

EU chemical industry output up 3% in 2017, 2% seen for 2018: Cefic

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The growth in the EU's chemical industry output is expected to reach 3% for 2017, but drop to 2% in 2018, the European Chemical Industry Council (Cefic) said in a statement Thursday.

The 2018 outlook is positive despite a risk of a drop-off in investment as a result of high energy and feedstock prices, the council said.

The growth in 2017 comes on the back of the overall economic improvement in the EU in the first three quarters of 2017 driving up domestic demand for chemicals, Cefic said.

"The momentum is growing for the EU chemical industry to achieve its maximum production volumes," Marco Mensink, director general of Cefic, said in a press release accompanying a report on the industry.

The EU was the region with the second highest total chemical industry sales in 2016, behind China. Sales in the EU last year were Eur507 billion (\$597 billion), 15.1% of the total global turnover of Eur3.36 trillion, according to the Cefic report.

The EU's share of global sales has dropped in the last 10 years, from 28% in 2006. This is largely due to the near doubling in global output as a result of the development of the industry in emerging markets.

The report states this "dilution effect" on the EU's global contribution, despite growth, is expected to continue. This is attributed to stronger demand growth in China and other emerging markets.

The competition from China and NAFTA countries is "fierce" for the industry in the EU, Cefic said.