



News Release

For Immediate Release

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U.S. SPECIALTY CHEMICAL MARKETS END SECOND QUARTER ON POSITIVE NOTE

WASHINGTON (July 24, 2019) – The American Chemistry Council (ACC) reported that U.S. specialty chemicals market volumes rose 0.3 percent in June after rising only 0.1 percent in May, falling 0.3 percent in April and showing a weak first quarter. In June, of the 28 specialty chemical segments that ACC monitors, 12 markets expanded, 13 declined and three were flat. Large market volume gains (1.0 percent and over) occurred in lubricant additives and mining chemicals. On a sequential basis, diffusion was 48 percent in June, up from 43 percent in May. All changes in the data are reported on a three-month moving average (3MMA) basis.

Year-earlier comparisons have been easing since the third quarter of 2018, but may be stabilizing. The index stood at 115.2 percent of its average 2012 levels in June, which is equivalent to 7.85 billion pounds (3.56 million metric tons). On a Y/Y basis, there were gains in 13 market and functional specialty chemical segments, while volumes were down in 15 segments. On a year-earlier basis, diffusion was 46 percent.

Performance chemistry reflects trends in manufacturing. For the first quarter as a whole, specialty chemical market volumes were essentially flat, and it appears that a tentative recovery began in the second quarter.

Specialty chemicals are materials manufactured on the basis of the unique performance or function and provide a wide variety of effects on which many other sectors and end-use products rely. They can be individual molecules or mixtures of molecules, known as formulations. The physical and chemical characteristics of the single molecule or mixtures along with the composition of the mixtures influence the performance end product. Individual market sectors that rely on such products include automobile, aerospace, agriculture, cosmetics and food, among others.

Specialty chemicals differ from commodity chemicals. They may only have one or two uses, while commodities may have multiple or different applications for each chemical. Commodity chemicals make up most of the production volume in the global marketplace, while specialty chemicals make up most of the diversity in commerce at any given time, and are relatively high value with greater market growth rates.

This data set is the only timely source of market trends for twenty-eight market and functional specialty chemical segments. Chemistry directly touches over 96 percent of all manufactured goods, and trends in these specialty chemical segments provide a detailed view of trends in manufacturing. The data also sheds light on how various consumer end-use markets are performing compared to others in the marketplace.

**U.S. Specialty Chemical Market Volume, Percentage Change
(Seasonally adjusted, 3-month moving average – Except YTD)**

	<i>Prior Month</i>	<i>Current Month</i>	<i>Year/ Year</i>	<i>Year-to- Date</i>
	May 19/ April 19	June 19/ May 19	June 19/ June 18	YTD 19/ YTD 18
U.S. Total	0.1	0.3	1.9	2.6
Adhesives & Sealants	-0.2	0.2	3.8	3.9
Antioxidants	-0.8	-0.4	-2.9	-2.2
Biocides	-0.3	-0.1	0.1	0.9
Catalysts	0.1	0.9	0.1	0.5
Coatings	0.1	0.3	2.0	2.4
Construction Chemicals	0.1	0.4	5.3	5.2
Corrosion Inhibitors	0.1	0.1	4.3	5.4
Cosmetic Chemicals	-0.2	-0.9	0.6	1.3
Dyes	-0.7	0.0	-1.0	-0.2
Electronic Chemicals	0.0	0.4	-3.3	-2.4
Flame Retardants	-0.5	0.2	-0.3	-0.3
Flavors & Fragrances	-0.1	-0.5	0.4	1.6
Food Additives	-0.1	0.0	-0.1	0.4
Foundry Chemicals	-1.7	-0.9	1.4	3.2
I&I Cleaners	0.3	0.1	0.2	0.3
Lubricant Additives	0.1	1.5	-3.7	-4.0
Mining Chemicals	0.1	1.2	1.3	1.7
Oilfield Chemicals	0.4	0.7	9.2	11.3
Paint Additives	-0.5	-0.3	-0.3	0.0
Paper Additives	-0.9	0.0	-4.5	-3.6
Pigments	-1.2	-0.8	-6.8	-6.4
Plastic Additives	0.1	-0.2	-3.2	-2.3
Plasticizers	0.1	-0.4	-3.7	-2.7
Plastic Compounding	0.3	0.8	-0.4	0.1
Printing Ink	-0.3	-0.2	-4.3	-3.6
Rubber Processing	-1.2	-1.3	-1.7	-0.2
Textile Specialties	-1.0	-0.9	-1.5	-0.3
Water Management Chemicals	0.0	-0.2	1.0	1.6

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Note that there are revisions to several segments as well as revisions to the underlying end-use data.

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The American Chemistry Council (ACC) represents the leading companies engaged in the business of chemistry. ACC members apply the science of chemistry to make innovative products and services that make people's lives better, healthier and safer. ACC is committed to improved environmental, health and safety performance through



Responsible Care®; common sense advocacy designed to address major public policy issues; and health and environmental research and product testing. The business of chemistry is a \$526 billion enterprise and a key element of the nation's economy. It is among the largest exporters in the nation, accounting for ten percent of all U.S. goods exports. Chemistry companies are among the largest investors in research and development. Safety and security have always been primary concerns of ACC members, and they have intensified their efforts, working closely with government agencies to improve security and to defend against any threat to the nation's critical infrastructure.

