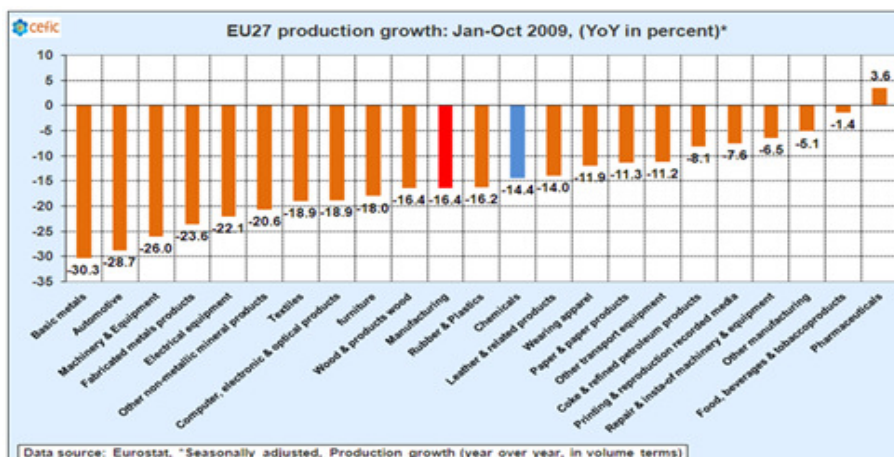
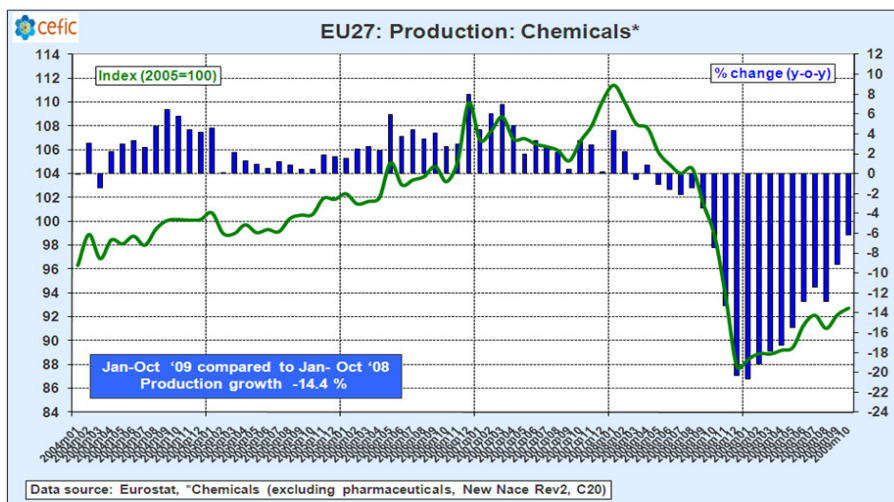


A short summary of Chemicals Trends Report (Nov-Dec. 2009): Dr. Moncef HADHRI: mha@cefic.be

The Cefic Chemicals Trends report focuses on the short-term analysis of the European Chemical industry. The report provides clear messages on the European chemical competitiveness and performance. The underlying approach used captures both internal and external factors. The scope of the survey covers the economic activity, industrial growth, business climate, sectoral performance of chemicals, and trade development. To ensure a high degree of data integrity, the early indicators are monthly updated. The whole Chemicals Trends Report (CTR) is exclusively distributed to Cefic members and is available in [click in cefic](#): For non-Cefic members, the report will cost euro five thousand (5 000 €) for twelve monthly issues. Please contact Dr. Fabrice Tabankia for more information fta@cefic.be (Tel, +32 2 676 72 95)

Business climate of EU chemicals continues to recover from historical lows: since December 2008, production has been growing on average by 0.5% per month



Top Messages

- The Ifo **World Economic Climate Indicator increased in the fourth quarter of 2009** for the third time in succession. The rise in the indicator is the result of more favourable expectations for the coming six months as well as less negative assessments of the current economic situation. The recovery of the world economy is driven especially by the dynamic development in Brazil as well as in India, China and other Asian countries (Source: Ifo World Economic Survey: Q4-2009).
- The business climate of the EU chemicals industry has started to improve since March 2009. **Confidence in EU chemicals showed a modest improvement in November 2009**, rising by 0.8 points compared to October 2009. This is the eighth improvement since March 2009. According to the latest consumer and business survey of the EU Commission (Nov. 2009), managers working for chemicals companies have positive prospects for production over the coming months, and their appraisal for order books has still improved. However, the level of stocks increased in November 2009 compared to October 2009.
- Latest data (October 2009) now clearly shows that the **situation has gradually improved**, and production registered in October 2009 was 5.6% higher than the bottom level of Dec 2008. **When considering the first ten months of the current year, output in the EU chemicals industry (excluding pharmaceuticals) experienced a decline of 14.4% compared to the same period of 2008.**
- Some sectors are particularly badly affected, notably basic inorganics, petrochemicals, and polymers, where the slump in demand from their downstream markets has forced sharp reductions in output. Other chemicals sub-sectors are less affected by the crisis, like consumer chemicals and specialty chemicals which recorded a less significant decline. All in all, the European chemicals industry appears to have reached its lowest point in December 2008, and since that time, production has been dragging along posting mild growth each month at best, but remains sharply down compared to last year's figures (2008).
- **Developments at country level** are rather mixed, indicating divergent trends. Among the largest Member States, Germany (-18.2%), Belgium (-16.8%), Italy (-16%), and the UK (-14.8%) recorded the most significant declines. The least significant declines in chemicals production are attributable to France (-12.5%) and Spain (-5.1%).
- **Price data** shows that chemical products (excluding pharmaceuticals) were 4.5% less expensive in the first ten months of this year compared to the same period of 2008. In a 'year-on-year' comparison, the prices of October 2009 were 7.4% lower compared to October of last year.
- **Sales data** shows that in a 'year-on-year' comparison, the growth rate of September 2009 was 18.5% lower compared to September of last year. From January to September 2009, European chemicals sales (excluding pharmaceuticals) were 22.6% down compared to the same period of 2008 (Data source: Eurostat).