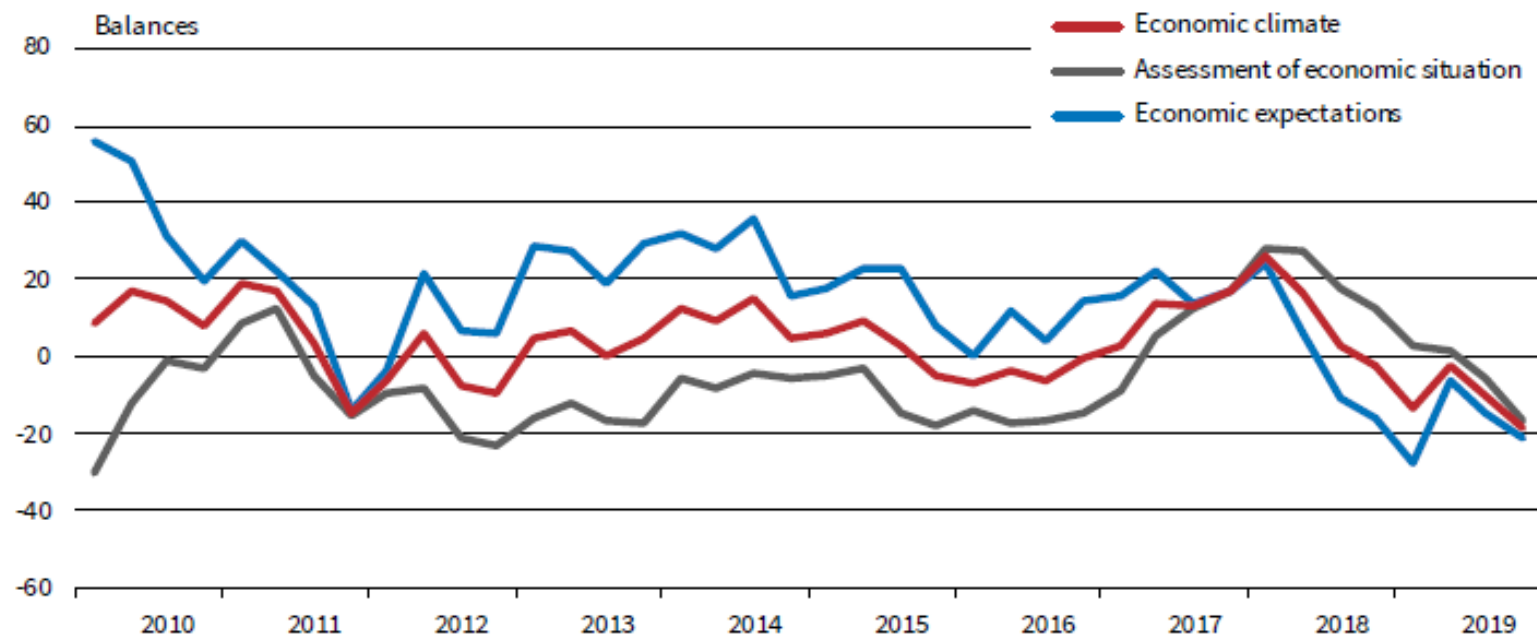


# ifo World Economic Climate has worsened



## ifo World Economic Climate



Source: ifo World Economic Survey (WES) IV/2019.

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## ifo World Economic Climate (Balances)

Quarter/Year	IV/2017	I/2018	II/2018	III/2018	IV/2018	I/2019	II/2019	III/2019	IV/2019
Climate	17.1	26.0	16.5	2.9	-2.2	-13.1	-2.4	-10.1	-18.8
Situation	17.2	28.3	27.4	17.5	12.2	2.6	1.4	-5.4	-16.4
Expectations	16.9	23.9	6.1	-10.6	-15.7	-27.7	-6.1	-14.7	-21.1

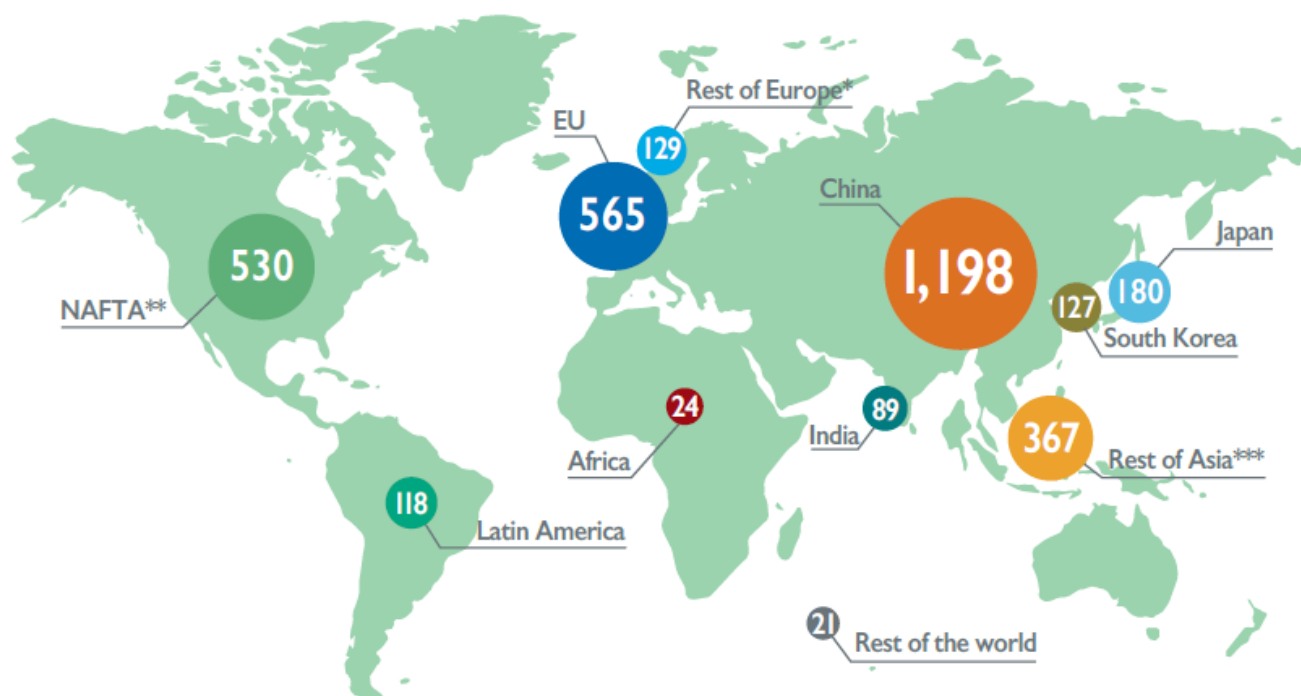
Source: ifo World Economic Survey (WES) IV/2019.

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# Europe remains the second largest chemicals producer in the world



World chemical sales (€3,347 billion)



Source: Cefic Chemdata International 2019

\* Rest of Europe covers Switzerland, Norway, Turkey, Russia and Ukraine

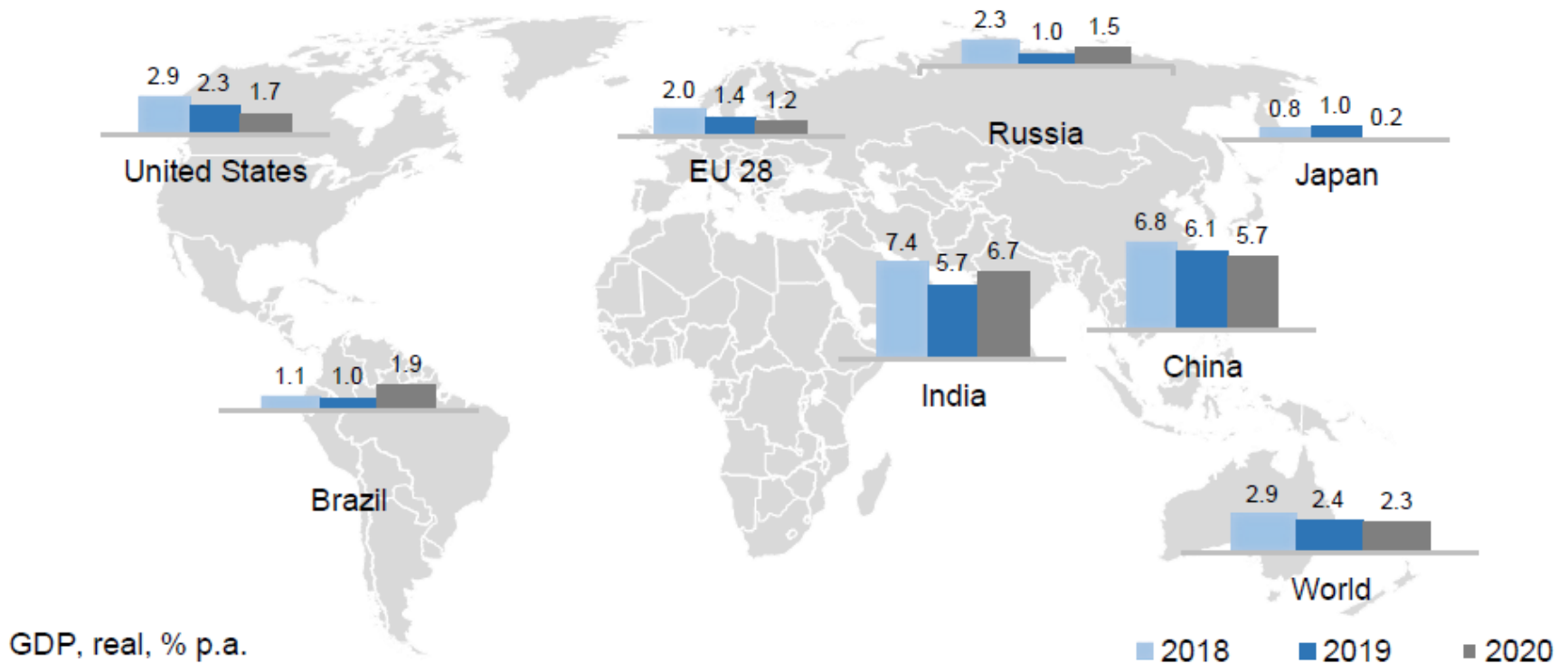
\*\* North American Free Trade Agreement

\*\*\* Asia excluding China, India, Japan and South Korea

Unless specified, chemical industry excludes pharmaceuticals

Unless specified, EU refers to EU 28

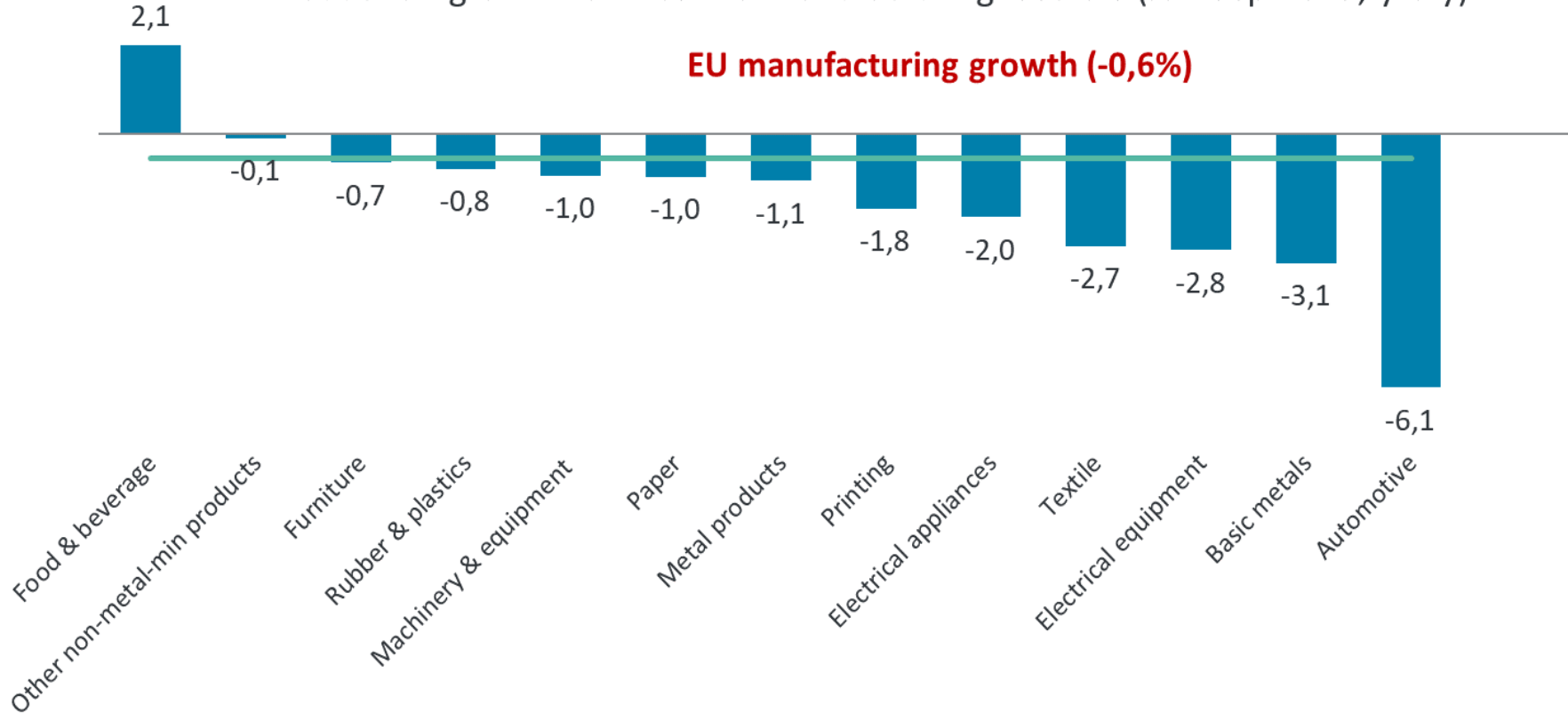
# GDP Outlook: Broad Slowdown



# Manufacturing sectors: no sign of recovery

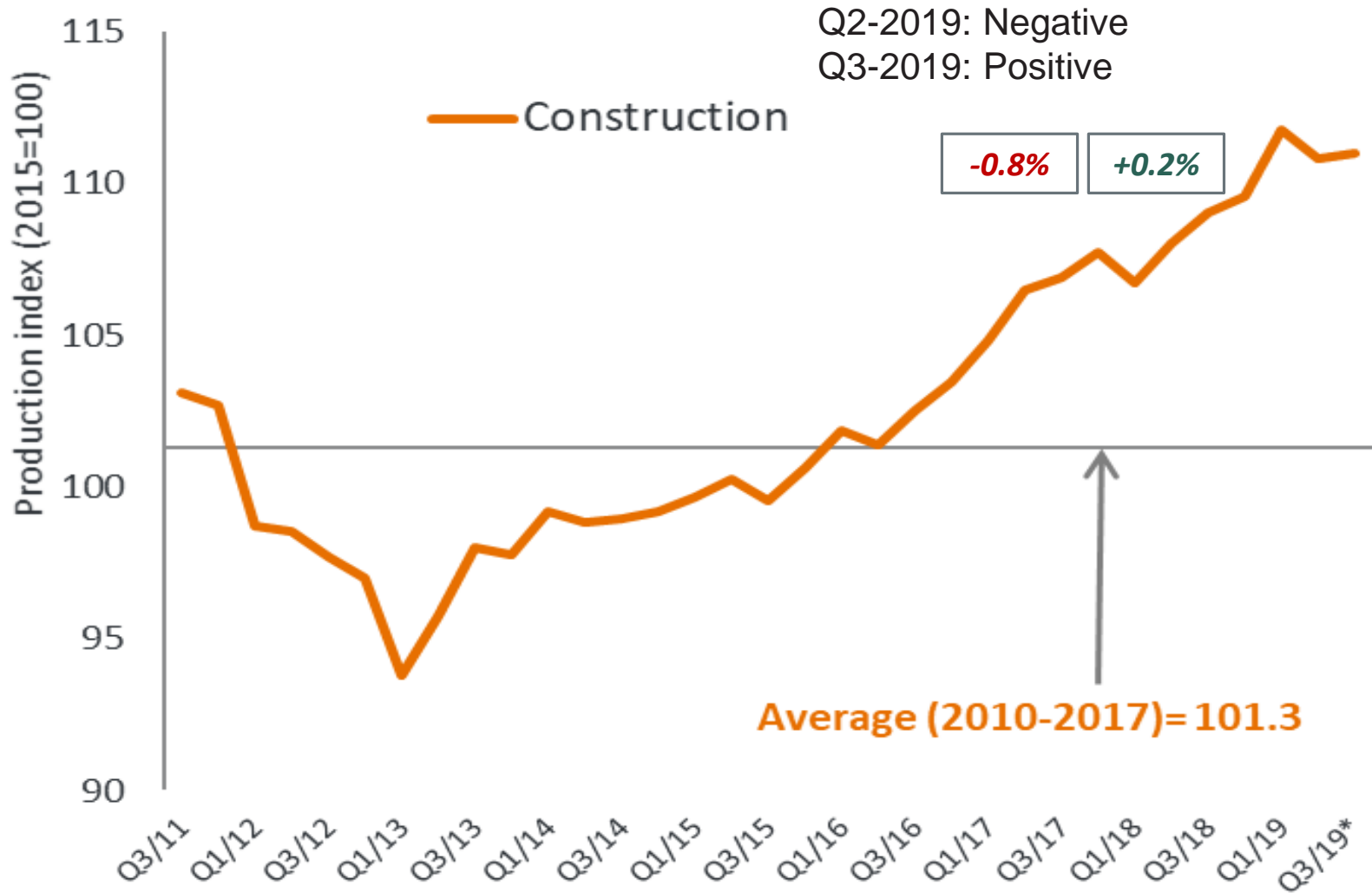


Production growth for most EU Manufacturing sectors (Jan-Sep-2019, y-o-y)

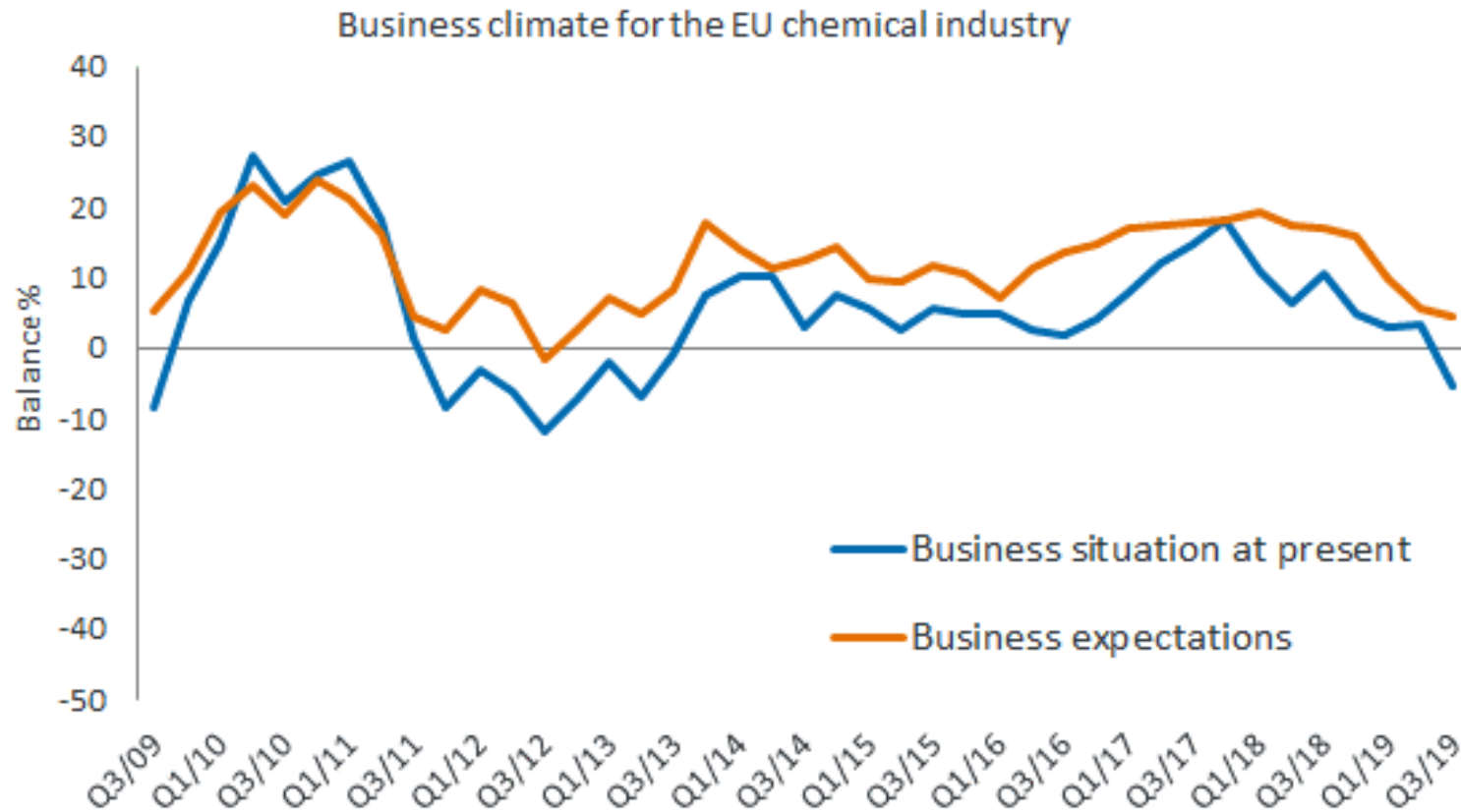


*Demand for chemicals has declined due to lower output in key customer industries*

# Construction: Output was 2.5% above the previous year's level



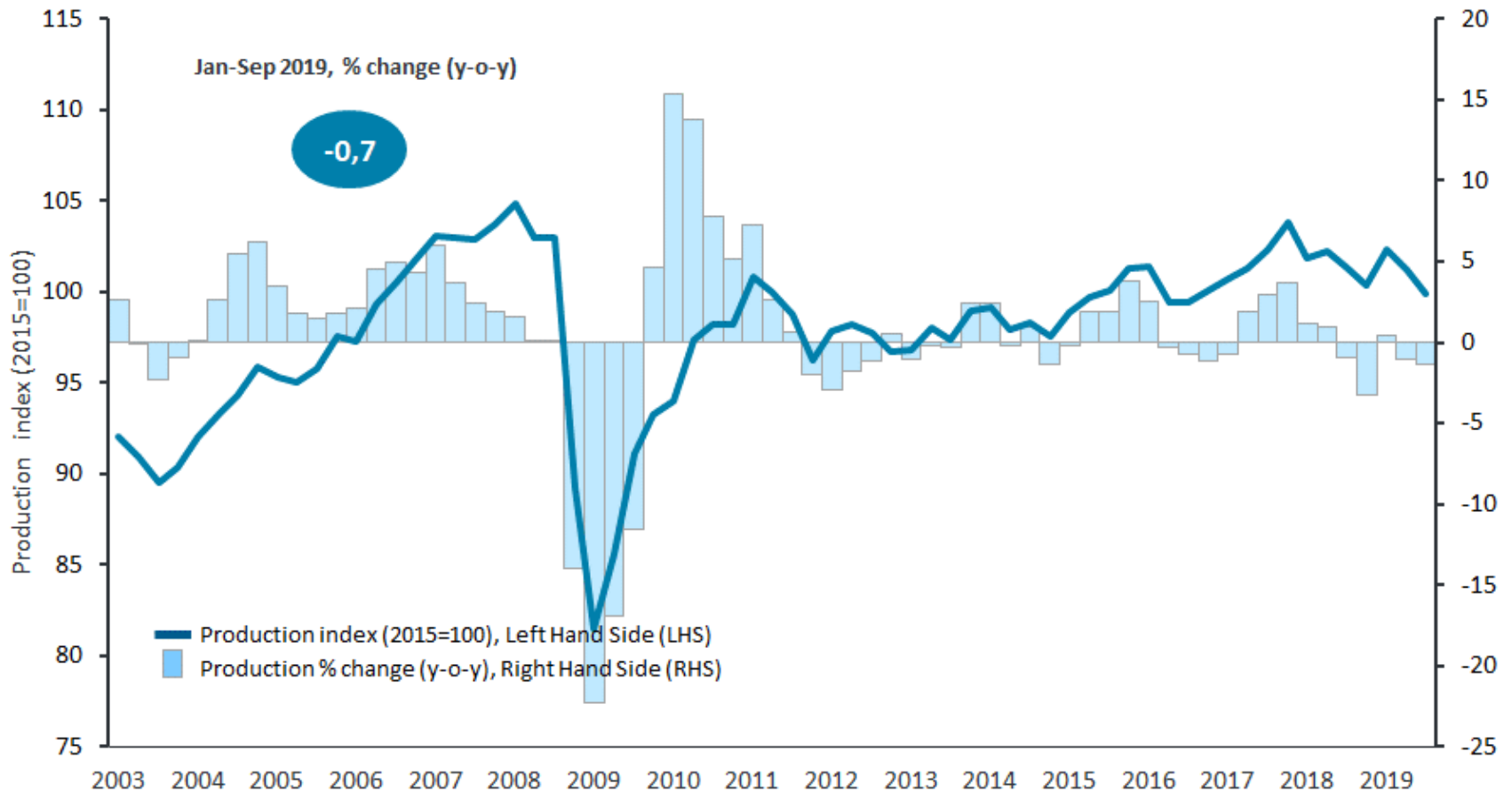
# The chemicals business climate declined further



Source: European Commission survey and cefic analysis (Nace 20)

**Business confidence** in the EU chemicals industry declined. Production expectations for the coming months and total order books do not show significant improvement.

# Output was 0.7% below the previous year's level (Jan-Sep 2019)



*After a good start in Q1-2019 (+1.9%), output growth rate was negative in both Q2-2019 and Q3-2019 due to weakening demand from key customer industries*