

Contact:

Dr Moncef HADHRI, Economic Affairs, mha@cefic.be

Press contact, Roosa-Maiju HUHTANISKA, rmh@cefic.be

EU chemicals still growing steadily

Output ▲ 1.1%, Producer prices ▲ 2.3%, Total sales ▲ 3.0%, Domestic sales ▲ 2.9%, Exports ▲ 3.4%, Imports ▲ 4.2%, Consumption ▲ 3.2%, Direct employment ▲ 1.7%

❖ Global economy continues expanding

According to the “Eurozone economic outlook, ifo institute (July, 3, 2018)”, in Q2 and Q3 2018, the economy of the Eurozone is expected to grow at the same rate as in Q1 2018 (+0.4%), before slightly accelerating to +0.5% in Q4 2018. The main driver behind this expansion in economic activity will be gross fixed capital formation, still driven by favourable financing conditions. However, risks have increased. Internal political tensions and spreading protectionist measures at the global level could hamper a prolonged expansion. ▲

❖ Chemicals output up 1.1% (Jan-May-18)

Production in the EU chemicals sector grew 1.1% from January to May 2018 compared to the same period of 2017, with output rising in some key chemicals sub-sectors such as cosmetics, paints and coatings, and man-made fibres (more than 2.3%, y-o-y). Specialties posted less significant output growth (1.4%, y-o-y). Basic inorganics however reported negative growth of 6.3% during the same period. ▲

❖ Chemicals prices climb 2.3% (Jan-May-18)

Producer prices were above the previous year’s level, growing 2.3% in the EU chemicals sector from January to May 2018 (y-o-y). Basic inorganics and dyes and pigments posted significant and positive growth in prices compared to the other sectors (more than 4.8%, y-o-y). ▲

❖ Chemicals exports jump 3.4% (Jan-April-18)

EU chemicals exports reached the value of €54.0 bn through April 2018, up from €52.2 during the same period of last year. The US was by far the EU’s biggest exporting market in chemicals.

EU chemicals exports to the USA reached the value of €11.4 bn from January to April 2018, up from €10.0 bn from January to April 2017. Nearly half of these exports were attributable to petrochemicals. The US contributed 21.1% of total extra-EU chemicals exports, followed by Rest of Europe (excluding Russia, 19.2%). The analysis shows that EU chemicals exports to the following countries dropped: Japan, South Korea, Middle East and China. ▲

❖ Chemicals imports up 4.2% (Jan-April-18)

EU chemicals imports reached the value of €37.7 bn through April 2018. The US was by far the EU’s biggest importing market in chemicals. EU chemicals imports from the USA reached the value of €7.7 bn from January to April 2018, down from €8.2 bn during the same period of last year. More than a third of these imports were attributable to specialties (35%). The US accounted for 20.3% of total extra-EU chemicals imports, followed by Rest of Europe (excluding Russia, 17.2%). Apart from basic inorganics and consumer chemicals, all chemicals sectors posted an increase in imports. Lastly, EU chemicals imports from Africa, Russia, Middle East and the USA fell. ▲

❖ Trade surplus up by €0.8 bn (Jan-April-18)

The net trade surplus was €16.4 bn during the four first months of 2018 (additional €253 million), the largest EU chemicals surplus occurring with rest of Europe. EU chemicals however registered a trade deficit with Japan, China, South Korea and India. ▲

❖ Direct employment surges 1.7% (Q1-2018)

Employment in the chemicals sector was above the previous year’s level, growing 1.7% in the EU chemicals sector from January to March 2018 (y-o-y). ▲