

EU chemicals output growth: good start to the year 2017▲

Chemicals output ▲1.6%, Chemicals producer prices ▲4.9%, Chemicals sales ▲4.8%, Chemicals trade surplus ▲7.5%, Chemicals business situation ▲, Chemicals business expectations ▲, Global economy ▲, Eurozone growth prospects ▲

❖ *Global economy in an optimistic mood*

According to the latest Eurozone economic outlook report (April 6th 2017), despite intensified political uncertainties and the upturn in inflation, the prospects for global economic activity have improved in recent months. Business surveys indicate an improvement in the near-term outlook. Furthermore, international trade is expected to continue to recover and to boost sales abroad during 2017 (Source: Ifo-Insee-Istat forecast Eurozone economic outlook, April, 6th 2017). ▲

❖ *Eurozone growth should remain robust*

According to the same Eurozone economic outlook report (April, 6th 2017), in spite of uncertainties regarding the elections in important Member states, as well as the future relations between the UK and the EU, the Eurozone strengthened its growth (+0.4% in Q4 2016, as in Q3), generating an increase of +1.7% on a yearly basis. The unemployment rate was 9.6% in January 2017, which is the lowest level recorded in the euro area since May 2009. Coincident and leading business cycle indicators confirm an optimistic outlook in early 2017: in March the Economic Sentiment Indicator remained stable, clearly above its long-term average. ▲

❖ *EU chemical business climate improves*

According to EU Commission Business Survey data, the chemical business situation became more favourable in the first quarter of 2017. Prospects for the coming months moved in a positive direction. Total order-book levels of chemicals continued to increase. The chemicals business indicator showed a positive development. ▲

❖ *EU chemicals production growth: good start to the year 2017*

Output in the EU chemicals sector grew 1.6 per cent through February 2017 compared to the same period of 2016. Apart from petrochemicals, most big chemicals sectors posted positive output growth during Jan-Feb 2017 compared to the same period of last year. Production saw an increase in “other chemicals” (1.7 per cent) and dyes and pigments (1.6 per cent). Other sectors registered significant output growth, such as plastics in primary forms (4.7 per cent) and industrial gases (8.6 per cent). However, output saw a decline in some sub-sectors such as synthetic rubber (-3.5 per cent), fertilizers (-2.3 per cent) and petrochemicals (-1.5 per cent). Output in the EU chemicals sector is 3.6 per cent below the first quarter of 2008. ▲

❖ *Chemicals sales go up since Q3-2016*

EU chemicals sales grew 4.0 per cent in the fourth quarter of 2016 compared to the third quarter of the same year. Latest data of 2017 shows that sales in January 2017 were 4.8 per cent higher than in January 2016. The positive changes in producer prices affected favourably sales level in 2017 compared to 2016. ▲

❖ *Chemicals trade surplus up by €3.3 billion in 2016 compared to 2015*

The net trade surplus was €47.6 billion during the whole year 2016. The EU chemicals sector still registered a trade deficit with South Korea, India, and Japan. Overall, the EU chemicals surplus went up by €3.3 billion through December 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. ▲

▼ Deterioration ■ No major changes ▲ Improvement

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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.