

German chemicals sector sees falling sales in 2015

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The German chemicals and pharmaceuticals sectors are projecting a drop in sales this year as falling oil prices weigh on chemicals prices, the VCI industry federation said Wednesday.

VCI said its members are expecting a 0.5 percent drop in overall sales to 192.2 billion euros (\$219 billion) in 2015, the first time since 2009 that the sector has seen a decline.

"This isn't a reflection of the economy, but is solely attributable to the price effect," said VCI president Utz Tillmann.

The price of a barrel of [oil](#) has more than halved over the past 12 months. In theory, that is positive for the sector, which is one of the biggest consumers of oil.

Nevertheless, "billions of euros in savings will not boost companies' added value or profits," Tillmann warned.

"The fierce competition forces companies to pass on the savings to customers. Primary chemical [prices](#) have been falling for months," he said.

VCI said it was nevertheless sticking to its forecast for a 1.5 percent increase in production this year.

Overall, "we expect momentum in the industry to remain low in the

coming months," Tillmann said.

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