



Cefic Chemicals Quarterly Report (CQR)

2 May 2022

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1. Economic and Business Climate



The war in Ukraine severely set back the global recovery

Figure 1.1. Global Activity Indicators

(Three-month moving average)

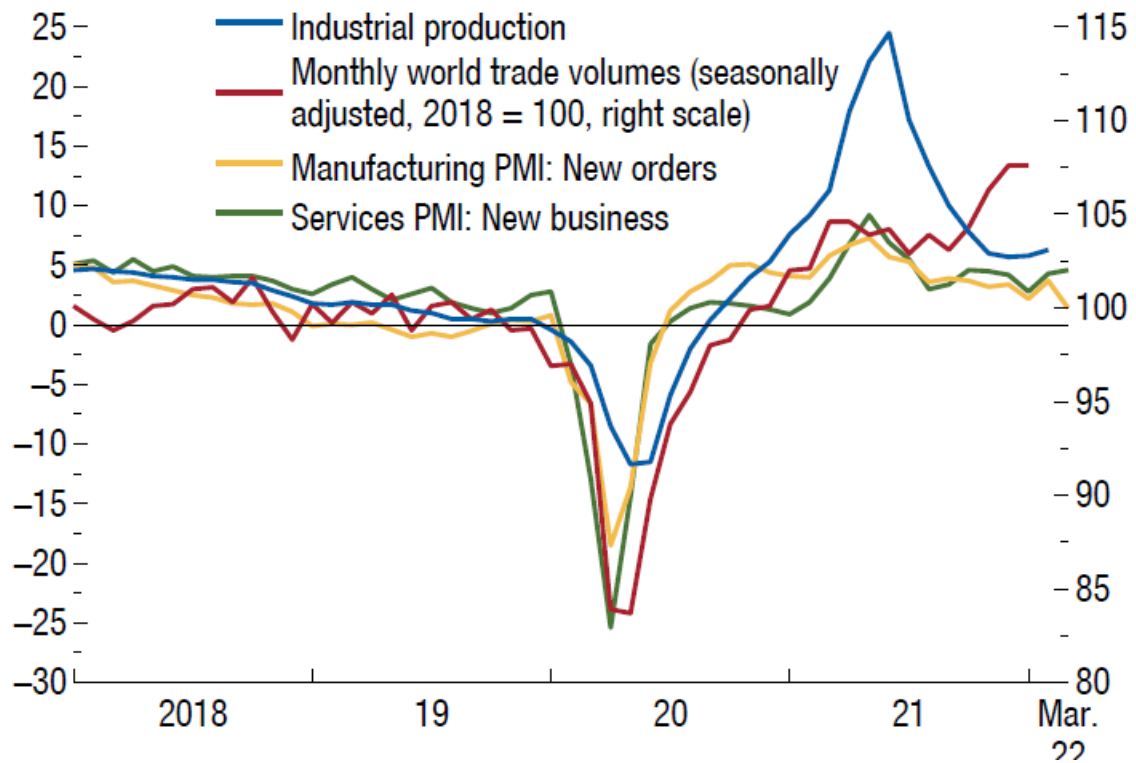
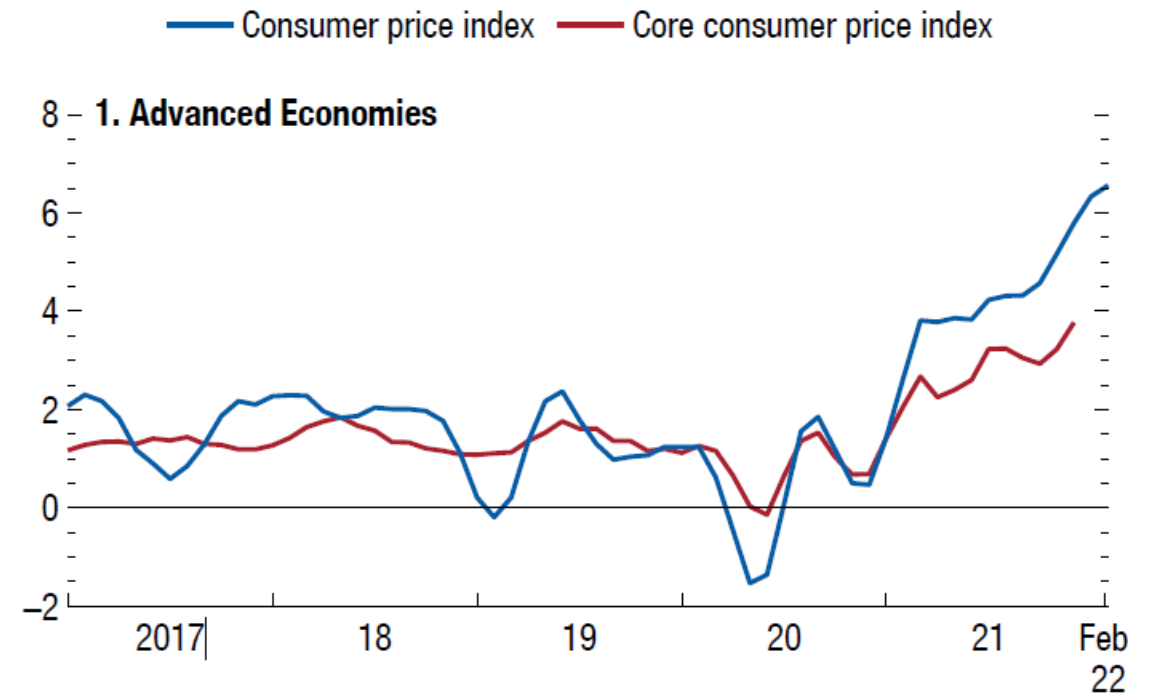


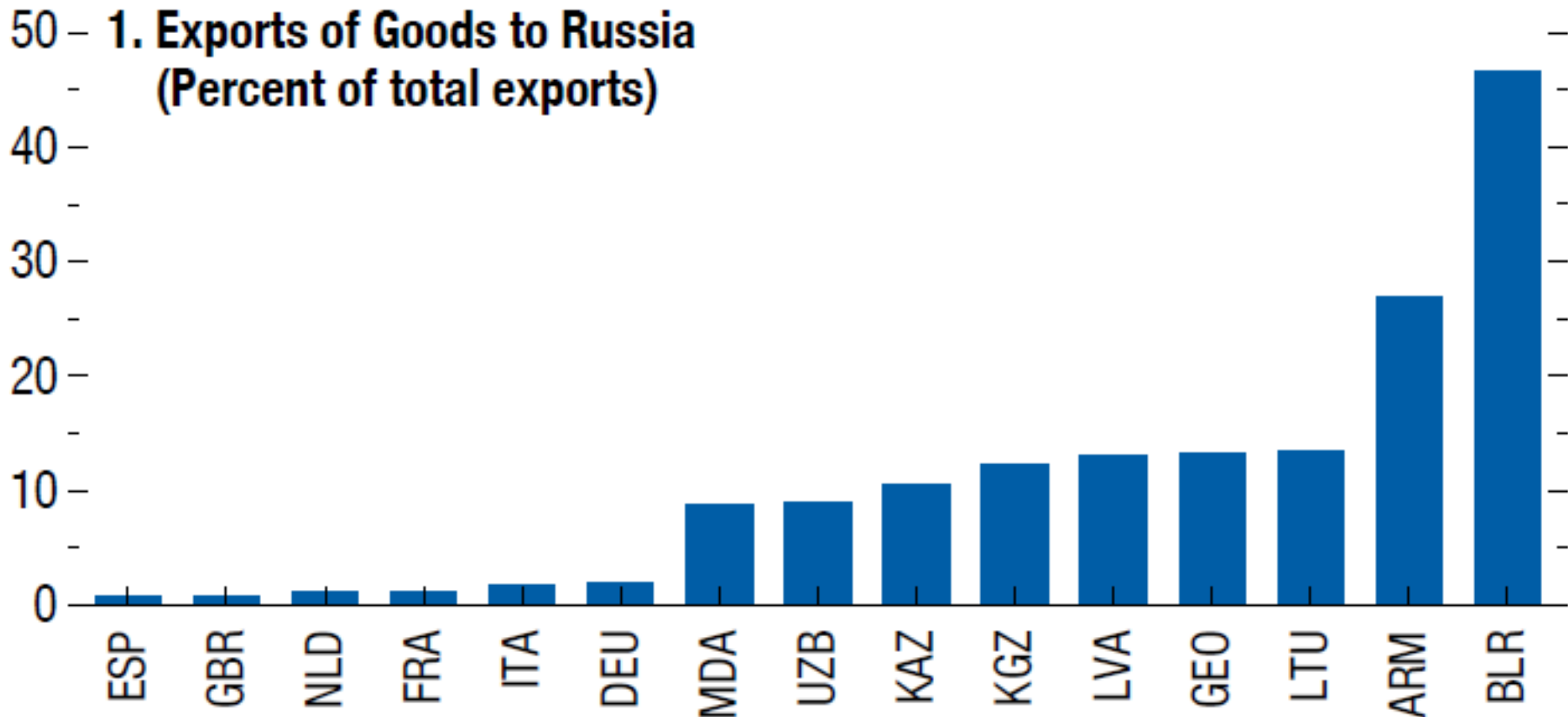
Figure 1.2. Inflation Trends

(Three-month moving average; annualized percent change)

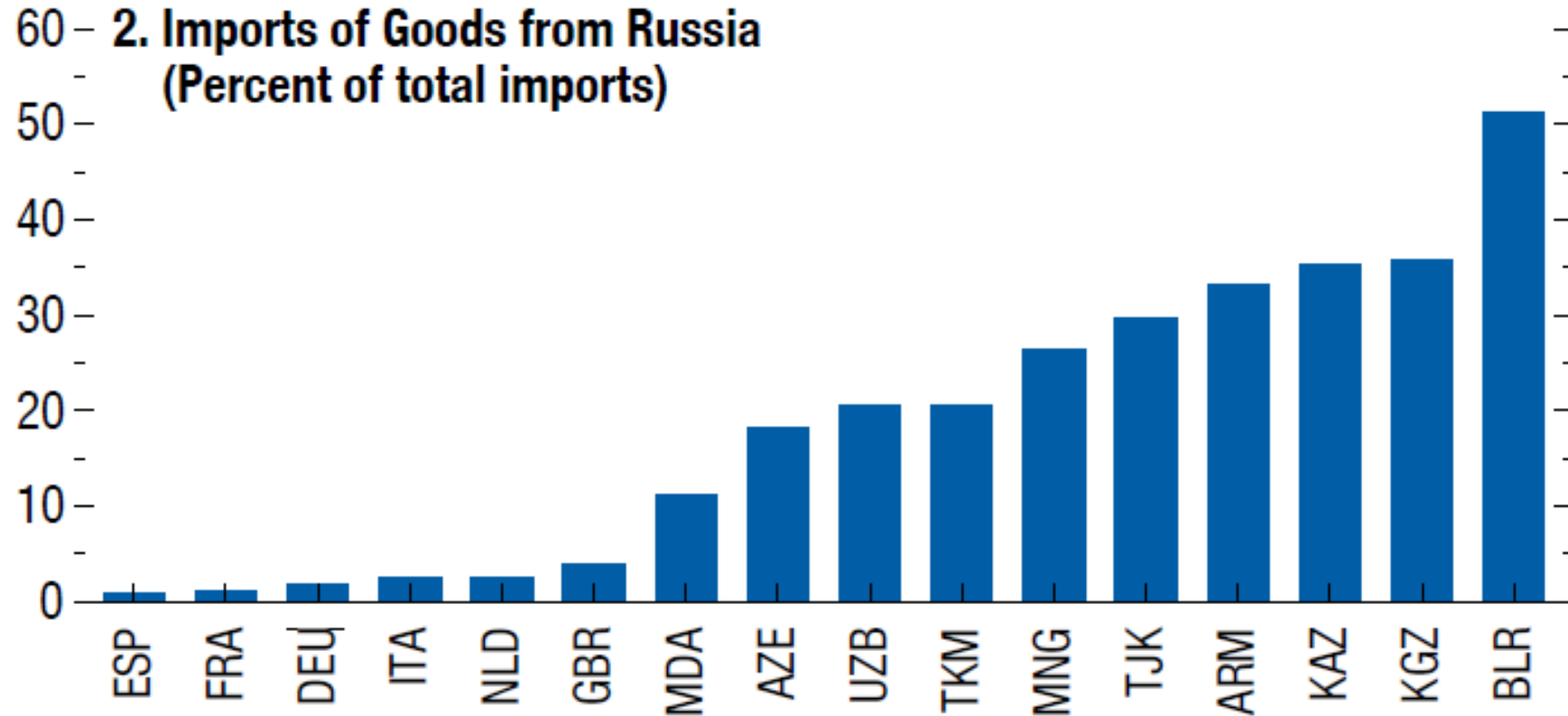


Countries that send a large share of exports to Russia will suffer reduced external demand for their products

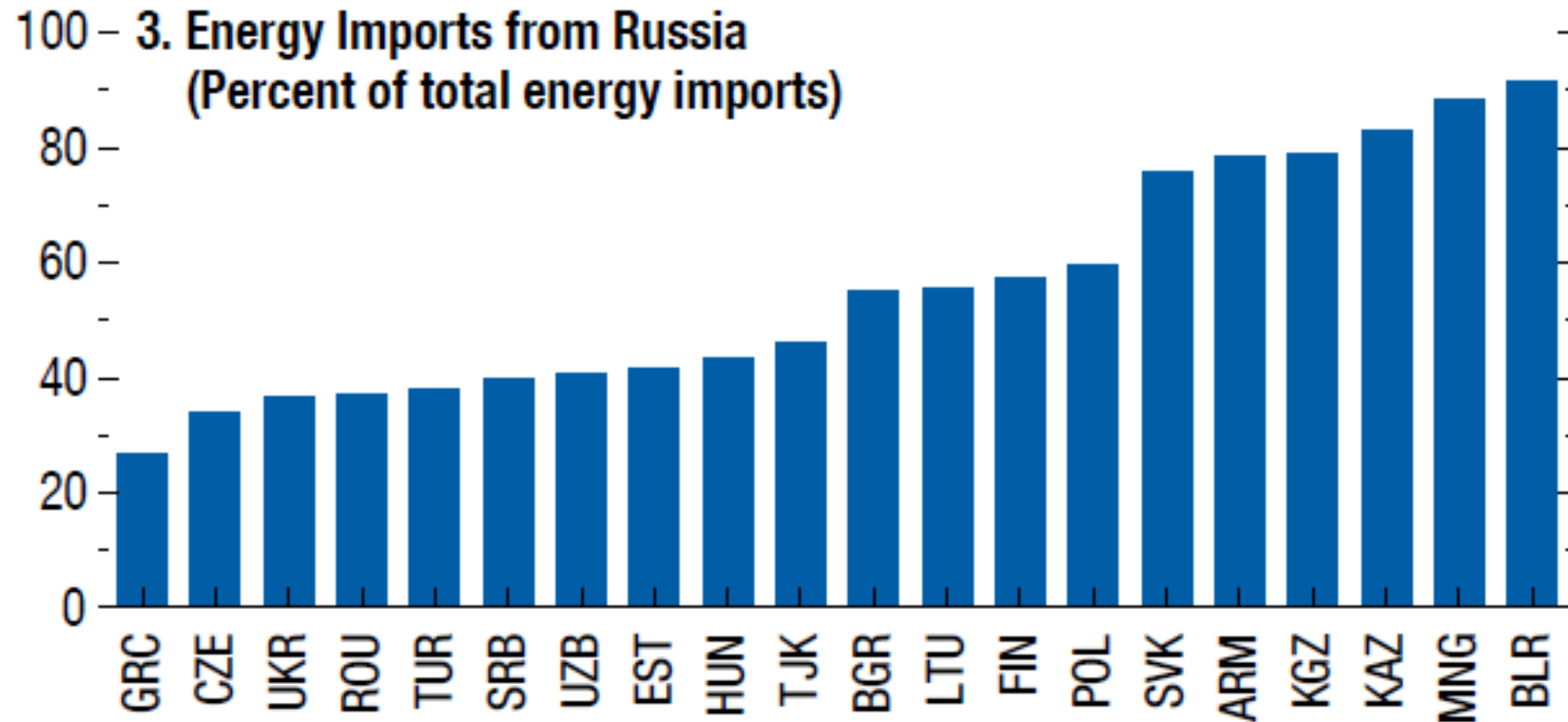
Figure 1.8. Trade Exposures to Russia and Ukraine, 2020



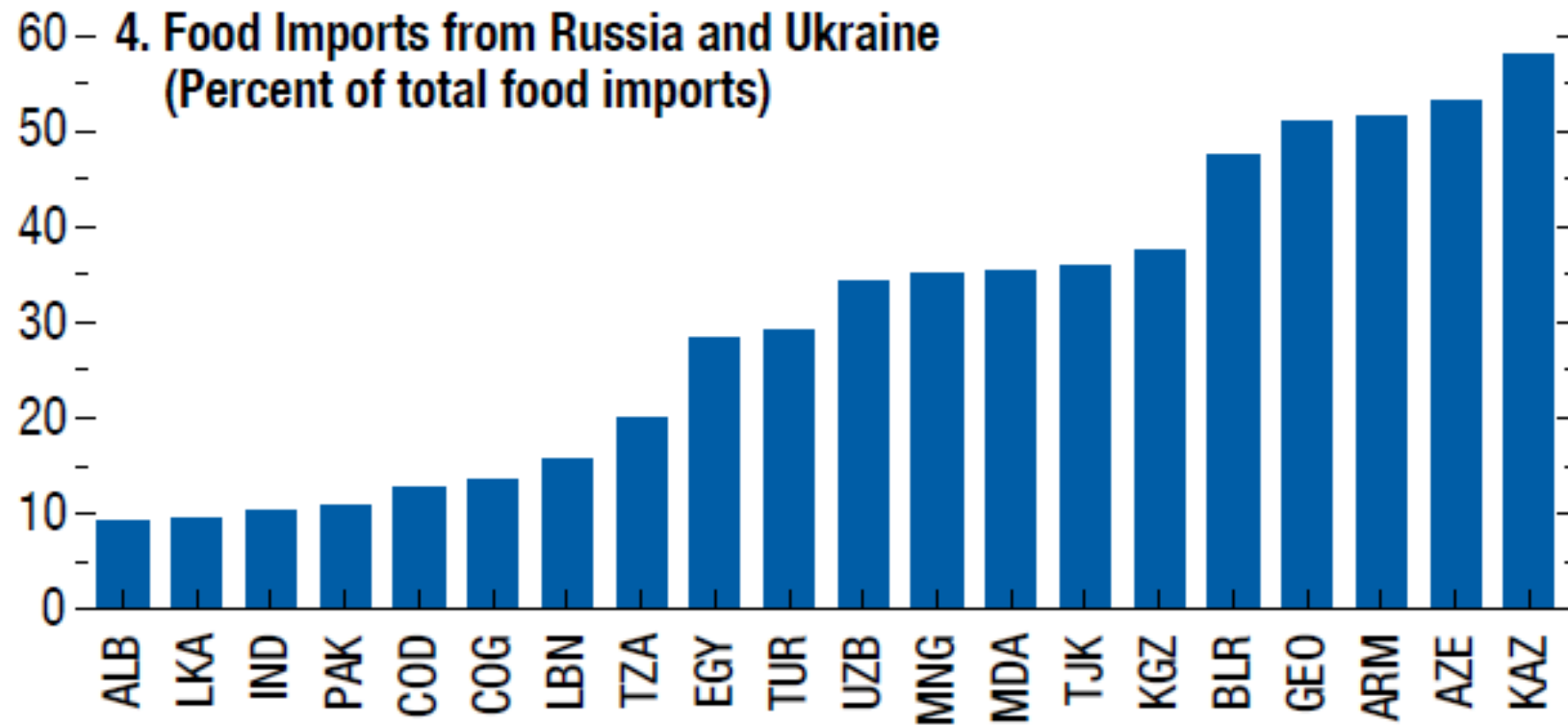
Importers will face higher import prices and possible shortages



Energy: Trade Exposures to Russia and Ukraine, 2020



Food: Trade Exposures to Russia and Ukraine, 2020

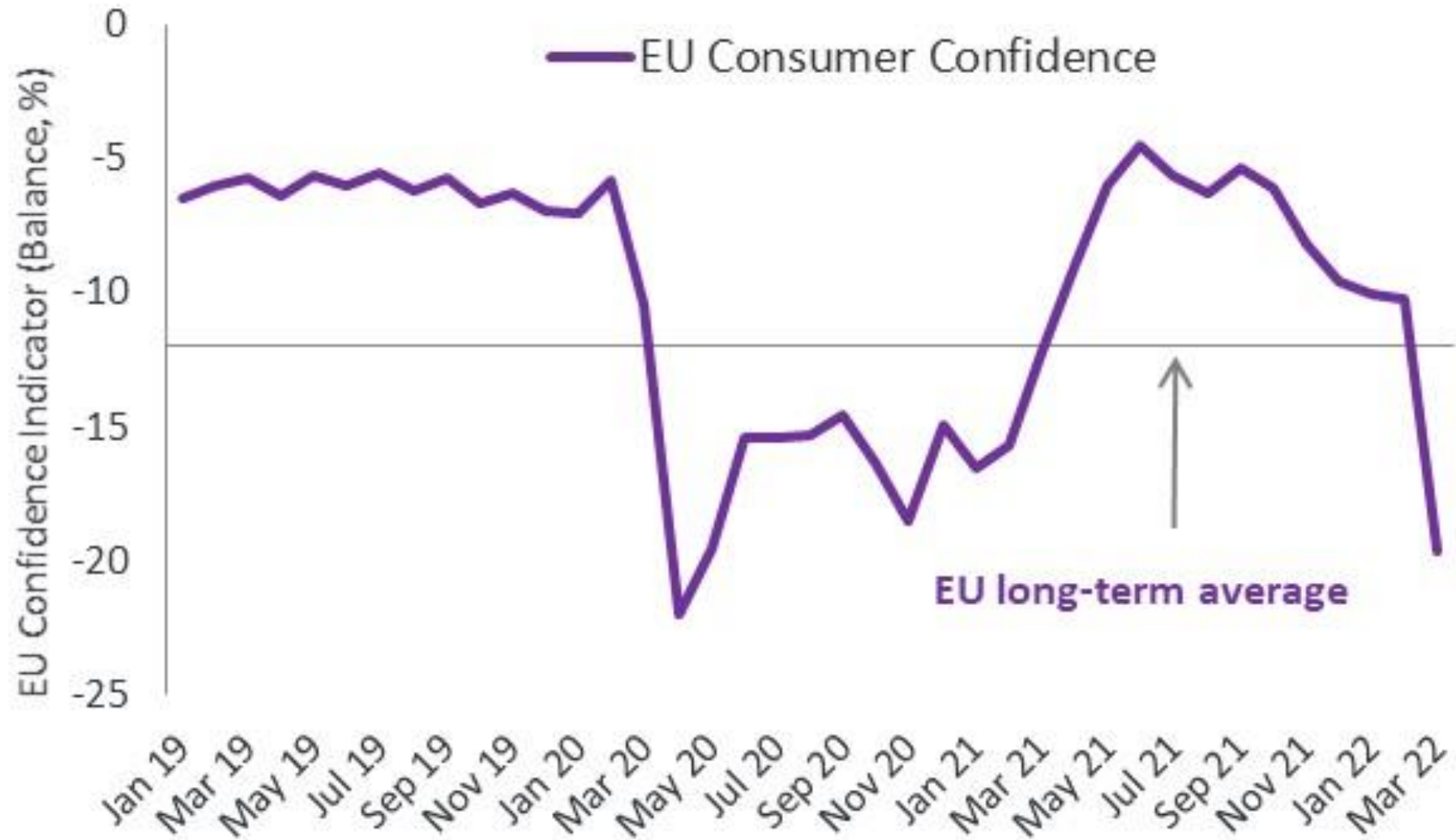


The Economic Sentiment Indicator (ESI) dropped substantially in March 2022 to 107.5

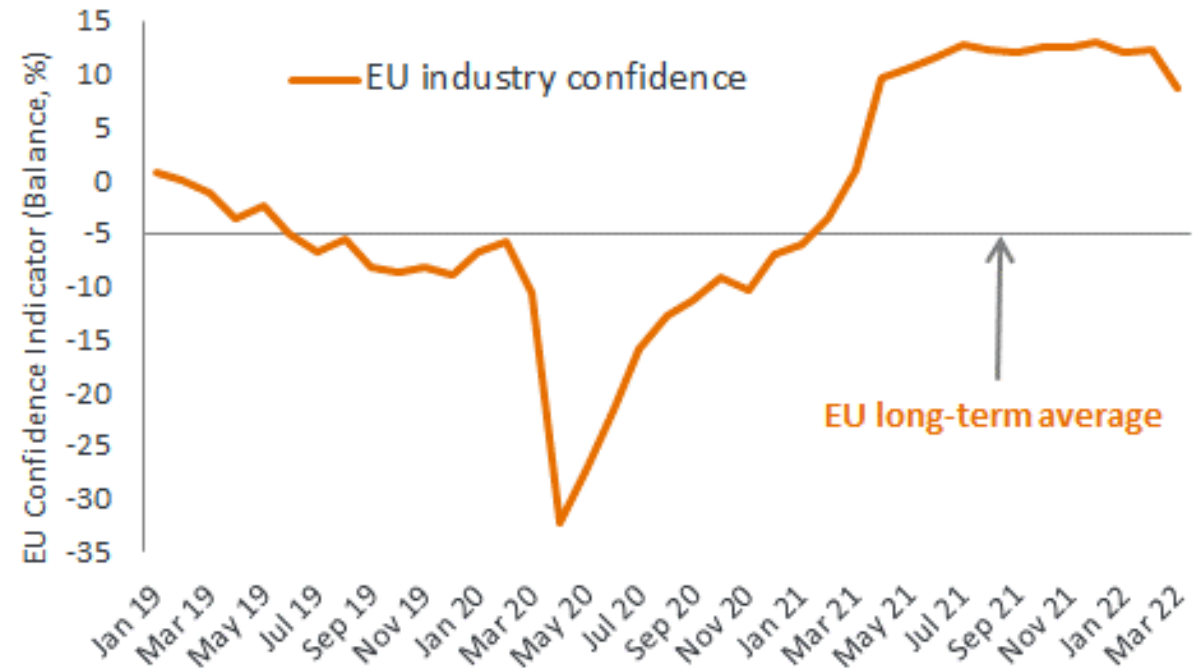
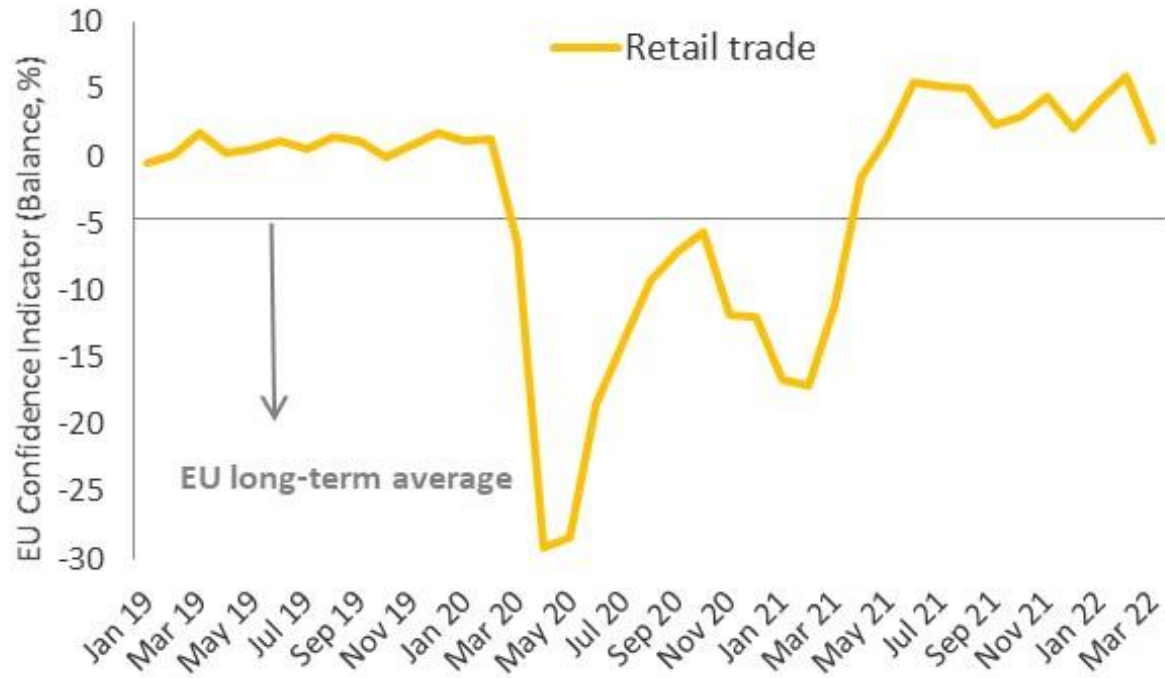
EU27 Economic Sentiment Indicator (ESI)



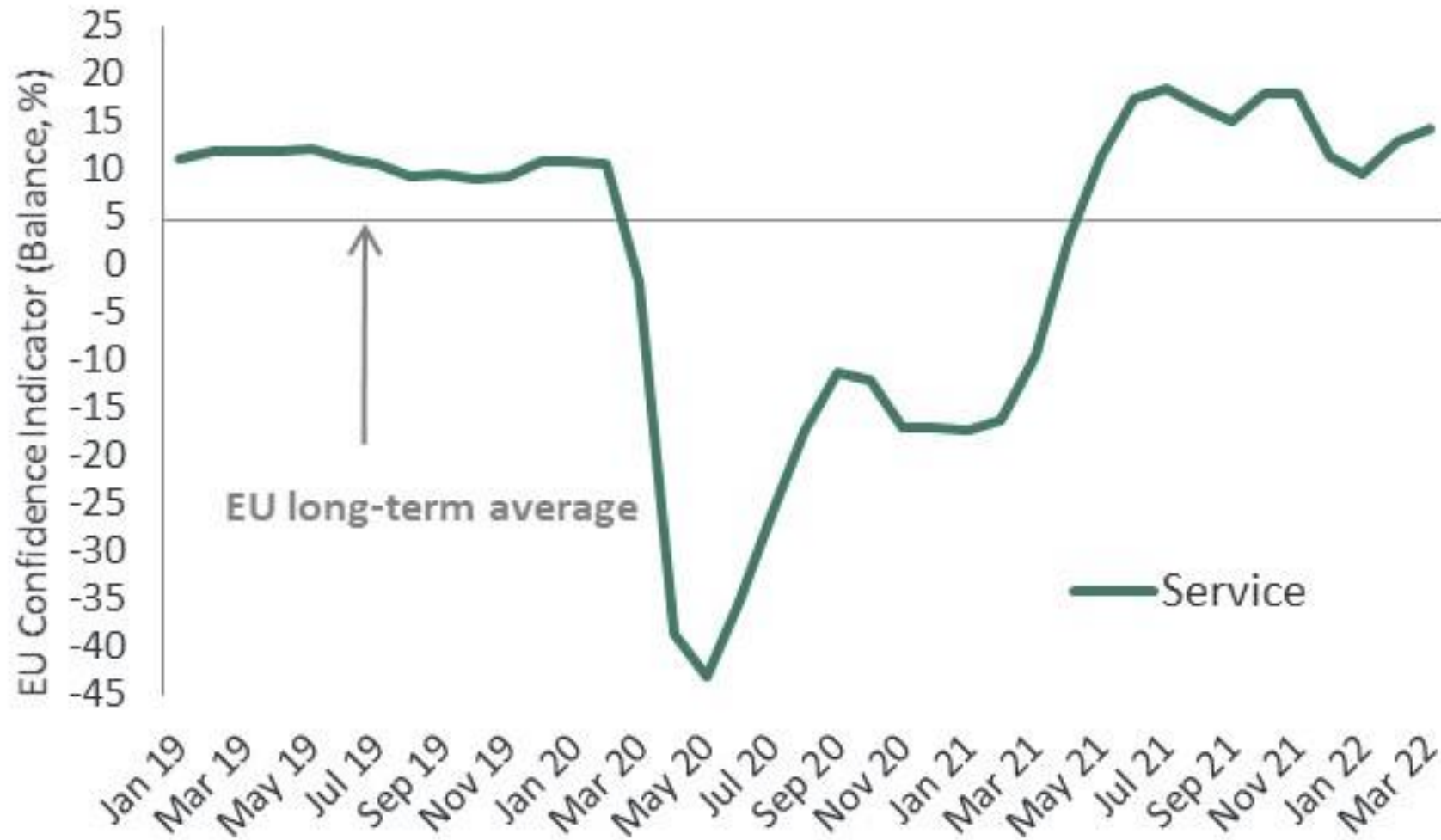
Mainly due to plummeting consumer confidence



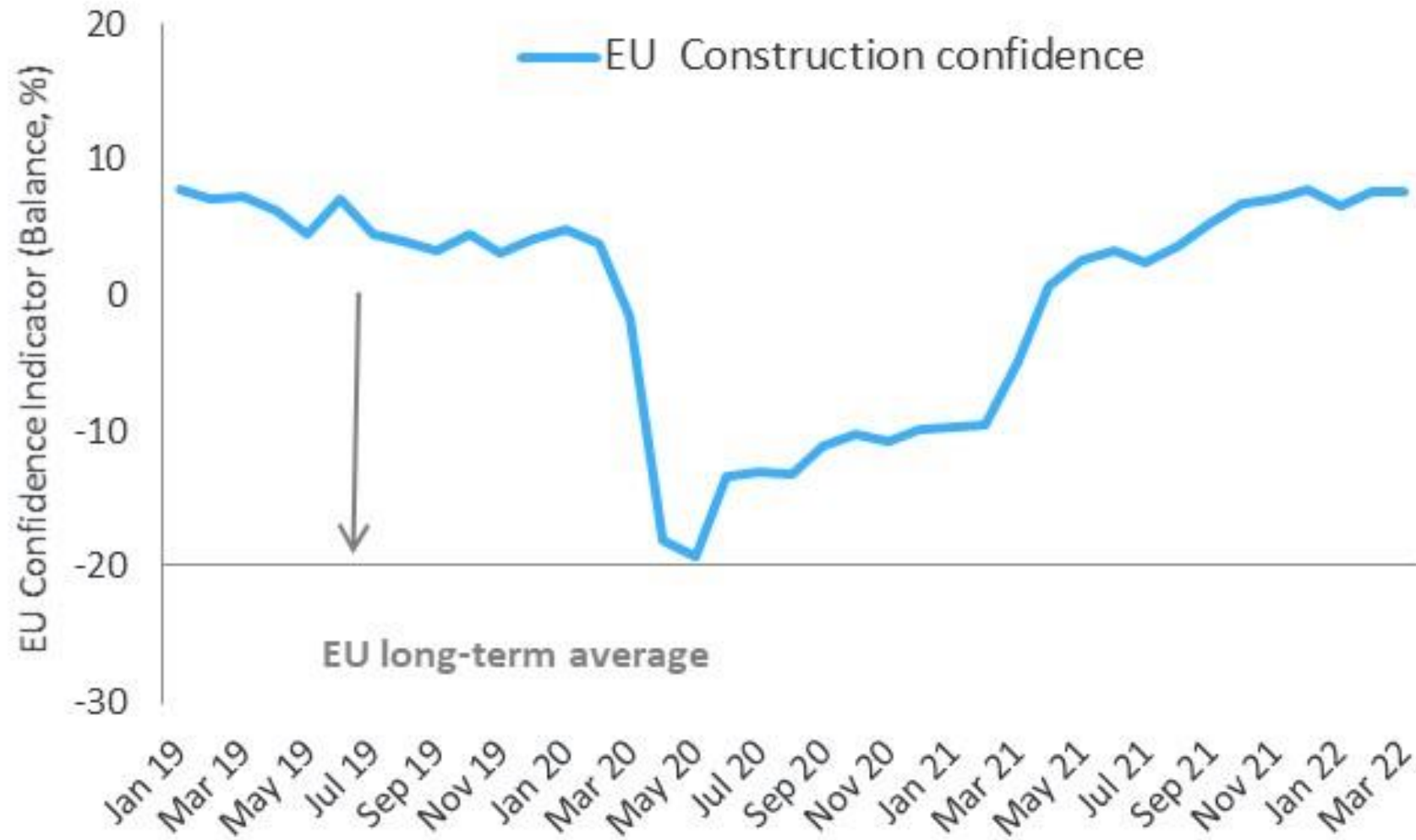
Accompanied by marked losses also in retail trade and industry confidence



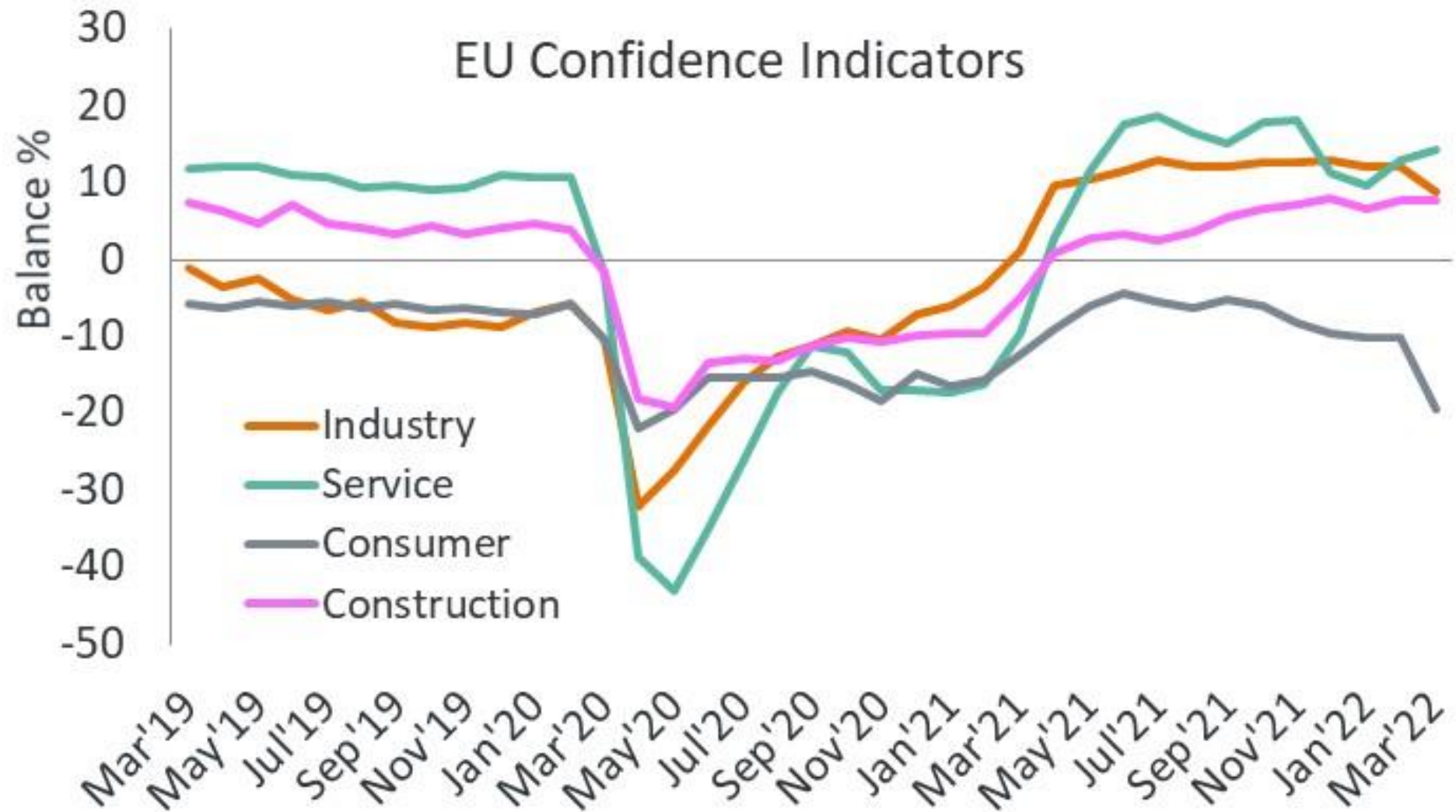
By contrast, confidence improved slightly in services



And remained broadly unchanged in construction

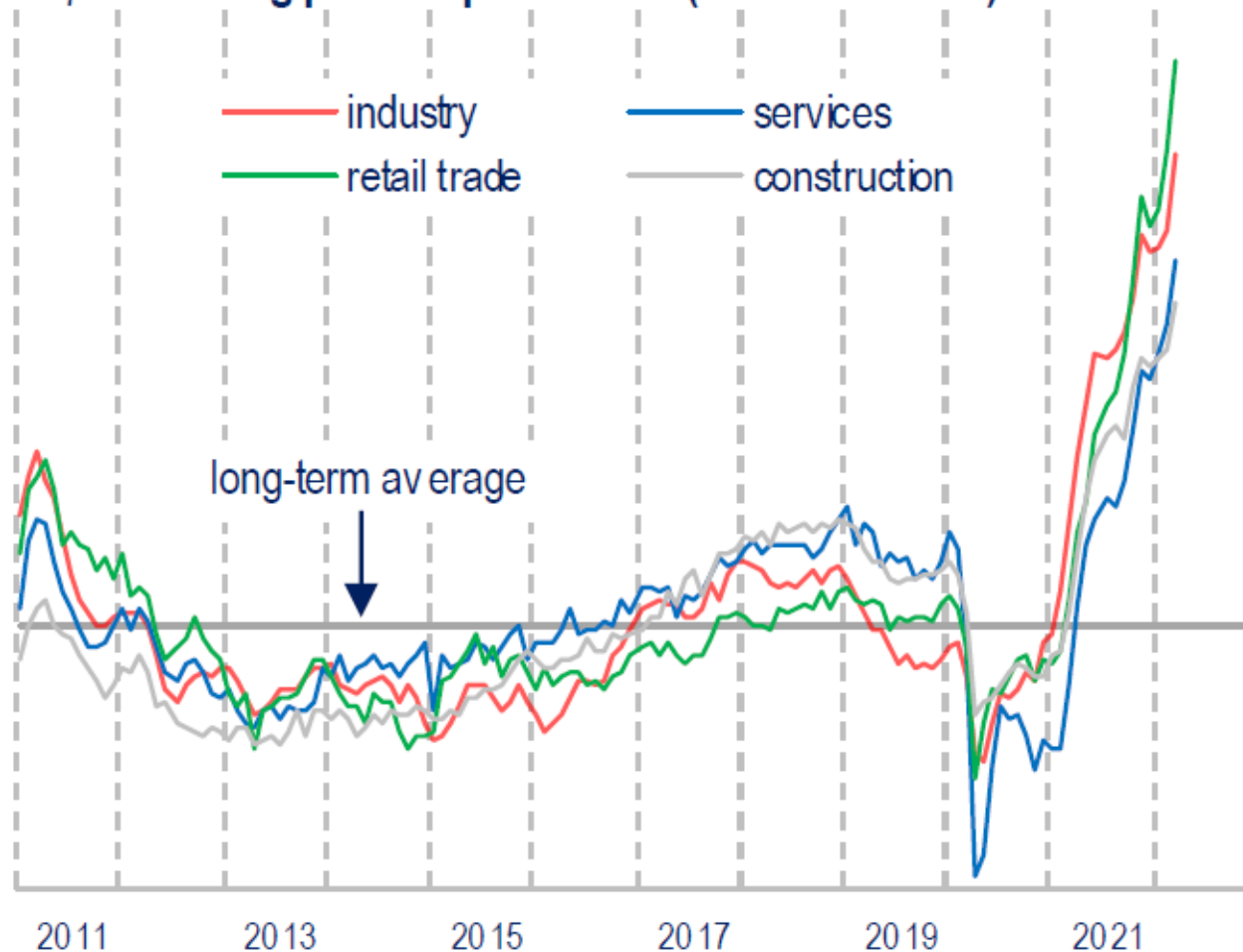


The ESI takes a hit, mainly due to plummeting consumer confidence



Selling price expectations rose to unprecedented levels in all surveyed business sectors

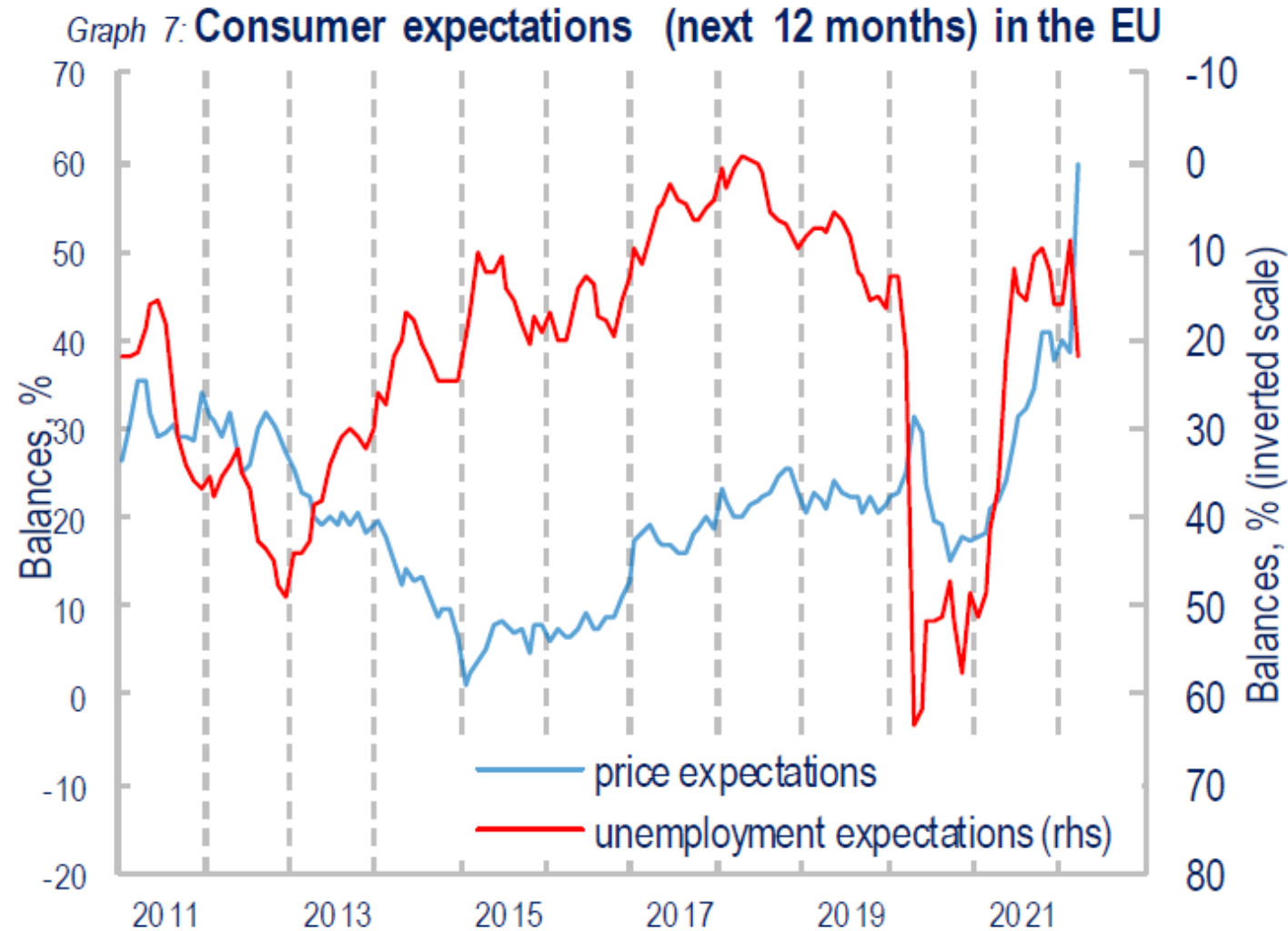
Graph 6: **Selling price expectations (next 3 months) in the EU²**



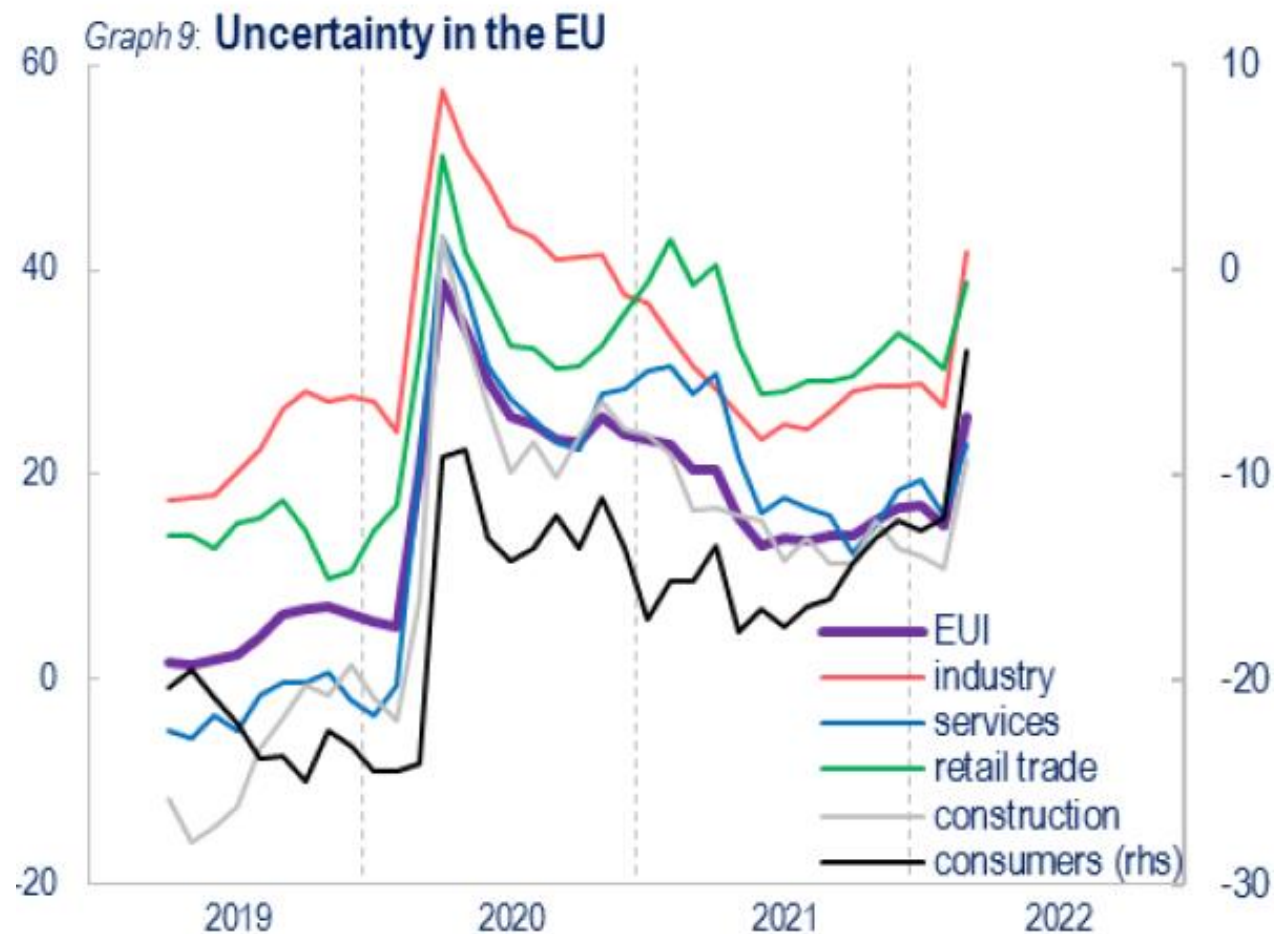
Source: Eurostat and Cefic Analysis-April 2022



Consumers' price expectations for the next twelve months surged to an all-time high



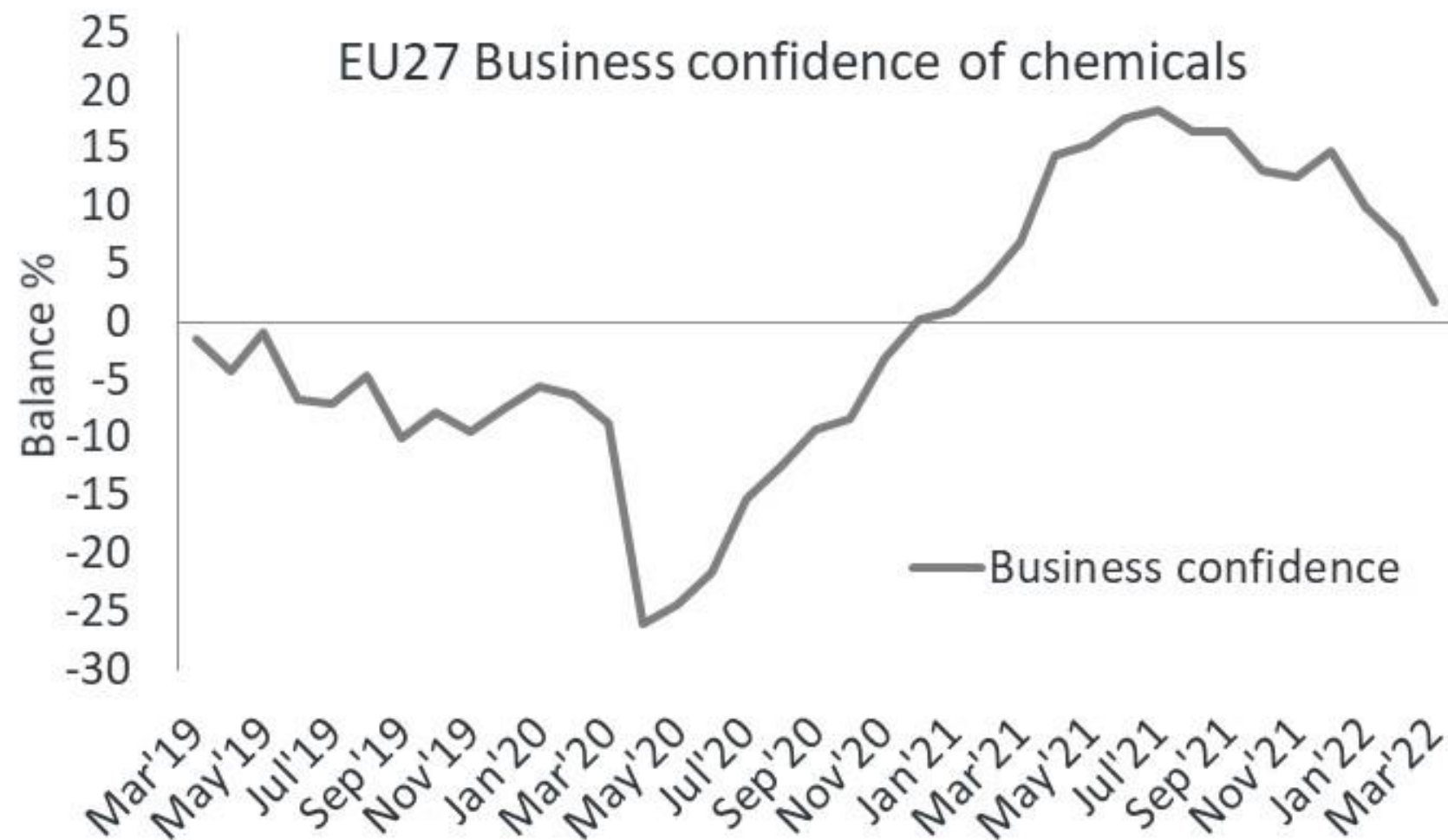
European Commission's Economic Uncertainty Indicator (EUI) rose abruptly in March



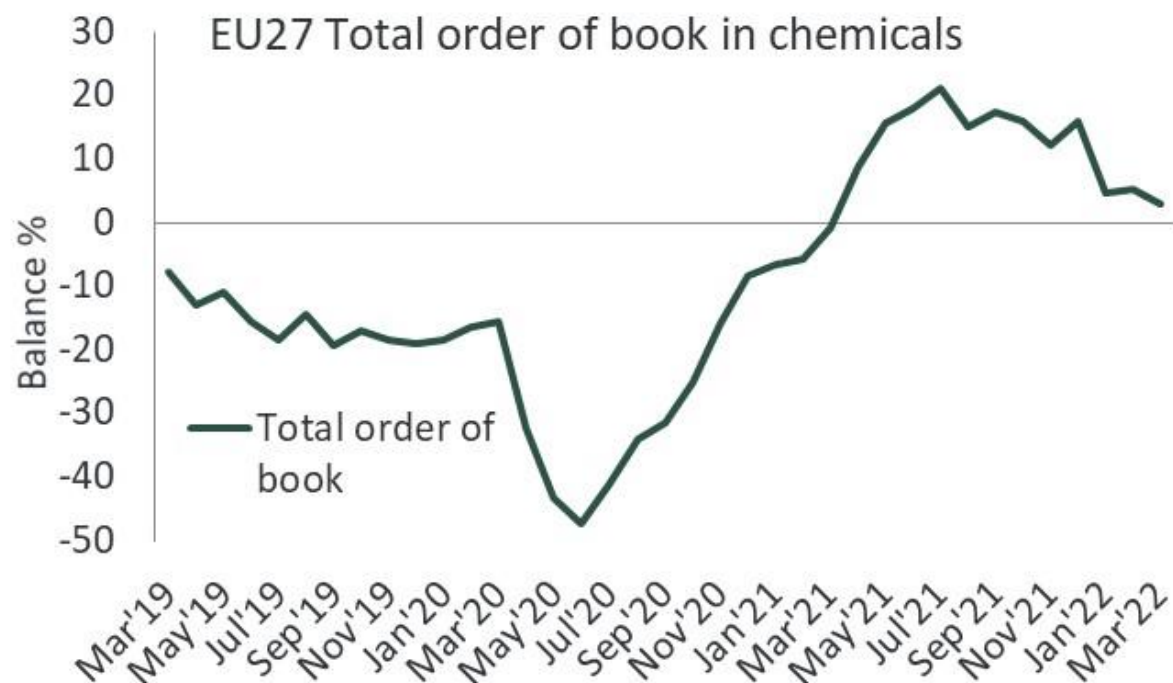
2. Chemicals Business Climate



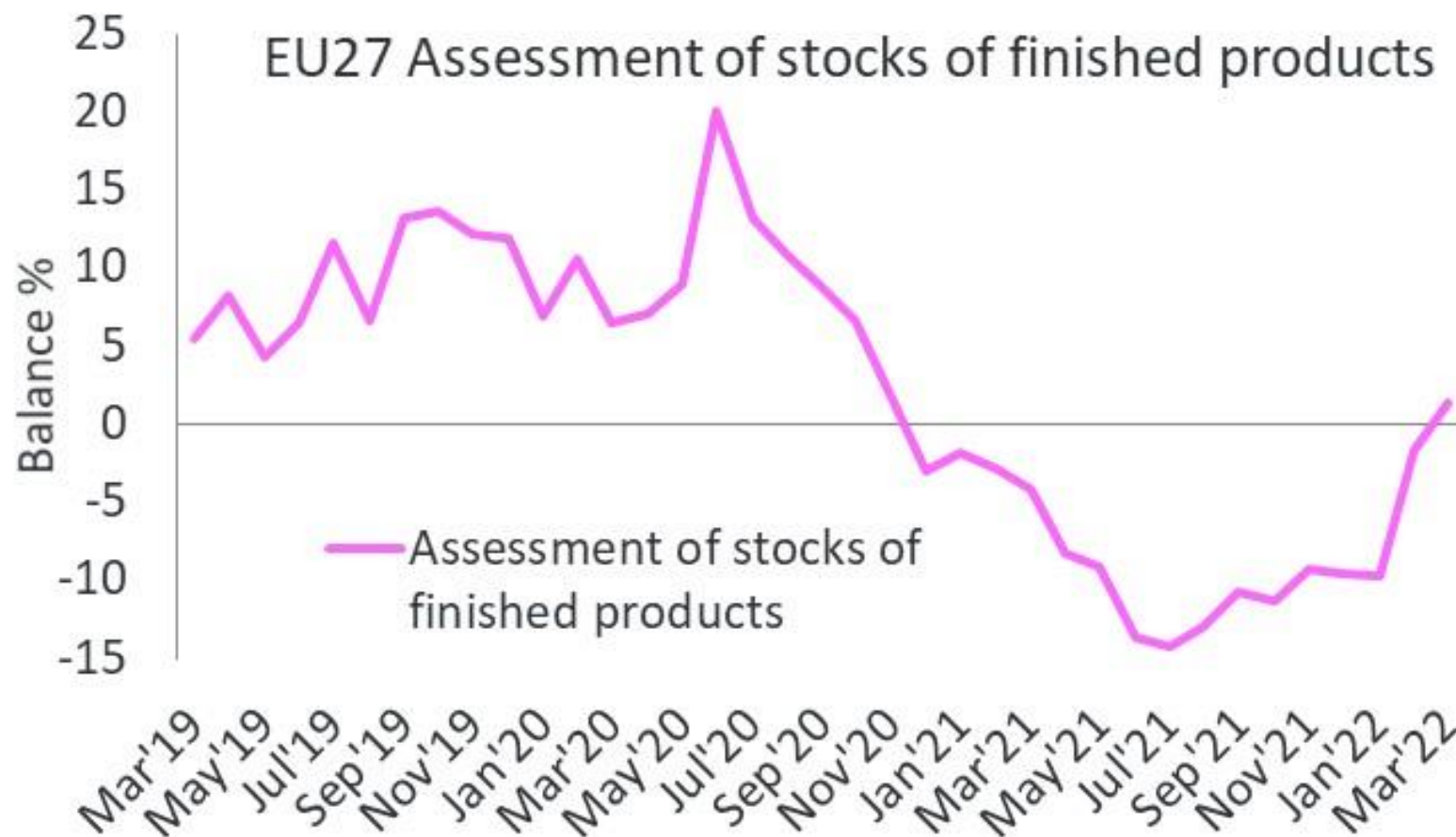
Confidence in chemicals continued to drop since Sep-2021



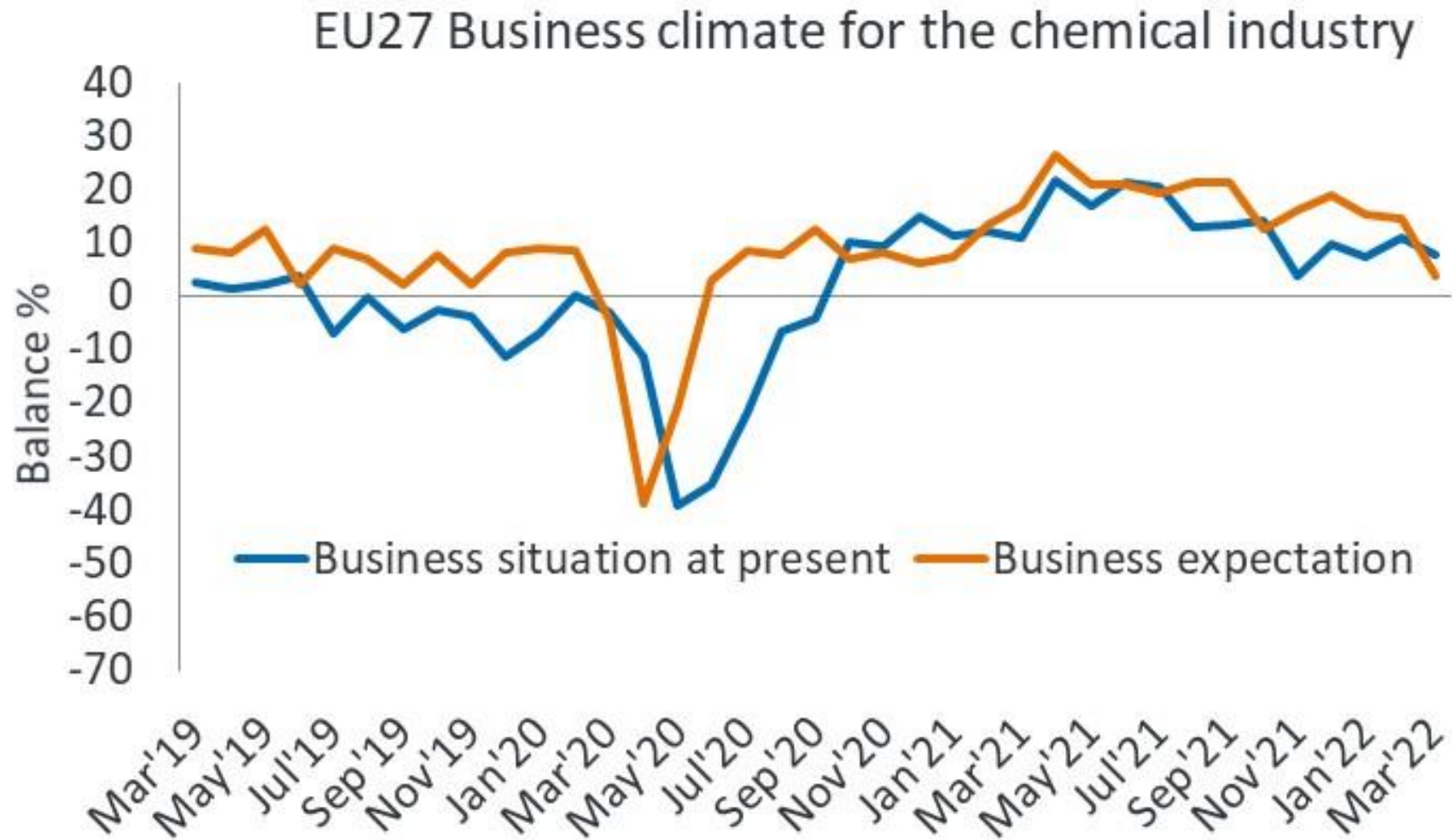
Assessments of the level of chemicals order books followed a downward trend since second half of 2021



And the assessment of stocks of chemicals finished products gained some ground again



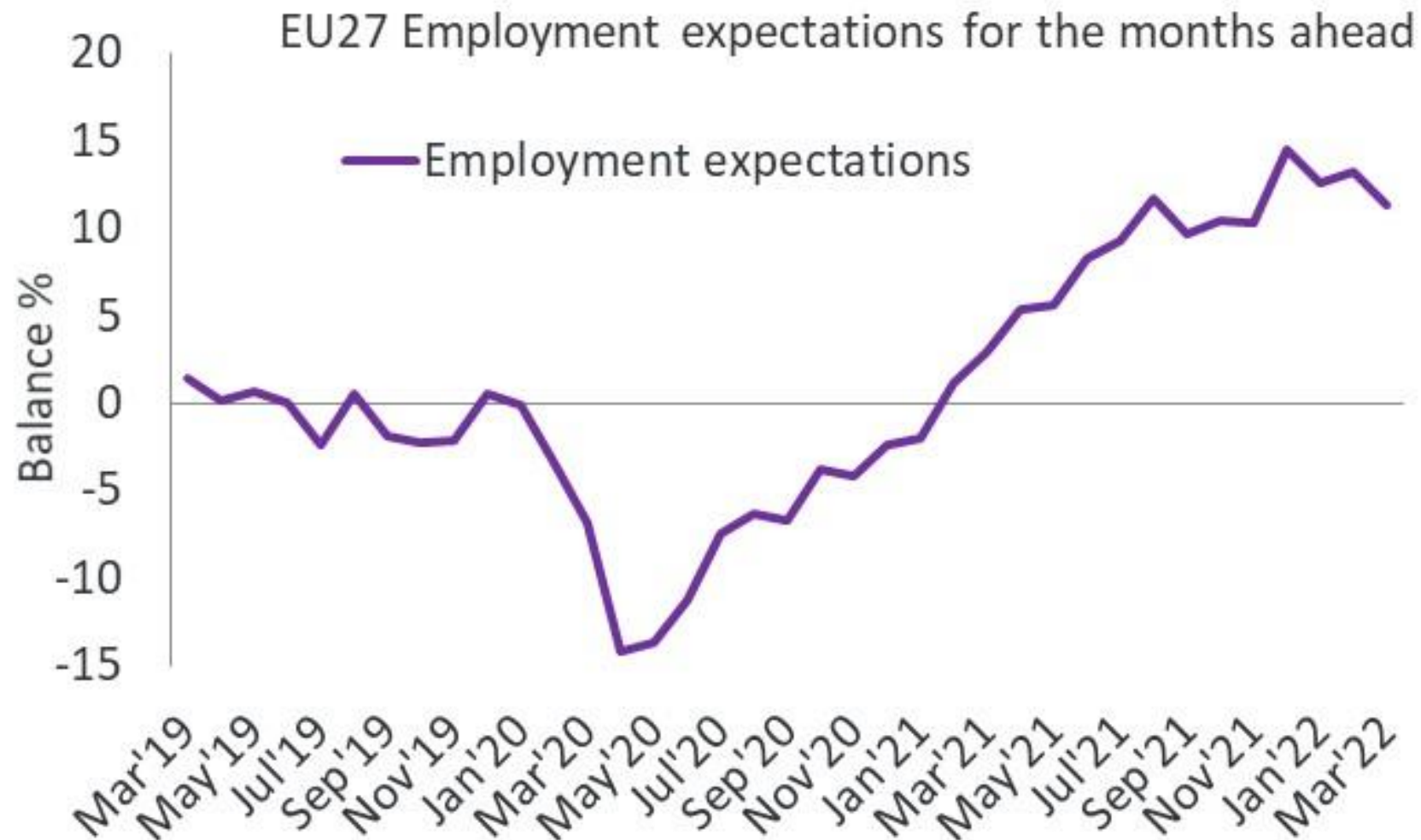
A sharp drop in chemicals business expectations



After a brief interruption in December/January, selling price expectations for chemicals rose again



After reaching an all-time high in Dec-21, the Employment Expectations Indicator decreased in chemicals

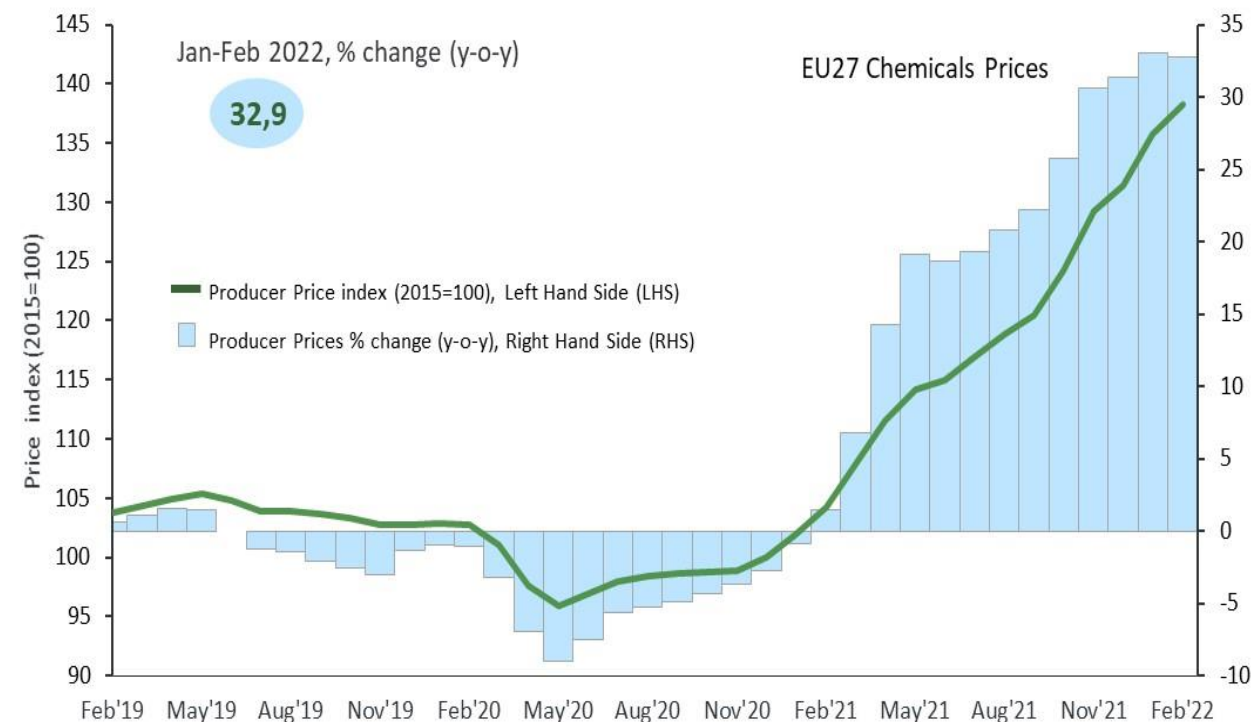
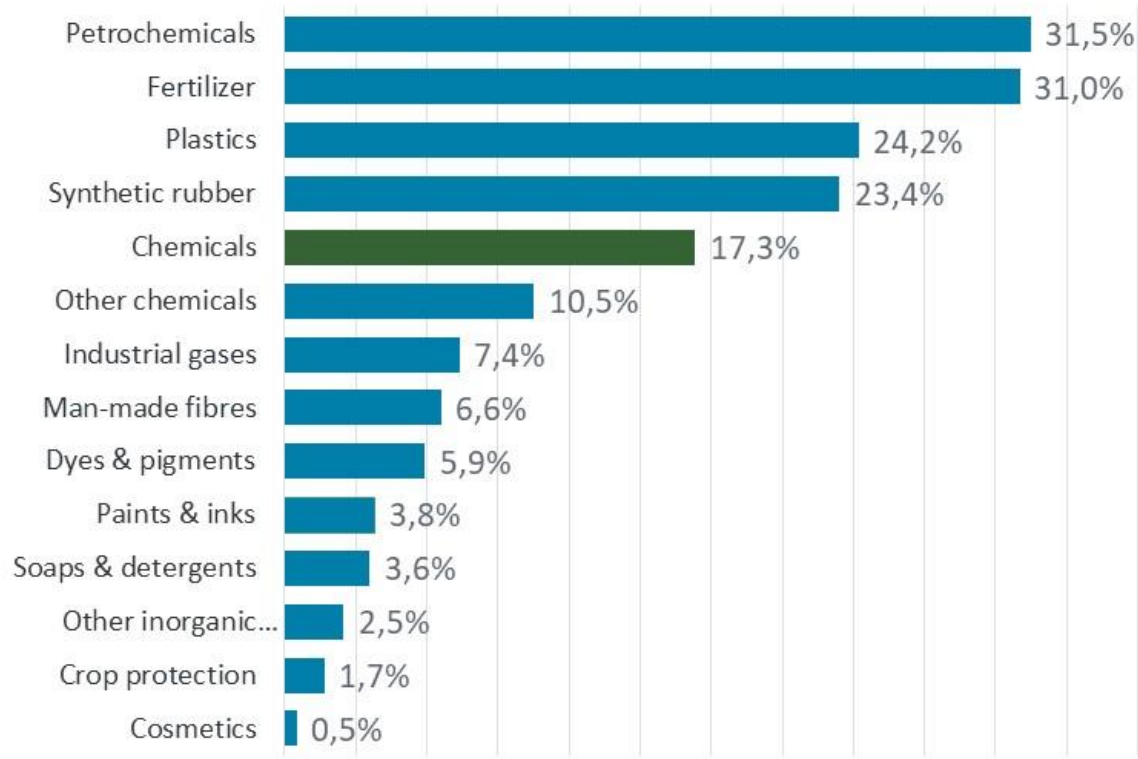


3. Chemicals Business Activities

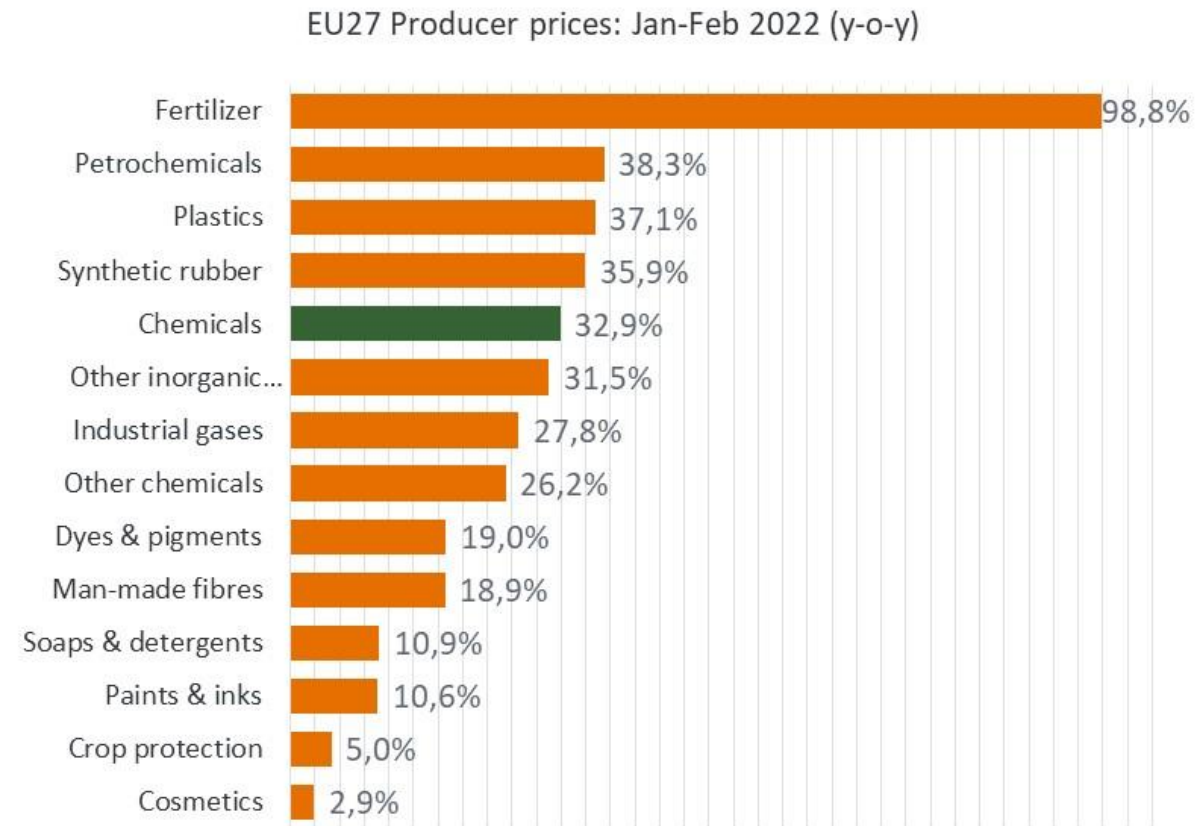
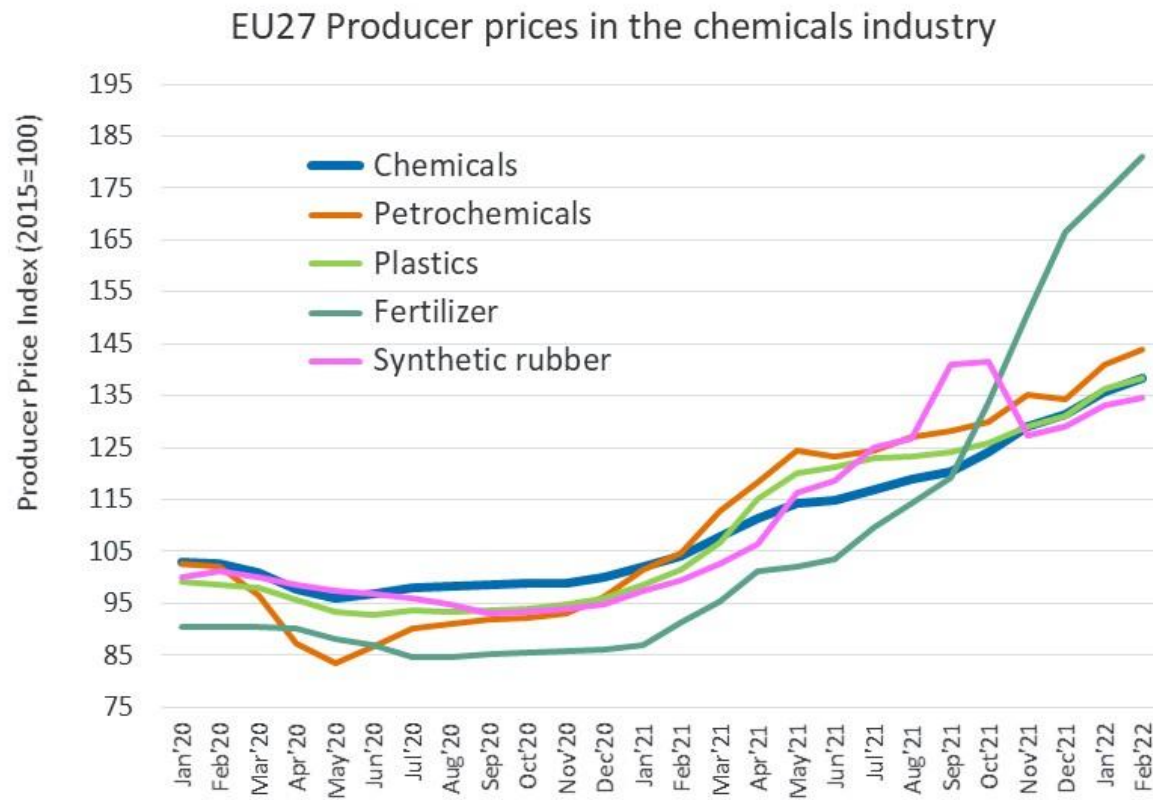


Chemicals prices surged in Feb-22 to an all-time high

EU27 Producer prices: changes (2021 vs 2020)

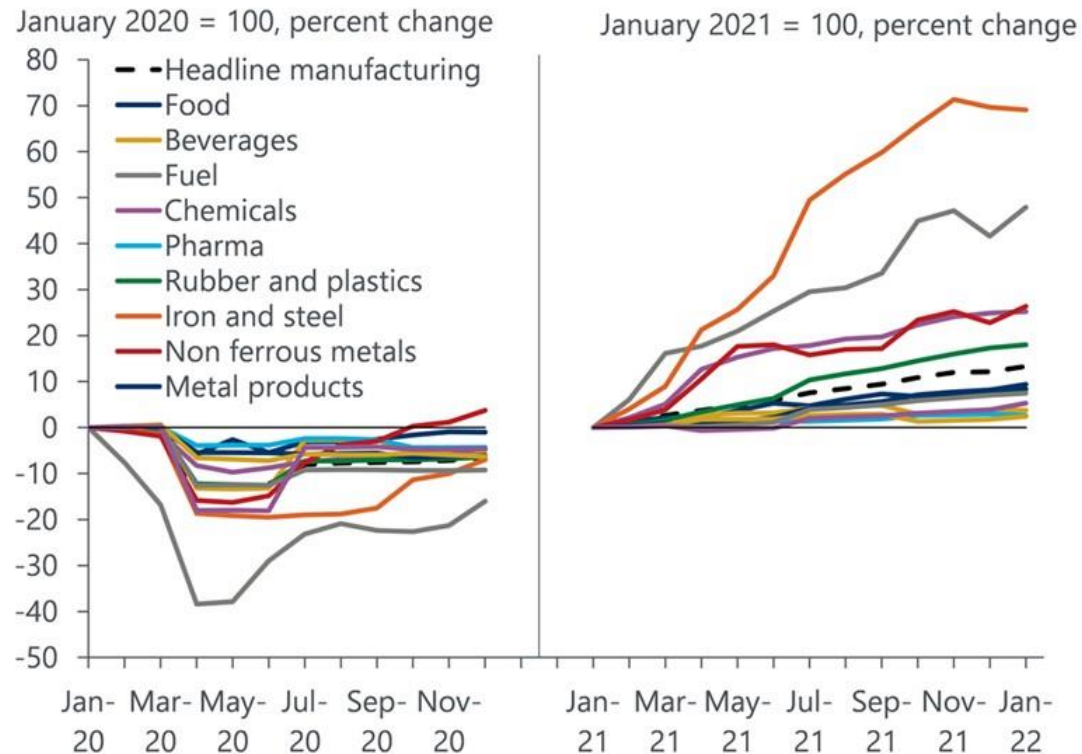


Chemicals producer prices, 33% above the previous year's level (Jan-Feb)



Higher prices are the key challenges facing the world industry

World: Producer prices by industry



Source : Oxford Economics/Haver Analytics

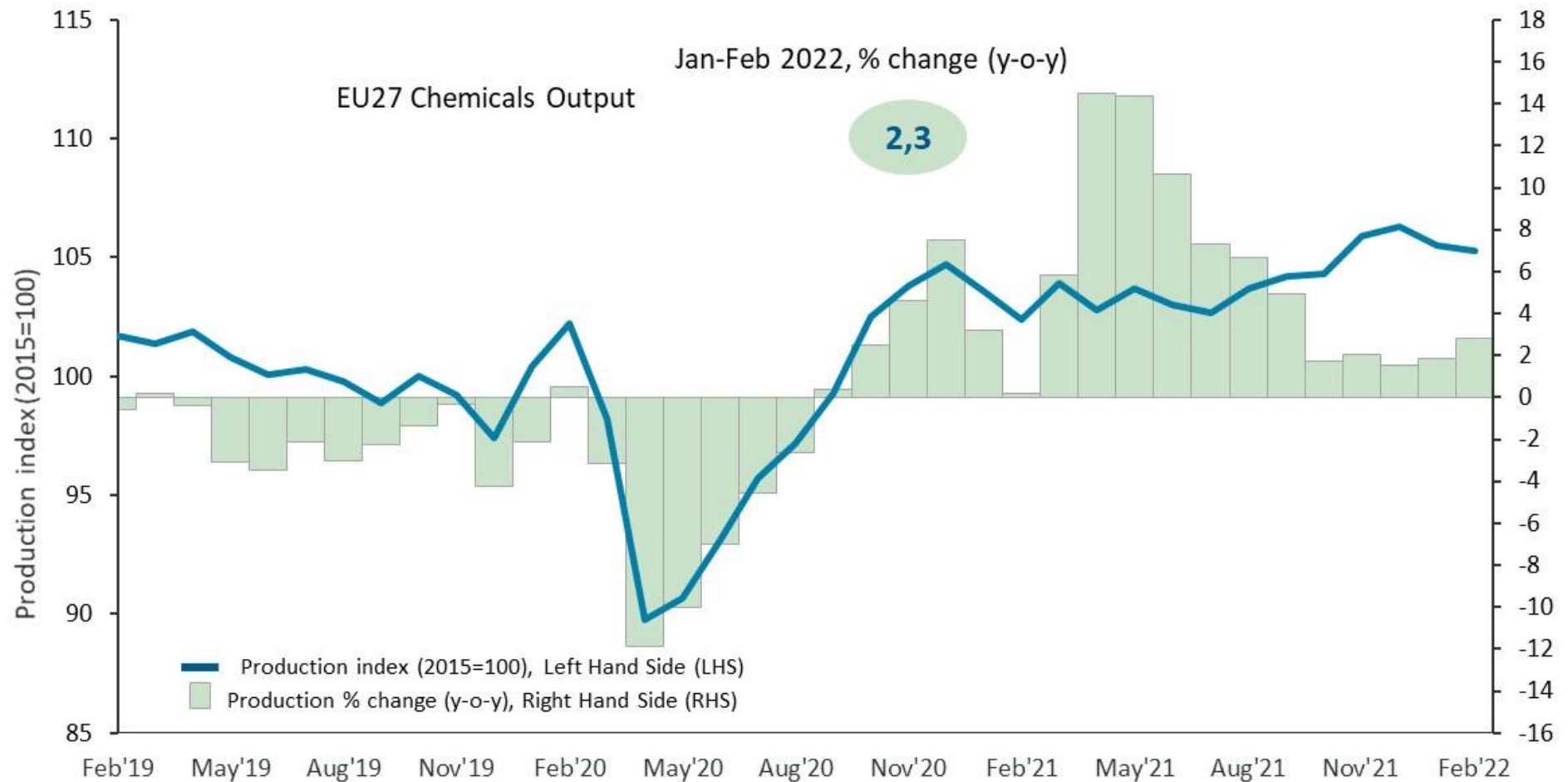
EU27 Selling price expectations for the chemical industry



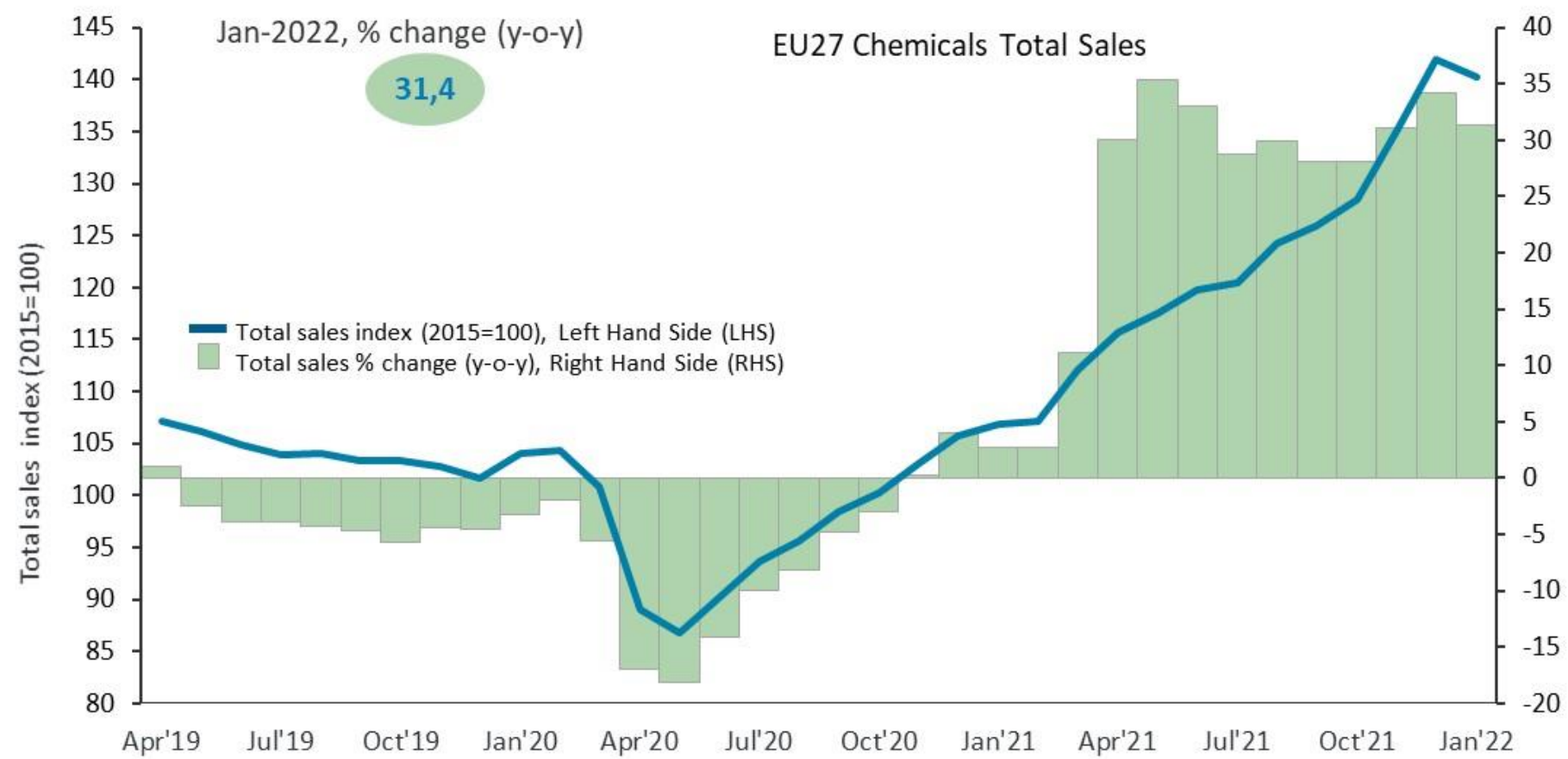
Source: Eurostat and Cefic Analysis-April 2022

Source: Oxford Economics, From: Global Industry: High inflation and uncertainty weigh on outlook (April-2022)

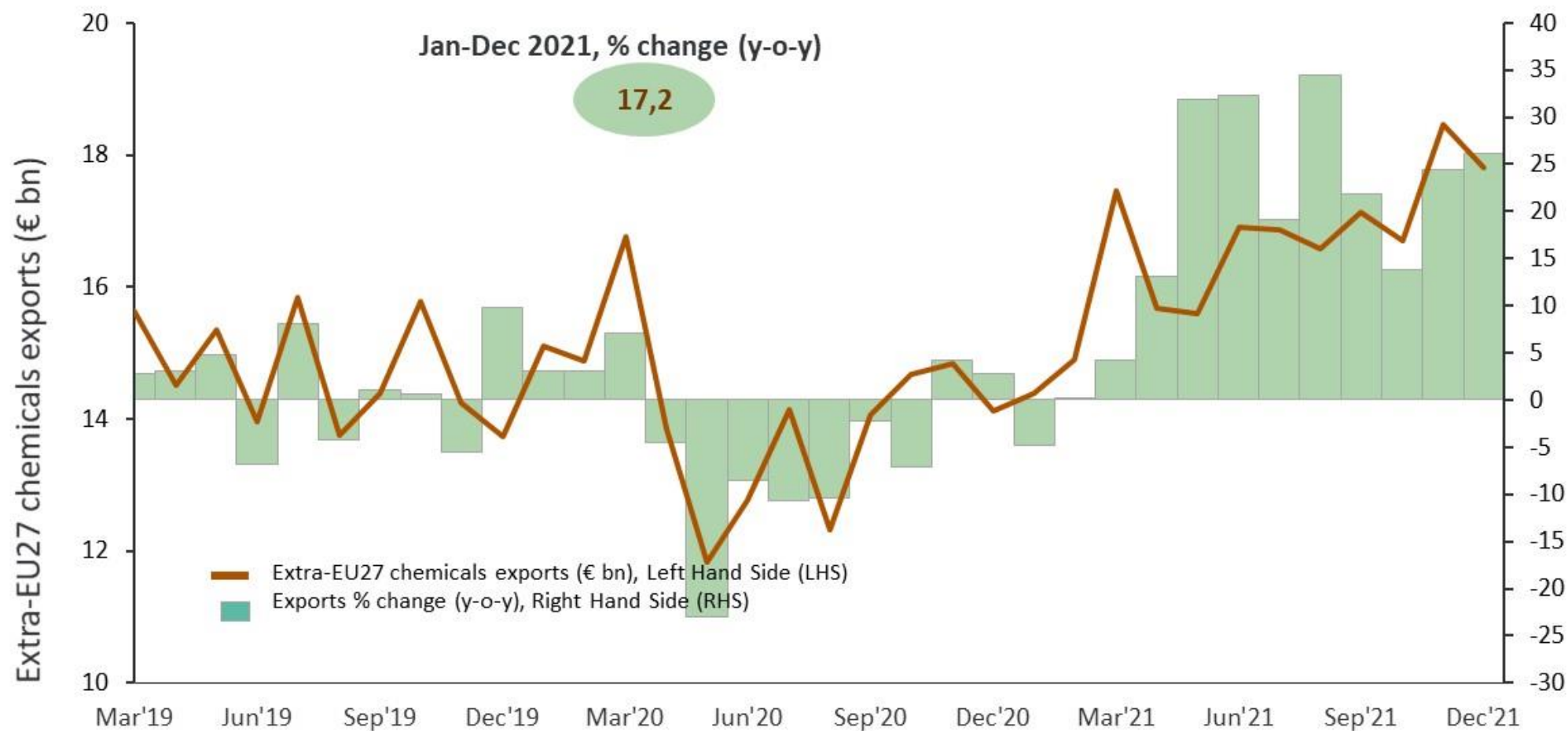
Chemicals output in 2022, 2.3% above the previous year's level (Jan-Feb)



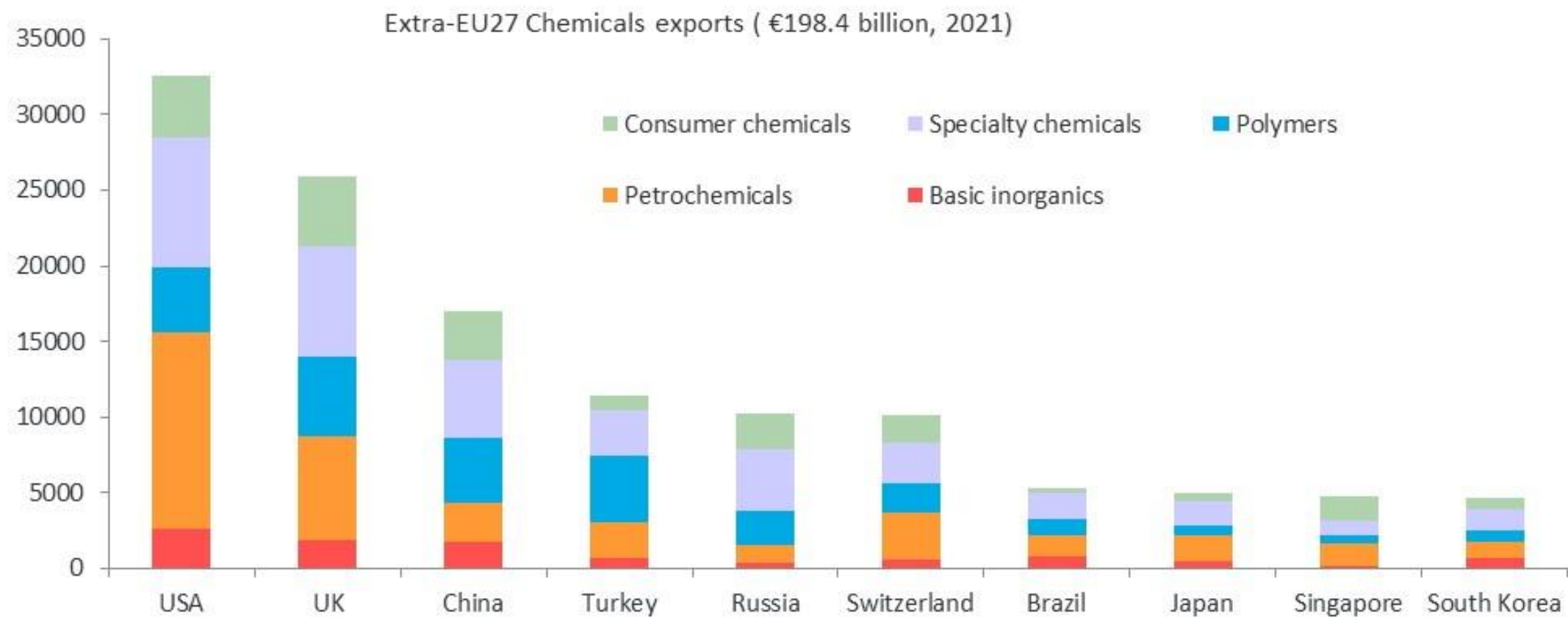
Chemical sales reached their highest reading in Dec-2021



Chemical exports expanded by 17.2% in 2021 compared to 2020



Chemical exports reached €198.4 bn in 2021, up from €169.4 bn in 2020

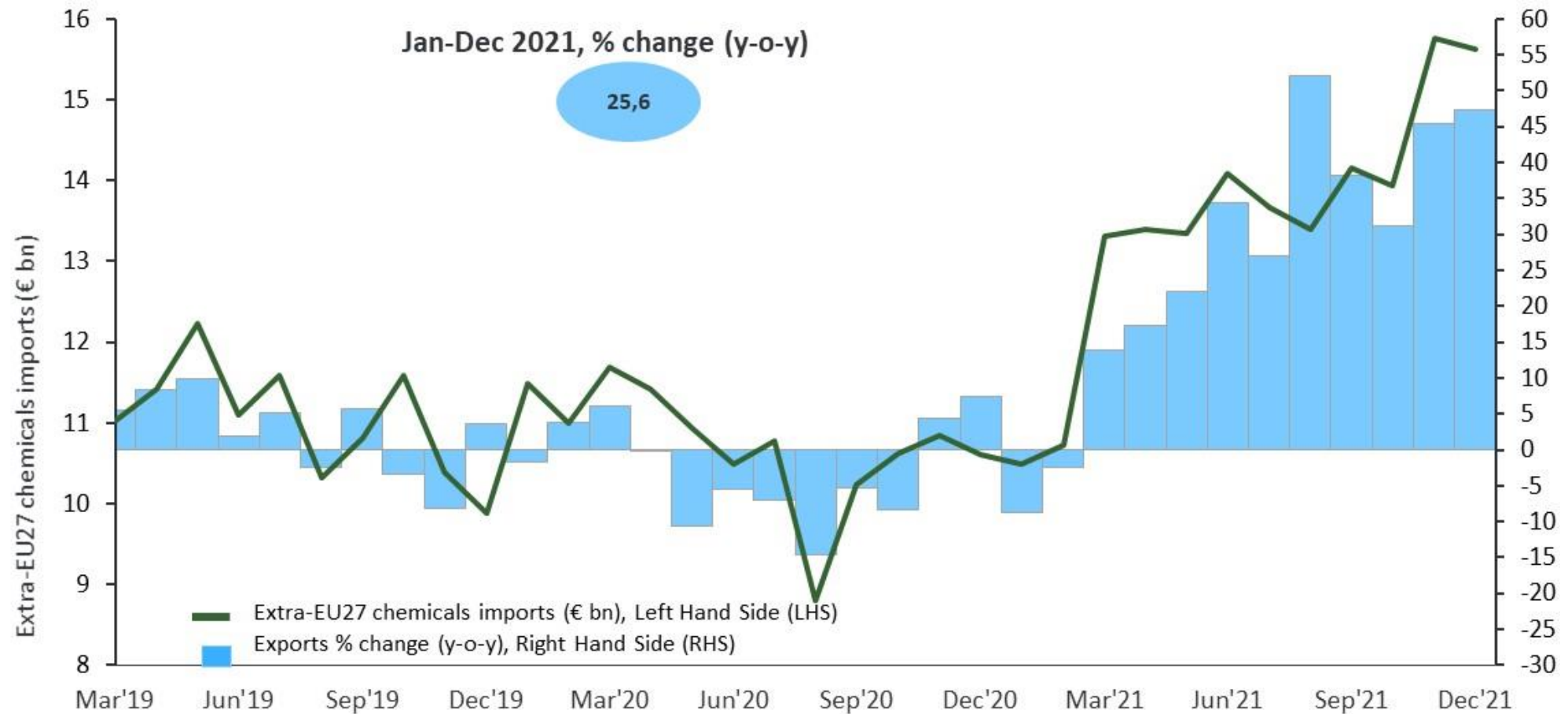


Chemical exports in 2021, €29.1 bn above 2020's levels

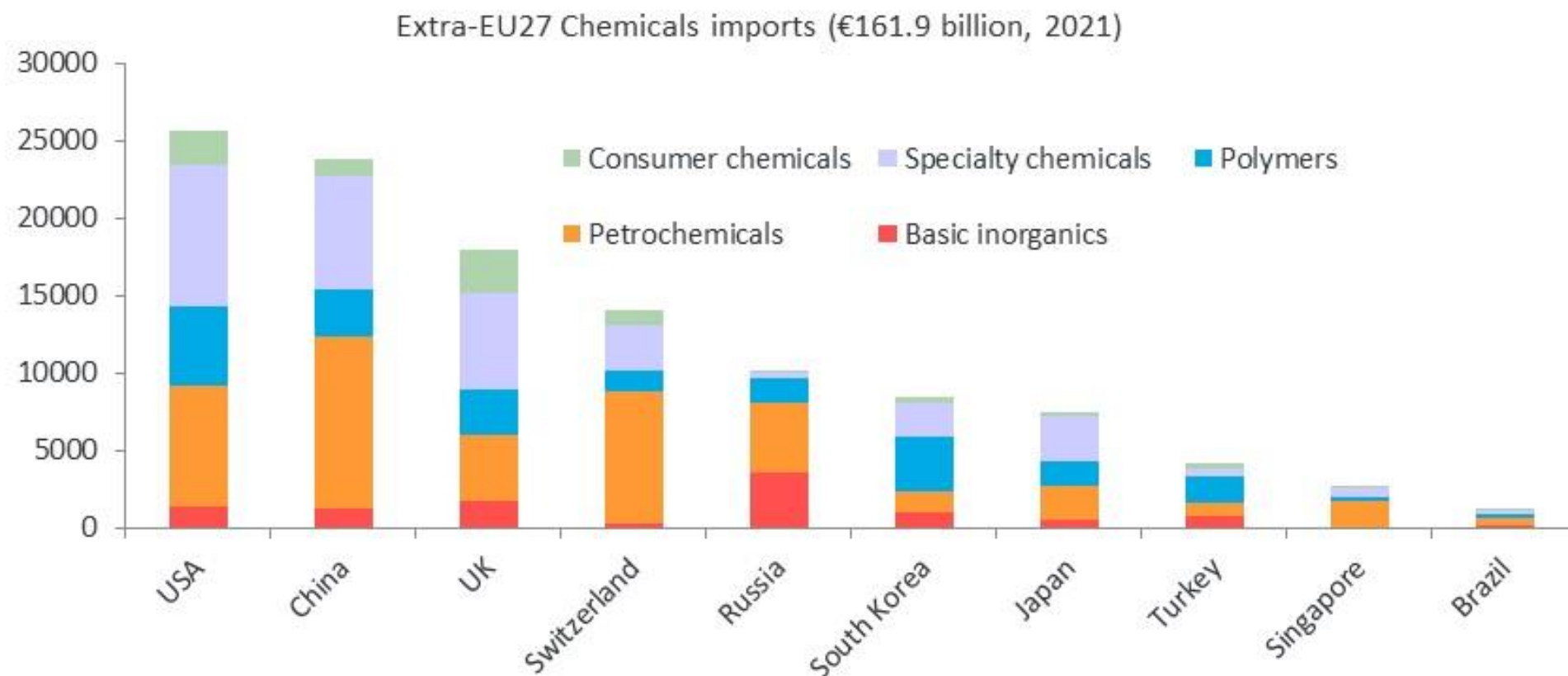
Extra-EU27 exports (Delta, 'euro million)	Basic inorganics	Petroche micals	Polymers	Specialty chemicals	Consumer chemicals	Chemicals
USA	553	301	1195	1387	833	4284
UK	250	2454	955	-595	-114	2908
Turkey	172	772	866	346	105	2258
China	628	-470	567	618	531	1861
Russia	38	296	572	341	361	1607
Brazil	274	289	293	121	51	1263
Switzerland	31	156	546	227	75	1036
Singapore	8	466	135	172	113	894
South Korea	217	101	130	237	127	812
Japan	117	-20	147	146	38	422
Extra-EU	4256	6587	8116	5992	3797	29076



Chemicals imports in 2021, 25.6% above 2020's level



Chemical imports reached €161.9 bn in 2021, up from €128.9 bn in 2020

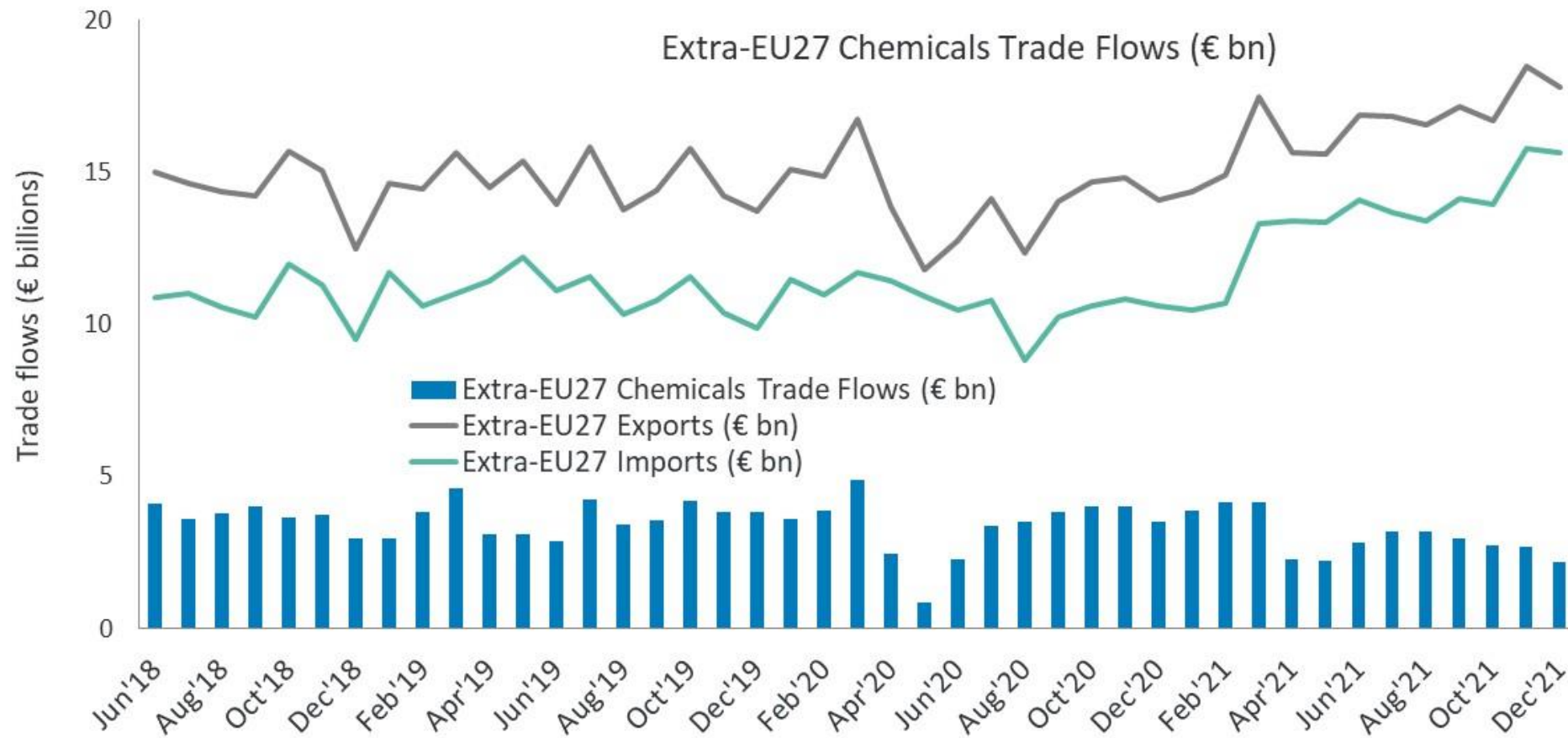


Chemical imports in 2021, €33.0 bn above 2020's levels

Extra-EU27 Imports (Delta, 'euro million)	Basic inorganics	Petrochemicals	Polymers	Specialty chemicals	Consumer chemicals	Chemicals
China	431	4266	1243	2176	266	8383
Russia	1100	2135	896	75	21	4227
USA	88	1397	713	558	264	3020
South Korea	360	392	1132	195	99	2178
Turkey	206	344	881	49	-21	1459
Switzerland	58,5	773	282	154	113	1380
Japan	-145,4	62	257	627	38	839
Brazil	37	49	4	-30	5	65
Singapore	4,8	-305	74	49	-17	-194
UK	625	-692	209	-1099	-722	-1788
Extra-EU	5378	13173	8936	5169	460	33011



Chemicals trade flows increased significantly since August 2020

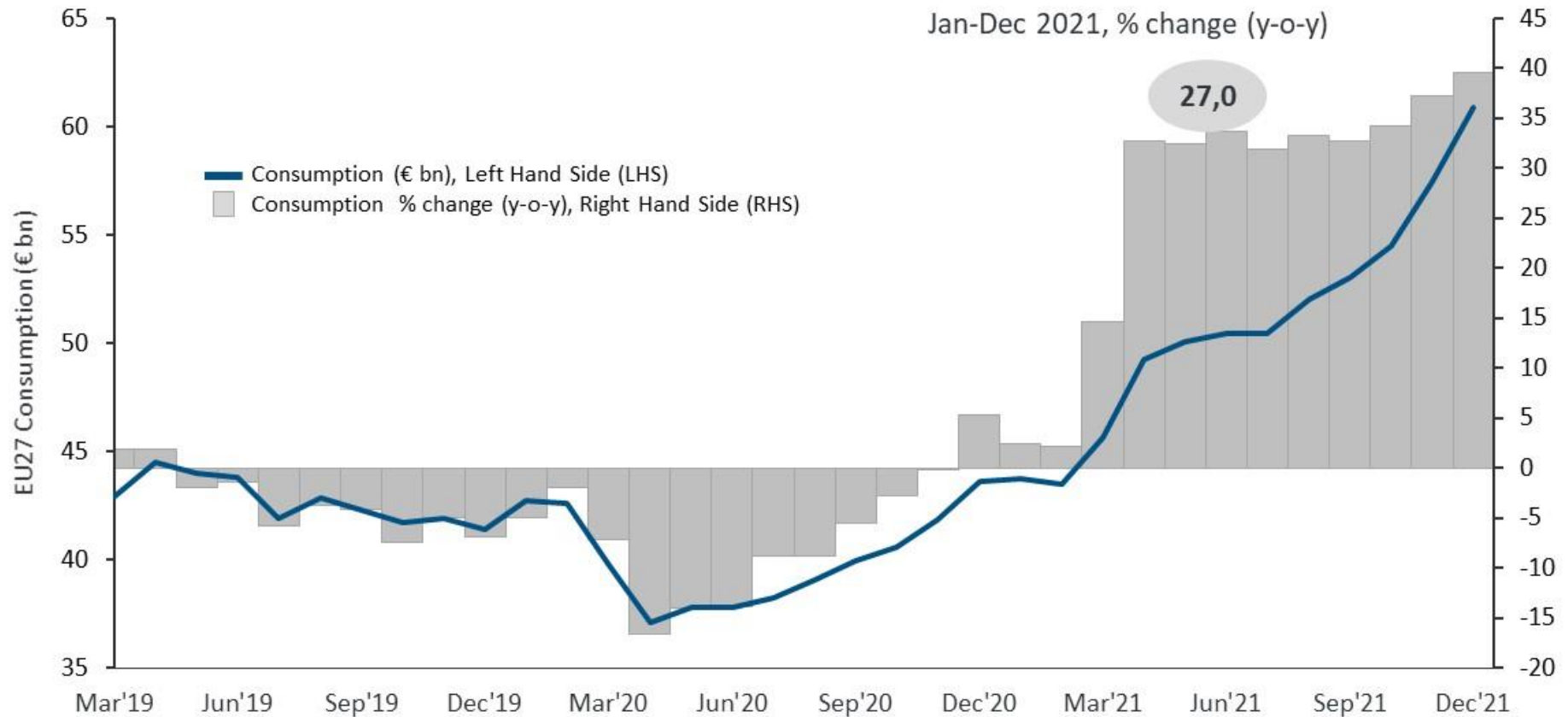


Chemical trade surplus reached €34.3 bn in 2021, down from €36.9 bn in 2020

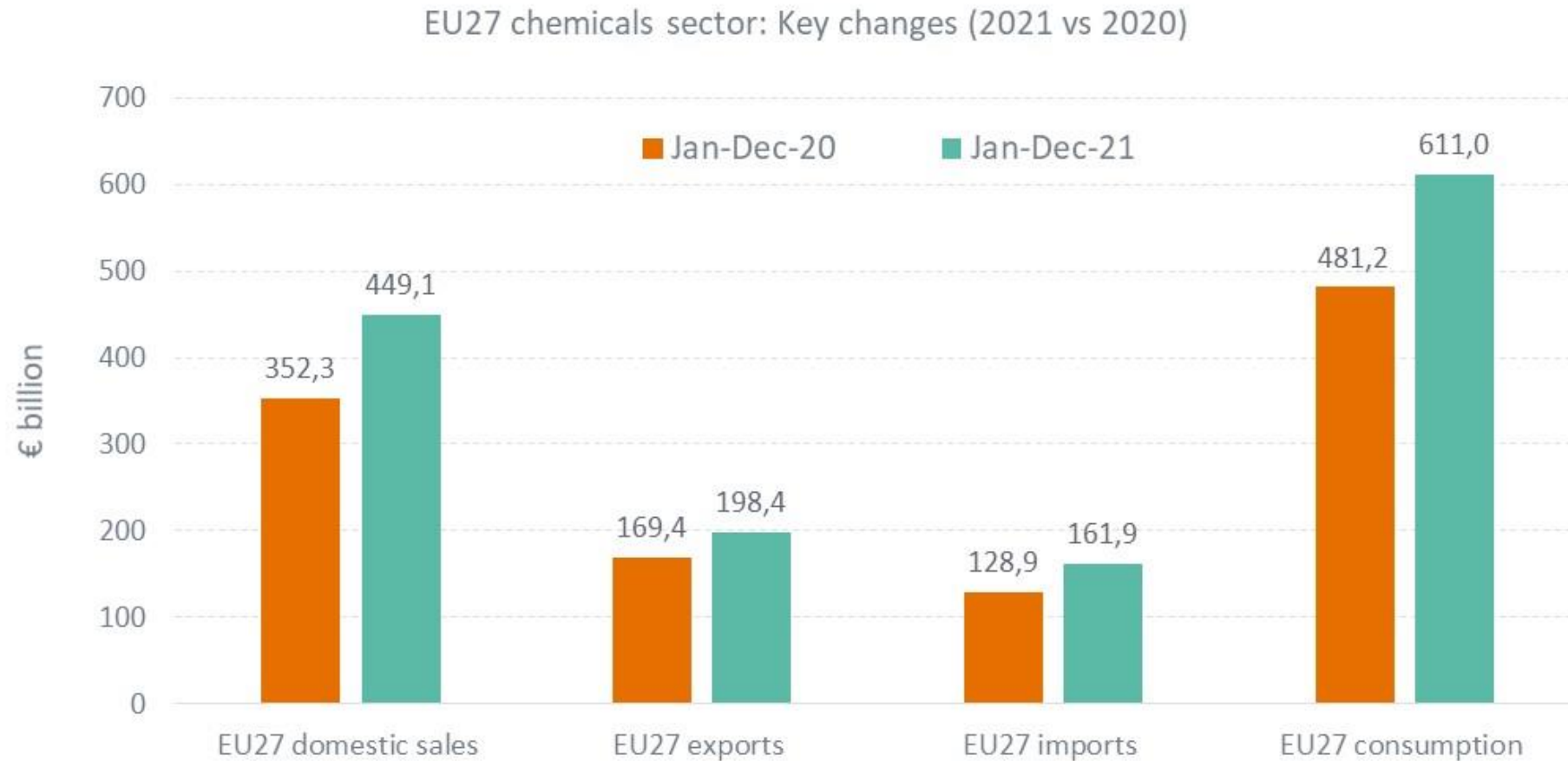
2021	Basic inorganics	Petrochemicals	Polymers	Specialty chemicals	Consumer chemicals	Chemicals
UK	135	2744	2152	1141	1600	7794
Turkey	-135	1213	2529	2277	555	6447
USA	1028	4862	-755	-409	1580	6375
Brazil	469	944	739	1369	233	4104
Singapore	111	-44	220	402	1409	2098
Russia	-2781	-2920	544	3452	1960	258
Japan	-74	-357	-922	-1233	335	-2246
South Korea	-377	-230	-2466	-709	413	-3369
Switzerland	284	-4992	582	-198	667	-3647
China	428	-7599	1214	-1661	2066	-5548
Extra-EU	-1955	-9793	6572	17735	20735	34348



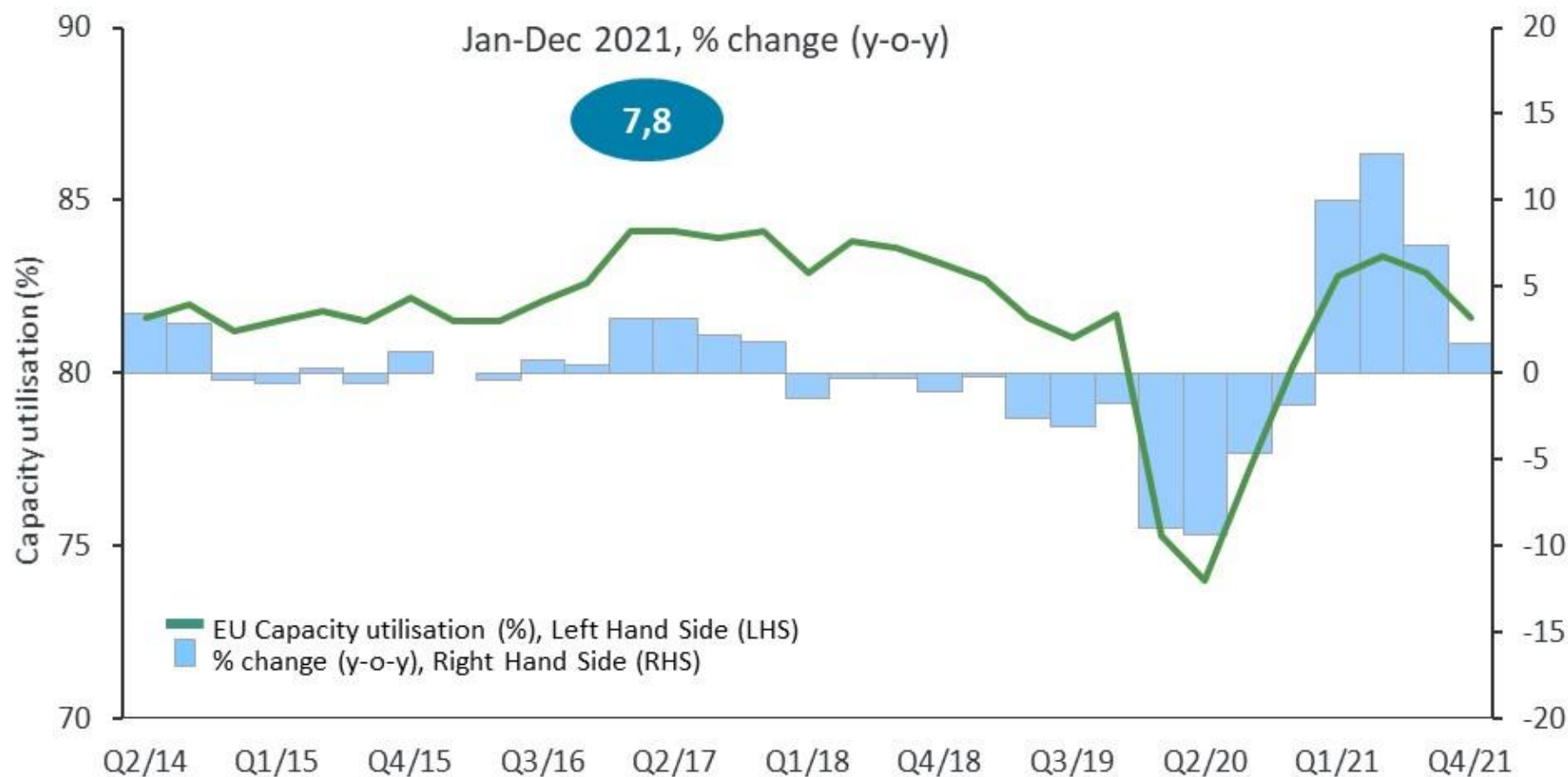
Chemical consumption surged in Dec-21 to an all-time high



Chemicals demand and consumption increased significantly in 2021



Chemicals capacity in 2021, 7.8% above 2020's level



EU27: Chemicals output in 2022, 2.3% above the previous year's level (Jan-Feb)

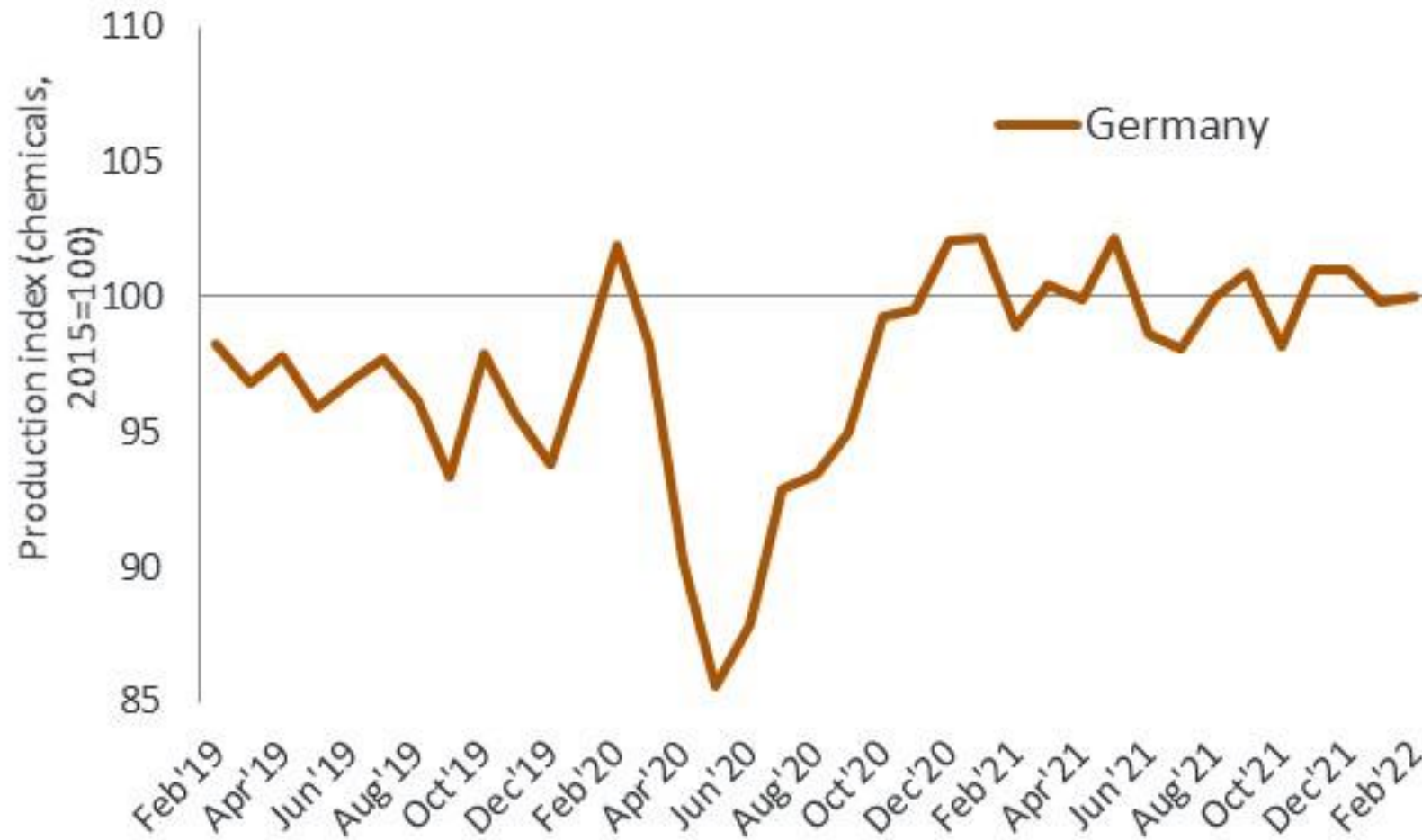


(Jan-Feb-22) vs
(Nov-Dec-21)

-0.7%



Germany: Chemicals output in 2022, 0.6% below the previous year's level (Jan-Feb)



(Jan-Feb-22) vs
(Nov-Dec-21)
-1.1%



France: Chemicals output in 2022, 0.6% above the previous year's level (Jan-Feb)



(Jan-Feb-22) vs
(Nov-Dec-21)

-2.3%



Italy: Chemicals output in 2022, 2.1% above the previous year's level (Jan-Feb)



(Jan-Feb-22) vs
(Nov-Dec-21)
+1.3%



Spain: Chemicals output in 2022, 6.2% above the previous year's level (Jan-Feb)



(Jan-Feb-22) vs
(Nov-Dec-21)
+2.3%

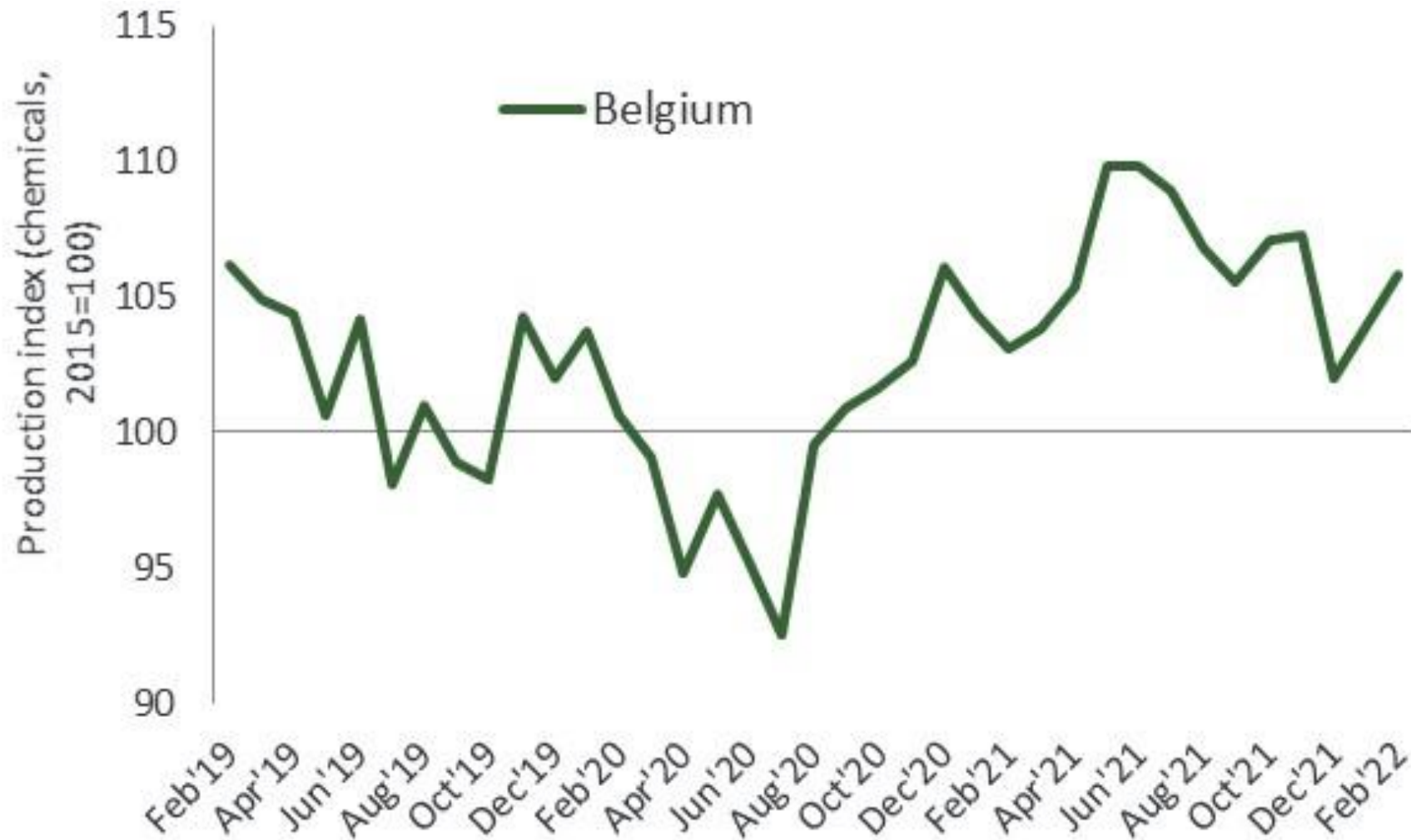
The Netherlands: Chemicals output in 2022, 3.3% above the previous year's level (Jan-Feb)



(Jan-Feb-22) vs
(Nov-Dec-21)
-2.8%



Belgium: Chemicals output in 2022, 1.1% above the previous year's level (Jan-Feb)



(Jan-Feb-22) vs
(Nov-Dec-21)
+0.2%

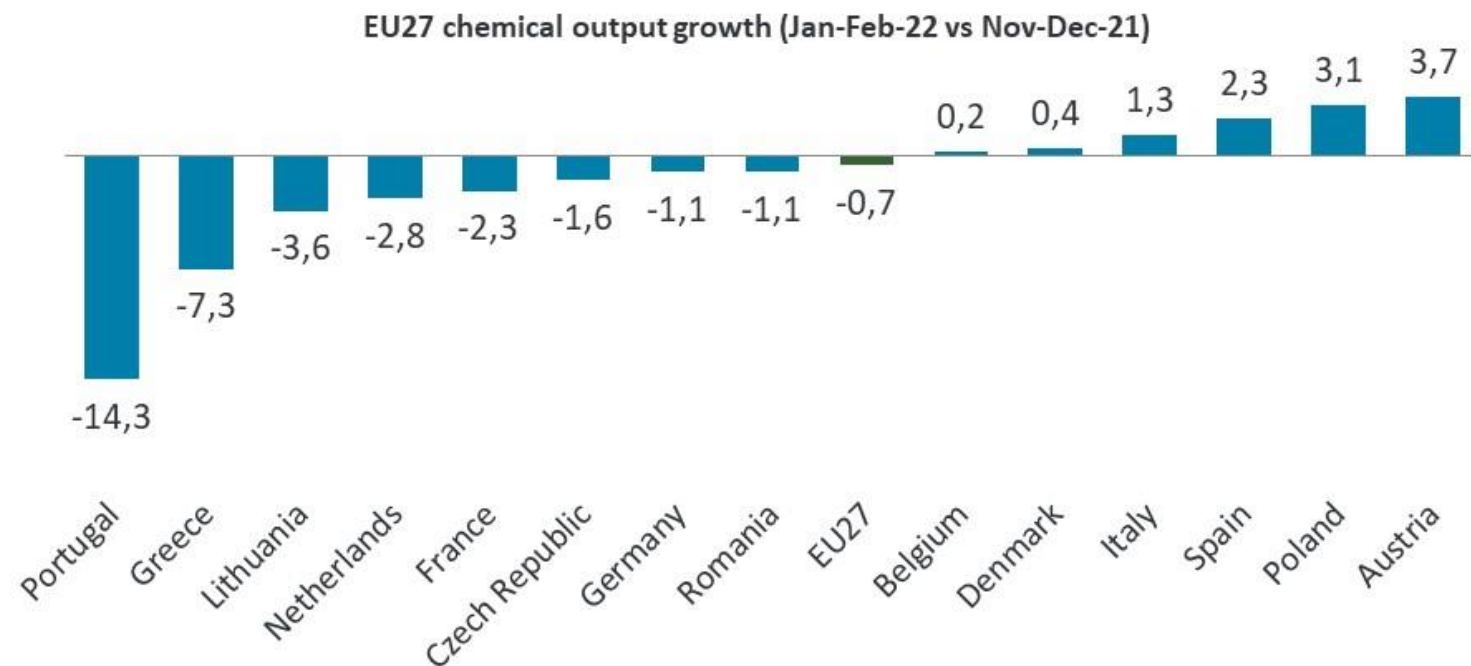


Poland: Chemicals output in 2021, far above 2019 and 2020's levels



Chemicals output in Jan-Feb 2022, 0.7% below 2021's levels (Nov-Dec), breakdown by country

	Nov-Dec-2021	Jan-Feb-2022	Change in %
Portugal	89,1	76,4	-14,3
Greece	139,1	129,0	-7,3
Lithuania	195,7	188,8	-3,6
Netherlands	113,0	109,8	-2,8
France	106,7	104,2	-2,3
Czech Republic	117,1	115,2	-1,6
Germany	101,0	99,9	-1,1
Romania	108,4	107,2	-1,1
EU27	106,1	105,4	-0,7
Belgium	104,7	104,9	0,2
Denmark	139,0	139,6	0,4
Italy	106,0	107,4	1,3
Spain	112,8	115,4	2,3
Poland	157,5	162,4	3,1
Austria	116,0	120,4	3,7
Bulgaria	138,3	151,6	9,7
Latvia	172,6	198,9	15,2



Chemical production expanded by 2.3% in 2022 compared to 2021 (Jan-Feb, breakdown by country)

Chemicals	Production growth		Production index (2015=100)			Production growth		
EU27 Countries	2019	2020	2019	2020	2021	2021 vs 2019	2021 vs 2020	Jan-Feb 2022 (y-o-y)
Portugal	3,9	-1,4	91,7	90,5	84,4	-8,0	-6,7	-16,2
France	0,3	-8,6	107,2	98,0	103,9	-3,0	6,0	0,6
Italy	0,3	-7,7	106,1	97,9	105,5	-0,6	7,8	2,1
EU27	-1,8	-2,2	100,3	98,1	103,9	3,5	5,9	2,3
Germany	-3,1	-1,4	96,6	95,3	100,1	3,6	5,1	-0,6
Belgium	-3,1	-2,8	102,4	99,5	106,2	3,7	6,7	1,1
Greece	7,1	0,1	125,2	125,2	129,8	3,7	3,6	1,1
Netherlands	-3,4	-0,2	103,8	103,6	107,8	3,9	4,0	3,3
Bulgaria	2,6	-1,0	116,4	115,3	121,2	4,1	5,2	31,1
Czech Republic	-2,8	-3,8	108,5	104,3	112,9	4,1	8,2	2,8
Spain	0,0	-1,9	106,7	104,7	111,4	4,4	6,4	6,2
Romania	-2,3	6,9	107,9	115,4	114,8	6,3	-0,6	-13,0
Denmark	4,3	10,0	122,4	134,6	130,4	6,6	-3,1	19,6
Austria	-4,7	11,6	97,1	108,4	113,3	16,6	4,5	7,5
Poland	4,7	1,8	116,0	118,1	138,6	19,5	17,4	27,2
Latvia	-1,5	4,2	126,8	132,1	162,7	28,3	23,1	41,7
Lithuania	1,5	7,7	122,1	131,5	179,4	46,9	36,4	12,2

Source: Eurostat and Cefic Analysis-April 2022



Chemicals output in Jan-Feb 2022, 0.7% below 2021's levels (Nov-Dec), breakdown by sector

EU27 Output growth by sector	Petrochemicals			Plastics			Cosmetics			Soaps & detergents			Other chemicals			Paints & Inks			Chemicals		
	(2015=100)	changes (y-o-y)	changes (p-o-p)	(2015=100)	changes (y-o-y)	changes (p-o-p)	(2015=100)	changes (y-o-y)	changes (p-o-p)	(2015=100)	changes (y-o-y)	changes (p-o-p)	(2015=100)	changes (y-o-y)	changes (p-o-p)	(2015=100)	changes (y-o-y)	changes (p-o-p)	(2015=100)	changes (y-o-y)	changes (p-o-p)
Jan'20	85,1	-7,2	1,7	98,8	-5,7	5,2	112,9	1,5	-2,1	102,0	1,8	3,4	104,7	-0,4	2,3	104,4	-0,5	5,5	100,4	-2,1	3,1
Feb'20	86,2	-3,0	1,3	102,1	-1,1	3,3	111,5	-4,3	-1,2	104,6	4,4	2,5	108,4	2,8	3,5	106,7	4,0	2,2	102,2	0,5	1,8
Mar'20	86,7	-0,1	0,6	96,1	-6,7	-5,9	94,4	-18,2	-15,3	107,7	8,6	3,0	104,6	-2,6	-3,5	95,3	-9,3	-10,7	98,2	-3,2	-3,9
Apr'20	82,2	-6,1	-5,2	86,0	-17,2	-10,5	76,8	-34,0	-18,6	112,9	13,5	4,8	89,1	-16,2	-14,8	76,5	-26,9	-19,7	89,8	-11,9	-8,6
May'20	80,0	-7,3	-2,7	81,4	-20,1	-5,3	97,7	-16,4	27,2	104,9	6,1	-7,1	86,3	-17,8	-3,1	89,1	-14,0	16,5	90,7	-10,0	1,0
Jun'20	80,6	-5,3	0,7	89,3	-11,6	9,7	101,4	-10,3	3,8	99,7	-0,9	-5,0	90,5	-12,9	4,9	96,4	-5,4	8,2	93,1	-7,0	2,6
Jul'20	83,0	-2,9	3,0	91,8	-8,1	2,8	100,7	-12,1	-0,7	100,2	0,0	0,5	95,4	-9,2	5,4	100,5	-2,7	4,3	95,7	-4,6	2,8
Aug'20	83,3	-0,8	0,4	93,3	-5,2	1,6	101,0	-12,7	0,3	100,2	1,2	0,0	100,5	-3,5	5,3	102,6	0,5	2,1	97,2	-2,6	1,6
Sep'20	84,8	6,5	1,8	96,8	-1,4	3,8	104,5	-13,4	3,5	103,6	1,9	3,4	105,1	0,0	4,6	104,4	0,3	1,8	99,3	0,4	2,2
Oct'20	89,4	3,5	5,4	100,8	1,4	4,1	108,7	-7,4	4,0	104,2	4,0	0,6	105,8	-1,0	0,7	105,1	1,1	0,7	102,5	2,5	3,2
Nov'20	91,0	8,7	1,8	103,2	5,5	2,4	105,7	-12,1	-2,8	105,8	4,9	1,5	108,9	2,1	2,9	108,4	6,5	3,1	103,8	4,6	1,3
Dec'20	93,5	11,7	2,7	105,7	12,6	2,4	104,5	-9,4	-1,1	106,4	7,9	0,6	111,1	8,6	2,0	110,4	11,5	1,8	104,7	7,5	0,9
Jan'21	90,4	6,2	-3,3	103,0	4,3	-2,6	108,0	-4,3	3,3	106,0	3,9	-0,4	111,3	6,3	0,2	107,2	2,7	-2,9	103,6	3,2	-1,1
Feb'21	86,8	0,7	-4,0	102,2	0,1	-0,8	104,5	-6,3	-3,2	102,9	-1,6	-2,9	109,1	0,6	-2,0	107,2	0,5	0,0	102,4	0,2	-1,2
Mar'21	88,4	2,0	1,8	105,8	10,1	3,5	104,5	10,7	0,0	105,9	-1,7	2,9	109,3	4,5	0,2	109,5	14,9	2,1	103,9	5,8	1,5
Apr'21	87,3	6,2	-1,2	104,0	20,9	-1,7	104,7	36,3	0,2	103,8	-8,1	-2,0	108,8	22,1	-0,5	107,4	40,4	-1,9	102,8	14,5	-1,1
May'21	90,3	12,9	3,4	103,7	27,4	-0,3	108,3	10,8	3,4	101,2	-3,5	-2,5	109,0	26,3	0,2	106,9	20,0	-0,5	103,7	14,3	0,9
Jun'21	85,0	5,5	-5,9	103,7	16,1	0,0	111,7	10,2	3,1	100,2	0,5	-1,0	109,4	20,9	0,4	106,0	10,0	-0,8	103,0	10,6	-0,7
Jul'21	83,0	0,0	-2,4	104,1	13,4	0,4	112,2	11,4	0,4	100,5	0,3	0,3	106,9	12,1	-2,3	104,1	3,6	-1,8	102,7	7,3	-0,3
Aug'21	87,6	5,2	5,5	104,8	12,3	0,7	113,5	12,4	1,2	98,4	-1,8	-2,1	107,0	6,5	0,1	105,1	2,4	1,0	103,7	6,7	1,0
Sep'21	92,9	9,6	6,1	104,1	7,5	-0,7	113,1	8,2	-0,4	100,7	-2,8	2,3	107,4	2,2	0,4	103,1	-1,2	-1,9	104,2	4,9	0,5
Oct'21	88,4	-1,1	-4,8	106,5	5,7	2,3	111,8	2,9	-1,1	101,6	-2,5	0,9	107,6	1,7	0,2	102,8	-2,2	-0,3	104,3	1,8	0,1
Nov'21	92,7	1,9	4,9	110,4	7,0	3,7	111,7	5,7	-0,1	101,9	-3,7	0,3	104,7	-3,9	-2,7	109,1	0,6	6,1	105,9	2,0	1,5
Dec'21	92,3	-1,3	-0,4	109,8	3,9	-0,5	111,9	7,1	0,2	105,4	-0,9	3,4	110,2	-0,8	5,3	107,9	-2,3	-1,1	106,3	1,5	0,4
Jan'22	87,7	-3,0	-5,0	108,1	5,0	-1,5	112,3	4,0	0,4	101,5	-4,2	-3,7	108,8	-2,2	-1,3	107,5	0,3	-0,4	105,5	1,8	-0,8
Feb'22	89,5	3,1	2,1	107,5	5,2	-0,6	114,0	9,1	1,5	103,4	0,5	1,9	106,6	-2,3	-2,0	110,0	2,6	2,3	105,3	2,8	-0,2
Nov-Dec-2021	92,5			110,1			111,8			103,7			107,5			108,5			106,1		
Jan-Feb-2022	88,6			107,8			113,2			102,5			107,7			108,8			105,4		
Changes (y-o-y)	-4,2%			-2,1%			1,2%			-1,2%			0,2%			0,2%			-0,7%		



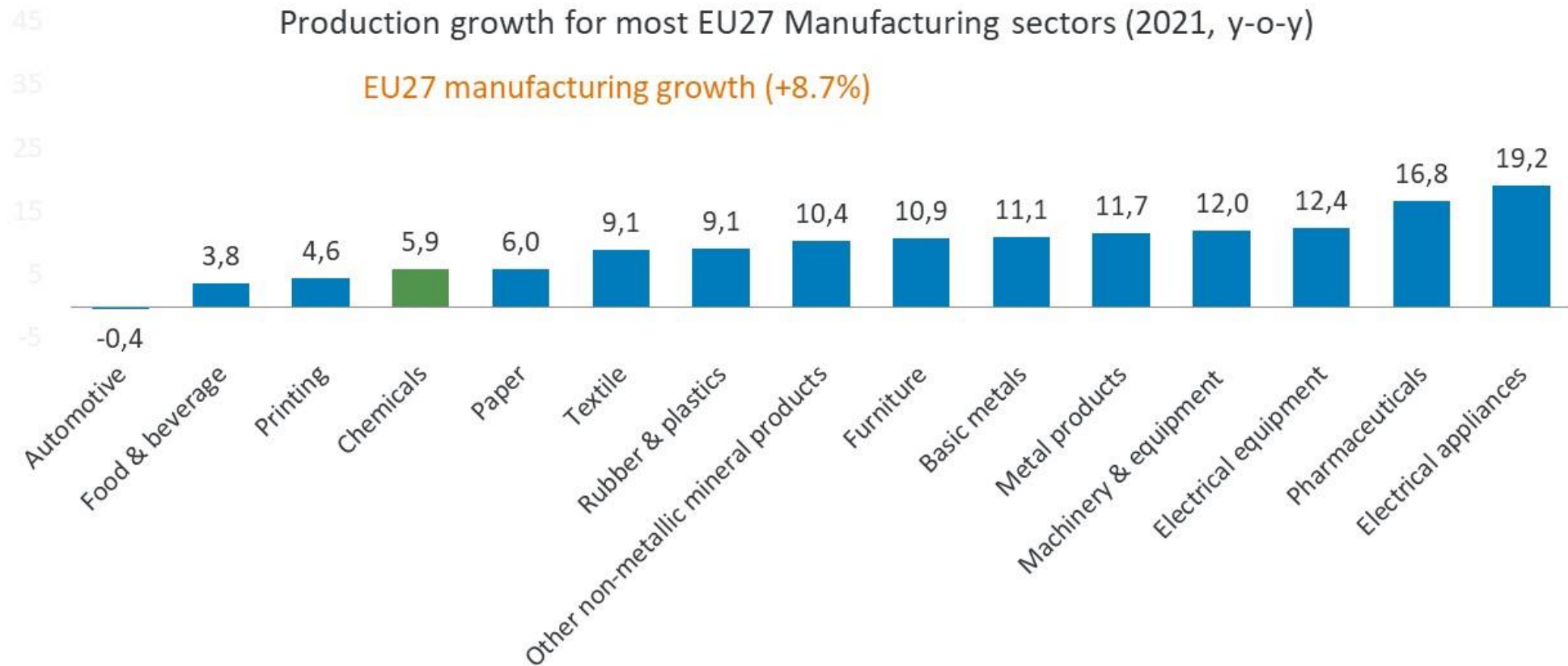
4. Business Development of Customers



Manufacturing output in 2021, 8.7% above 2020's level



Manufacturing output in 2021, 8.7% above 2020's level breakdown by sector

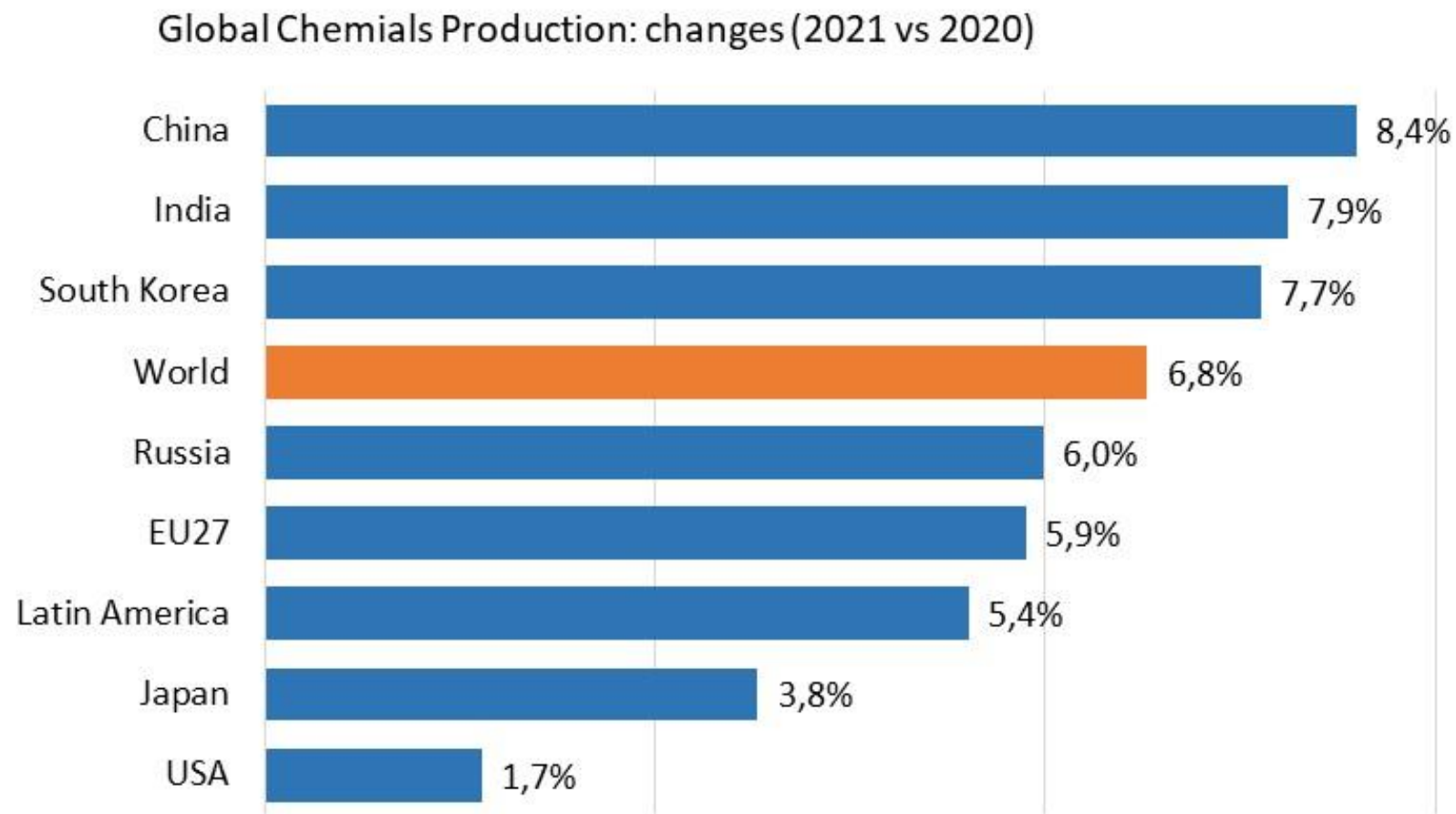


Manufacturing output in 2021, 0.4% above the pre-pandemic levels

	Production growth in %		Production index (2015=100)			Production growth in %	
	2019	2020	Jan-Dec-2019	Jan-Dec-2020	Jan-Dec-2021	Jan-Dec (21/19)	Jan-Dec (21/20)
EU27 output growth by sector							
Pharmaceuticals	10,8	7,2	124,1	133,0	155,4	25,2	16,8
Electrical appliances	1,8	4,6	106,4	111,3	132,7	24,7	19,2
Electrical equipment	-2,4	-5,5	106,5	100,6	113,1	6,2	12,4
Other non-metallic mineral products	-0,1	-5,0	109,1	103,6	114,4	4,8	10,4
Chemicals	-1,8	-2,2	100,3	98,1	103,9	3,5	5,9
Furniture	-0,6	-7,5	106,0	98,0	108,7	2,5	10,9
Paper	-1,6	-3,9	102,0	98,1	103,9	1,8	6,0
Food & beverage	1,0	-2,7	104,8	102,0	105,9	1,0	3,8
Rubber & plastics	-1,1	-7,4	107,3	99,3	108,4	1,0	9,1
Metal products	-1,8	-10,4	108,5	97,2	108,5	0,1	11,7
Machinery & equipment	-0,9	-12,3	109,8	96,4	108,0	-1,7	12,0
Basic metals	-4,4	-11,7	99,6	87,9	97,7	-1,9	11,1
Textile	-3,5	-10,9	98,9	88,1	96,1	-2,8	9,1
Printing	-3,1	-13,7	93,3	80,5	84,2	-9,8	4,6
Automotive	-6,3	-21,5	102,5	80,5	80,2	-21,8	-0,4
Manufacturing	-0,6	-7,7	106,9	98,7	107,4	0,4	8,7
Construction	2,5	-4,7	111,4	106,2	111,9	0,4	5,4



World chemical output in 2021, 6.8% above 2020's level



Chemical output in Russia reached their highest reading in Feb-2022

