

# Presse-Information

Press release • Information de presse

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**ACHEMA 2009  
29th International Exhibition-Congress  
on Chemical Engineering, Environmental  
Protection and Biotechnology**

**Frankfurt am Main, 11 - 15 May 2009**

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**Economic Press Conference  
Frankfurt am Main, DECHEMA House  
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**Dr. Alfred Oberholz**

Chairman of DECHEMA e.V., Frankfurt am Main

## **ACHEMA 2009 - Innovation as the way out of the crisis**

- **ACHEMA 2009 braves the economic climate**
- **Stimulus packages only a short-term remedy**
- **The way out of the crisis: answers to pressing questions**

Ladies and Gentlemen,

It is now almost exactly three years since we sat in this very same place and ventured to make a forecast for ACHEMA 2006. At the time our report was highly positive: the economy was picking up, the chemical industry was flourishing as was engineering, and both were profiting from the development of emerging markets like China and India.

Today the economic environment gives us less cause for optimism. VCI headlined its last quarterly report "Chemistry falls prey to the global economic crisis". VDMA's caption was "Poor start for engineering in 2009". As the world's leading event for the process industries, ACHEMA cannot dissociate itself from its environment – even if we can boast that bookings, both in terms of exhibitor numbers and exhibition area, have

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already reached the 2006 level. From 11 to 15 May we look forward to welcoming 4000 exhibitors from 50 different countries to Frankfurt, and attendance figures, too, promise to follow this trend. The Congress will present a record-breaking total of 925 lectures on cutting-edge research and development in 18 parallel sessions. This is not to say that the general tension – most of all the uncertainty as to when the turnaround will come – does not affect us.

### **Chemistry and engineering feel the global impact of the economic crisis**

What rankles most is that our branches have really made many good decisions in the last few years: portfolios have been subjected to rigorous scrutiny and optimized, production processes have been trimmed to improve efficiency, product quality upgraded to a high standard. In spite of this, chemistry and engineering have not been able to avoid the chain reaction. A lack of buyers in the automotive and other industries results in chemical products remaining in the warehouses.

It does not even help to cast a glance overseas: the situation is no rosier in other countries, even countries like China and India are suffering from the worldwide slump. In 2008 China's economy grew by a "mere" 7 %, for 2009 experts anticipate 5 to 6 % growth – after years of double-digit growth rates this is a tremendous downturn which has also resulted in employment cutbacks. India's growth rate has dropped from 9 % to about 6 %.

German companies have been quick to react: VCI reports that, in the fourth quarter, chemical production was reduced by 11.4 %. Companies are only working at 75 % capacity, this is to prevent excessive stockpiles. The branch hopes that this measure will stabilize production at a low level when buyers' stocks are depleted. In the USA, too, many production facilities stand idle. Compared with the international competition, German companies are now benefiting from the fact that many of them used the years of plenty to render their financing less vulnerable, enabling them to emerge better equipped for the market upswing.

### **Stimulus packages are only a short-term remedy**

But where does the way out of the crisis lie? Many governments have launched stimulus packages that may well bring short-term benefits. Here, the Asian countries head the league: China has launched a stimulus package worth 4 trillion yuan, that is 450 billion euros, to finance social programmes, infrastructure projects, technical innovations and environmental protection. Additionally, tax incentives and investment in the health system aim at stabilizing the economy. The USA is boosting bank liquidity, and channelling 730 million dollars to unlock credit for small businesses and a further 4.4 billion dollars to modernize the national grid, and is investing in energy efficiency, environmental protection and social programmes – the total package amounting to 787 billion dollars. Germany has announced a 50 billion euro stimulus package, covering a broad range of individual measures from investments in public facilities to a scrapping incentive for new cars through to family support and unlocking credit for small businesses. The list could be continued indefinitely.

Governments all over the world have not made a coordinated response. Perhaps this is precisely why we can hope that one or other of the measures will actually impact positively, for no-one can claim to have a patent remedy. At the end of the day, no-one can ultimately predict which cash injection will bear fruit.

Nevertheless, no economy can thrive for long on a policy of giving everyone a slice of the cake and of trial and error. In the medium term, industry must regenerate itself without outside assistance. It can also succeed if it addresses topics that, due to the financial crisis, have slipped out of the public eye. They are nonetheless urgent, however. These topics include the supply of energy and raw materials in the future, they include providing a growing world population with food, clean drinking water and other goods, they also include achieving all this while maintaining the ecological balance and climate protection.

### **Research and development in the right places**

The process industry is in a position to supply answers to these questions, provided it does not scale down its R&D activities. According to figures of the Stifterverband Wissenschaftsstatistik, the German business community's innovation agency, in 2007 German industry invested over 95 billion euros in research and development. The chemical industry with 9.5 billion euros came fourth after the process industry, vehicle manufacturing and electroengineering and just ahead of mechanical engineering. In 2008 the chemical industry raised its R&D expenditure slightly to 9.7 billion euros. Companies stress that, in spite of the crisis, they will not budge an inch from these activities. The expert opinion on research, innovation and technological performance that a government-commissioned panel of experts presented at the beginning of March this year substantiates the claim that German universities and research institutions are internationally competitive and that German companies are highly innovative. In the past few years, small and medium-sized companies in particular have boosted their research activities – although this is not least due to the fact that, since 2005, government aid has also increased from 11.1 to about 14.5 billion euros. On the other hand, the expert opinion also highlights one weak point: around 30 % of industrial research and about one third of research expenditure are allocated to the automotive industry. In this branch, however, research activities are highly diverse: from - just to mention an extreme example - the sound design of a closing car door through to innovative power-train concepts which really represent a milestone on the way to the electric-powered car. The latest example is the strategic partnership between Evonik and Daimler to develop lithium-ion batteries, which could form the basis for a mass-produced electric car in the not-too-distant future.

The automotive sector undoubtedly triggers developments for many other areas – from materials to power trains to intelligent control systems. However, this should not mislead us into neglecting other topics. A lot remains to be done in the field of energy research – if our long-term goal is to abandon fossil energy sources and atomic energy, this will require efficient, inexpensive solar technology and, in the more distant future,

nuclear fusion reactors. When oil and gas become scarcer and dearer, if our dependence on countries with abundant raw materials is not to escalate we will have to revert to resources that are available in our own country. According to conservative estimates, the world's coal reserves are sufficient for at least another 150 years – however, we will have to regain our earlier leading position in carbon chemistry if we are to use this supply intelligently, efficiently and sustainably. If billions of people in emerging countries want to have their own cars, this will not be possible with conventional vehicles – the electric-powered cars I mentioned earlier combined with sustainable power production is a step in the right direction.

### **ACHEMA gives cause for optimism**

As you can see – there are enough unsettled questions and unsatisfied needs to occupy a productive, modern industry for years to come. But we can use this crisis to our advantage. This point of view is shared by many exhibitors and visitors to ACHEMA – and I'm convinced that this is the reason why ACHEMA has lost none of its popularity and why, despite all the difficulties, we still have reason to be confident that the prevailing feeling at ACHEMA will be that of being on the verge of new departures. For the foundations for the necessary innovations are here: at the exhibitors' stands where cutting-edge developments in, for example, energy-efficient processes, process intensification, intelligent measurement and control options or ultramodern components are presented; in the Congress lectures where tomorrow's technological possibilities are introduced and discussed, from biotechnology to nanomaterials through to microalgae and ionic liquids; in the numerous guest events where many partners introduce their areas of expertise; and – although this is perhaps least measurable, but perhaps most important – in the countless discussions in the exhibition halls and conference rooms, during breaks and at the evening events.

I am convinced that this global exchange of ideas will give our branches vital impulses. ACHEMA may not solve the crisis, but it can help us to overcome it more rapidly and to look ahead with confidence.