

Letter from the Editor

The chemical industry under pressure

In the last quarter of 2015, exchange rate effects as well as the lower growth rates of emerging countries kept the chemical sector busy. The strong dollar weighed on performance measures of many international chemical giants. For example, Merck experienced a major decline in sales in the last quarter of 2015. The same applied to DuPont's profits. In addition, the drops in crude oil and gas prices affected the sector, particularly petro- and basic chemicals manufacturing. BASF experienced a significant decrease in earnings before interests and taxes due to the corresponding value adjustments. Low price levels could as well be registered for other materials (such as silicon or grain) affecting several segments of the chemical industry. Compensating resulting cost pressures and losses with profits from other business areas was thus not possible or often insufficient. In consequence, productivity improvement and cost-cutting programs are in progress. Projections for 2016 are as well not very promising and the announced merger of DOW and DuPont will, amongst other topics, determine the mood in the industry and might initiate further consolidation. The Journal of Business Chemistry, however, starts the year with more enthusiasms. The first issue of this year comprises the following articles:

The first research paper of this issue "Are behavioral pricing tactics also present in the B2B context? Evidence from a complex chemical B2B product" by Thomas Hamadi and Maike Strudthoff analyzes the comparability of pricing strategies for B2C and B2B sectors. The authors review the scientific literature on different price ending theories before they present their results drawn from an exploratory study on price endings of bead prices. Their findings suggest that price-ending effects, which have so far only been identified in B2C contexts, are transferable to B2B products.

Evipridis Lampadariou presents an overview on SMEs active in chemical distribution in his paper headlined "Critical challenges for SMEs in the UK chemical distribution industry". After giving an outline on SMEs and the current situation of the UK chemical distribution sector, the author uses qualitative survey data in form of exemplary statements of SME owners and managers to identify and discuss the main challenges affecting small- and medium-sized firms' success, i.e. regulatory compliance, supplier management, human capital and access to capital.

In the first article of the Practitioner's section, Thorsten Daubenfeld and his co-authors Jonas Dasow, Maximilian Keßler and Jonas Schulze conduct a PEST analysis in order to facilitate "Understanding the market dynamics of biosimilars". By using different kinds of data, the current state and essential conditions for biosimilar development such as a favorable regulatory framework and the availability of manufacturing technologies are detected. The article ends with a discussion on the changing attitudes towards biosimilars, potentially enabling a positive future development of the corresponding market.

The article "PhytoGerm: Extraction of germanium from biomass - An economic pre-feasibility study" by Lars Rentsch, Ines Aubel, Norbert Schreiter, Michael Höck and Martin Bertau deals with a new way to extract germanium and its economic efficiency. By comparing the expenditures and yields of different approaches to germanium extraction, the authors show that their project's phytomining process is preferable over comparable ones but certain conditions are required in order to replace traditional germanium production processes.

Please enjoy reading the first issue of the thirteenth volume of the Journal of Business Chemistry. We are grateful for the support of all authors and reviewers for this new issue. If you have any comments or suggestions, please do not hesitate to contact us at contact@businesschemistry.org.

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(Executive Editor)