

The European industry has two main sources of strength. First, Europe-based chemical companies have substantial resources. Of the largest 20 chemical companies in the world, 15 are European. Of those 15, there are 11 based in EC countries and the remaining 4 are in EFTA countries, which gives them privileged access to the EC market (Table 4). Second, there is a widespread view that European chemical companies have a technological edge on their North American competitors. This view is held

in Europe.<sup>21</sup> It was also a view expressed by company executives in the plastics and pharmaceuticals industries interviewed for this study.

As well as producing increased output with a constant or declining labour force, the restructuring of the EC chemical industry has a number of other notable characteristics. First, there has been a series of mergers, in particular in countries with smaller chemical

TABLE 4

The 20 Largest Chemical Companies in the World, 1987

<u>Company</u>	<u>Country</u>	<u>1987 Sales</u> <u>(billions of dollars)</u>
BASF	W. Germany	25.6
Bayer	W. Germany	23.6
Hoechst	W. Germany	23.5
ICI	Britain	21.0
Du Pont	U.S.	17.6
Dow Chemical	U.S.	13.4
Ciba-Geigy	Switzerland	12.4
Montedison	Italy	11.9
Shell	Holland/Britain	11.7
Rhône-Poulenc	France	10.6
AKZO	Holland	8.8
Monsanto	U.S.	7.6
Exxon	U.S.	7.2
Sandoz	Switzerland	7.1
Union Carbide	U.S.	6.9
Solvay	Belgium	6.8
Roche Sapac	Switzerland	6.1
EniChem	Italy	5.3
Norsk Hydro	Norway	5.3
DSM	Holland	5.1

Source: *The Economist* (16/7/88), p. 69.