

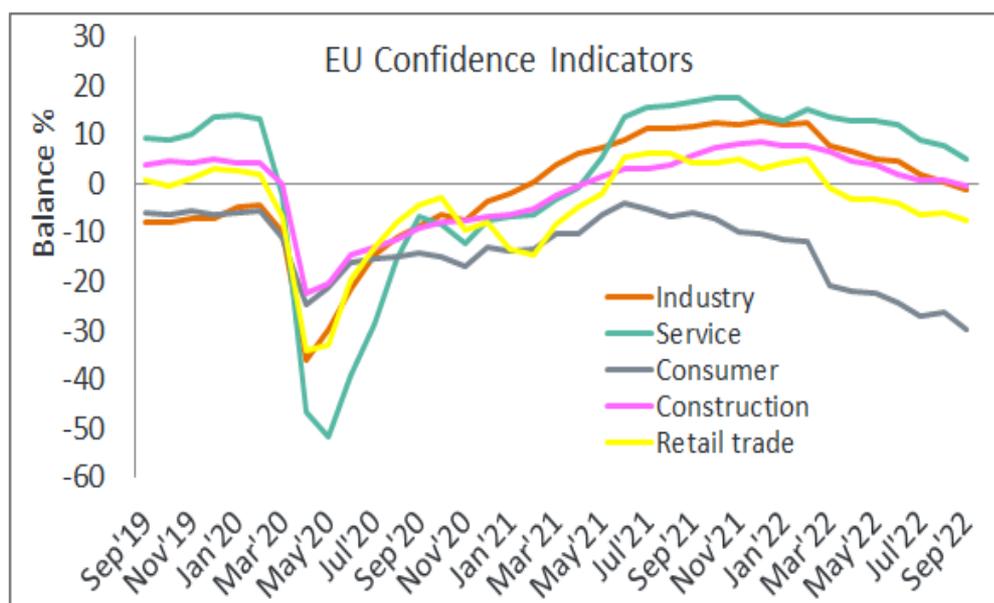
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Chemicals output further declined

Key findings:

✓ **The Economic Sentiment indicator falls sharply**

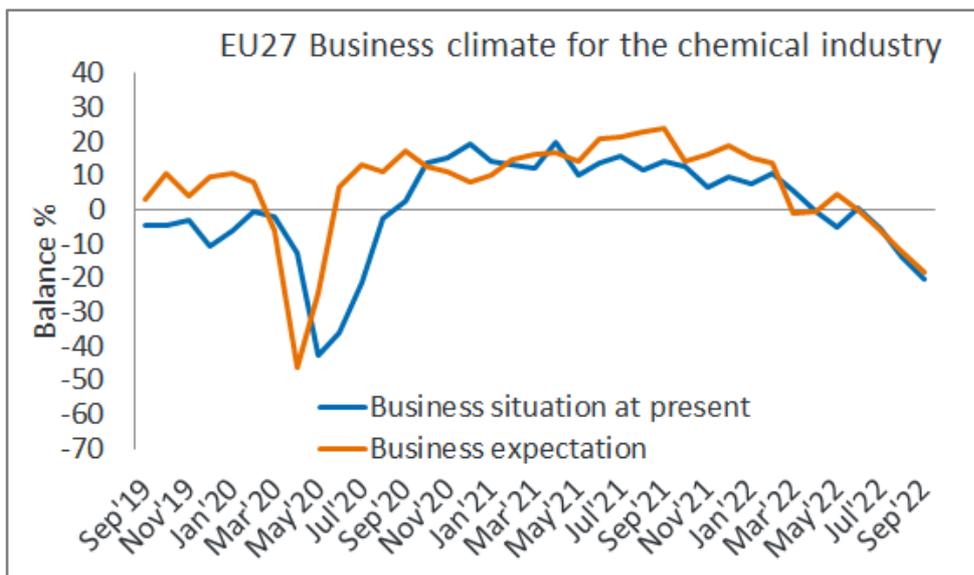
In September 2022, the Economic Sentiment Indicator (ESI) continued its steep decline in both the EU and the euro area. The Employment Expectations Indicator (EEI) decreased more moderately, staying markedly above long-term average. In the EU, the marked decrease in the ESI in September was driven by a significant deterioration in confidence in all surveyed business sectors and another particularly sharp decline among consumers. Amongst the largest EU economies, the ESI fell markedly in Germany, the Netherlands, Italy, France, Poland and, to a lesser extent, Spain (source business and consumer survey results for September 2022).



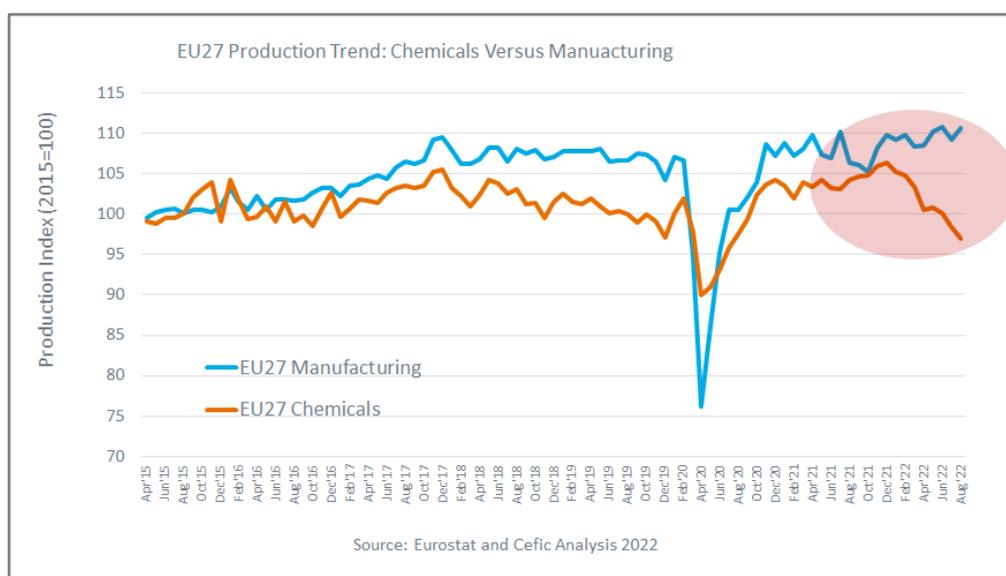
✓ **Chemicals business confidence declined further**

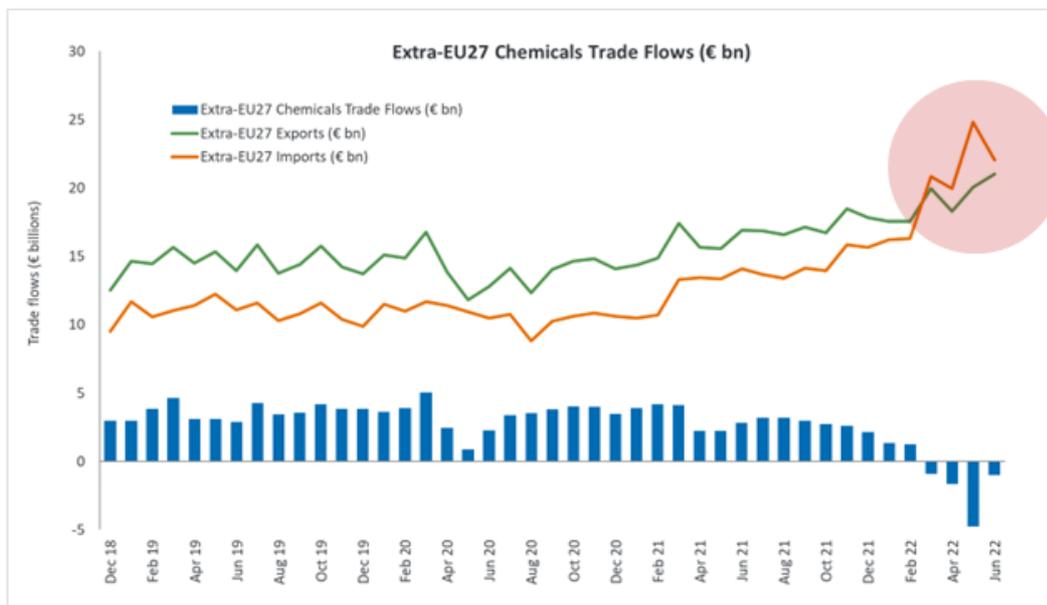
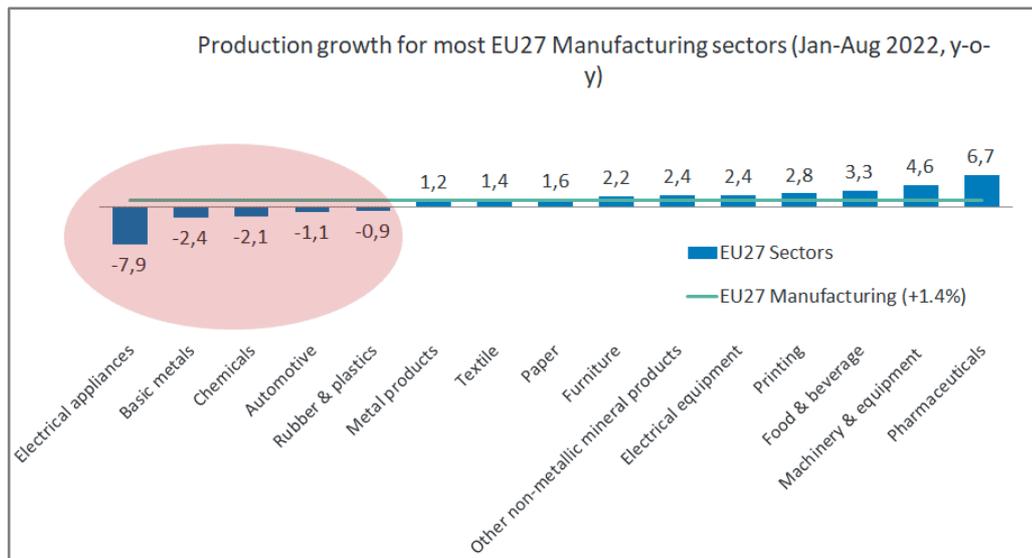
The Economic Uncertainty Indicator (EUI) rose markedly in September. Uncertainty rose in all business sectors; a particularly sharp increase in consumer uncertainty was recorded, reaching a new all-time high. Consumer confidence plummeted again, and reached a new all-time low in September. All its components (i.e. households' assessments of their past financial situation) contributed to the steep decline. Chemical Industry confidence decreased for the seventh month running, as the production expectations of managers for the next three months fell sharply. Assessments of the current level of overall order books also saw another deterioration, while the

assessment of the stocks of finished products edged down after several months of recovery (source business and consumer survey results for September 2022).



- ✓ **Chemicals output declined whereas other manufacturing continued to grow**
In the EU27 area, chemicals production declined by 2.1% in the period January-August 2022 compared to the same period of 2021. Data shows a significant impact on chemicals production for most EU countries. On average, output in the manufacturing sector is 1.4% above 2021's level (Jan-Aug), thanks to the sectors such as machinery and equipment (+4.6%) and pharmaceuticals (+6.7%). However, the energy crisis continues to impact deeply the chemical sector in Europe and its trade activity. Chemicals trade balance moved from a surplus in the first half of 2021 to a strong deficit in the first half of 2022. The decoupling between manufacturing and chemicals is now evident.





✓ **Oil and natural gas prices fell but still far above 2021's levels**

In September 2022, the price of oil in euros slid again. The prices in euros of imported raw materials (excluding energy) were back down. In September 2022, the price of North Sea crude oil (Brent) in dollars fell sharply for the third consecutive month, averaging \$89.7. Due to the depreciation of the euro against the dollar in September, the drop in euro was more modest. The prices of natural gas recorded in Europe are still far above the ones of other main regions. (source INSEE Monthly Report, October 2022 and investing.com).

Natural Gas Prices - Main Regional Trading Hubs

