

PRESS RELEASE

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VCI report on the business situation of the German chemical industry in the 4th quarter 2015

Disappointing end of year for the German chemical industry

- Production drop by 2.6 percent against the previous quarter
- Chemical prices fall by 1.6 percent
- Chemical industry sales decline by 1.5 percent
- Forecast: slight recovery of chemical business

The turbulent business year 2015 ended with sober realities for the German chemical-pharmaceutical industry, according to the latest quarterly report as presented in Frankfurt by the German chemical industry association Verband der Chemischen Industrie (VCI). All indicators of importance to the industry pointed downward at the end of the year; this holds true for chemical production, producer prices and sales. Chemical business at home in Germany was adversely affected by the weak domestic demand, while weaker dynamics in China and in the USA made themselves felt in foreign trade. By contrast, in Europe – the most important market outside Germany – the chemical industry saw a minor plus.

VCI director-general Utz Tillmann on the developments in the period under review: “Last year did not come up to our expectations. With weak industrial growth, only a minor rise in the demand for chemicals can be expected in Germany in 2016. Prospects should be somewhat more positive for foreign trade. Overall, chemical companies are anticipating business to pick up only slightly in the coming months.”

Forecast

For the year 2016 the VCI forecasts an increase in chemical production by 1 percent. Chemical prices are projected to drop by 0.5 percent. Thus, in the current year chemical industry sales could rise slightly by 0.5 percent to 191 billion euros.

Production

Seasonally adjusted, chemical production dropped by 2.6 percent against the previous quarter; it fell by 0.8 percent against the previous year. Capacity utilisation in the industry was at 83.8 percent.

Producer prices

In the 4th quarter 2015 chemical prices were 1.6 percent lower than in the previous quarter, falling to their lowest level in five years. Chemicals were 2.9 percent less costly than back in 2014.

Sales

In the last quarter 2015, chemical industry sales fell by 1.5 percent as compared with the previous three months and by 2.6 percent against the previous year. Both domestic and foreign business decreased.

Employment

From October to December 2015, the number of jobs in the chemical-pharmaceutical industry was constant, as compared with the previous quarter. At present, the industry has 447,000 staff.

Download:

The full version of the VCI's quarterly report **4/2015** (in German language) can be downloaded at www.vci.de in the section "Presse".

The VCI represents the politico-economic interests of over 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 2015 the German chemical industry realized sales of around 190 billion euros and employed 447,000 staff.

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Please note: VCI news about the chemical industry is also available via Twitter (<http://twitter.com/chemieverband>)

