

Quarterly Report

The business situation of the German chemical industry in the 3rd quarter 2015
Executive Summary

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VERBAND DER CHEMISCHEN INDUSTRIE e.V.
WIR GESTALTEN ZUKUNFT.



Minor setback in chemical and pharmaceutical business

Earlier growth did not last for the German chemical-pharmaceutical industry in the 3rd quarter 2015, according to the latest quarterly report by the German chemical industry association Verband der Chemischen Industrie (VCI). From July to September 2015, production and sales in Germany's third largest industry dropped as compared with the previous quarter. Chemical business in Germany was adversely affected by the weak industrial demand during the summer months. Export proceeds were lower too: Irrespective of stable industrial production, the demand declined in Europe which is the most important foreign market. Exports to other regions could not make up for this, due to the growth weakness in China and other emerging markets.

VCI President Marijn Dekkers on the business developments in the German chemical industry: „Chemical business was weaker in the 3rd quarter 2015. For the coming months, we are expecting a changeable market with only moderate growth impulses, both at home in Germany and also in Europe and Asia.“

FORECAST

For the overall year 2015 the VCI maintains its forecast of a 1.5 percent increase in chemical and pharmaceutical production. Chemical prices are anticipated to drop by 2.5 percent, so that sales of this industry are likely to stagnate at around 191 billion euros.

PRODUCTION

In the 3rd quarter 2015 chemical production in Germany fell by 1.4 percent as compared with the previous quarter. Production was 1.1 percent higher than in the previous year. Capacity utilisation in the industry dropped slightly to 82.6 percent.

PRODUCER PRICES

From July to September 2015 chemical prices rose slightly (+0.6 percent) over the previous months. However, prices were 2.6 percent lower than in the previous year.

SALES

After the slight recovery of the previous months, in the period under review chemical industry sales fell by 2.5 percent against the 2nd quarter 2015. That was triggered by domestic and foreign business. Sales to almost all regions worldwide dropped in the 3rd quarter 2015.

EMPLOYMENT

As compared with the previous quarter, employment in the chemical-pharmaceutical industry was stable and remained at 447,000 staff in the period under review. ▲

CHEMICAL BUSINESS INDICATORS

3rd quarter 2015

	change in percent compared	
	to previous quarter	to previous year
production	- 1.4	+ 1.1
excluding pharma	- 0.8	- 1.1
producer prices	+ 0.6	- 2.1
total sales	- 2.5	- 1.5
domestic sales	- 1.0	- 2.0
foreign sales	- 3.5	- 1.0
capacity utilisation (in percent)	quarter 2/2015	quarter 3/2015
chemicals incl. pharma	83.5	82.6

Sources: Statistisches Bundesamt, ifo, VCI

CAPACITY UTILISATION GERMAN CHEMICAL INDUSTRY (INCL. PHARMA)

in percent

