Press release

Euler Hermes U.S. chemical industry outlook: Revenue growth to remain healthy; manufacturers to continue to benefit from cheap and abundant domestic natural gas

U.S. petrochemicals projected to grow ahead of GDP through 2018

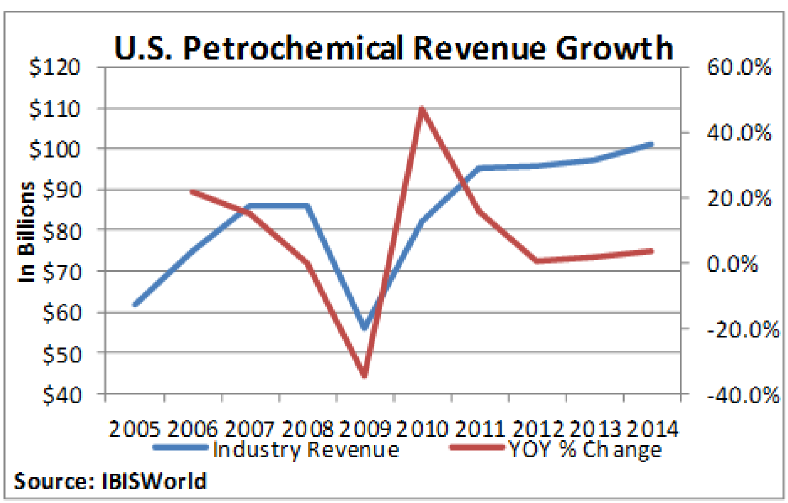
BALTIMORE, Md. – NOVEMBER 21, 2013 – The U.S. chemical manufacturing industry will continue to grow, supported by increasing demand from key end-use markets including appliances, computers/electronics, plastics and rubber products, according to the *U.S. Chemicals Industry Outlook* released today by Euler Hermes, the world's leading provider of trade credit insurance. Industry performance in the remaining months of 2013 and early 2014 is likely to be similar to 2012's growth of 1.6%.

Overall, North American chemical companies' credit quality is expected to stay healthy, supported by the recovery of the general economy. Euler Hermes projects industry revenue will slightly outpace GDP advances.. Liquidity will remain stable for most major industry players due to conservative corporate balance sheet management, high cash reserves and easy access to credit.

"The U.S. chemicals industry is a cyclical business, highly dependent on the global economy's changes and reliant on the costs of basic commodities, especially oil and gas," said Sergey Shchepochkin, author of the report and industry sector credit analyst at Euler Hermes. "The chemicals industry is often considered an early indicator for the economic cycle, as many products are consumed at early stages of the production supply chain."

The strength of the American car manufacturing industry remains one of the most positive factors in chemicals demand. Additionally, chemicals manufacturers continue to benefit from the extremely low price of domestic natural gas, which has significantly reduced petrochemical producers' input costs. This has allowed them to increase exporting activity as they have become more competitive in the global marketplace.

The U.S. petrochemical manufacturing subsector is projected to grow in the mid-single digits at a pace slightly ahead of GDP growth through 2018. This is largely due to increasing demand from key buyers, including plastic and rubber manufacturers.



“In contrast to the U.S. market’s strength, global markets are likely to experience weaker demand for chemicals, plastics and coatings due to slower growth in Brazil, China and India, along with a nascent recovery in Europe,” said Shchepochkin.

# # #

CONTACTS

Euler Hermes Americas Media Relations
Morgan Salinger – +1-212-931-6158
msalinger@peppercomm.com

Laura Crovo – +1-410-753-0862
Laura.Crovo@eulerhermes.com

Euler Hermes Group Media Relations
Remi Calvet – +33 (0) 1 84 11 61 41
remi.calvet@eulerhermes.com

Euler Hermes North America Insurance Company
Euler Hermes’ regional headquarters for the United States, Canada and Brazil is located in Owings Mills, Md. Founded in 1893, Euler Hermes is North America’s largest and longest-established provider of trade credit insurance and accounts receivable management solutions. The company protects and insures around $120 billion of regional trade transactions annually, serving small, medium and multinational clients across a range of sectors. The company employs 430 people regionally and serves clients from more than 50 locations in North America and Brazil.

Euler Hermes is the worldwide leader in credit insurance and one of the leaders in the areas of bonding, guarantees and collections. With 6,000+ employees in over 50 countries, Euler Hermes offers a complete range of services for the management of B-to-B trade receivables and posted a consolidated turnover of €2.4 billion in 2012. Euler Hermes has developed a credit intelligence network that enables it to analyze the financial stability of 40+ million businesses across the globe. The Group insured worldwide business transactions totaling €770 billion exposure end of December 2012. Euler Hermes, subsidiary of Allianz, is listed on Euronext Paris. The Group is rated AA- by Standard & Poor’s.

For more information, visit www.eulerhermes.us; follow us on Twitter @eulerhermes.