

German chemical sector lifts 2017 forecast on strong Q3

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Germany's powerful chemical industry on Thursday raised its forecast for output this year as strong export demand boosted the sector's performance in the third quarter.

Chemical companies increased production by 1.3 percent quarter-on-quarter between July and September, the VCI [industry](#) federation said in a statement.

That helped the sector increase revenues by 0.4 percent to 46.5 billion euros (\$54.1 billion), despite falling prices driven by lower costs for [raw materials](#).

While domestic demand for German chemicals grew slightly, exports increased by 0.5 percent quarter-on-quarter to 29 billion euros, powered by strong demand from Asia and the United States.

As a result, the VCI upgraded its full-year production forecast to 2.0 percent from 1.5 percent previously.

It was the second time this year that the industry body has upped its predictions for 2017.

VCI said it expected sector-wide sales to increase by 5.0 percent to 194 billion euros for the whole of this year and [chemical](#) prices to rise by 3.0 percent.

"2017 may be a good year for the German chemical industry, but that is no guarantee for what comes next," VCI chief Kurt Bock said.

As German Chancellor Angela Merkel discusses a possible three-way coalition following the election in September, VCI chief Bock urged the incoming administration to set "a dependable course in industrial policy" as it confronts rising risks to economic growth from around the world.

"Stalled" Brexit talks, Catalonia's ambitions for independence from Spain, threats to EU stability, unpredictable US foreign policy and uncertainty about German economic policy were all on chemical firms' radars, the VCI noted.

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