

PRESS RELEASE

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*Low energy prices in the USA and dynamic growth in Asia***More investments abroad by German chemical companies**

Germany is becoming less attractive as a chemical industry location. Investments increasingly go to regions outside Europe. This is shown by a data gathering exercise of the German chemical industry association VCI: In 2012, foreign fixed asset investments by German chemical companies rose by some 25 percent to 7.7 billion euros – while domestic investments of Germany's third largest industry stagnated at 6.3 billion euros. For the first time since 2001, foreign investments by the German chemical industry are higher than investments at home.

The demand for chemicals is stagnating in Europe, and the growth forecasts are cautious for the coming years. By contrast, the demand for chemical products is rising especially in emerging markets. This makes Asia and Latin America attractive for investments by German chemical companies: In 2012 their investments in these regions went up by 27 percent to 2.6 billion euros.

The USA is experiencing a renaissance as an investment country in corporate global strategies: In the past three years, German chemical companies invested in North America some 6.5 billion euros in new production plants or in expanding existing ones. In 2012 alone, German chemical industry investments in North America rose by 54 percent to around 3.2 billion euros. The fact that meanwhile over 41 percent of their foreign investments go stateside underlines the renewed attractiveness of the USA for German chemical businesses (a comparison: just under 28 percent back in 2005). The main underlying reason is the drop in energy and raw material costs in the USA since the start of the boom in shale gas production in 2009 – whereas raw material and energy costs have risen significantly in Germany, mainly because of the energy transition Energiewende. At present, electricity in Germany is roughly 2.5x more expensive than in the USA; the gas price is even three times higher.

The VCI's director-general Utz Tillmann comments: "Cost increases for energy at the industry location Germany put our companies under strong pressure. They

seem to find better production conditions in other countries and in particular in the USA, which enables them to secure their competitiveness. Politicians are called upon to make the Energiewende affordable so that this development does not turn into a trend.”

The VCI represents the politico-economic interests of some 1,650 German chemical companies and German subsidiaries of foreign businesses. For this purpose, the VCI is in contact with politicians, public authorities, other industries, science and media.

The VCI stands for over 90 percent of the chemical industry in Germany. In 2012, the German chemical industry realized sales of more than 186 billion euros and employed ca. 434,000 staff.

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Please note:

VCI news about the chemical industry is also available via

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