

Country Report Russia

Chemical industry data and facts

August 2022

High production and investment growth

After a difficult year due to the coronavirus in 2020, sales in Russia's chemical-pharmaceutical industry increased significantly again in 2021 and amounted to around 76 billion euro. Worldwide, this meant 14th place among the countries with the highest chemical sales. This put Russia ahead of the United Kingdom and behind Taiwan in 2021.

Production in Russia's chemical-pharmaceutical industry has been steadily expanded in recent years. Over the last ten years, it has increased by an average of 5.5 percent annually. This figure has been increased to 7 percent for the last five years. This means that the chemical sector has developed more dynamically than industry as a whole in Russia, which has grown by an average of 3.3 percent per year over the last ten years (3.8 percent per year over the last five years). Demand for chemical products also grew strongly again in Russia in 2021. Chemical consumption amounted to almost 82 billion euro in 2021.

Investments by the chemical industry decreased due to economic uncertainties caused by the coronavirus in 2020. But in 2021, investments grew strongly again, by 7.2 percent year-on-year. They amounted to 5.4 billion euro. Investment momentum has continued to rise in recent years. While in the last ten years they increased by an average of 3.1 percent per year, the figure rose to 5 percent per year in the last five years.

SPECIALIZATION IN BASIC CHEMICALS

Russia's chemical industry focuses on the production of basic chemicals (inorganics, petrochemicals, polymers), which accounted for 62 percent of Russia's chemical sales in 2021. Extensive raw material deposits strengthen the competitiveness of these divisions. Inorganics, accounting for more than a third of total sales, continue to play the most important role here. In addition to basic chemicals, pharmaceuticals have become increasingly important in recent years. Their share of total Russian chemical sales increased to almost a quarter. Detergents and personal care products played a minor role.

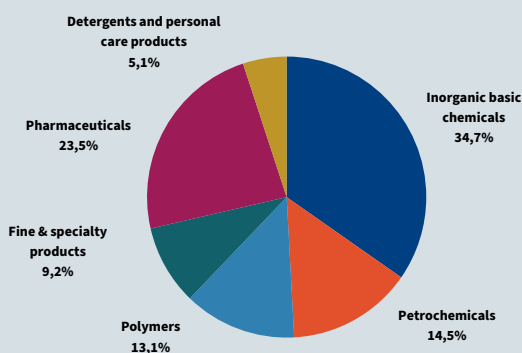
The Russian trade balance in chemicals was negative, with a minus of 5.8 billion euro. However, it improved by around 2.1 billion euro compared to the previous year. While pharmaceuticals were imported in large volumes, inorganics and petrochemicals generated trade surpluses. Inorganics accounted for 46 percent of Russia's chemical exports in 2021, followed by petrochemicals at 19.1 percent and polymers at 16.3 percent.

LOW FOREIGN TRADE WITH RUSSIA

Germany exported more than 5.6 billion euro worth of chemical-pharmaceutical goods to Russia in 2021. This was 2.4 percent of German chemical exports. Conversely, only 0.7 percent of German chemical imports came from Russia. These were chemical goods worth around 1.1 billion euro. The German chemical trade balance with Russia was thus clearly positive.

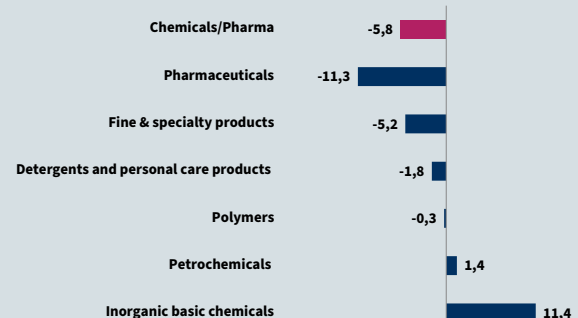
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Structure of Russia's chemical industry shares in percent, 2021



Sources: Chemdata International, VCI

Russia's trade balance for chemicals in billion euro, 2021



Sources: Chemdata International, VCI