

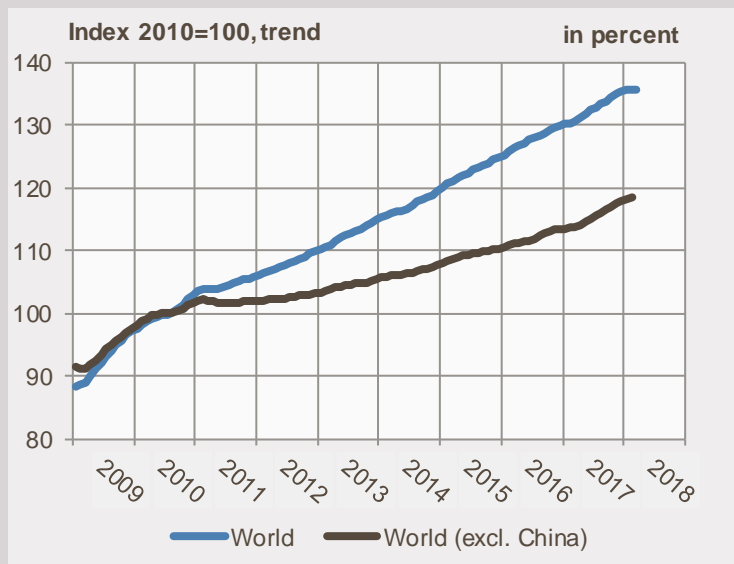
# World Chemistry Report



The economic situation of the chemical industry worldwide in facts and figures

2018-06-04

## Global production of the chemical & pharmaceutical industry



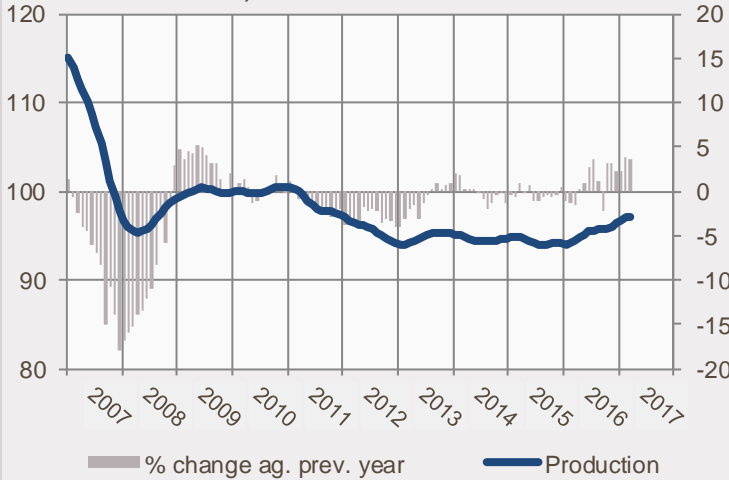
- The global production trend of chemicals and pharmaceuticals lost momentum.
- China was responsible for the dynamics in the past. However, in 2017 production increases also in other countries and regions.

World	percentage change Y/Y			
	2016	2017	Mär'18	Jan. - Mär. 2018
chemicals (20)	3,7	3,6	2,9	3,5
pharma (21)	5,9	5,0	7,4	6,6
20/21	4,3	3,7	3,7	4,0

### Production of chemicals & pharmaceuticals percentage change against previous year

countries and regions	2016	2017	latest month	cumulated 2018
<b>World</b>	<b>4,3</b>	<b>3,7</b>	<b>3'2018</b>	<b>4,0</b>
<b>Europe</b>	<b>2,4</b>	<b>2,3</b>	<b>3'2018</b>	<b>2,2</b>
<b>Western Europe</b>	<b>2,2</b>	<b>1,9</b>	<b>3'2018</b>	<b>1,9</b>
Germany	1,0	2,9	3'2018	6,7
France	0,7	6,1	3'2018	0,8
Italy	1,8	4,9	3'2018	3,9
UK	-3,5	0,1	3'2018	-0,5
Spain	2,5	3,6	3'2018	5,0
<b>Eastern Europe</b>	<b>3,5</b>	<b>5,2</b>	<b>3'2018</b>	<b>4,6</b>
Poland	2,9	4,0	4'2018	-3,1
Russia	6,6	4,1	3'2018	5,9
<i>European Union (EU 28)</i>	<i>1,7</i>	<i>1,9</i>	<i>3'2018</i>	<i>2,8</i>
<b>North America</b>	<b>-0,2</b>	<b>0,9</b>	<b>3'2018</b>	<b>3,2</b>
USA	-0,5	0,9	4'2018	2,8
Canada	5,3	0,0	3'2018	-1,2
Mexico	-2,8	-1,1	3'2018	-3,1
<b>Latin America</b>	<b>-1,7</b>	<b>-2,2</b>	<b>3'2018</b>	<b>1,6</b>
Brazil	-1,0	-1,0	3'2018	1,9
Chile	-3,3	-7,5	4'2018	10,1
<b>Asia</b>	<b>7,0</b>	<b>5,5</b>	<b>3'2018</b>	<b>5,1</b>
China	8,5	5,9	3'2018	5,0
Japan	3,2	5,6	3'2018	3,5
India	10,2	13,9	3'2018	8,3
South Korea	6,1	4,0	3'2018	4,3
<i>World excl. China</i>	<i>2,6</i>	<i>2,9</i>	<i>2'2018</i>	<i>4,5</i>

**North America , chemicals/pharmaceuticals**  
Index 2010=100, trend in percent

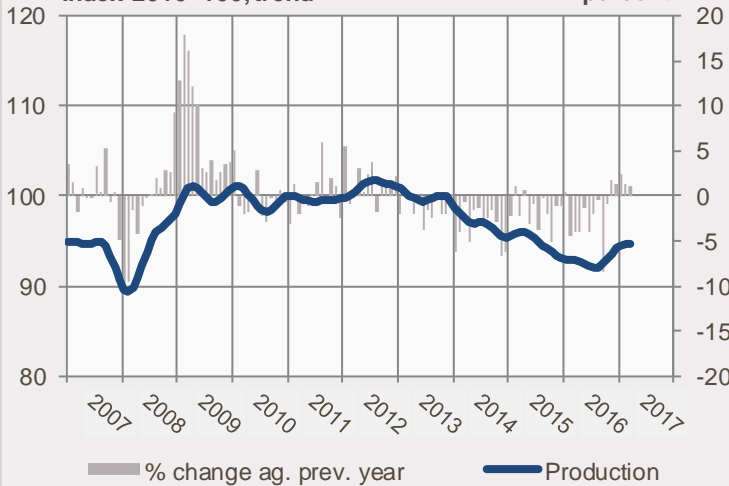


Production development in North America was weak until the beginning of 2017. However, since April 2017 production increases heavily.

This trend continues in 2018.

	percentage change Y/Y			
	2016	2017	Mär'18	Jan. - Mär. 2018
North America				
chemicals (20)	0,3	2,4	3,1	3,0
pharma (21)	-1,3	-1,6	4,6	3,6
20/21	-0,2	0,9	3,6	3,2

**Latin America, chemicals/pharmaceuticals**  
Index 2010=100, trend in percent

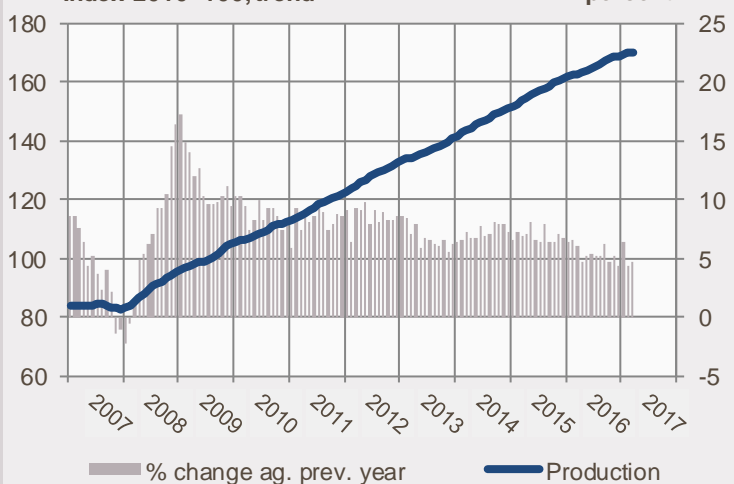


In Latin America, production decrease seemed to come to a halt.

With the recovery of raw material prices, the economic prospects have become brighter. However, many countries continue to suffer from structural problems like lack in competitiveness.

	percentage change Y/Y			
	2016	2017	Mär'18	Jan. - Mär. 2018
Latin America				
chemicals (20)	-1,7	-1,3	0,2	1,1
pharma (21)	-1,6	-4,8	3,3	2,9
20/21	-1,7	-2,2	1,0	1,6

**Asia, chemicals/pharmaceuticals**  
Index 2010=100, trend in percent

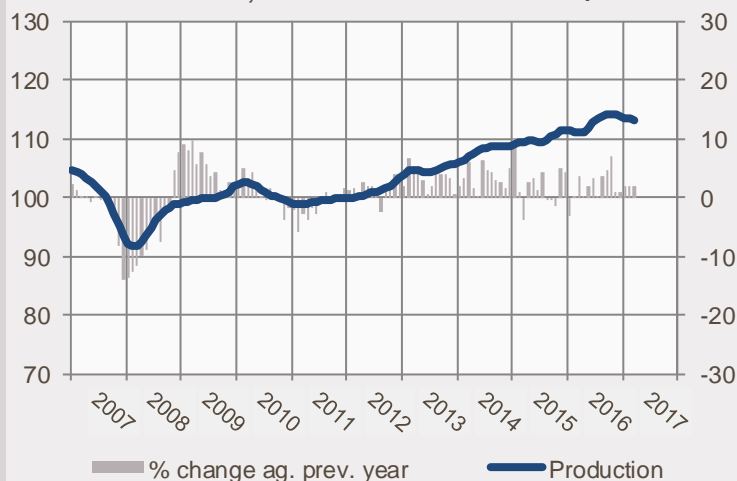


The upward production trend in Asia is still very robust. However growth rates are much lower than in previous years.

Due to production shut-downs dynamics in Chinas chemical industry (excl. pharma) was much lower than in previous years.

	percentage change Y/Y			
	2016	2017	Mär'18	Jan. - Mär. 2018
Asia				
chemicals (20)	6,1	4,7	4,1	4,4
pharma (21)	9,9	8,7	7,9	8,3
20/21	7,0	5,5	4,7	5,1

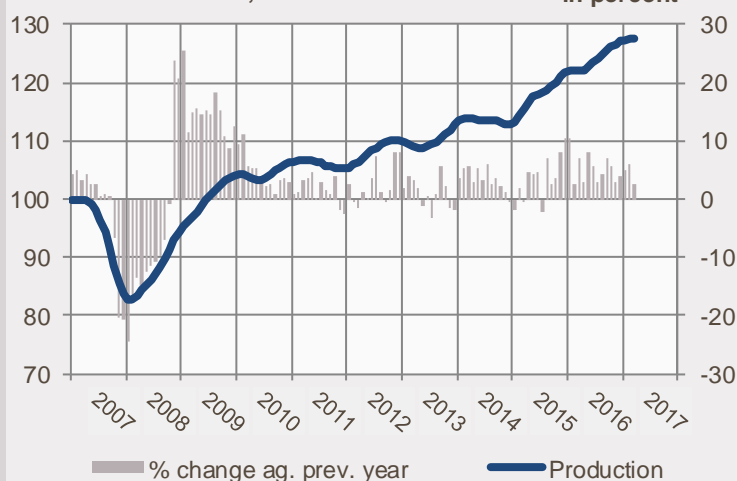
**Western Europe, chemicals/pharmaceuticals**  
Index 2010=100, trend in percent



- In Western Europe production rose strongly in 2017 compared to 2016.
- Many countries saw production gains.
- Both chemicals and pharmaceuticals production increased.
- However, in the beginning of 2018 production moved sideward.

percentage change Y/Y				
Western Europe	2016	2017	Mär'18	Jan. - Mär. 2018
chemicals (20)	0,5	1,7	-0,4	1,4
pharma (21)	4,5	3,3	8,2	5,8
20/21	2,2	1,9	1,9	1,9

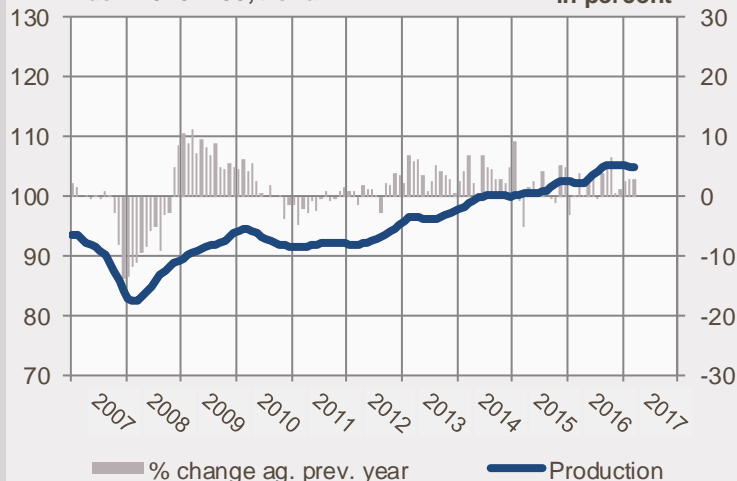
**Eastern Europe, chemicals/pharmaceuticals**  
Index 2010=100, trend in percent



- In Eastern Europe dynamics were still very high in 2017. However, volatility in the region is quite high.
- Both, pharmaceuticals and chemicals were above last year.
- The positive trend last in the beginning of 2018.

percentage change Y/Y				
Eastern Europe	2016	2017	Mär'18	Jan. - Mär. 2018
chemicals (20)	3,6	4,6	2,8	4,1
pharma (21)	3,3	6,8	2,1	6,1
20/21	3,5	5,2	2,6	4,6

**EU 28, chemicals/pharmaceuticals**  
Index 2015=100, trend in percent



- In the European Union production in 2017 was clearly higher than one year ago.
- In the beginning of 2018 a more moderate dynamic in the industry dampens the development of chemicals.

percentage change Y/Y				
European Union (28)	2016	2017	Mär'18	Jan. - Mär. 2018
chemicals (20)	0,3	1,9	0,1	1,9
pharma (21)	4,0	1,9	7,4	4,3
20/21	1,7	1,9	2,8	2,8

For further information see Cefic EU-trend Report.

## Global production of the chemical industry (excl. pharmaceuticals)

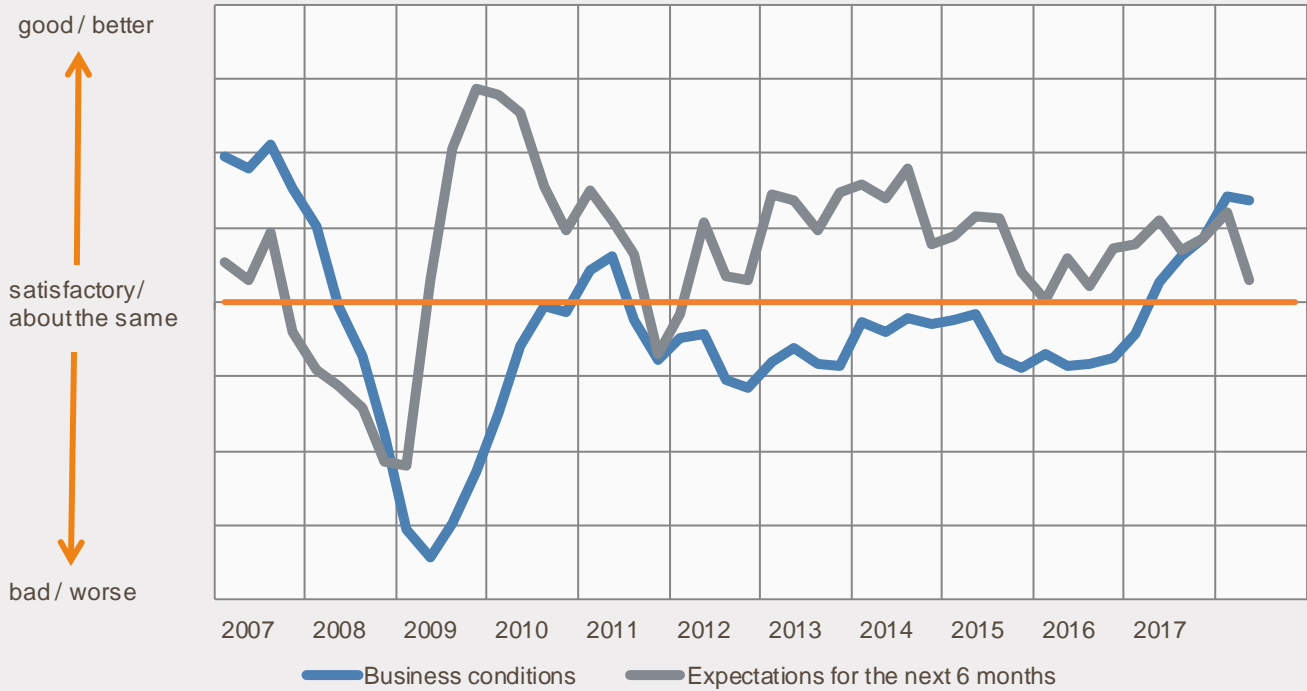
Production of chemicals (excl. Pharma), percentage change against previous year				
countries and regions	2016	2017	latest month	cumulated 2018
<b>World</b>	<b>3,7</b>	<b>3,6</b>	<b>3'2018</b>	<b>3,5</b>
<b>Europe</b>	<b>1,0</b>	<b>2,2</b>	<b>3'2018</b>	<b>1,8</b>
<b>Western Europe</b>	<b>0,5</b>	<b>1,7</b>	<b>3'2018</b>	<b>1,4</b>
Germany	0,2	1,8	3'2018	2,5
France	2,0	5,6	3'2018	-0,9
Italy	2,1	3,5	3'2018	2,0
UK	-5,7	2,9	3'2018	0,4
Spain	1,6	4,1	3'2018	3,4
<b>Eastern Europe</b>	<b>3,6</b>	<b>4,6</b>	<b>3'2018</b>	<b>4,1</b>
Poland	2,7	4,3	4'2018	1,8
Russia	6,5	3,3	3'2018	3,9
<i>European Union (EU 28)</i>	<i>0,3</i>	<i>1,9</i>	<i>3'2018</i>	<i>1,9</i>
<b>North America</b>	<b>0,3</b>	<b>2,4</b>	<b>3'2018</b>	<b>3,0</b>
USA	0,1	2,6	4'2018	2,4
Canada	3,3	-0,8	3'2018	0,1
<b>Latin America</b>	<b>-1,7</b>	<b>-1,3</b>	<b>3'2018</b>	<b>1,1</b>
Brazil	-1,1	0,9	3'2018	0,9
Chile	-1,1	-8,6	4'2018	14,7
<b>Asia</b>	<b>6,1</b>	<b>4,7</b>	<b>3'2018</b>	<b>4,4</b>
China	7,7	3,8	3'2018	3,1
Japan	2,0	6,3	4'2018	4,8
India	3,4	0,1	3'2018	0,8
South Korea	5,6	3,4	3'2018	3,2

Sources: Feri, Chemdata International, VCI

## Calculation of the World Production Index

The World Production Index (WPI) measures the production volume of the business of chemistry. As input the WPI uses production indices of around 50 nations as published by national sources and Eurostat. Missing values have been calculated using the FERIE forecasts. All indices are seasonally adjusted. The WPI measures production activity generally consistent with the overall industry nomenclature of NACE 20 and 21. As weights the WPI uses fixed weights based on the production values in the base year 2010.

## Outlook for the overall economy – World



- The Ifo World Economic Climate has deteriorated. Experts' assessments of the current economic situation remained as favorable as last quarter, but their expectations are far less optimistic. The world economy is still experiencing an upturn, but it is losing impetus.
- The economic climate deteriorated in nearly all regions. Both assessments of the current economic situation and expectations fell significantly in the USA. In the European Union, Latin America, the CIS countries, the Middle East and North Africa economic expectations also cooled down. Assessments of the current economic situation, by contrast, improved. Economic expectations also clouded over in the Asian emerging economies and developing countries. Assessments of the current economic situation, by contrast, remained more or less unchanged.

Source: Ifo

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- Chemical industry barometer for Germany, the EU and the USA
- Business Worldwide
- Quarterly Report

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