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Slower growth for EU chemicals sector

Output ▲ 0.2%, Producer prices ▲ 3.6%, Total sales ▲ 3.9%, Domestic sales ▲ 3.8%, Exports ▲ 4.2%, Imports ▲ 6.8%, Consumption ▲ 4.5%, Employment ▲ 1.6%,

❖ **Chemicals confidence shows no major improvement**

According to EU Commission Business Survey data, chemicals business confidence shows no major development in the third quarter of 2018. Chemicals companies perceive no significant improvement during the coming six months. The business climate remained relatively stable, however, with export order books less satisfactory, reflecting some uncertainties surrounding the trade business environment.

❖ **Chemicals output up 0.2% (Jan-Sep-18)**

Production in the EU chemicals sector grew 0.2% from January to September 2018 compared to the same period of 2017. Apart from consumers chemicals (2.9%), most chemicals sectors reported a decline during the first three quarters of 2018. Base chemicals were most affected compared to other sectors. Consumer chemicals performed well, far outpacing the other chemicals sectors. ▲

❖ **Chemicals prices climb 3.6% (Jan-Sep-18)**

Producer prices were above the previous year's level, growing 3.6% in the EU chemicals sector from January to September 2018 (y-o-y). Petrochemicals (5,4%), basic inorganics (5,3%), and polymers (4,2%) posted significant growth in prices compared to the other sectors. ▲

❖ **Chemicals sales reach highest level in six years — 3.6% (Jan-Aug-18)**

Sales in the EU chemicals business were 4% above the previous year's level, mainly due to higher producer prices during the same period. In Q3-2018, prices in the chemicals business reached their highest level in five years. Driving this trend are the increasing oil prices registered during the same period. ▲

❖ **Chemicals exports jump 4.2% (Jan-Aug-18)**

EU chemicals exports reached the value of €108.4 bn through August 2018, up from €104.0 during the same period of last year. EU chemicals exports to the USA reached the value of €21.5 bn from January to August 2018, up from €19.4 bn from January to August 2017. Data shows a significant increase in EU exports to the USA in both petrochemicals (+ €1,08 bn, +14%) and specialty chemicals (+€0,65 bn, +11,7%). A sharp decline is also observed in EU exports to China in petrochemicals (- €342 mn, -13%). With nearly 9%, China is still the third largest exporting market for the EU chemicals sector, followed by Africa, Middle East and Russia. ▲

❖ **Chemicals imports up 6.8% (Jan-Aug-18)**

EU chemicals imports reached the value of €77.2 bn through August 2018, up from €72.3 bn during the same period of 2017. With 13.6%, China is the third largest importing market for the EU chemicals sector, after the USA and Rest of Europe. EU chemicals imports went up significantly from China – from €9.0 bn to €10.5 bn comparing first eight months of 2018 to the same period in 2017. But EU chemicals imports from the USA fell (€203 million less), mainly in basic inorganics and consumers chemicals. ▲

❖ **Trade surplus down by €0.6 bn (Jan-Aug-18)**

The net trade surplus was €31.18 billion during the first eight months of 2018, down from €31.74 bn during the same period of 2017. As expected, the largest EU chemicals surplus occurred with rest of Europe, the USA, Africa and Brazil. EU chemicals however registered a trade deficit with India, South Korea, China and Japan. ▼