US chemical industry: no. 2 worldwide

With sales of nearly 735 billion euros in 2018, the US chemical industry is the second largest chemical producer worldwide. Higher sales were recorded only in China. It seems that the long-term consequences of the crisis 2008/2009 are slowly overcome. Due to favorable energy prices through fracking, production increased on average by 0.8 percent annually over the past 5 years. It is true that production is back on the increase since 2016, but it is still roughly 7.5 percent below its pre-crisis level.

The USA is not only the second largest chemical producer, it is also the second largest consumer of chemicals. In 2018, US chemical consumption amounted to approximately 765 billion euros. This corresponds to ca. 16 percent of the global demand for chemicals.

The chemical industry stateside gets fresh impetus from shale gas – investments have risen vigorously in the last years. In a global comparison, only China invests more in its chemical industry. In 2018, the US chemical industry invested nearly 34 billion euros.

SPECIALIZATION IN PHARMACEUTICALS

The US chemical industry specializes in pharmaceuticals manufacture. Over one third of sales are realized in this sector alone. During the last ten years, pharmaceuticals gained shares in sales. Driven forward by favourable energy and raw material costs, petrochemicals and polymers account for almost one quarter of sales. Fine and specialty chemicals close to industry rank third with ca. 21 percent.

The United States is the world’s largest importer of chemical-pharmaceutical products, with pharmaceuticals making up nearly half of all imports and over one fourth of all exports. Overall, the US trade balance is clearly negative where chemicals are concerned.

GERMANY’S MOST IMPORTANT TRADING PARTNER OUTSIDE EUROPE

The USA is the industry’s most important trading partner outside Europe. In 2018, the German chemical industry exported goods of a value of ca. 21.3 billion euros to the United States, accounting for somewhat over 11 percent of chemical exports from Germany. Conversely, roughly 8.5 percent of chemical imports into Germany came from the USA (worth around 12.2 billion euros).

For German chemical and pharmaceutical companies, the United States comes right after Germany as a production location. In 2017, the stock of direct investments of German chemical companies in the USA was 44.3 billion euros. In total, 154 subsidiaries of German chemical businesses were active stateside. Together they made a profit of roughly 63 billion euros and employed 71,000 employees.