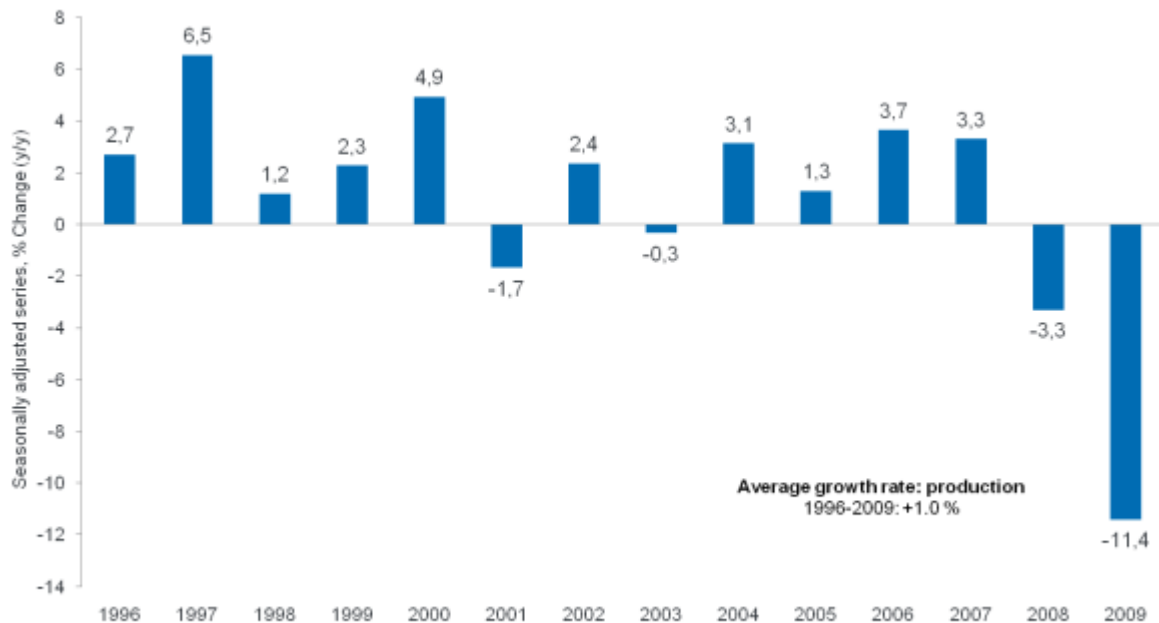




Growth

EU chemicals production growth: latest trend and outlook



Source: Cefic Chemdata International

The EU chemicals industry was profoundly affected by the spill-over effects of the economic and financial crisis. The magnitude of the economic crisis- which started during the second half of 2008- was much more severe than expected. Many companies were certainly not expecting such a dramatic downturn. Data that covers activity through 2009 indicate that chemical companies are experiencing strong pressure on margins due in particular to the lack of demand from customers and weak consumer spending. Moreover, the European chemicals industry is facing additional pressure from competitors outside of Europe, mainly from the Middle East where new petrochemical capacity is now built-up and very likely a large proportion of its output will find its way into European markets.

All in all, the European chemicals industry reached its lowest point in December 2008; production since that time has dragged along, posting at best mild growth each month but remains sharply down compared to figures in 2008. Output in the EU chemicals industry experienced a decline of 11.4 per cent in 2009 compared to 2008.