

Quarterly Market Report

01.01.2024

European market for pharmaceutical and industrial ethanol grades

1st quarter 2024

The availability of ethanol in Q1 will stay high as demand from end-users remains limited. The main reasons for the limited demand are the ongoing economic constraints related to the recessionary tendencies in many European markets, high interest rates and inflation. Currently the prices are stable, however - there is potential for a further decrease due to the healthy availability in all ethanol grades. Producers are hoping for more activity in January and February as some buyers may restock after keeping their inventories low in December to meet year-end financial requirements.

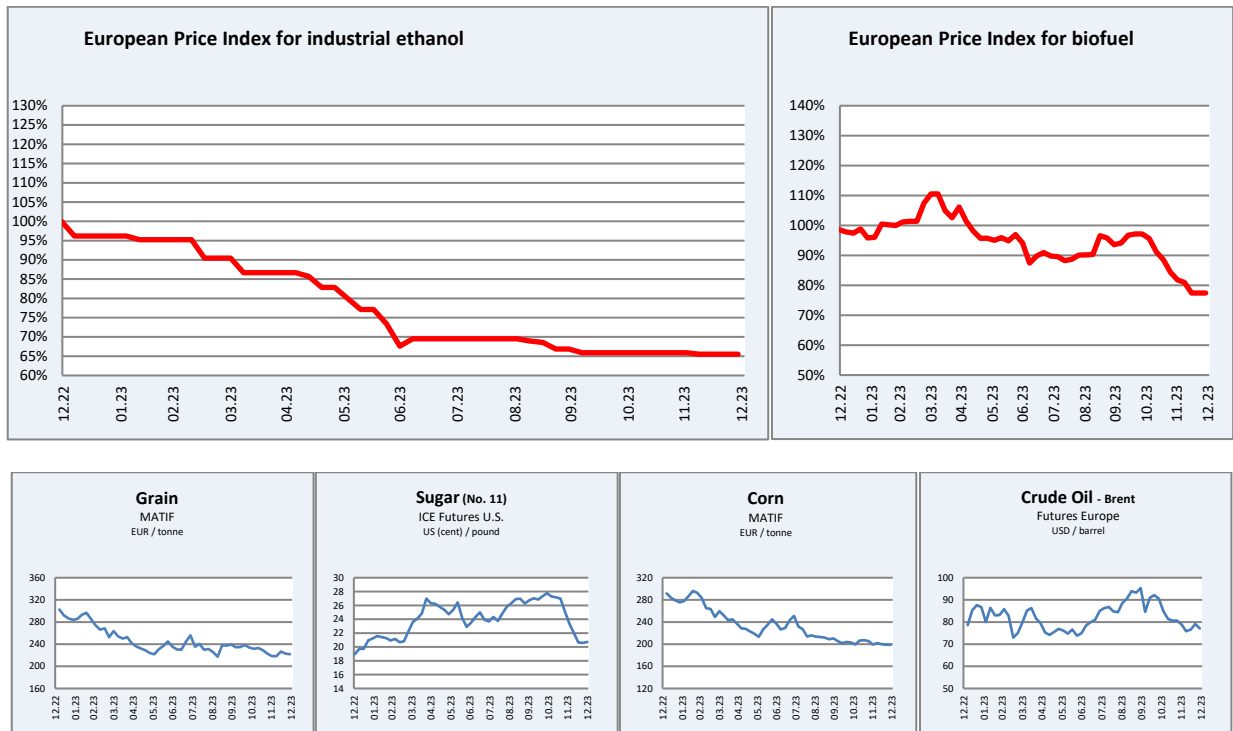
Regarding possible anti-dumping measures against ethanol imports from Pakistan, most market participants do not expect the EU to introduce such measures. Therefore, if all parameters remain as they are today, the market is likely to remain stable and not bring any major surprises.

Long-term situation

The outlook for the first half of 2024 remains bleak. Most European economies are expecting a difficult 2024 with poor growth. Labour costs are expected to remain high, as the abundance of labour has turned into a shortage. Transport costs will also remain high and, together with longer transit times from Asia to Europe, are likely to increase further due to the danger surrounding the Suez Canal. In addition, the global geopolitical situation remains highly uncertain. The main factors are the war in the Middle East, the war in Ukraine and China's economy, which is not getting off the ground as a result of the property crisis. The keywords for H1 are therefore uncertainty and instability.

Hence, market sentiment on the traditional ethanol market remains sceptical from the producers' perspective. This is because the additional quantities of sugar beet alcohol resulting from the good European harvest will hardly meet with the necessary demand to create a balanced market. And if the dollar continues to weaken against the euro, imports to Europe will also become more interesting again, which would drive up the available quantities even more and would cause downward pressure on prices.

Alcosuisse Market Charts



Note: The Alcosuisse Market Report is based on multiple market sources within the European Union and Switzerland. As one of the largest ethanol buyers in Europe alcosuisse receives regularly up-to-date price and market information from practically all major market players. Nevertheless, all information in this report remains an estimation of future developments that can never be forecasted with an absolute guarantee. Therefore, alcosuisse accepts no liability for decisions based on the content of this report and its charts. Contact: For more information or a firm offer please contact our customer service at info@alcosuisse.ch or call +41 31 309 17 17

Alcosuisse AG - the ethanol specialists

Ethanol from Switzerland for any and every purpose: whether it is required for industrial processes, or in the production of beverages containing alcohol or for its indispensability in university research, Alcosuisse is the Swiss producer of ethanol. Alcosuisse combines long tradition and experience with a high level of quality and service.

