

German Chemical Fibers Industry will stay at Location Germany, demands Help from Politics

A fruitful and constructive closing of ranks for discussion and attempted coping with a serious economic problem experienced media representatives on the Chemical Fibers-Forum with following press conference on 16th of October in the house of the industrial association Chemiefaser e.V. (www.IVC-eV.de) in Frankfurt/Main. The industrial association (managing director Dr. Wilhelm Rauch, president IVC Dr. Hartmut Kratzke), managers and employee representatives of the domestic chemical fibers producers, a representative of the Federal Ministry of Economics and Technology, representatives of the union and of the Hans-Böckler-Stiftung (www.boeckler.de) lectured about the current difficulties and future prospects of the branch with the motto "Chemical Fibers Fit for the Future".

The industrial union Bergbau, Chemie, Energie/IG BCE (www.igbce.de) and the IVC held a chemical fibers forum already on 1st of October 2006. Based on the results there the union and the IVC had suggested to commission over the Hans-Böckler-Stiftung in Düsseldorf a research project, a future study about the German Chemical Fibers Industry with the office "Löbke Wirtschaftsanalysen und -prognosen" Mülheim a.d. Ruhr. The comprehensive study with the title "Die Chemiefaserindustrie am Standort Deutschland – Struktur, Standortbedingungen und Entwicklungsperspektiven bis 2020" (The Chemical Fibers Industry at the Location Germany – Structure, Locational Conditions and Developmental Perspectives") of 220 pages was presented in a clear way on the Chemical Fibers-Forum by Dipl. Volkswirt Klaus Löbke (e-mail:

klaus.loebke@web.de). It has been published in the edition 227 of the Hans-Böckler-Stiftung.

According to the contributions to the discussion it became clear that the German Chemical Fibers Branch is going through a painful restructuring process in the last years. In the course of the globalization, new big production locations emerged especially in Asia (China). The cheap workers there and subsidies for the building of a national chemical fibers industry are responsible for the swamping of the European market now with chemical fibers at not cost-covering prices or prices subsidized in these countries, respectively.

In the EU more and more stringent environmental constraints are in effect and now came also the REACH-regulation. Non-European competitors do not have to conform to REACH. The use of chemical fibers for home textiles / clothing has gone down heavily in Europe, however, the development of attractive chemical fibers for use in Technical Textiles is being promoted by the branch.

The once effective antidumping politics of the EU have shifted in favor of the interests of the trade and the consumer. Falling product margins and rising costs for supplies especially with raw materials and energy have led to a strong shrinkage of the profit margins of the German chemical fibers factories. In association with this, sales, production, number of employees (halving of the number of employees in 2007 to 10.800 against 19.800 still in 1997) and the important export have in the last years gone down, while the imports soared to unknown heights.

Löbbecke is coming in his study to the conclusion that “under the current framework conditions – high foreign exchange rates as well as rising energy and raw material costs – the branch has also in the future to expect a decline of sales, production, number of employees. However, politics could contribute to a stabilization of the chemical fibers industry if they would not burden the industrial core of German economics unilaterally like they do now but conceive it as part of the industry- and service location”.

Dr. Hartmut Kratzke from the IVC said that politics is asked to do something about the national location protection of the branch. “This means specifically: cessation of interference

with innovations through reduction of impractical bureaucracy; continuation of protective mechanisms for fair competition, meaning in future still penalization of dumping; abolition of national energy taxes and charges, which cannot be priced into the products on the global markets; regulation of the emission trade system, so that this does not become a production tax. We need a commitment of the state to the industry as carrying pillar of the economic prosperity as well as a stronger representation of the interests of Germany as industrial nation on the political stage of Europe”.

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