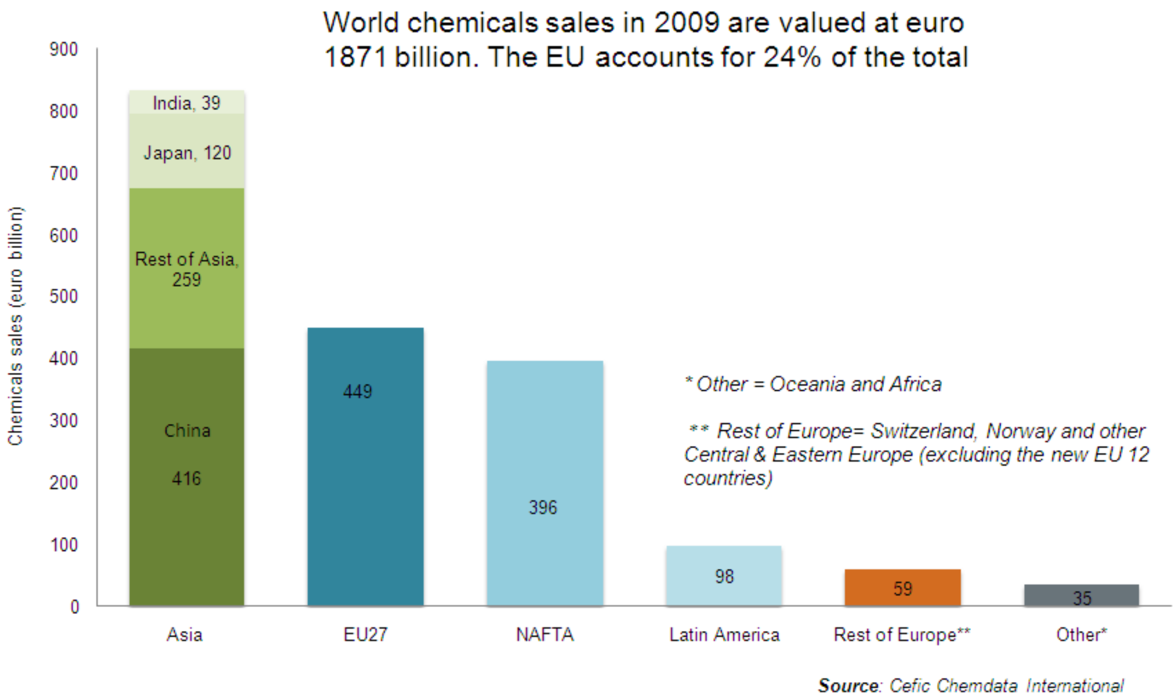
# Chemical Industry Profile

## World chemicals sales: geographic breakdown




The European chemical industry can still be portrayed as vibrant and strong. Worldwide competition is getting fiercer, however, as world chemicals sales in 2009 were valued at €1871 billion, a steep decline of 8.4 per cent compared with 2008 due to the spill-over effects of the economic and financial crisis.

The €449 billion EU chemical industry is still in a strong position, but has lost its top ranking in terms of sales to Asia, mainly due to the rise of China. Taken together, the European Union, Asia and North American Free Trade Area, account for 89.7 per cent of world turnover.



*Unless specified, chemicals industry excludes pharmaceuticals*
*Unless specified, EU refers to EU 27*

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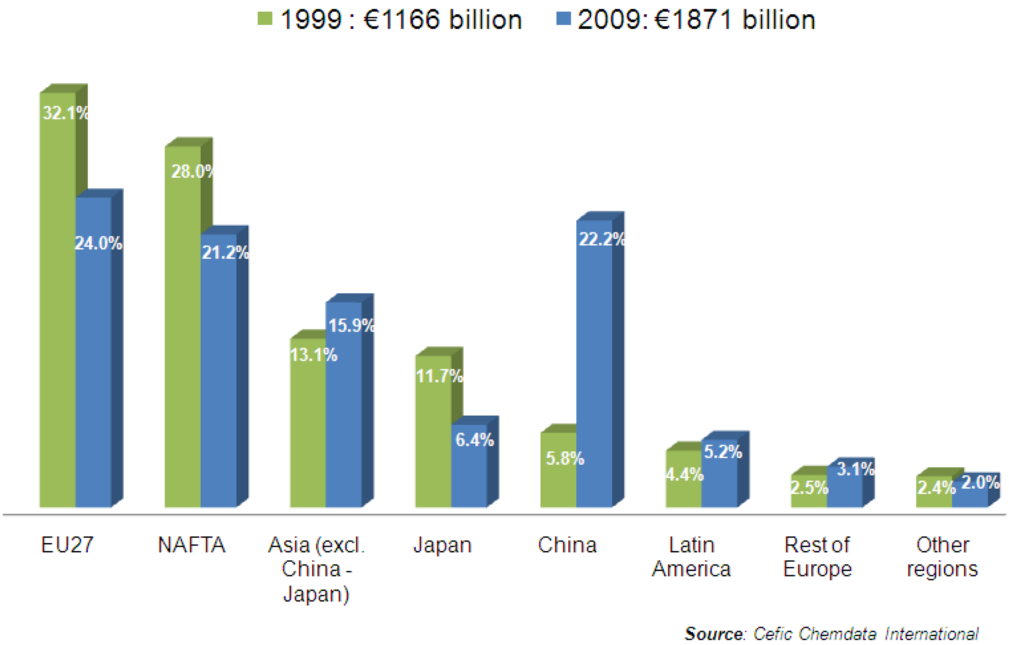
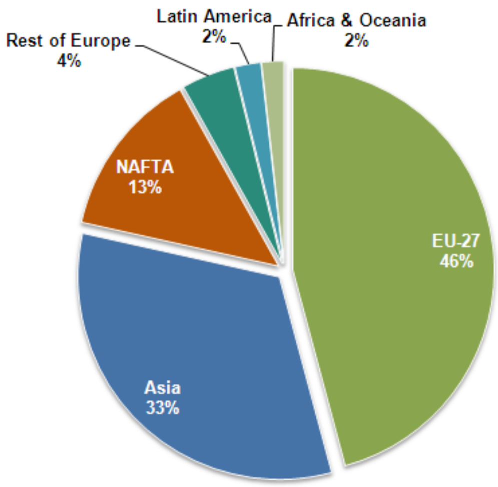
## World chemicals sales by region



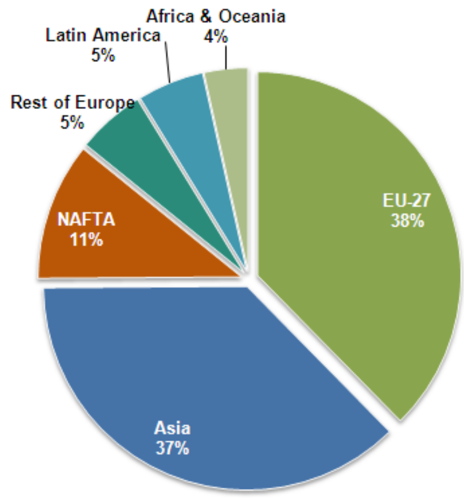

Developments during the previous 10 years from 1999 to 2009 indicate that the European Union was the clear leader in terms of world chemicals sales, but the region has gradually lost ground to Asia (excluding Japan). Comparing 2009 to 1999, the EU contribution to world chemical sales declined by 8.1 percentage points. In fact, the total value of sales in Europe has been growing continuously, but overall world chemical sales are growing at an even faster clip. The value of world chemicals sales increased by 60 per cent in 2009 compared with 1999.

## World exports and imports of chemicals by regional shares

World exports of chemicals*, 2009 (share %)




World imports of chemicals*, 2009 (share %)

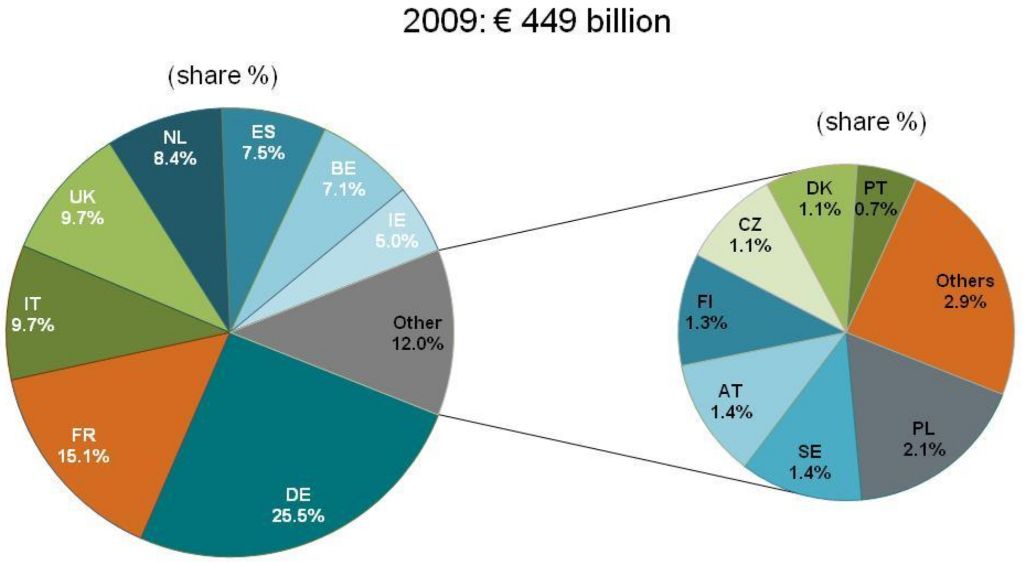



**including intra EU trade*

***Source**: Cefic Chemdata International*

In 2009, the key trading regions were the European Union, Asia –including China and Japan – and the North American Free Trade Agreement. The European Union was the leading exporter and importer of chemicals in the world, accounting for 42 per cent of global trade, defined as the total value of exports plus imports. This includes intra-EU trade, mainly for reasons of comparison with other regions, as their figures include this trade activity as well.

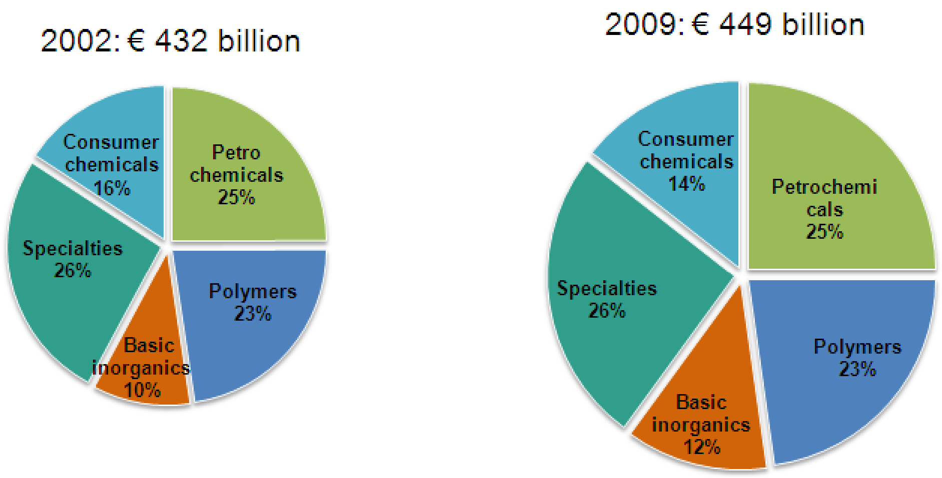
### EU chemical industry sales by geographic breakdown




***Source**: Cefic Chemdata International*

Germany remains the largest chemicals producer in Europe, followed by France, Italy and the United Kingdom. Together, these four countries generate 60 per cent of EU chemicals sales, valued at €269 billion in 2009. The share rises to 88 per cent, valued at €395 billion, when including the Netherlands, Spain, Belgium and Ireland. Sales levels in Poland represent the largest contribution from “new” EU countries holding a 2.1 per cent share of total EU chemicals sales.

### EU chemicals industry sales by sectoral breakdown




***Source**: Cefic Chemdata International*

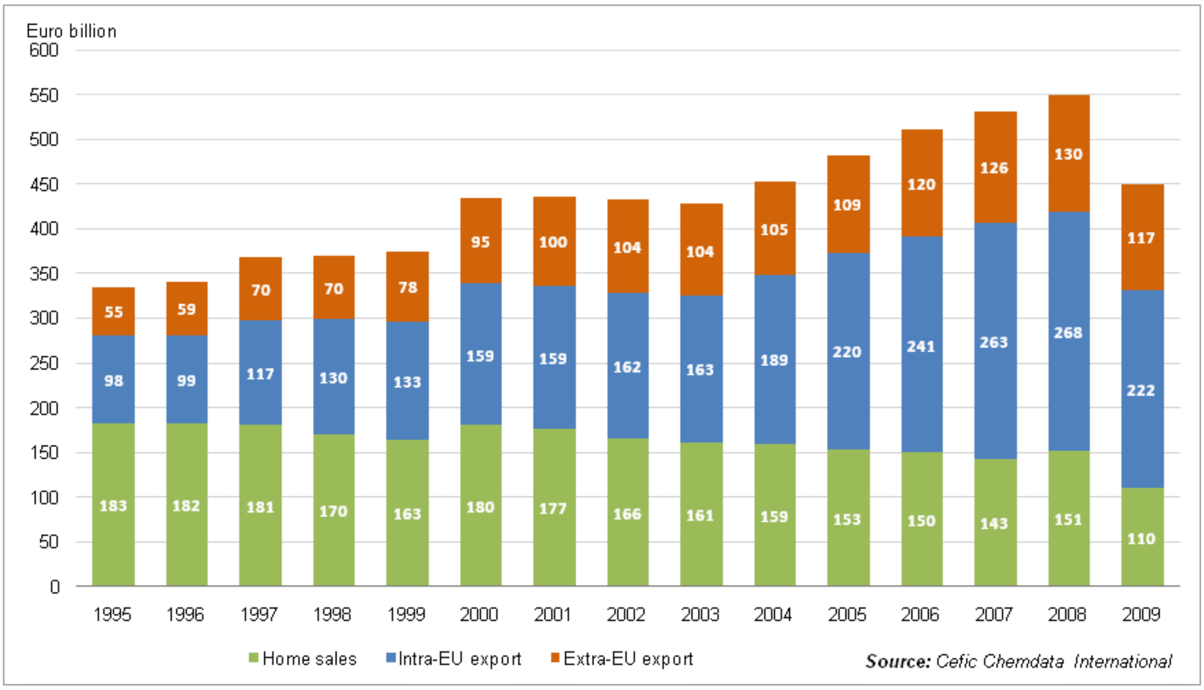
Output from the EU chemicals industry covers three wide ranges of products: base chemicals, speciality chemicals, and consumer chemicals.

- Base chemicals cover petrochemicals and derivatives and basic inorganics. They are produced in large volumes, and are sold within the chemical industry itself or to other industries. In 2002, they represented 58 per cent of total EU chemicals sales, increasing in 2009 to 60 per cent.

- Specialty chemicals cover the auxiliaries for industry, paints & inks, crop protection, and dyes and pigments. Specialty chemicals are produced in small volumes but nevertheless represented 26 per cent of total EU chemicals sales in 2009.

- Finally, consumer chemicals are sold to final consumers: soaps and detergents, perfumes and cosmetics. Together, they represented 14 per cent of total EU chemicals sales in 2009.

## EU chemicals industry sales: structure by destination




EU chemicals sales are valued at €449 billion in 2009. Sales to EU partner countries have more than doubled during the period from 1995 to 2009 (222 versus 98).

The European internal market during that 15-year period has had a profoundly positive effect on the chemical industry. Removing both trade and non-trade barriers inside the EU area has been a key driver for the growth and competitiveness of the EU chemicals industry. The internal market, today numbering 500 million consumers, is a key competitiveness factor. With the accession of ten new EU member states in 2004 and 2007, the internal market has received an intra-trade boost.



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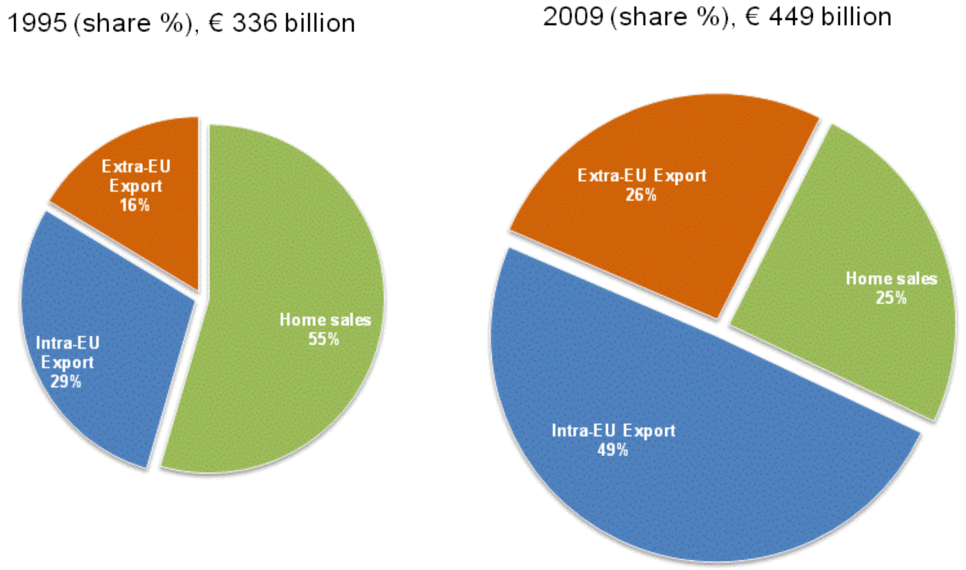
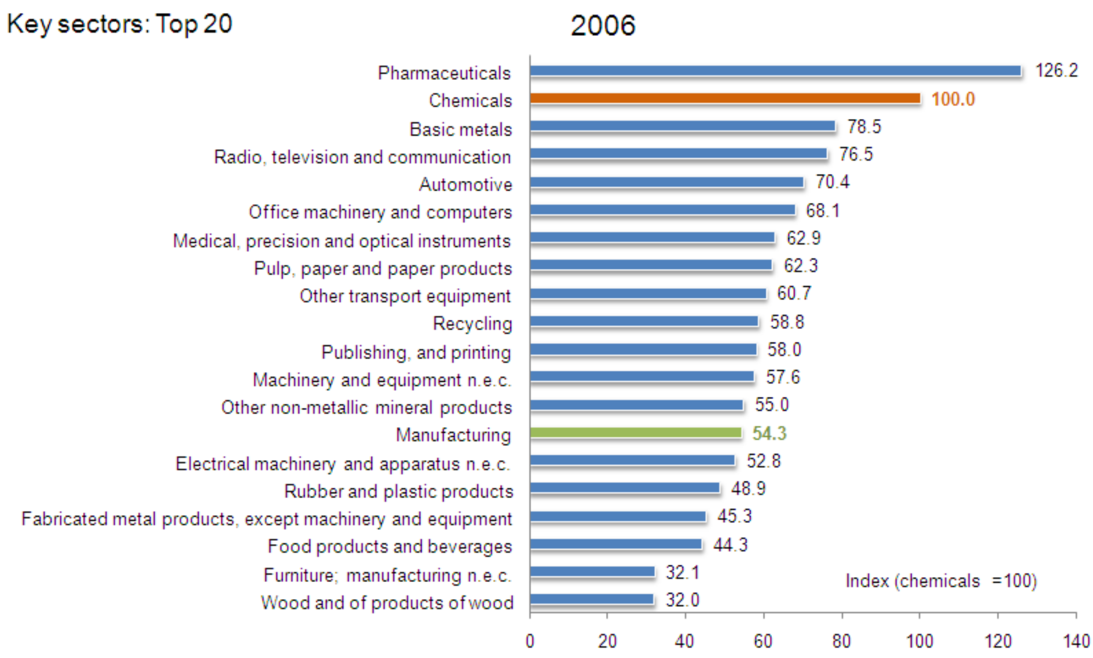
## EU chemical industry sales structure




**Source:** *Cefic Chemdata International*

By 2009, intra-EU sales - excluding domestic sales – accounted for nearly half of total chemical sales by the sector in the European Union. While intra-EU sales are rising, the importance of domestic sales is decreasing, however, only accounting for 25 per cent of EU sales. Twenty-six per cent of chemicals sales are exported outside of the EU market. The NAFTA trade bloc, EU neighbour countries and Asia are the key markets.

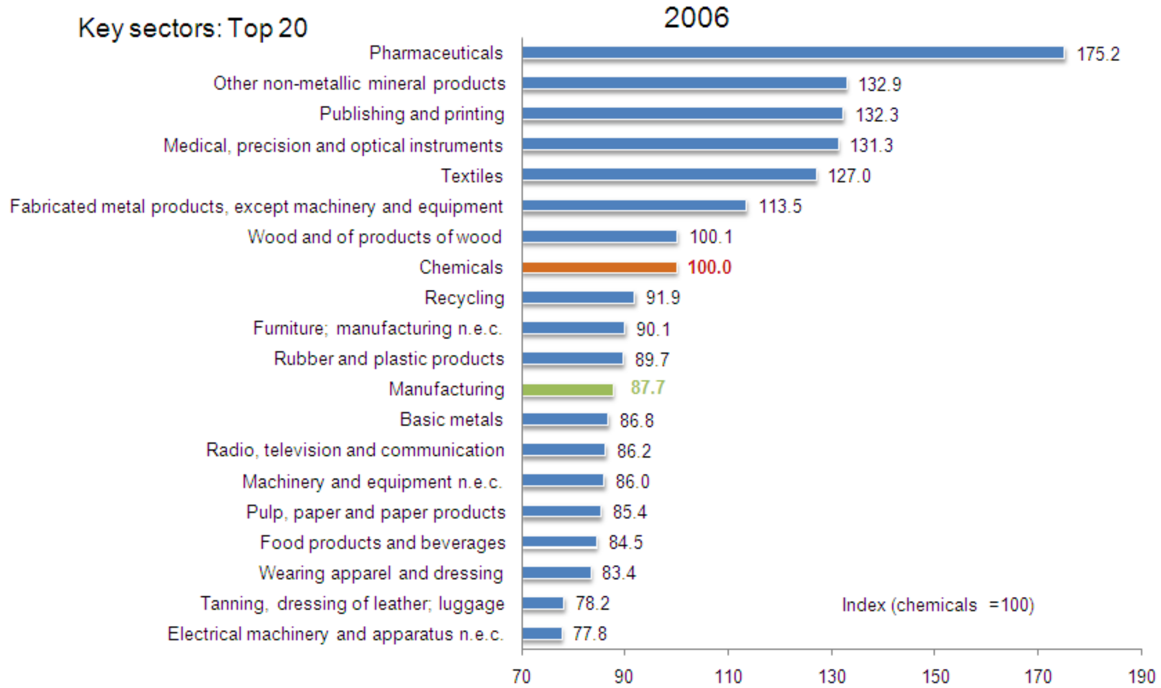
## Added value in EU chemicals and other manufacturing sectors




***Source**: Eurostat and Cefic Chemdata International*

Chemicals form the second leading manufacturing sector, after pharmaceuticals, in terms of value-added per employee in Europe, according to the latest data for the 2006 time period. Behind the two leading groups are basic metals; and radio, television and communication; automotives; and office machinery and computers. The chemical industry's value added per employee is 84 per cent higher than the combined average of all manufacturing sectors.

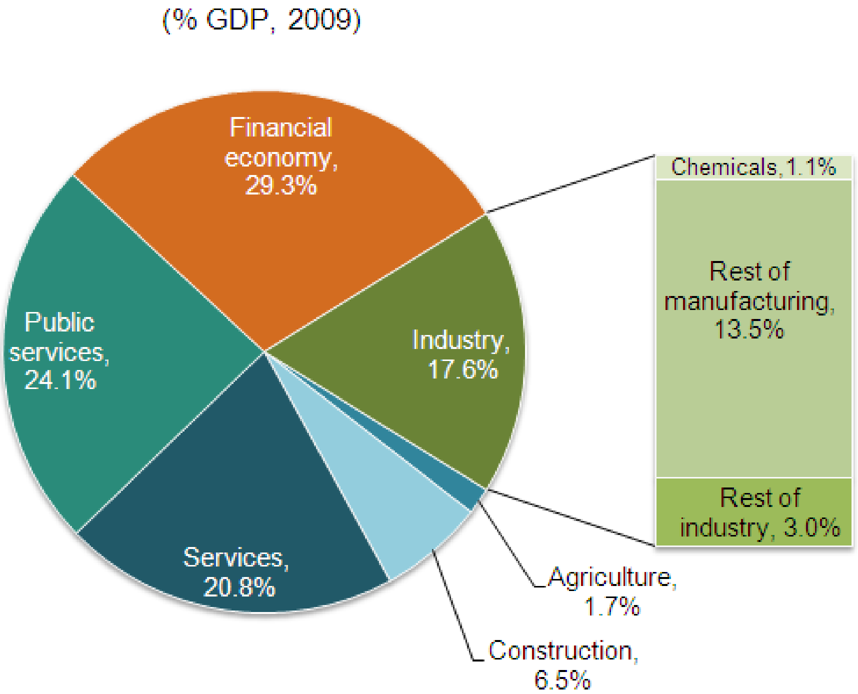
## EU manufacturing industry: gross operating surplus / turnover




**Source**: *Eurostat and Cefic Chemdata International*

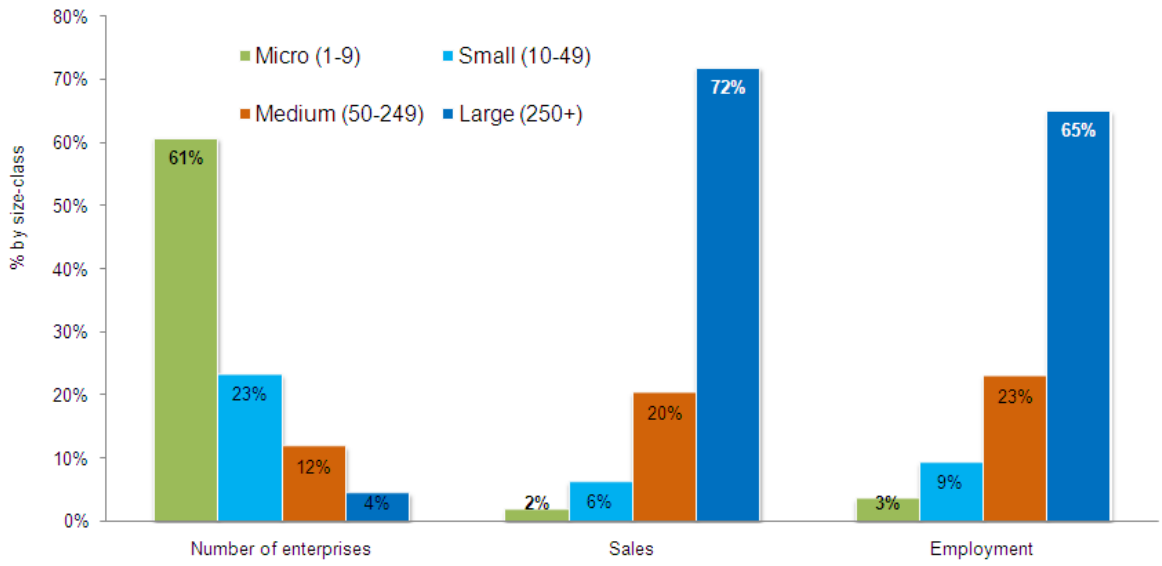
With regard to its gross operating profit, chemicals compares favourably to other manufacturing sectors as well. The ratio of gross operating profits to sales is the 8th highest in industry and is well above the manufacturing average.

## Contribution of the chemical industry to the EU economy




The chemical industry's contribution to the EU gross domestic product amounts to 1.1 per cent. This may seem small at first sight, but should be re-assessed taking into consideration both the shrinking contribution of industry as a whole to GDP in advanced economies (23.7 per cent in 1995 versus 17.6 per cent in 2009 in the EU) along with a rise in services. Additionally, there is a wide contribution of chemical products into all branches of the economy; for example in Germany chemicals are the most important supplier of innovative materials for the industry. Chemicals represent 10 per cent of the supply of input and intermediary products and they show an above average R&D content.

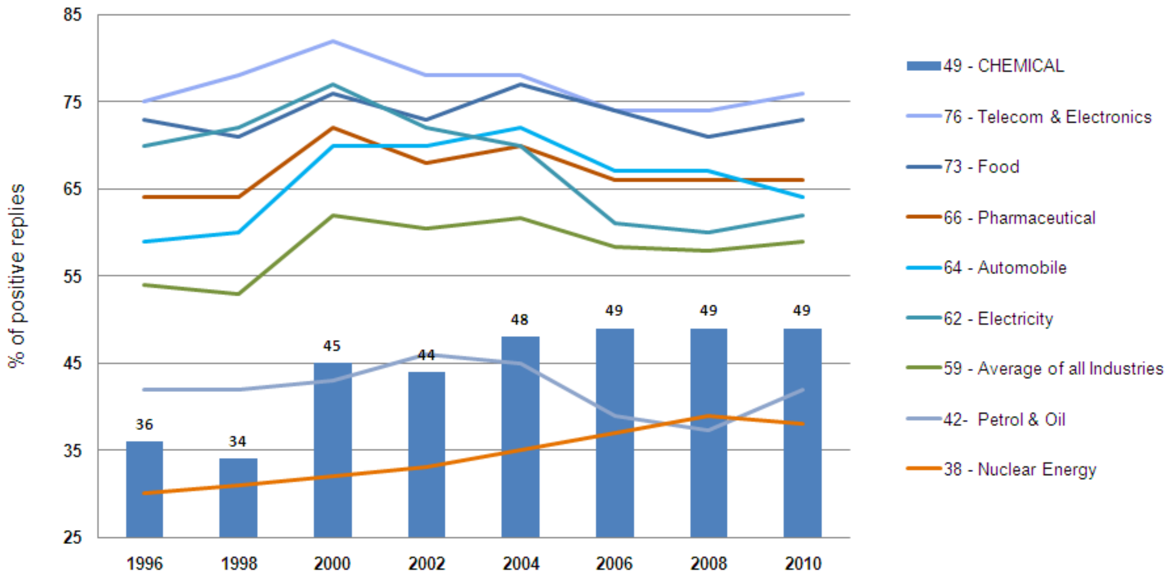
**EU chemical industry: number of enterprises, sales and employment by size-class**




**Source:** *Eurostat, data 2005*

The EU chemical industry comprises 29 000 enterprises (data covering firms with no employees are excluded), 96 per cent of which have less than 250 employees and are considered as small and medium sized enterprises. These account for 28 per cent of sales and 35 per cent of employment. Only 4 per cent of the EU enterprises employ more than 249 employees, generating 72 per cent of total chemicals sales.

## European chemical industry's public image




**Source**: *Cefic Pan European Survey on the image of the chemical industry 2010*

In a Cefic-led pan-European survey released in 2010 on public perceptions of the EU chemical industry, survey respondents ranked the chemicals sector sixth out of eight benchmark industries in terms of having a favourable image and ranked it below the overall average for all sectors. The image of the chemical industry in 2010 is still at the same level as in 2008.