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Positive growth continues in 2018 for EU chemicals sector

Output (Jan-Feb-18) ▲ 2.6%, Producer prices (Jan-Feb-18) ▲ 3.0%, Sales (2017) ▲ 7.9%, Exports (2017) ▲ 6.5%, Imports (2017) ▲ 8.3%, Consumption (2017) ▲ 8.4%, Employment (2017) ▲ 1.6%, Capacity utilisation (2017) ▲ 2.4%,

❖ Strong growth in global economy

According to the “Euro zone economic outlook, ifo institute (March, 26, 2018)”, growth in global economic activity continues to be strong, supported by a marked development in world trade. Worldwide economic growth has been broadbased. According to OECD data for 2017 as a whole, real GDP increased by 3.8% in the G20 area from 3.2% in 2016. Growth prospects remain positive for advanced economies and have also improved for some emerging market economies, including China. ▲

❖ Robust economic growth in the Euro area (Q1-2018)

According to the same source “Euro zone economic outlook, March, 26, 2018”, the expansion in the euro area economy is set to continue, buoyed by global economic activity growth and export demand. The main force behind the expansion in economic activity will be investment, driven by favourable financing conditions and still upward trending capacity utilisation. ▲

❖ Chemicals output up 2.6% (Jan-Feb, 2018)

Production in the EU chemicals sector grew 2.6% from January to February 2018 compared to the same period of 2017, with output rising in most chemicals sub-sectors. Paints and coating and consumer chemicals grew about 6% each during the same period (y-o-y). Specialties posted less significant output growth (2.7%, y-o-y).

❖ Chemicals prices surge 3.0% (Jan-Feb, 2018)

Producer prices were above the previous year’s level, growing 3.0% in the EU chemicals sector from January to February 2018 (y-o-y). Polymers and petrochemicals posted significant and positive growth in prices compared to the other sectors. ▲

❖ Chemicals imports up 8.3% (2017)

EU chemicals imports reached the value of €106.7 bn in 2017, rising by 8.1 bn (+8.3 per cent). All chemicals sectors posted an increase in import revenue. The analysis shows that imports went up significantly with China, the USA and Russia. On the sectoral side, imports in specialty chemicals went up by 11.2% in 2017 compared to 2016, followed by polymers (10.7%) ▲

❖ Chemicals consumption rises 8.4% (2017)

Chemicals consumption (domestic sales + imports) in the EU home market developed positively in 2017. Consumption went up significantly, reaching €499.4 bn in 2017, up from €460.6 bn in 2016 (8.4 per cent, y-o-y). ▲

❖ Chemicals exports jump 6.5% (2017)

EU chemicals exports reached the value of €155.4 bn in 2017, rising by 9.5 bn (+6.5 per cent). All chemicals sectors posted an increase in export revenue. The analysis shows that exports increased significantly with Asian countries including China. On the sectoral side, exports in consumer chemicals went up by 10% in 2017 compared to 2016, followed by polymers (8.9%). ▲

❖ Trade surplus up by €1.4 billion (2017)

The net trade surplus was €48.7 bn during the twelve months of 2017 (additional €1.4 bn), the largest EU chemicals surplus occurring with rest of Europe. EU chemicals however registered a trade deficit with South Korea, India, and Japan. ▲

Key Variables	2016	2017	Delta	Changes
Sales value (€ bn)	507,9	548,0	40,2	7,9%
Domestic sales (€ bn)	362,0	392,6	30,6	8,5%
Exports value (€ bn)	145,9	155,4	9,5	6,5%
Imports value (€ bn)	98,6	106,7	8,1	8,3%
Consumption value (€ bn)	460,6	499,4	38,8	8,4%
Trade Balance value (€ bn)	47,3	48,7	1,4	2,9%
Employment (millions)	1,14	1,15	0,02	1,6%
Capacity in %	81,9	83,9	2,0	2,4%