



Cefic views on EU Industrial Policy


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cefic

**Sector Social Dialogue Committee Chemical Industry WG
"Competitiveness, Employment and Industrial Policy",
3 March 2011**

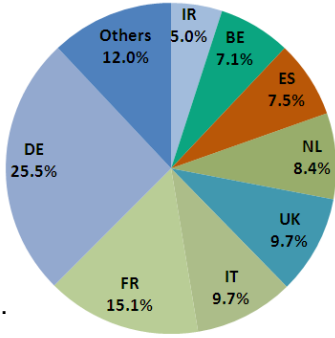
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Profile of the European Chemical Industry: Still a Successful Global Player



- Contributes to 24% of the World's chemical sales
- Represents 29,000 companies (96% SMEs)
- Employs 1.2 million people
- Generates € 449 billion of revenues,
- Creates a trade surplus of € 42.6 billion.

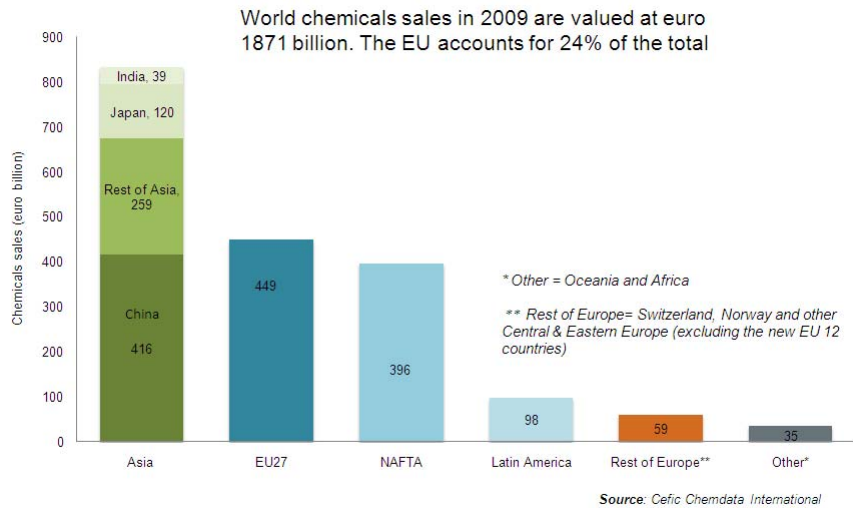
EU chemicals sales (€449 billion, 2009)



PL:	2.1%	FI:	1.3%	PT:	0.7%
SE:	1.4%	CZ:	1.1%	HU:	0.6%
AT:	1.4%	DK:	1.1%	Others:	2.3%

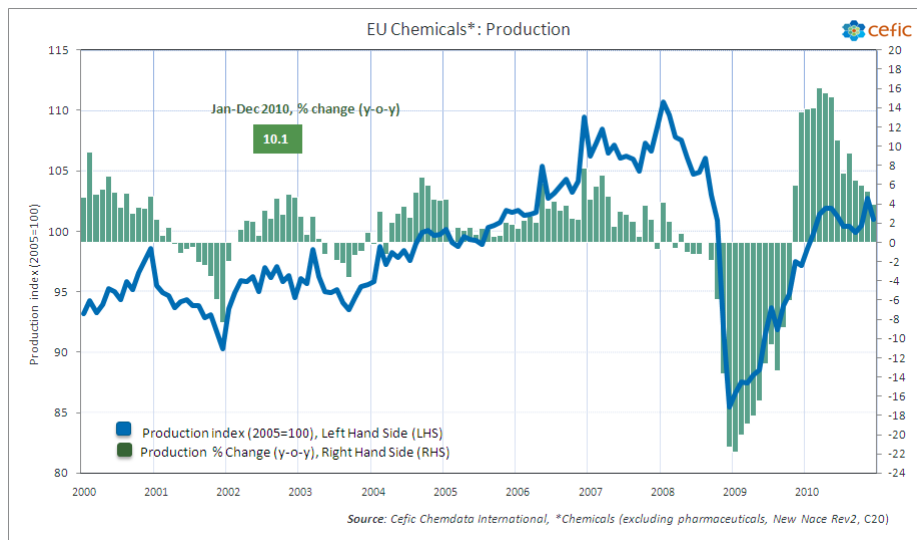
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The EU is still in a good position accounting for 24% of the world chemicals sales (euro 1871 billion)



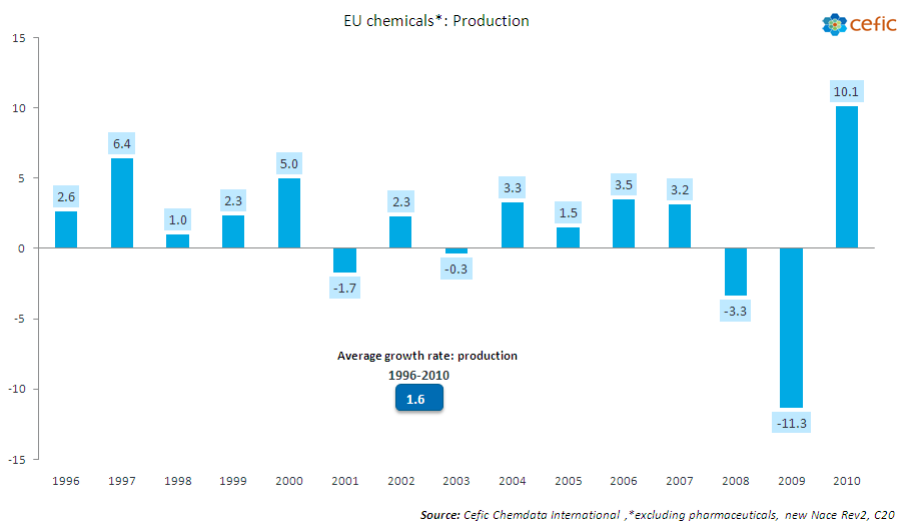
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The EU chemicals industry has been recovering since January 2009 but is still below its peak level of 2007

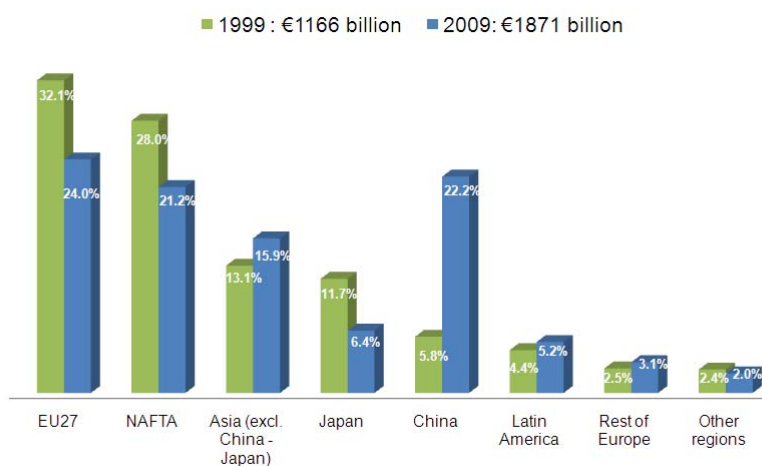


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EU chemicals production: Annual growth



Europe is still in a good position but other countries are catching up rapidly



Source: Cefic Chemdata International

Source: Cefic Chemdata International, *Asia excluding China, Japan and India

Commission Communication on Industrial Policy - What do we like?



- Central place for industry: focus on creation of growth and employment
- Integrated nature of industrial policy, considering the competitiveness effects of all other policy initiatives and the whole value and supply chain
- All industrial sectors are important, consideration of the whole value and supply chain
- Competitiveness proofing, “fitness checks” and ex post evaluation of legislation
- Special attention to SMEs (access to finance, review of Small Business Act, internationalisation of SMEs)

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Commission Communication on Industrial Policy – What do we like? (*continued*)



- Reference to Chemical Industry’s Responsible Care Initiative
- Follow up of HLG Chemicals
- Realistic as regards success indicators (no fixed targets)
- Adaptation of state aid rules allowing for appropriate compensation for indirect ETS costs
- Better coordination and pooling of the use of available resources with Member States

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Commission Communication on Industrial Policy – What do we NOT like?



Dirigistic elements in the communication:

- Development of long-term sectoral industrial strategies and policies to assist the transition to a low-carbon, resource and efficient economy
- Review of the SCP / SIP and consider extension of Eco-Design Directive to new products
- Launch of an Eco-innovation Action Plan to ensure the commercialisation and deployment of key environmental technologies / Wider use of green public procurement
- Propose new policy initiative on Corporate Social Responsibility

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Commission Communication on Industrial Policy – What do we NOT like? (*continued*)



Subdivision by type of sectors:

- Sectoral industrial policy for space
- Motor vehicles and transport equipment industries developing solutions for sustainable mobility
- Sectors most promising in meeting future societal challenges of climate change health and security
- Sectors where value chain considerations are particularly important (including chemicals)
- Energy-intensive sectors

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High Level Group Chemicals Follow Up

- Two years ago publication of report of the High Level Group on the Competitiveness of the European Chemicals Industry.
- 10 February 2011 European Commission Conference took stock of progress on implementation of the 39 recommendations.
- Commission staff working paper lists avalanche of HLG related activities but does not really measure progress on implementation.
- Cefic developed roadmap for implementation:
 - Recommendations have been integrated in the work programmes of the respective Cefic Programme Councils
 - Good progress on recommendations where industry itself is in the lead
 - Good progress towards implementation of recommendations related to innovation and trade policy
 - Lack of progress regarding recommendations relating to energy, logistics, infrastructure, regulation



Proposed way forward

- Strictly speaking none of the 39 recommendations can be considered as fully achieved.
- Need to keep the HLG report alive by linking recommendations to new initiatives under the EU 2020 Strategy (e.g. flagship initiatives Innovation Union, Industrial Policy, Resource Efficiency).

Overall assessment



- Overall positive – Vice-President Tajani should be supported!
- Remains to be seen in practice whether the Commission can really achieve a truly integrated industrial policy and avoid « silo's »
- Same for smart regulation
- Several sections of the paper are rather vague and concrete actions need still need to be elaborated (e.g. on infrastructure & logistics)
- Dirigistic elements to be monitored closely