Growth Opportunities for the Chemical Distribution Industry

Times Ahead Represent an Unprecedented Opportunity for Chemical Distributors, says FECC

Powering the Supply Chain - Chemical distributors play a significant role in shaping the future of the chemical industry. FECC's priority of the European Association of Chemical Distributors (FECC) is to encourage the industry to speak with one voice. This has been true for the past six decades, and it will be no different throughout 2014, when the Brussels-based association celebrates its 60th anniversary.

"I feel very privileged to serve as president for this strong association. Working together is now more important than ever in order to grow as a stronger industry and overcome the challenges we face," said Edgar E. Nordmann, FECC’s president.

Sustainable Business Environment

FECC's efforts focus on providing services that enable its members to take advantage of growth opportunities. These opportunities will arise from the necessity to reduce the complexity of chemical trading, placing chemical distributors in a unique position to profit from this growth opportunity.

To become the driving force in the chemical industry, distributors must take advantage of the innate diversity of the business, by offering tailored services for manufacturers and downstream users alike. This requires distributors to build a business structure able to perform while rapidly adapting to a dynamic environment. The profitability of individual companies will depend on an efficient distribution system that allows them to react rapidly amidst changing market conditions.

Working closely with a distributor brings nothing but advantages to producers and downstream users. For manufacturers, partnering with a distributor may help them penetrate a new market and increase market share and reach. Distributors' local knowledge of the market and accessibility allow them to offer outstanding service
to the end user. The proximity to their customer base also ensures timely recognition of user requirements.

The downstream users, on the other hand, can benefit extensively from the specialized knowledge distributors have on substances useful to specific industries.

FECC believes it is crucial for the industry to promote how distributors' services can assist the supply chain with sales, marketing and procurement efforts. By fostering this cooperation, FECC supports the development of a sustainable business environment.

Chemical distributors have been an example of positive adaptation; companies increasingly invest in partnerships in businesses, development of new products and services, research and development, marketing activities, and employee training. To match these efforts, FECC works to offer its members tools besides publications, guidance documents and regular regulatory updates.

**Information is Critical**

To help its members excel and stay up to date on the latest industry trends and growth possibilities, FECC is taking a more practical approach by organizing even more specialized workshops. Covering topics such as distribution and competition law, chlorinated solvents, exposure scenarios, and social media, these events allow every department from the member companies to benefit from taking part in FECC. The current year will bring an even broader offer of seminars and workshops on biocides, international trade, classification of mixtures, crisis communication, food hygiene, and good trade and quality standards related to pharmaceuticals, food, feed and cosmetics ingredients.

People are the main asset of the chemical distribution industry; FECC hopes its specialized workshops support the training and personal development programs already implemented by individual companies. Making these programs stronger is key to attracting and retaining skilled young talent, a known challenge faced by the chemical distribution industry.

**Globalization and Expansion**

The work carried out by the association's committees goes beyond monitoring, reporting and advising on industry-related affairs. The industry has seen trends like globalization and expansion to emerging markets take a starring role in recent years, and they will become even more important in the next decade. Although globalization provides increased capacity, and increased availability of suppliers in
the chain, global competition is something chemical distribution companies cannot afford to ignore.

**FECC is committed to providing members with regular updates on free trade agreements (FTAs), and the opportunities, advantages and disadvantages these may bring to the industry. The association and its members are aware of the requirements companies must meet before venturing into a new market.** Preparation is the key to success, and FECC recognizes that detailed information on possible new markets is of great use for its members.

By providing up-to-date information on emerging markets, including issues specific to the local distribution of chemicals, local regulations, economic development, and export and import matters, FECC helps its members properly prepare to enter these markets. Based on a growing interest, FECC will further inform its members on the chemical market in various regions, in particular the Middle East, South Africa and Southeast Asia.

**Sustainability remains at the top of the global agenda.** The industry sees even more frequent inquiries by consumers about products that are sustainably produced, prompting many chemical distributors to focus on adopting sustainability principles in their operations. FECC continues to promote Responsible Care, the chemical industry initiative that helps the industry to operate safely, environmentally responsibly and with care for future generations.

The past year has seen FECC become a stronger association; the objectives achieved by the working committees show great progress toward the goal of becoming a more efficient and effective organization. Developing membership is a priority and absolutely imperative to strengthen the association's position as the European voice of the chemical distribution industry. Welcoming new members opens a door to opportunities for collaboration and business growth.

**Positive Outlook despite Concerns**

"**FECC sees a positive outlook for the chemical distribution industry, however we cannot ignore certain concerns that it is faced with. Increased regulatory pressure, sustainability, safety, health and environment, and increase in the raw material costs across the globe are certainly aspects that need to be taken into account when preparing any business model,**" said FECC Director General Dr. Uta Jensen-Korte.
Distributors have and will become an ever more important link in the supply chain. But with this comes great responsibility. The many factors to be taken into account oblige chemical distributors to be pioneers in order to be able to offer the services their clients need. Only those who can manage to work without losing sight of the many elements that make up the complex chemical supply chain will succeed.

**To learn more about the FECC's activities, achievements and plans for 2014, download the Business Plan.**

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