

Chemicals Trends Report

Monthly summary, December 2012



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EU chemicals sector year-to-date output drops 2.2 per cent through October

October monthly output also 0.2 per cent below October 2011 level, data shows

BRUSSELS, December 19, 2012 – EU chemicals production contracted by 2.2 per cent in the first 10 months of 2012 compared with the same period in 2011, according to the latest Cefic Chemicals Trends Report. Monthly data for October 2012 showed a 0.2 per cent drop compared with the same month in 2011. Data for the first 10 months of the year point to EU chemicals production levels remaining below the 2007 peak by 6.3 per cent.

EU chemicals prices in October climbed by 2.9 per cent compared with the same period the year prior. The price increase was led yet again by the overall price hike in petrochemicals. Overall prices for chemicals rose by 2.6 per cent during the first 10 months of 2012, against the comparable period in 2011.

Latest trade data show the EU chemicals net trade surplus during the first eight months of 2012 being well beyond the level seen during the same period the year prior, swelling by €8.3 billion to €34.2 billion.

Overall chemicals industry confidence indicators showed improvement in November, mainly due to a less negative assessment of the current level of order books. Managers' production expectations also improved significantly, in line with a notable boost in overall EU manufacturing sector confidence, analysis of European Commission data shows.

Year-on-year October output down slightly

The slight 0.2 per cent monthly contraction for October was due mainly to the sluggish polymers subsector, whose output fell by 4.0 per cent. Specialty chemicals output rose by 0.5 per cent in October on a year-on-year basis while petrochemicals experienced a 5.3 per cent drop. Basic inorganics and consumer chemicals production registered in October 2012 a small decline of around 0.5 per cent each.

Petrochemicals prices climb in October

Year-on-year EU chemicals prices rose in October by 2.9 per cent, driven by the price for petrochemicals, which increased by 5.1 per cent during the month. Prices for basic inorganics and consumer chemicals rose by about 1.3 per cent each.

EU trade surplus expands further in August

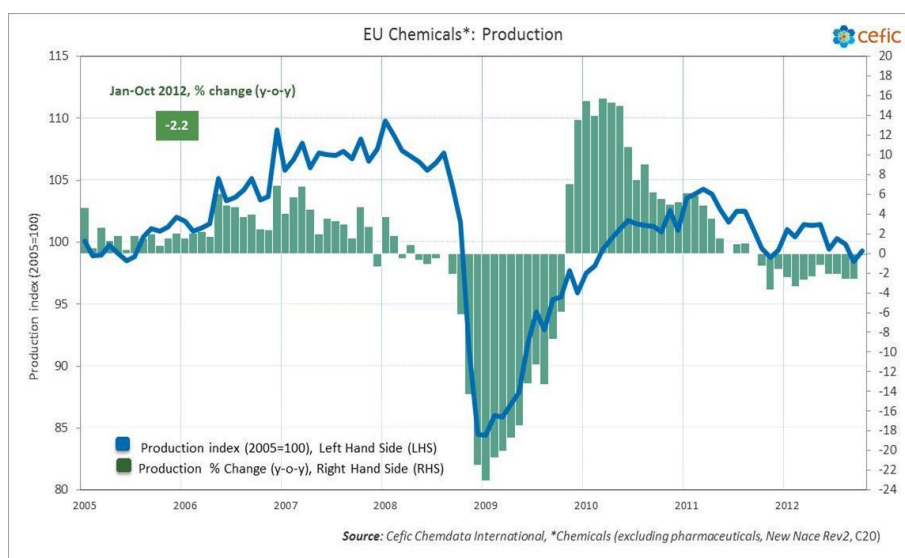
Trade data available through August show a €34.2 billion year-to-date EU chemicals net trade surplus with other markets, up €8.3 billion compared with same eight-month period the year prior. The EU net trade surplus with the NAFTA region contributed significantly to the jump in the January-to-August overall surplus, reaching €8.3 billion, one-third higher than the same period in 2011. The EU net trade surplus with non-EU Europe, which includes Russia and Turkey, reached €10.2 billion during the eight-month period, up €1.8 billion compared with the same period the previous year. A slight uptick occurred in the trade surplus with Asia, excluding Japan and China, up by €0.3 billion to €3.8 billion.

January-to-September EU sales surpass 2008 pre-crisis period

The total value of EU chemicals sales during the first three quarters of 2012 was 4.9 per cent higher than the pre-crisis, full-year peak level reached in 2008. September sales were down, however, by 1.3 per cent compared with September 2011. Sales for the first-nine months of 2012 were 1.5 per cent below the comparable period in 2011.

EU chemicals confidence indicator improves in November 2012

Based on data from the EU Commission business and consumer survey report published in November, the EU chemical industry confidence indicator (CCI) remained low, but showed improvement compared with the month prior. Underlying data point to swelling confidence in managers' assessment of current order book levels as well as in chemicals sector production expectations. Confidence is also building across the overall EU manufacturing sector, according to the commission report.



Notes to editor:

About the Chemicals Trends Report: The Cefic Chemicals Trends report provides a snapshot of the chemical industry performance in the 27 countries in the European Union and is based on available data released by Eurostat. Issued monthly, 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 a fifth of the world's chemicals and employ 1.1 million people. at www.cefic.org.

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