

## PRESS RELEASE

12 March 2014

### *Business situation of the German chemical industry in the 4th quarter 2013*

## Chemical business: 2013 ends on a conciliatory note

After many ups and downs in 2013, the past year ended with a good 4th quarter for the chemical-pharmaceutical industry in Germany – as is stated in the most recent quarterly report published by the German chemical industry association VCI. Production in Germany's third largest industry rose significantly from October to December 2013. This brought higher sales, even though the prices for chemical products dropped for the fourth consecutive quarter. The domestic demand for chemicals remained stable at a high level while the foreign demand went up: Sales by German chemical companies expanded in almost all regions worldwide. It is worth noting that sales to the EU core member states were back on the increase for the first time in 2013.

The VCI's director-general Dr Utz Tillmann comments the described developments: "At the moment, the prospects for 2014 are good for our industry. The upward trend of late 2013 lasts; business is brisker in all chemical sectors. We are expecting the demand for chemicals to improve both at home and abroad, with a special focus on our industrial customers in Europe. But obviously, setbacks are possible. At present, mainly the political crisis in the Ukraine brings risks for the global economy."

### **Forecast**

For the year 2014, the VCI forecasts a rise in chemical production by 2 percent. Prices are likely to drop by 0.5 percent. Consequently, chemical industry sales could climb by 1.5 percent to 191.5 billion euros.

### **Production**

From October to December 2013, chemical production went up by 2.3 percent against the 3rd quarter 2013. This marked improvement was largely achieved with pharmaceuticals. The period under review saw a production increase by 3.7 percent against the 4th quarter 2012.

## Producer prices

The prices for chemical products continued to fall, with a drop by 0.5 percent in the 4th quarter 2013 against the previous quarter. Polymers were the exception so that the VCI is hoping for the price decline to end soon.

## Sales

Irrespective of the above price development, sales of the German chemical industry rose by 2.1 percent to 44.4 billion euros during the period under review, as compared with the 3rd quarter 2013. Growth impulses from foreign business returned for the first time. Chemical industry sales were 3 percent higher than in the 4th quarter 2012.

## Employment

With 436,500 staff there was another slight rise in employment in the German chemical industry in the 4th quarter 2013. As compared with the previous year, employment increased by 0.5 percent.

*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 2013 the German chemical industry realized sales of ca. 189 billion euros and employed over 436,000 staff.*

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### **Please note:**

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