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EU chemicals sector continues to grow

Output ▲ 1.2%, Producer prices ▲ 2.3%, Total sales ▲ 3.4%, Domestic sales ▲ 3.5%, Exports ▲ 3.3%, Imports ▲ 1.6%, Consumption ▲ 3.1%, Direct employment ▲ 1.7%

❖ **The ifo Economic Climate for the euro area cools down**

According to the ifo Economic Climate for the Euro Area (Q2-2018), the ifo Economic Climate for the euro area cooled down from 43.2 points to 31.1 points in the second quarter, after reaching its highest level since 2000 last quarter. Experts continued to assess the current economic situation as very good, but scaled back their expectations significantly. The economic climate deteriorated in all key countries in the euro area. The only exception was Spain, where the climate indicator rose again after slumping at the end of 2017.

❖ **Chemicals output up 1.2% (Jan-April-18)**

Production in the EU chemicals sector grew 1.2% from January to April 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 2.4%, y-o-y). Specialties posted less significant output growth (1.5%, y-o-y). Basic inorganics however reported negative growth of 6.3% during the same period. ▲

❖ **Chemicals prices surge 2.3% (Jan-April-18)**

Producer prices were above the previous year's level, growing 2.3% in the EU chemicals sector from January to April 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%, y-o-y). ▲

❖ **Chemicals exports jump 3.3% (Q1, 2018)**

EU chemicals exports reached the value of €40.8 bn through March 2018, up from €39.6 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 €8.8 bn from January to March 2018, up from €7.4 bn. Nearly half of these exports were attributable to petrochemicals. The US contributed 21.5% 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: Africa, Japan, South Korea, Middle East and China. ▲

❖ **Chemicals imports up 1.7% (Q1, 2018)**

EU chemicals imports reached the value of €28.2 bn through March 2018. The US was by far the EU's biggest importing market in chemicals. EU chemicals imports from the USA reached the value of €5.7 bn from January to March 2018, down from €6.2 bn during the same period of last year. More than a third of these imports were attributable to specialties. The US accounted for 20.2% of total extra-EU chemicals imports, followed by Rest of Europe (excluding Russia, 17.5%). Apart from basic inorganics and consumer chemicals, all chemicals sectors posted an increase in imports. Lastly, EU chemicals imports from Africa, Middle East and the USA fell. ▲

❖ **Trade surplus up by €0.8 bn (Q1-2018)**

The net trade surplus was €12.6 bn during the three first months of 2018 (additional €838 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 surge 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). ▲