

## EU chemicals business confidence improves slightly

Output ■ 0.0%, Producer prices ▼ 3.9%, Total sales ▼ 3.6%, Exports ▼ 2.3%, Imports ▼ 4.0%, Trade balance ▲ 1.6%, Employment ▲ 0.5%, Total order book ▲, Production expectations ▲, Business climate ▲, Business confidence ▲

- ❖ According to Ifo World Economic Survey (WES) "fourth quarter of 2016"; the Ifo Economic Climate in the Euro area remains heterogeneous. Economic sentiment in the euro area improved this quarter, but to markedly different degrees across member states ▲
- ❖ According to EU Commission Business Survey data, the chemical business situation became more favourable in the fourth quarter of 2016. The situation at present and prospects for the coming months moved in the same positive directions ▲
- ❖ Output in the EU chemicals sector saw no growth during the first eleven months of 2016 compared to the same period one year ago. The EU chemical industry continues to weather the impact of globalisation as well as competitiveness challenges associated with the cost of doing business in the EU ■
- ❖ Flat output and declining prices negatively impacted sales for at least three years. Sales went down by 3.6%, while domestic sales declined by 4.2% during Jan-Oct 2016 ▼
- ❖ EU chemicals exports reached the value of €120.9 billion in the first ten months of 2016. The USA and the rest of Europe were by far the two largest EU chemicals exporting markets. EU chemicals exports went down by 2.8 billion in the first ten months of 2016, compared to the same period one year ago, with the largest EU export-decline occurring in polymers and specialty chemicals ▼
- ❖ EU chemicals imports were valued at €82.4 billion in the first ten months of 2016. Regional analysis reveals that the USA and the rest of Europe were the two largest EU chemicals importing markets. EU chemicals imports went down by 3.4 billion in the first ten months of 2016 compared to the same period one year ago ▼
- ❖ The net trade surplus was €38.5 billion during first ten months of 2016. The EU chemicals sector still registered a trade deficit with South Korea, India, and Japan. Overall, the EU chemicals surplus went up by €594 million through October 2016 ▲
- ❖ The rest of Europe (including Russia) contributed largely to this surplus, while the EU chemicals surplus with the USA registered a severe drop (mainly petrochemicals). On the sectoral side, the largest EU surplus-decline occurred in polymers and specialty chemicals, while basic inorganics and petrochemicals contributed to improvement of the overall chemicals surplus.
- ❖ Employment stabilised but is still far below pre-crisis levels. 1.17 people were directly working for the EU chemical industry in the third quarter of 2016 ■