News Release

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U.S. SPECIALTY CHEMICAL MARKETS START 2020 ON A SOLID NOTE

WASHINGTON (February 21, 2020) – The American Chemistry Council (ACC) reported a solid start to the year for U.S. specialty chemicals market volumes, with a 0.5 percent headline gain in January following a 0.7 percent gain in December. Of the 28 specialty chemical segments ACC monitors, 18 expanded in January – up from 15 in December – nine markets declined and one was flat. Large market volume gains (1.0 percent and over) occurred in antioxidants, catalysts, cosmetic chemicals, electronic chemicals, mining chemicals, plastic compounding, printing ink, and rubber processing chemicals. On a sequential basis, diffusion was 66 percent, up from 55 percent in December.

During January, the overall specialty chemicals volume index was up 0.3 percent on a year-over-year (Y/Y), three-month moving average (3MMA) basis. Year-earlier comparisons have eased since the third quarter of 2018 and were negative through December. The index stood at 113.8 percent of its average 2012 levels in January, which is equivalent to 7.75 billion pounds (3.52 million metric tons). On a Y/Y basis, there were gains in 11 market and functional specialty chemical segments. Compared with last year, volumes were down in 16 segments and one was flat. On a year-earlier basis, diffusion was 41 percent, an improving comparison.

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, whereas commodities may have multiple or different applications for each chemical. Commodity chemicals make up most of the production volume in the global marketplace, whereas 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 shed light on how various consumer end-use markets are performing compared to others in the marketplace.
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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 $553 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.