

Chemical Industry in Brazil Expects to Grow 19% This Year

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Estimates by the Brazilian chemical industry say that industry should post revenues of US\$ 123.2 billion by the end of 2008, a figure 19% higher than the one recorded in 2007, which was US\$ 103.5 billion.

The figure is equivalent to 220.1 billion reais (Brazilian currency), growth of 9.5%. The figures were disclosed today (05) by the Brazilian Chemical Industry Association (Abiquim) during the sector's annual meeting, promoted by the organisation in the city of São Paulo.

Brazilian imports of chemical products should total US\$ 35.4 billion in 2008. Exports, on the other hand, should reach US\$ 12.2 billion. Compared with last year, imports should grow 48.1% and exports, 14%. "The deficit will be a record, it should exceed US\$ 23 billion," said Carlos Mariani Bittencourt, president at the Board of Directors of Abiquim.

In 2007, the sector was the third largest in the formation of the processing industry's Gross Domestic Product (GDP), with a share of 10.82%. The sector answered to 3.2% of the national GDP.

The forecast is that, in 2008, chemical products for industrial use will answer to 50% of total net revenues by the national chemical industry. The segment should post net revenues of US\$ 61.6 billion, with growth of 11.8% over 2007.

This year, manufacturing of chemical products for industrial use is estimated to have had a decrease of 8.1%. Domestic sales should decrease 9.1% this year. In 2008, Brazilian imports of chemical products for industrial use should reach US\$ 30.2 billion, growth of 57.3%. Exports, with growth of 13% in comparison with 2007, should amount to US\$ 10.4 billion.

A survey disclosed by the Abiquim reveals that companies in the segment of chemical products for industrial use plan on investing US\$ 22.1 billion up until 2013, 54.3% of which concern products that have already been approved.

"Despite the fact that we are living in times of doubt and uncertainty, the import of the industry and the massive attendance of representatives of our affiliated companies at this meeting shows that we have a relation of trust and unity in order to overcome the obstacles," stated Bittencourt.

The performance of the industry in 2008 and the outlook for the Brazilian chemical industry in 2009 were the main topics of the 13th Annual Meeting of the Chemical Industry. The event was attended by the ministry of Development, Industry and Foreign Trade, Miguel Jorge, of the president at Petrobras, José Sérgio Gabrielli, and of the former minister of Finance, Pedro Malan.

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