

2016: EU chemicals output posts positive growth for third year running ▲

Output ▲ 0.4%, Producer prices ▼ 3.6%, Total sales ▼ 3.0%, Trade balance ▲ 4.0%, Employment ▲ 0.5%, Capacity utilisation ▲ 0.7%, Chemicals business situation at present ▲, Chemicals business expectations ▲, World economic climate ▲

- ❖ According to Ifo World Economic Survey (WES) “first quarter of 2017”; the Ifo World Economic Climate continued to improve this quarter. The indicator rose to +2.6 balance points from -1.2 points previously. Experts’ assessments of the current economic situation were no longer quite as unfavourable as last quarter. Expectations also brightened somewhat, pointing to a moderate recovery in the world economy. ▲
- ❖ According to EU Commission Business Survey data, the chemical business situation at the beginning of 2017 became more favourable. Prospects for the coming months moved in a positive direction, and companies are more optimistic. ▲
- ❖ Output in the EU chemicals sector grew 0.4 per cent in 2016 compared to 2015. This was the third year of positive output growth since 2014. Petrochemicals posted positive output growth of 0.3 per cent in 2016 for the first time, after four years of consecutive decline. Production saw a severe decline in some sub-sectors such as fertilizers (-6.3 per cent), crop protection (-5.7 per cent), and synthetic rubber (-5.0 per cent). Other sectors registered significant output growth, such as plastics in primary forms (4.5 per cent), dyes and pigments (3.4 per cent) and cosmetics (3.3 per cent). Other chemicals grew 1.6 per cent. Output in the EU chemicals sector is still below its peak level of 2007. ▲
- ❖ Modest output growth and declining prices negatively impacted sales, which went down by 3.0% during Jan-November 2016. ▼
- ❖ EU chemicals exports reached the value of €133.5 billion in the first eleven months of 2016. EU chemicals exports went down by 1.4 billion in the first eleven months of 2016, compared to the same period one year ago (-1.1 per cent). The largest EU export-decline occurred in polymers and specialty chemicals (€1.8 billion less). ▼
- ❖ EU chemicals imports were valued at €91.0 billion in the first eleven months of 2016. EU chemicals imports went down by 3.1 billion in the first ten months of 2016 compared to the same period one year ago (-3.3 per cent). ▼
- ❖ The net trade surplus was €42.5 billion during first eleven 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 €1.6 billion through November 2016. ▲
- ❖ The rest of Europe contributed largely to this surplus. On the sectoral side, the largest EU surplus decline occurred in polymers and specialty chemicals. By contrast, basic inorganics and petrochemicals contributed significantly to improvement of the overall chemicals surplus. ▲
- ❖ Capacity utilisation grew 0.7 per cent in the whole year 2016 compared to 2015. Thanks to the significant growth of the fourth quarter of 2016. ▲
- ❖ Employment recorded similar positive growth in 2016 compared to one year ago (0.5 per cent). ▲

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Notes to editors:

About the Chemicals Trends Report: The Cefic Chemicals Trends report provides a snapshot of chemical industry performance in the 28 countries of the European Union and is based on data released by Eurostat. Issued monthly, the present report distils Eurostat data into top 10 areas: economic and business climate, output, producer prices, total sales, domestic sales, extra-EU exports, extra-EU imports, consumption, capacity utilisation and employment.