

# Chemicals Trends Report

Monthly summary, March 2012



## January EU chemicals production shows improvement for second consecutive month

*Year-on-year data show production 2.3 per cent below January 2011 level*

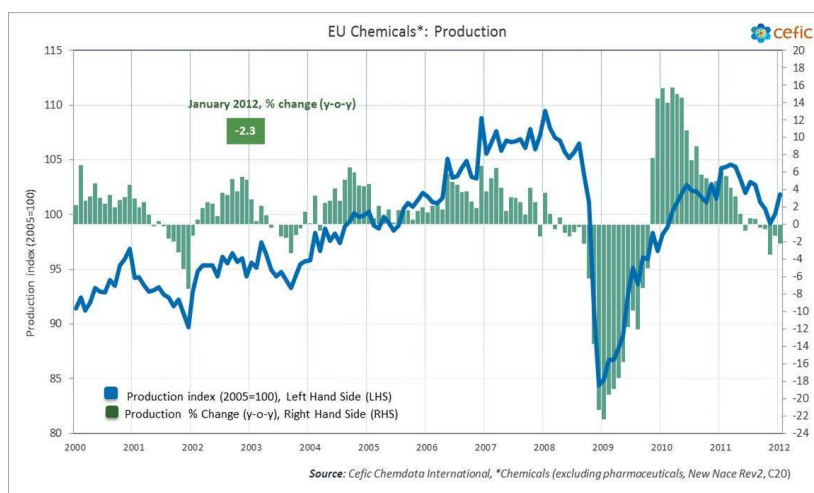
BRUSSELS, March 22, 2012 – EU chemicals production expanded in January for the second consecutive month after four straight months of contraction, according to the latest Cefic Chemicals Trends Report. Despite the month-on-month improvement, production data on a year-on-year basis point to a decline of 2.3 per cent in January 2012 compared with January the year prior. January 2012 data also show that EU chemicals production level remains 4.5 per cent below the peak in 2007.

Prices for chemicals in the European Union increased on a year-on-year basis in January, climbing 4.2 per cent during the month against the comparable month in 2011. The uptick in prices was led again by the overall price increase in basic inorganics.

Year-end trade data show the EU chemicals trade net trade surplus contracted by €2.1 billion compared with 2010, reaching €43.7 billion in 2011 – the second highest trade surplus on record for the 27-country bloc.

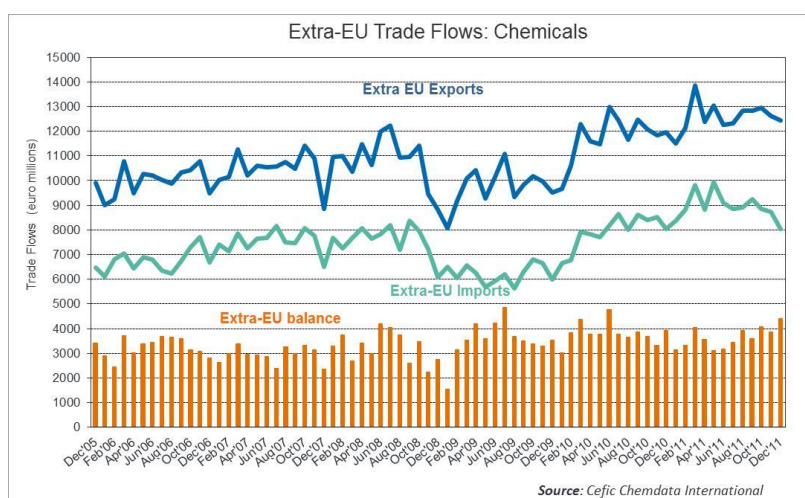
### **Year-on-year chemicals output lower in January, all sub-sectors register drop**

All chemicals sub-sectors contributed to the January EU production index drop. Specialty chemicals and Polymers production decreased on a year on year basis by 5.3 per cent and 3.4 per cent respectively during the month, while consumer chemicals fell 2.2 percent. Basic inorganics declined by 1.3 per cent and petrochemicals posted the smallest decline, down 0.6 per cent in January compared with January 2011.



### **EU trade surplus second best on record in 2011, China trade deficit pushes higher**

The overall EU chemicals net trade surplus reached €43.7 billion in 2011, the second highest level on record, below only the €45.9 billion surplus set in 2010. The EU net trade surplus with the Rest of Europe contributed most to the year-end figure, reaching €13.3 billion, down €0.5 billion compared with 2010. EU trade with the NAFTA region resulted in a €11.5 billion net trade surplus in 2011. A €6.3 billion surplus occurred with Asia, excluding Japan and China. China, however, had a record €2.4 billion net chemicals trade surplus with the European Union.

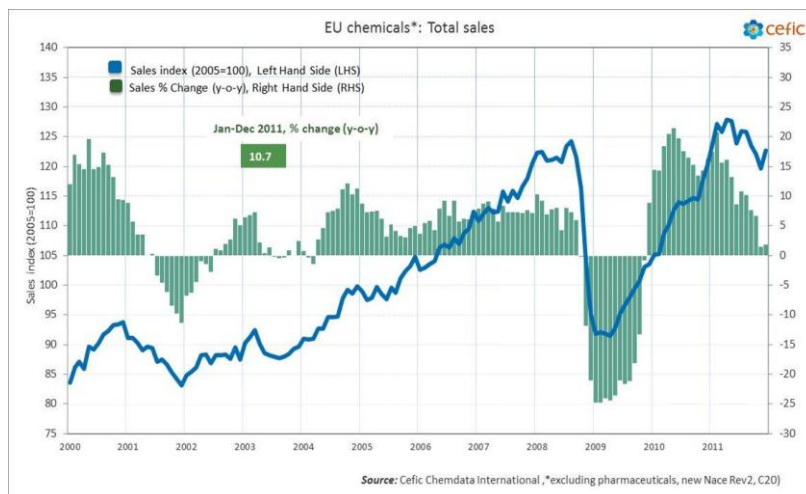


### **Prices for basic organics climb near double digit rate**

Year-on-year EU chemicals prices rose by 4.2 per cent in January driven by the price for basic inorganics, which increased by 9.3 per cent during the period. Prices climbed for consumer chemicals by 2.1 per cent, while petrochemicals prices edged down by 0.9 per cent in January as compared with the year prior.

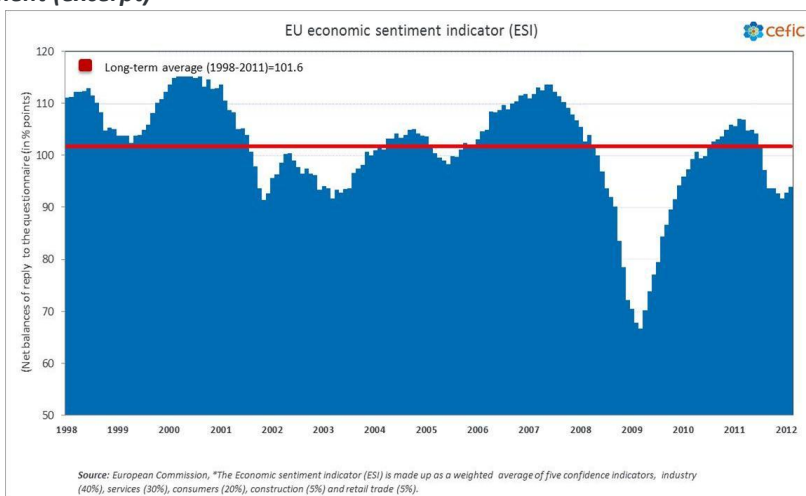
**Double-digit EU sales growth in 2011, up 5.8 per cent from 2008 pre-crisis period**

December 2011 EU chemicals sales were 1.9 per cent higher compared with December the year prior. For the whole year 2011, total sales were 10.7 per cent higher as compared to 2010. The overall sales level continues to surpass the pre-crisis peak reached in the beginning of 2008. Compared to full-year sales levels in 2008, the total value of sales during 2011 was 5.8 per cent higher.



**Economic sentiment shows further improvement (excerpt)**

According to the consumer and business survey of the EU Commission, the Economic Sentiment Indicator (ESI) rose in February 2012 for the second month in a row in both the EU and the euro area. The ESI rose by 1.1 points in the EU to 93.9. The improvement was broad-based across all sectors except for services, where a decrease in confidence partly offset the rebound observed in January. Among the largest EU member states, Poland (+1.7) reported the biggest increase in sentiment, followed by France (+1.6), the Netherlands (+1.2) and Italy (+1.0), while the ESI improved only marginally in the United Kingdom (+0.3) and remained broadly unchanged in Germany (+0.1) and Spain (-0.2). The ESI is above its long-term average only in Germany.



Confidence in industry improved in the European Union (+1.8), moving slightly above its long-term average for the first time since November 2011. In both regions, managers were more positive about their companies' production expectations, order books and stocks of finished products.

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**Notes to editor:**

**About the Chemicals Trends Report**

The Cefic Chemicals Trends summary report is a condensed version of a full report, in slide presentation form, is issued each month to members of Cefic, which includes chemical industry associations and member companies. Both the short summary and full report provide a snapshot of the chemical industry performance in the 27 countries in the European Union and are based on available data released by Eurostat. The scope of the two-page summary report distils Eurostat data into four areas: chemicals production, trade, prices and total sales.

**About Cefic**

Cefic, the European Chemical Industry Council, is the Brussels-based organisation representing the European chemical industry. Created in 1972, it represents 29,000 companies that produce 21 per cent of the world's chemicals and employ 1.2 million people. To learn more about Cefic, visit its website at [www.cefic.org](http://www.cefic.org).