

American Chemistry Council

U.S. Specialty Chemicals Markets Start Third Quarter on Solid Note

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WASHINGTON (August 23, 2017) – The American Chemistry Council (ACC) reported that the third quarter started on a good note, with growth in U.S. specialty chemicals market volumes expanding 0.4 percent in July, following an upwardly revised 0.6 percent gain in June. Volumes have generally been moving up since May 2016. All changes in the data are reported on a three-month moving average (3MMA) basis. Of the twenty-eight specialty chemical segments we monitor, twelve expanded in July, fourteen markets experienced decline, while two were stable. During July, large market volume gains (1.0 percent and over) occurred in cosmetic chemicals, oilfield chemicals, plastic additives, and plasticizers.

The overall specialty chemicals volume index was up 5.0 percent on a year-over-year (Y/Y) 3MMA basis. The index stood at 109.9 percent of its average 2012 levels. This is equivalent to 7.57 billion pounds (3.44 million metric tons). The downturn in the oil and gas sector had affected headline volumes and, along with weakness in other segments, resulted in negative year-earlier comparisons from 2nd quarter 2015 through 2nd quarter 2016. Led by the recovery in the oil and gas sector, headline volumes are now positive and strong. On a Y/Y basis, there were gains among 19 market and functional specialty chemical segments.

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 is the only timely source of market trends for twenty-eight market and functional specialty chemical segments. Chemistry directly touches over ninety-six 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)

	<i>Current Month</i>	<i>Prior Month</i>	<i>Year/ Year</i>	<i>Year-to- Date</i>
	July 17/ June 17/	June 17/ May 17	July 17/ July 16	YTD 17/ YTD 16
U.S. Total	0.4	0.6	5.0	3.8
Adhesives & Sealants	0.2	0.4	6.0	7.0
Antioxidants	-0.6	0.2	-1.9	-1.0
Biocides	0.4	0.4	2.5	1.2
Catalysts	0.0	0.4	2.5	1.9
Coatings	-0.3	0.2	3.0	2.6
Construction Chemicals	-1.1	-1.1	0.2	0.7
Corrosion Inhibitors	0.5	0.8	7.2	6.0
Cosmetic Chemicals	1.7	0.8	3.2	0.4
Dyes	-0.3	0.0	0.7	1.1
Electronic Chemicals	0.4	0.5	6.4	5.6
Flame Retardants	-0.1	0.4	-0.1	-0.1
Flavors & Fragrances	0.9	0.7	3.8	2.1
Food Additives	0.0	0.5	4.0	4.2
Foundry Chemicals	-0.7	0.6	1.0	0.8
I&I Cleaners	0.1	0.2	1.4	1.3
Lubricant Additives	-0.6	-1.4	-0.6	1.7
Mining Chemicals	-0.1	1.1	7.3	7.0
Oilfield Chemicals	1.8	2.2	20.9	13.7
Paint Additives	-0.2	0.1	2.2	2.5
Paper Additives	-0.4	-0.4	-1.0	-0.7
Pigments	-0.5	-0.3	-2.4	-2.5
Plastic Additives	1.0	0.5	-1.5	-1.1
Plasticizers	1.0	0.4	-2.5	-1.9
Plastic Compounding	0.5	0.4	1.8	0.9
Printing Ink	-0.5	0.2	3.7	3.0
Rubber Processing	-1.9	-0.1	-6.8	-3.7
Textile Specialties	-0.9	-0.1	-1.8	-0.7
Water Management Chemicals	0.2	0.4	3.0	2.8

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