

# Quarterly Report 3.2022

## Chemical business remains under pressure

Also in the 3rd quarter 2022, the chemical-pharmaceutical industry continued to be heavily confronted with the impacts of the energy crisis. The situation further worsened in the summer months. Production in Germany's third largest industry was reduced significantly, affecting nearly all sectors. Some individual plants came to a standstill. The industry's capacity utilisation fell below the normal level. At the same time, it became ever more difficult for companies to pass on the sharply risen energy costs in the value chain. For the first time in two years, there was a drop in the industry's turnover – which was particularly marked in domestic sales. The weakening global economy together with the weak position of industries overall in Germany caused a decline in demand.

VCI President Markus Steilemann comments on the economic situation in the industry: "More dark months are ahead for the chemical industry. Already now, many companies are in an extremely dramatic situation with their production in Germany, especially due to the massive increase in energy costs. In particular, small and medium-sized enterprises with expiring supply agreements for electricity or gas are having great problems in concluding follow-up or new contracts. Matters will become yet more difficult with the onset of winter and falling gas storage levels. Therefore, we now need fast and unbureaucratic energy price brakes with a broad effect, so that things do not get even worse."

### Forecast

In view of the persistently difficult situation of the industry, the VCI maintains its forecast for the overall year 2022 of a production drop by 5.5 percent. For chemical production alone (excluding pharma) a drop by 8.5 percent is expected.

### Production

Compared with the previous quarter, the industry's production fell by 4.2 percent. At 79.3 percent, capacity utilisation was clearly below the normal level.

### Producer prices

Irrespective of enormously rising energy costs, producer prices went up by only 2.6 percent in Q3 2022. This means that chemicals were 23.7 percent more expensive than in the previous year.

### Sales

Major production cuts, lower price increases and the weakening demand caused a decline in sales. The total turnover of the chemical-pharmaceutical industry fell by 1.6 percent to altogether 63.1 billion euros.

### Employment

Employment remained constant in the period under review. At present, 473,200 persons are working for chemical and pharmaceutical companies.

### Summary

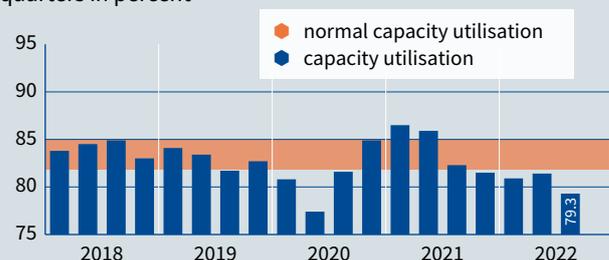
- **Production:** The industry's production falls by 4.2 percent
- **Producer prices:** it is becoming almost impossible to pass on costs to customers
- **Sales:** Trend reversal - sales decline by 1.6 percent
- **VCI maintains its annual forecast:** drop in production by 5.5 percent
- **Please note:** The integral text of the VCI's Quarterly Report 3.2022 (in German language) is available for download in the press section at [www.vci.de](http://www.vci.de)

### Chemical business indicators in Germany 3rd quarter 2022

	Veränderung in Prozent	
	zum Vorquartal	zum Vorjahr
<b>Produktion</b>	- 4.2	- 10.3
ohne Pharma	- 7.2	- 14.1
<b>Erzeugerpreise</b>	+ 2.6	+ 23.7
<b>Umsatz</b>	- 1.6	+ 14.7
Umsatz Inland	- 7.3	+ 13.4
Umsatz Ausland	+ 2.3	+ 15.5
<b>Kapazitätsauslastung in Prozent</b>	<b>Quartal 2/2022</b>	<b>Quartal 3/2022</b>
Chemie (inkl. Pharma)	81.4	79.3

Sources: Destatis, ifo, VCI

### Capacity utilisation in the German chemical and pharmaceutical industry quarters in percent



Sources: ifo, VCI