

# Quarterly Report 4.2024

## Setback in chemicals business

The year 2024 ended with a severe setback for the German chemical and pharmaceutical industry. Hopes of an economic recovery in the German and European industry did not come true. Quite the contrary: The downtrend continued in many sectors in Germany and Europe. Thus, the demand for chemicals and pharmaceuticals in the home market Europe remained weak. Domestic sales in Germany continued to fall and foreign sales with European customers also shrank. Due to a lack of orders, production dropped sharply in Q4 2024. Positive impetus only came from countries outside Europe. However, this was too weak to reverse the trend.

VCI director-general Wolfgang Große Entrup says: “2024 was another year to forget for the industry, and the fourth quarter was another heavy blow for it. But the bad news does not stop in the new year, either. Trump’s unpredictable tariff policy, another rise in energy prices and unresolved structural problems continue to cause uncertainty. Hopes rest on a new German federal government. A radical change of course in the economic policy is overdue. Economy First must now be the motto.

We need courage, we need determination, we need speed. At long last, Germany must get back into action – as the world’s third largest economy and the industrial driver of Europe, we have a responsibility that we must live up to. Economic strength and political influence are two sides of the same coin – this applies to Europe just as much as it does to Germany. Speaking in metaphors, it is in our country’s own hands. Political deciders in Berlin should resolutely implement the much-cited restart with a clear economic policy course. This is an immense effort, but not an insurmountable challenge.”

### Forecast

Irrespective of the disappointing last quarter, the VCI keeps up its forecast for the business year 2025. Production is likely to stagnate, as the increase in the pharmaceutical industry can make up for the decline in chemistry. Overall, the industry’s sales are likely to fall by 1 percent.

### Production

Production dropped noticeably by 4.2 percent against the previous quarter and clearly missed the level of the previous year. Capacity utilization declined to 74.7 percent so that it remained below the profitability threshold.

### Producer Prices

Prices for chemical and pharmaceutical products stagnated. This meant that producer prices were merely just below the previous year’s level.

### Sales

Compared to Q3 2024, total sales in the chemical and pharmaceutical industry increased slightly to 53.1 billion euros but fell short of the previous year. Sales to customers outside Europe had a stabilizing effect.

### Employment

The number of jobs in the industry was still stable at a high level of around 480,000 persons because of growth in the pharmaceutical sector.

### Summary

- ◆ **Global chemical markets:** recovery without Europe
- ◆ **Production:** new low
- ◆ **Producer prices:** stagnation
- ◆ **Total sales:** domestic business in the red
- ◆ **Outlook:** no growth
- ◆ Please note: The integral text of the VCI’s Quarterly Report 4.2024 (in German language) is available for download in the press section at [www.vci.de](http://www.vci.de)

### Chemical business indicators in Germany

4th quarter 2024

	changes in percent against	
	previous quarter	previous year
<b>Production</b>	- 4.2	- 1.2
excluding pharma	- 6.3	- 0.6
<b>Producer prices</b>	+ 0.0	- 0.2
<b>Sales</b>	+ 0.3	- 1.5
domestic sales	- 1.4	- 4.0
foreign sales	+ 1.4	+ 0.0
<b>capacity utilisation in percent</b>	<b>quarter 3/2024</b>	<b>quarter 4/2024</b>
chemicals (incl. Pharma)	74.8	74.7

sources: Destatis, ifo, VCI

### Chemical business indicators in Germany

total year 2024

	change against previous year	absolute value
<b>Production</b>	+ 1.0	-
excluding pharma	+ 3.1	-
<b>Producer prices</b>	- 2.2	-
<b>Sales</b>	- 2.0	221 bn. €
Domestic Sales	- 4.2	82 bn. €
Foreign Sales	- 0.7	139 bn. €
<b>Employment</b>	+ 0.1	480,000

Sources: Destatis, VCI