

CBI MARKET SURVEY

THE CHEMICALS MARKET IN MALTA

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**Introduction**

This CBI market survey gives exporters in developing countries information on some main developments on the chemicals market in Malta. The information is complementary to the information provided in the CBI market survey covering the EU chemicals market. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

**1. Market description: industrial demand and production**

**Industrial demand**

- Industrial demand for chemicals in Malta is limited. Total demand for chemical products amounted to € 282 million in 2005, and accounts for less than 0.1% of the total EU consumption.
- Between 2002 and 2005, industrial demand for chemicals in Malta increased by an annual average rate of 6% (European Chemical Industry Council (CEFIC), 2006).

**Table 1.1 Industrial demand for chemicals in the EU and Malta, 2002-2005, in € million**

	2002	2003	2005	Average annual growth
EU25	496,581	507,835	564,598	3.3%
Malta	65	68	82	6.3%

Source: CEFIC (2006)

**Production**

- Malta does not have a noteworthy chemical industry.
- In 2005, the Maltese chemical industry turnover amounted to € 102 million, representing an annual average growth rate of 10% between 2001 and 2005 (CEFIC, 2006).
- In 2004, over 80 % of the persons employed in the chemical industry of Malta were employed in the manufacturing of rubber and plastic products, which constitute 85% of production capacity. However, in absolute terms, employment in this sector remains low (roughly 2,000) (Eurostat, 2006).

**Trends**

- No specific information on trends regarding the chemical sector in Malta is available. The trends that have been described in the CBI market survey covering the EU chemicals market, are also applicable to Malta.

**Opportunities and threats**

- Given the limited size of the Maltese chemical sector, the possibilities for developing countries on the Maltese market are also likely to be very limited.

**Useful sources**

- Except for CEFIC (<http://www.cefic.org>), no other organisations collect information industrial demand of chemicals in Malta.
- No companies working the chemical sector (either producers, distributors) were encountered.

## 2. Trade channels for market entry

- Malta does not have a noteworthy chemicals industry.
- In general, the trade channels in Malta are not expected to differ from the trade channels which have been mentioned in the CBI market survey covering the EU chemicals market. The traditional approach of contacting traders, intermediate processing companies, agents and wholesalers (either with or without processing capacity, dependent on the chemical) remains the most effective method.
- No companies working the chemical sector (either producers, distributors) were encountered.

## 3. Trade: imports and exports

### Imports

- Malta is a negligible importer of chemicals, accounting for 0.1% of EU imports.
- In 2006, Malta imported € 37 million / 10 thousand tonnes of chemicals, representing an average annual increase of 18% during the review period.
- Imports of chemicals by Malta consisted of organic chemicals (63%), oleo chemicals (34%), dyes and pigments (3%).
- Leading suppliers of chemicals to Malta are Italy (22%), the United Kingdom (14%), Spain (7%) and Japan (7%).
- In 2006, developing countries supplied 30% of all imports by Malta, which is just under the EU average. Imports from developing countries increased by an annual average rate of 47% in the period reviewed, amounting to € 11 million / 223 thousand tonnes in 2006. The main developing country suppliers to Malta are China (17%) and India (12%).

### Exports

- Malta is one of the smallest EU exporters. However, its exports increased annually by 50% amounting to € 11 million / 638 thousand tonnes in 2006.
- Between 2002 and 2006, exports of organic chemicals, dyes and pigments and oleo chemicals showed strong increases with a particular strong increase in exports of the latter, representing an annual average growth rate of 141%. Exports of inorganic chemicals decreased sharply by an annual rate of 53%.

### Opportunities and threats

- Malta is a very small EU trader in chemicals, making it a rather uninteresting market for developing country producers.
- Although, Malta's trade in chemicals has been expanding for over the past four years and developing countries are strongly represented in the organic chemical supply, Malta's trade with developing countries is focused only on India and China.

### Useful sources

- EU Expanding Exports Helpdesk - <http://export-help.cec.eu.int>
- Eurostat, the official statistical office of the EU - <http://epp.eurostat.cec.eu.int>

## 4. Price developments

- The CBI market survey covering the EU chemicals market, presents general information on prices. These price indications do not differ from those in Malta.
- The prices of most commodity chemicals can be found relatively easily. Useful sources are <http://www.cnionline.com> (subscription site with information on companies, markets, products, strategies, mergers, acquisitions, capacity expansions, forecasts and trends in the chemical industry) and <http://www.icislor.com> (subscription site for prices on the petrochemical and oil markets).
- However, the prices of fine and specialty chemicals are more difficult to obtain. They are not published and can vary widely from one application area to another. Obtaining reliable

price information in these segments often requires asking a distributor, or asking a producer for a quotation.

#### 5. Market access requirements

- Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country's government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns.
- For more information, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>.

#### 6. Business practices

Information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) and cultural differences can be found in CBI's export manuals 'Export Planner', 'Your image builder' and 'Exporting to the EU'. These can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications. For more information on doing business in Malta, visit the following websites:

##### Trade Associations

- There is no association for the chemical industry in Malta.

##### Trade Fairs

- No trade fair for the chemical industry is held in Malta.

##### Trade Press

- There is no trade press for the chemical industry in Malta.

This survey was compiled for CBI by ProFound – Advisers in Development in collaboration with Jan Ramakers Fine Chemical Consulting Group.  
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