

CHEMICAL

& Engineering News

COVER STORY

February 7, 2005

Volume 83, Number 6

pp. 18-22

ISSN 0009-2347

RESEARCH SPENDING

Outlays by major U.S. chemical firms to increase modestly worldwide in 2005

\$ MILLIONS	1999	2000	2001	2002	2003	PLANNED 2004 ^a	ACTUAL 2004 ^b	PLANNED 2005 ^c	CHANGE		R&D SPENDING AS % OF SALES	
									2003-04 ^d	2004-05 ^e	2003	2004 ^f
Air Products ^g	\$123	\$124	\$123	\$121	\$121	\$120	\$127	\$127	5.0%	0.0%	1.9%	1.7%
Albemarle ^h	34	26	22	17	18	na	50	60	177.8	20.0	1.6	3.5
Cabot ^{g,i}	73	43	48	48	64	50	53	60	-17.2	13.2	3.6	2.7
Cambrex	14	14	20	18	17	18	20	20	17.6	0.0	4.2	4.6
Crompton ^j	68	85	82	82	52	50	50	45	-3.8	-10.0	2.4	2.1
Dow Chemical ^k	845	892	1,072	1,066	981	970	1,022	1,022	4.2	0.0	3.0	2.5
DuPont ^l	1,617	1,776	1,588	1,264	1,349	na	1,333	1,400	-1.2	5.0	5.0	4.9
Eastman Chemical	187	149	160	159	173	161	154	153	-11.0	-0.6	3.0	2.4
Engelhard	78	83	84	88	93	na	100	100	7.5	0.0	2.5	2.3
FMC ^m	152	155	100	82	87	89	93	95	6.9	2.2	4.5	4.5
H.B. Fuller	21	18	19	18	18	18	18	18	0.0	0.0	1.4	1.3
W.R. Grace	42	46	50	52	52	50	51	60	-1.9	17.6	2.6	2.3
Great Lakes ⁿ	46	40	41	26	28	30	27	30	-3.6	11.1	1.9	1.7
Hercules	85	80	67	42	39	42	43	45	10.3	4.7	2.1	2.2
New Market ^o	41	40	33	30	28	na	65	65	132.1	0.0	3.7	7.1
PPG Industries	284	282	266	289	306	300	330	330	7.8	0.0	3.5	3.5
Praxair	67	65	66	69	75	77	77	83	2.7	7.8	1.3	1.2
Rohm and Haas	236	259	230	260	238	250	265	280	11.3	5.7	3.7	3.6
Stepan	13	13	14	15	15	27	26	28	73.3	7.7	1.9	2.8
3M	1,038	1,101	1,084	1,070	1,102	1,100	1,143	1,143	3.7	0.0	6.0	5.7
TOTAL	\$5,064	\$5,291	\$5,169	\$4,816	\$4,856		\$5,047	\$5,164	3.9%	2.3%	3.7%	3.4%
ANNUAL CHANGE	9.8%	4.5%	-2.3%	-6.8%	0.8%		3.9%	2.3%				

a January 2004 estimates. **b** January 2005 estimates. **c** Budget for 2005. **d** From 2003 actual to January 2005 estimate. **e** From January 2005 estimate to 2005 budget. **f** January 2005 estimate as a percentage of estimated 2004 sales. **g** Fiscal year ends Sept. 30. **h** Figures from August 2004 include Akzo Nobel Refinery Catalysts. **i** Figures from 2000 exclude Cabot Microelectronics and liquified natural gas business. **j** Figures reflect acquisition of Witco in September 1999. **k** Beginning in 2001, figures include Union Carbide acquired Feb. 6, 2001. **l** Figures exclude Invista textiles from April 30, 2004. **m** Machinery business split off in December 2001. Figures for 2002 and subsequent years are for remaining chemical operations. **n** From 2002, figures exclude Osca Energy Services & Fine Chemicals. **o** As of June 2004, New Market is the holding company for Ethyl and Afton. **na** = not available.

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CAPITAL INVESTMENTS

On average, 21 U.S. chemical companies plan a 13% increase in worldwide spending this year

\$ MILLIONS	1999	2000	2001	2002	2003	PLANNED	ACTUAL	PLANNED	CHANGE	
						2004 ^a	2004 ^b	2005 ^c	2003-04 ^d	2004-05 ^e
Air Products ^f	\$889	\$768	\$708	\$628	\$613	\$700	\$706	\$875	15.2%	23.9%
Albemarle ^g	78	52	50	38	41	na	48	75	17.1	56.3
Cabot ^{f,h}	166	137	122	146	129	135	119	200	-7.8	68.1
Cambrex	31	39	43	50	38	47	40	45	5.3	12.5
Crompton ⁱ	132	155	137	100	88	100	70	80	-20.5	14.3
Dow Chemical ^l	1,412	1,349	1,587	1,623	1,100	1,350	1,333	1,500	21.2	12.5
DuPont ^k	2,055	1,925	1,634	1,280	1,713	na	1,300	1,350	-24.1	3.8
Eastman Chemical	292	226	234	427	230	310	240	350	4.3	45.8
Engelhard	102	137	169	113	114	na	123	130	7.9	5.7
FMC ^l	236	240	146	84	87	90	85	90	-2.3	5.9
H.B. Fuller	56	49	31	36	39	37	32	43	-17.9	34.4
W.R. Grace	83	65	63	91	86	96	68	100	-20.9	47.1
Great Lakes ^m	119	157	166	65	63	78	83	90	31.7	8.4
Hercules ⁿ	196	187	63	43	48	70	71	71	47.9	0.0
New Market ^o	14	14	10	13	12	na	15	15	25.0	0.0
PPG Industries	490	561	291	238	217	275	302	320	39.2	6.0
Praxair	653	704	595	498	983	725	668	725	-32.0	8.5
Rohm and Haas	323	391	401	407	339	350	322	375	-5.0	16.5
Solutia	257	221	94	59	78	na	61	65	-21.8	6.6
Stepan	33	28	34	36	33	43	33	45	0.0	36.4
3M	1,039	1,115	980	763	677	900	937	950	38.4	1.4
TOTAL	\$8,656	\$8,520	\$7,558	\$6,738	\$6,728		\$6,656	\$7,494	-1.1%	12.6%
ANNUAL CHANGE	-12.1%	-1.6%	-11.3%	-10.8%	-0.1%		-1.1%	12.6%	-	-

a January 2004 estimates. **b** January 2005 estimates. **c** Budget for 2005. **d** From 2003 actual to January 2005 estimate.
e From January 2005 estimate to 2005 budget. **f** Fiscal year ends Sept. 30. **g** Figures from August 2004 include Akzo Nobel Refinery Catalysts. **h** Figures from 2000 exclude Cabot Microelectronics and liquified natural gas business. **i** Figures reflect acquisition of Witco in September 1999. **j** Beginning 2001, figures include Union Carbide, acquired Feb. 6, 2001. **k** Figures exclude Invista textiles from April 30, 2004. **l** Machinery business split off in December 2001. Figures for 2002 and subsequent years are for remaining chemical operations. **m** From 2002, excludes Osca Energy Services & Fine Chemicals. **n** Figures exclude BetzDearborn from April 29, 2002. **o** As of June 2004, New Market is the holding company for Ethyl and Afton. **na** = not available.