

# Quarterly Report 3.2023

## Chemicals business: Stagnation instead of recovery

In the 3rd quarter of 2023, the situation remains difficult for the chemical-pharmaceutical industry. Although it appears that the trough has been reached, there is currently no sign of a turnaround. The production level persists at a low point. Customers in Germany and abroad are cautious about placing orders. Producer prices and industry sales fell. Companies are simply lacking orders.

VCI President Markus Steilemann notes: “The German chemical industry is stagnating while hopes for improvement by the end of 2023 are fading. High energy and raw material prices as well as the lack of orders will continue to weigh on business. Therefore, our companies are forced to cut their costs – whether by shutting down production plants, giving up some individual business segments or shifting investments abroad. Now as in the past, we are missing any real burden-easing for our energy-intensive industry. The federal government’s electricity price package will not be enough to raise the international competitiveness of our companies to a new level. The Chemistry Pact must be used for additional corrections in this respect.”

### Forecast

For 2023 overall, the VCI keeps up its forecast of a production drop by 8 percent. The industry’s sales are likely to fall by 14 percent in the present year.

### Production

For the first time in six quarters, chemical production saw a slight increase by 0.1 percent against the previous three months – while production was 6.1 percent lower compared to the previous year. Capacity utilisation in the industry declined once more and was at 75.7 percent most recently.

### Producer prices

Producer prices were 2.6 percent lower than in the previous quarter. Chemical and pharmaceutical products were 5.5 percent less costly in a comparison with the previous year.

### Sales

Altogether, the demand for chemical products remained weak in Q3 2023. Seasonally adjusted, total sales of the chemical-pharmaceutical industry decreased by 0.3 percent to 54.8 billion euros.

### Employment

Irrespective of the tense business situation, the companies of the chemical-pharmaceutical industry kept the number of jobs at a stable level. At present, roughly 477,000 persons are working in the industry.

### Summary

- **Production:**  
trough reached
- **Producer prices:**  
in reverse gear
- **Sales:**  
downward orientated
- **Forecast:**  
hopes rest on 2024
- **Please note:**  
The integral text of the VCI’s Quarterly Report 3.2023 (in German language) is available for download in the press section at [www.vci.de](http://www.vci.de)

### Chemical business indicators in Germany

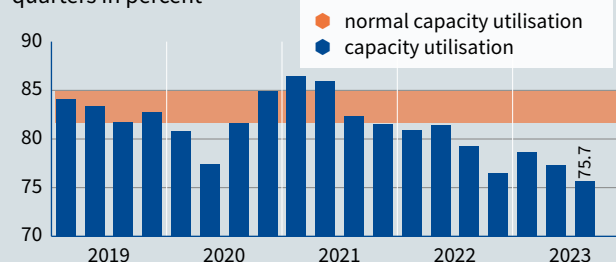
3rd quarter 2023

	changes in percent against	
	previous quarter	previous year
<b>Production</b>	+ 0.1	- 6.1
excluding pharma	+ 1.7	- 8.4
<b>Producer prices</b>	- 2.6	- 5.5
<b>Sales</b>	- 0.3	- 13.8
domestic sales	- 0.5	- 16.6
foreign sales	- 0.1	- 12.1
<b>capacity utilisation</b>	<b>quarter</b>	<b>quarter</b>
in percent	2/2023	3/2023
chemicals (incl. Pharma)	+ 77.3	+ 75.7

Sources: Destatis, ifo, VCI

### Capacity utilisation in the German chemical and pharmaceutical industry

quarters in percent



Sources: ifo, VCI