



European Commission

Enterprise and Industry Directorate-General

8th Plenary Meeting of the Sector Social Dialogue Committee of the European Chemicals Industry

High-Level Group on the Competitiveness of the Chemicals Industry in the EU

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Objectives of the HLG

***Commission Decision 2007/418/EC of 14 June 2007
setting up the High Level Group on the Competitiveness
of the Chemicals Industry in the European Union:***

- **Conducting an economic and statistical analysis** of the factors that determine the competitiveness of the chemicals industry
- Assisting the Commission in **questions related to this competitiveness**
- **Formulating a set of sector-specific policy recommendations** addressed to policy makers at the Community and national level, to industry and to civil society organisations

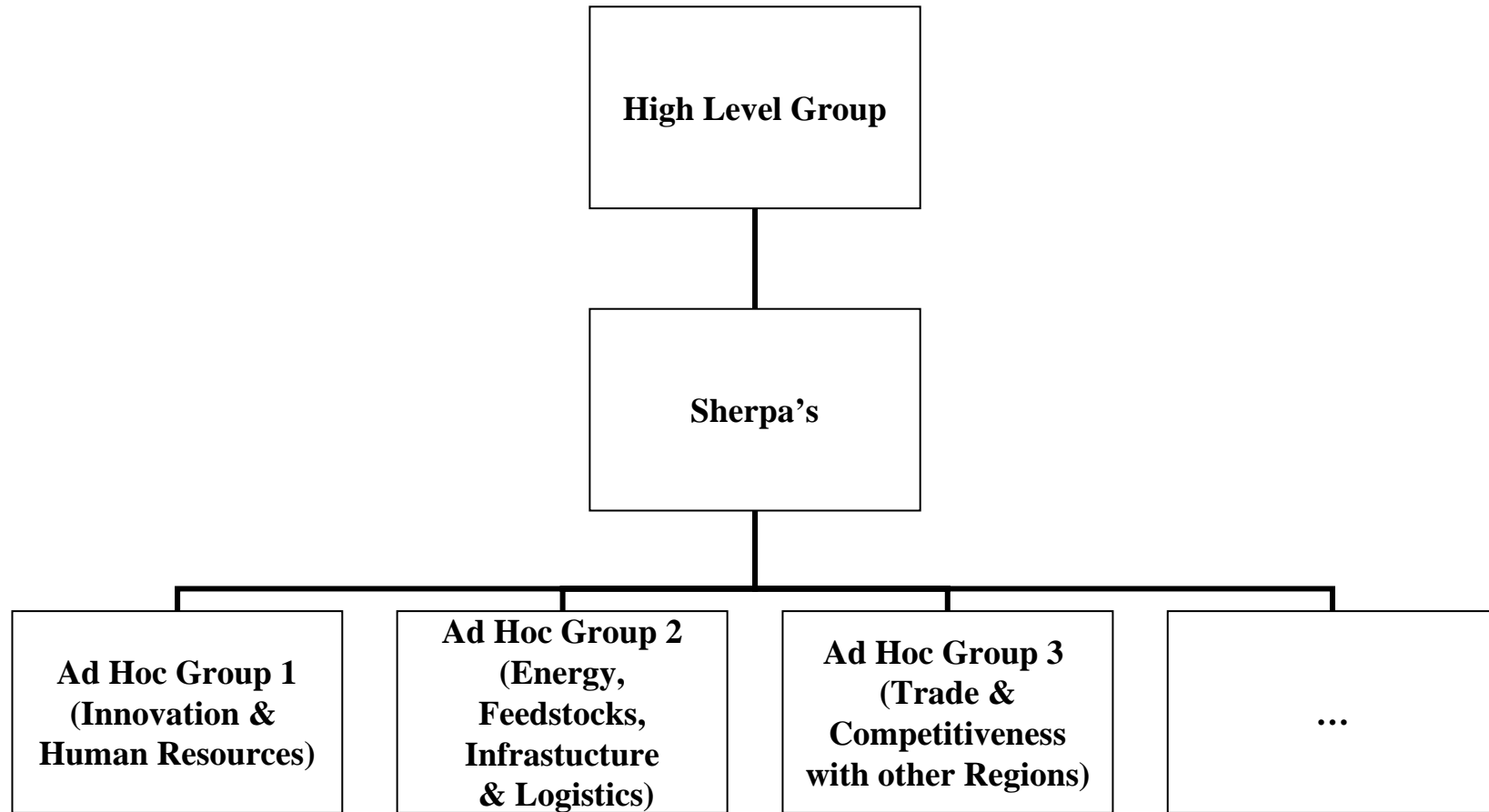
HLG website: http://ec.europa.eu/enterprise/chemicals/hlg/index_en.htm



Members of the HLG

- Commission: Vice-President Verheugen + other Commissioners (alternating)
- Member States: France, UK, Netherlands, Spain, Poland, Germany, Czech Republic, Belgium
- Industry: Total, BASF, Arkema, Shell, Contract Chemicals, Unilever, Bang & Bonsomer, Mapei
- Other: ECRN, EMCEF, Academia, Environmental NGO, Consumer Organisation

Organigram



Agenda

HLG meetings	Date
Opening - The State of the European Chemicals Industry	10 Sept. 2007
Innovation and Human Resources	18 Dec. 2007
Feedstock, Energy, Infrastructure and Logistics	18 April 2008
Trade and Competitiveness with Other Regions	27 October 2008
Outlook: Perspectives for the European Chemicals Industry	Early 2009



Conclusions of 1st HLG meeting

- Importance of the chemicals industry for EU and its pivotal role for the entire manufacturing industry is beyond any doubt
 - ➔ necessity to ensure its long-term competitiveness
- Mature industry but will be in the centre of major technological breakthroughs in the future. No saturation of demand. All major challenges for our society will require solutions provided by chemicals industry (e.g. energy, climate change, ageing population)
 - ➔ industry has to respond effectively to these demands in a sustainable manner
- Increasing competition from Asia. Rapid development in Middle East raises the question of how EU can retain the ability to attract investments in the petrochemicals and other basic chemicals sub-sectors




Conclusions of 1st HLG meeting

- Inputs and outputs of chemicals industry are increasingly influenced by political decisions (e.g. renewable materials)
 - ➔ good dialogue between industry and government more important than ever before!
- Extremely capital intensive sector
 - ➔ investments need stable regulatory and societal framework conditions

Results of the HLG: Innovation and Human Resources

Recommendations/Conclusions:

- Strengthen Innovation Networks
 - Establish topical innovation networks to promote key strategic innovations
 - Strengthening existing networks; SusChem should get wider mandate covering the full scope of innovation
- Increase quantity and effectiveness of research and development
 - Accelerate efforts to speed up innovation by private sector –support of public sector
- Developing our Human Resources
 - Define profiles of new professions
 - Better forecast requirements
- Improve Information and Communication
 - Develop more effective dialogue with society



Energy use and Climate Change challenges (ongoing)

Recommendations/Conclusions:

- Energy and Feedstocks
 - Further Improved the effectiveness of the liberalisation in the gas market
 - Secure reliable and competitive prices imports from neighbouring countries
- Climate Change
 - Close the information gap regarding emission reduction potential
 - Support for global sectoral agreements
 - ETS should not lead to relocation of EII or carbon leakage – urgency and need for predictability
 - Promotion of CCS is a priority
 - R&D focus on mitigation is also important; business opportunities
- Raw materials
 - Renewable raw materials – expected potential justifies ongoing R&D
 - Incentives for other policies should seek to avoid unwanted side effects that jeopardise use of bio-bases raw materials in the chemicals industry

Infrastructure and Logistics challenges (ongoing)

Recommendations/Conclusions:

- Clusters
 - Further development of local clusters with active cooperation between industry and (local) public authorities; multi-stakeholder approach
- Transport
 - Promote use of intermodal transport – debottlenecking
 - Revitalisation of railways transport
 - Road transport: supportive actions for specialised skills (dangerous goods)
- Pipelines, Central and Eastern Europe, etc.



Next step - Trade and Competitiveness with Other Regions

- Ad-hoc Group meetings :
 - **2 June 2008**
 - **25/26 June 2008**
- Ambitious agenda - Covers the main trade policy topics that have a bearing on the chemicals industry such as:
 - Non Agricultural Market Access/Doha Development Round
 - Free Trade Agreements
 - Trade Defence Instruments
 - Trade and environment
 - Access to raw materials, etc.



Potential other issues

- Regulation
- Intellectual Property Rights
- Societal Needs
- Regional Aspects (New Member States)



End

Questions ?