# The Voice of the Chemical Industry in Europe

cefic

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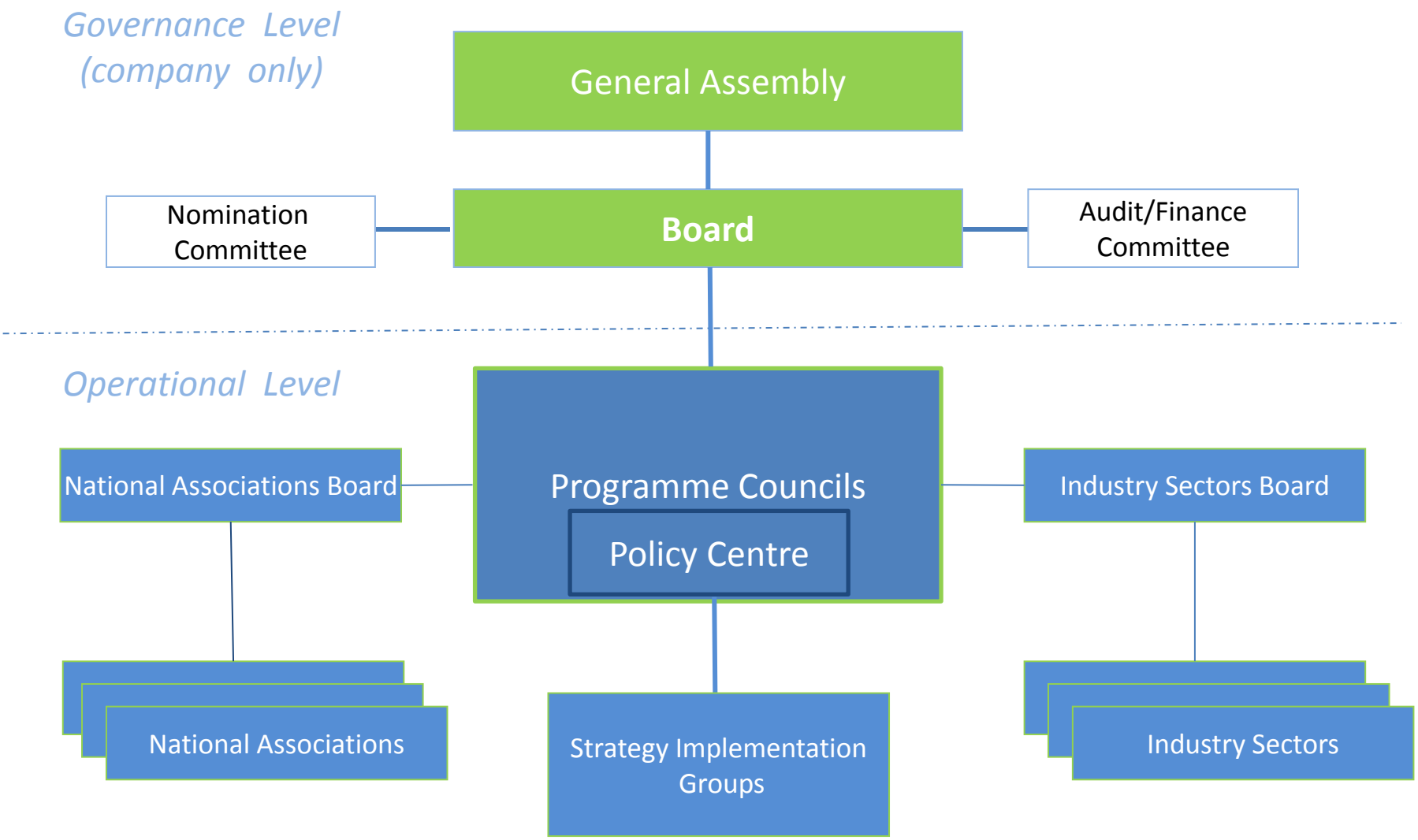
# Cefic: The European Chemical Industry Council

- Representing 29.000 chemical companies in Europe
- 29 National Chemical Federations
- Over 700 direct Company Members
- More than 30 Associate Companies from around the world
- 24 European Affiliated Associations
- Operates 101 Sector Groups
- About 5.000 industry experts from companies and federations

**THE VOICE OF THE CHEMICAL INDUSTRY IN EUROPE**

# Cefic Governance & Operations



# Cefic priorities 2012

| | | Sustainable development | Competitiveness | Chemicals safety |
|---|---|---|---|---|
| **REACH** | • 2012 review<br>• Registration, Implementation<br>• Nanomaterials, Mixtures, Endocrine Disruptors | | X | X |
| **Energy and Climate Change** | • ETS<br>• Minus 20% by 2020<br>• Energy Strategy, roadmaps 2050 | X | X | |
| **Innovation** | • Innovation partnerships implementation<br>• HLG Key Enabling Technologies follow-up | X | X | |
| **Communication** | • Sustainable Development | X | X | X |
| **Smarter Regulation** | • Consistency and workability<br>• 7th Environmental Action Programme | <br>X | X<br>X | X<br>X |
| **Industrial Policy** | • HLG recommendations implementation<br>• Industrial Policy for chemical industry and implementation | | X | |
| **Sustainable Development** | • Develop strategy<br>• Rio+20<br>• Resources Efficiency | X | X | X |

**Sectors**

- BREF, IED implementation
- Advocacy process review

# Vision

**The European Chemical Industry is determined to play a key role in ensuring that by 2050 over 9 billion people live well within the resources of the planet.**

**It will gear all of its activities towards enabling a future where people have access to the necessities of a healthy life , to economic prosperity and to societal progress.**

**It will drive a quantum leap in innovation enabled by investments and partnerships.**

**It will join forces with all its stakeholders, including governments and civil society.**

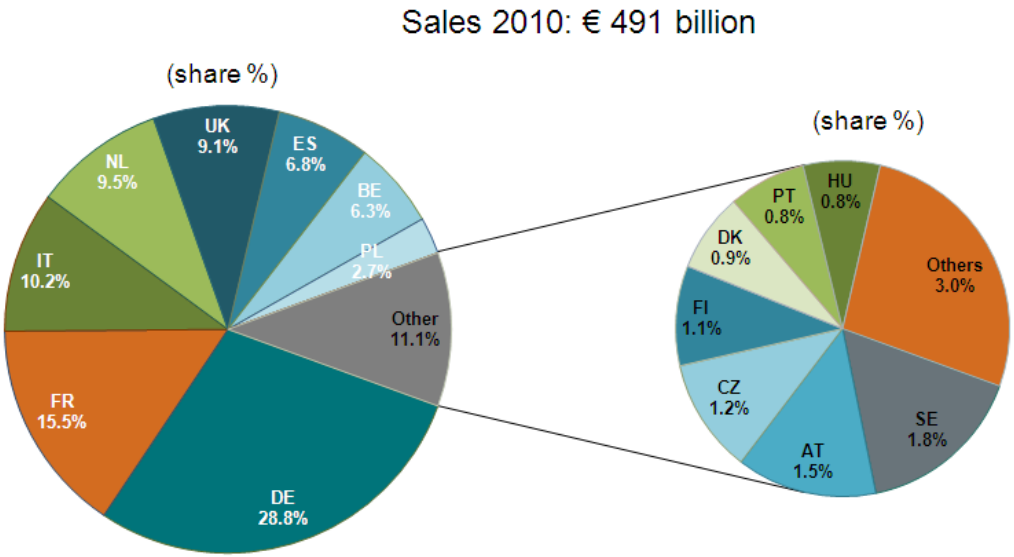
**It will strive to be sustainable in terms of its operations and a key enabler of a sustainable society through the excellence of its employees and the benefits of its products.**

**It will keep attracting investments by way of its strong economic performance.**

# European Chemical Industry Key Figures

- Contributes to 21% of the world's chemical sales, (2010)
- Represents 29,000 companies (96% SMEs),
- Employs 1.16 million people, (2011)
- Generates € 543.7 billion of revenues (2011 estimated)
- Creates a trade surplus of € 43.7 billion (2011)

**EU chemicals sales ( €491 billion in 2010 )**




***Source**: Eurostat and Cefic Chemdata International*

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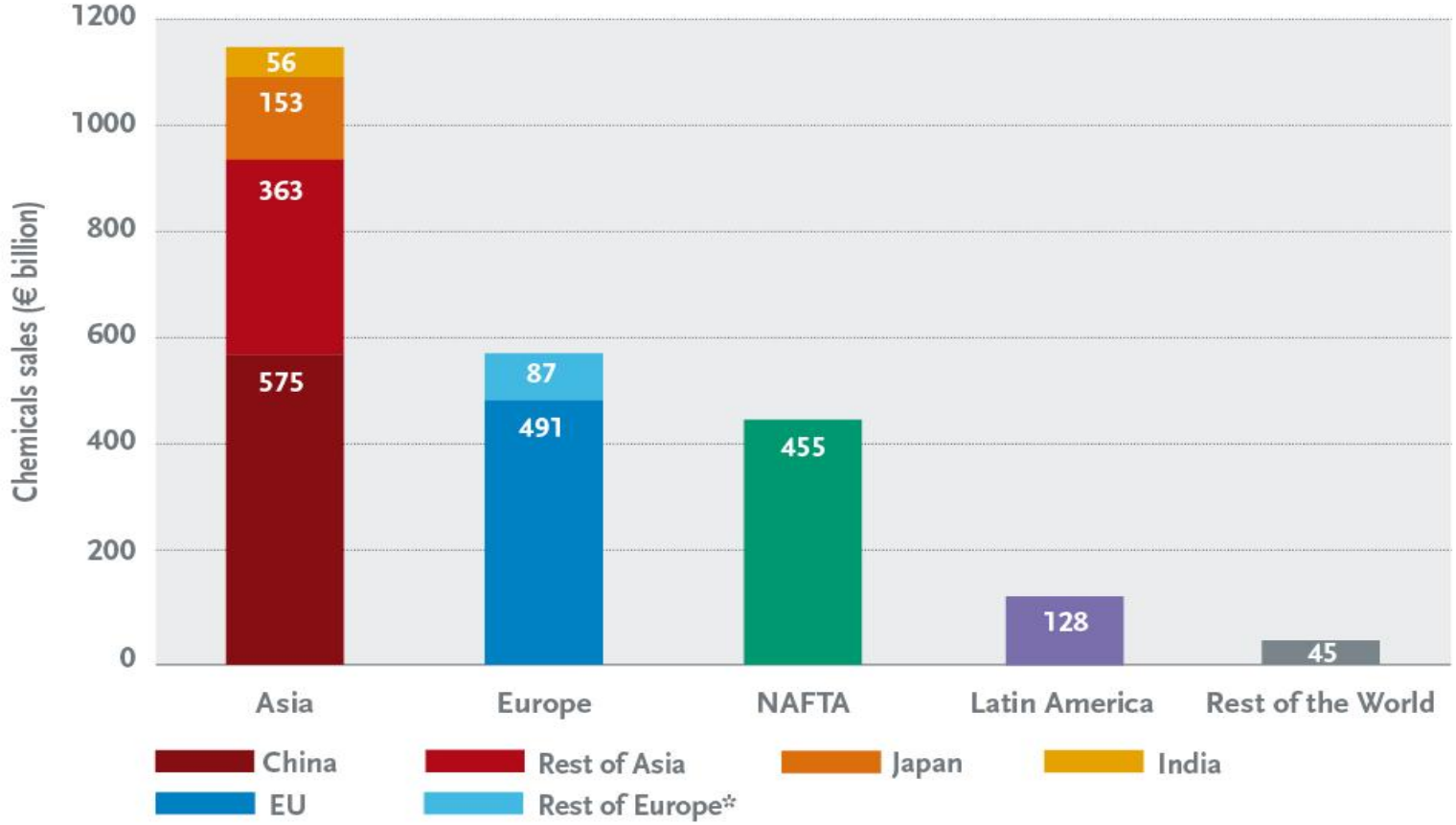
# Global Chemicals Sales in 2010

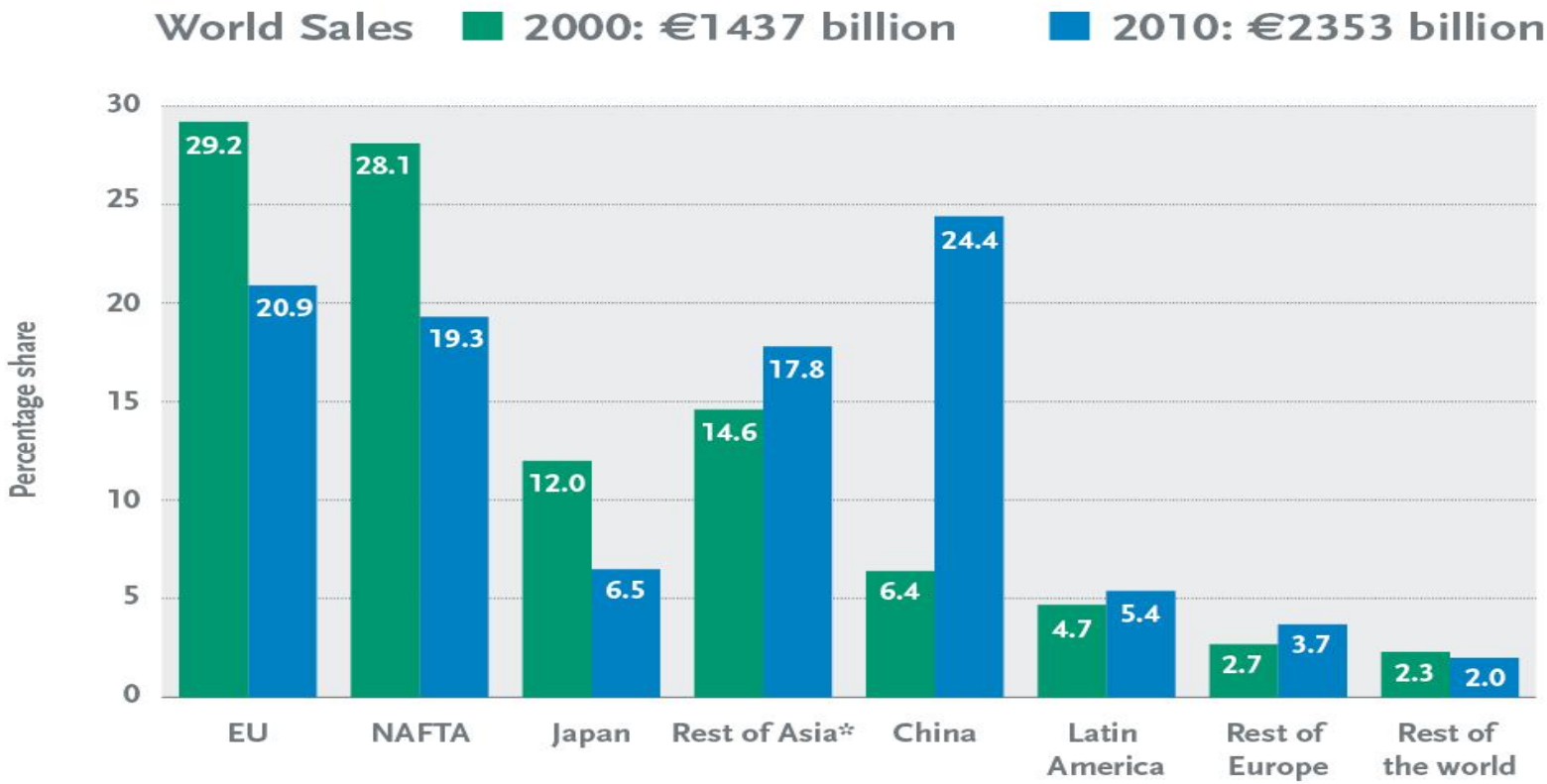
**2353 Billion €**




**World chemical sales in 2010 are valued at € 2353 billion.**
**The EU accounts for 21% of the total.**

Source: Cefic Chemdata International
* Rest of Europe = Switzerland, Norway and other Central & Eastern Europe (excluding the new EU 12 countries)

# Global Chemicals Market Share




Source: Cefic Chemdata International
*Asia excluding China and Japan

# Trade Competitiveness Analysis

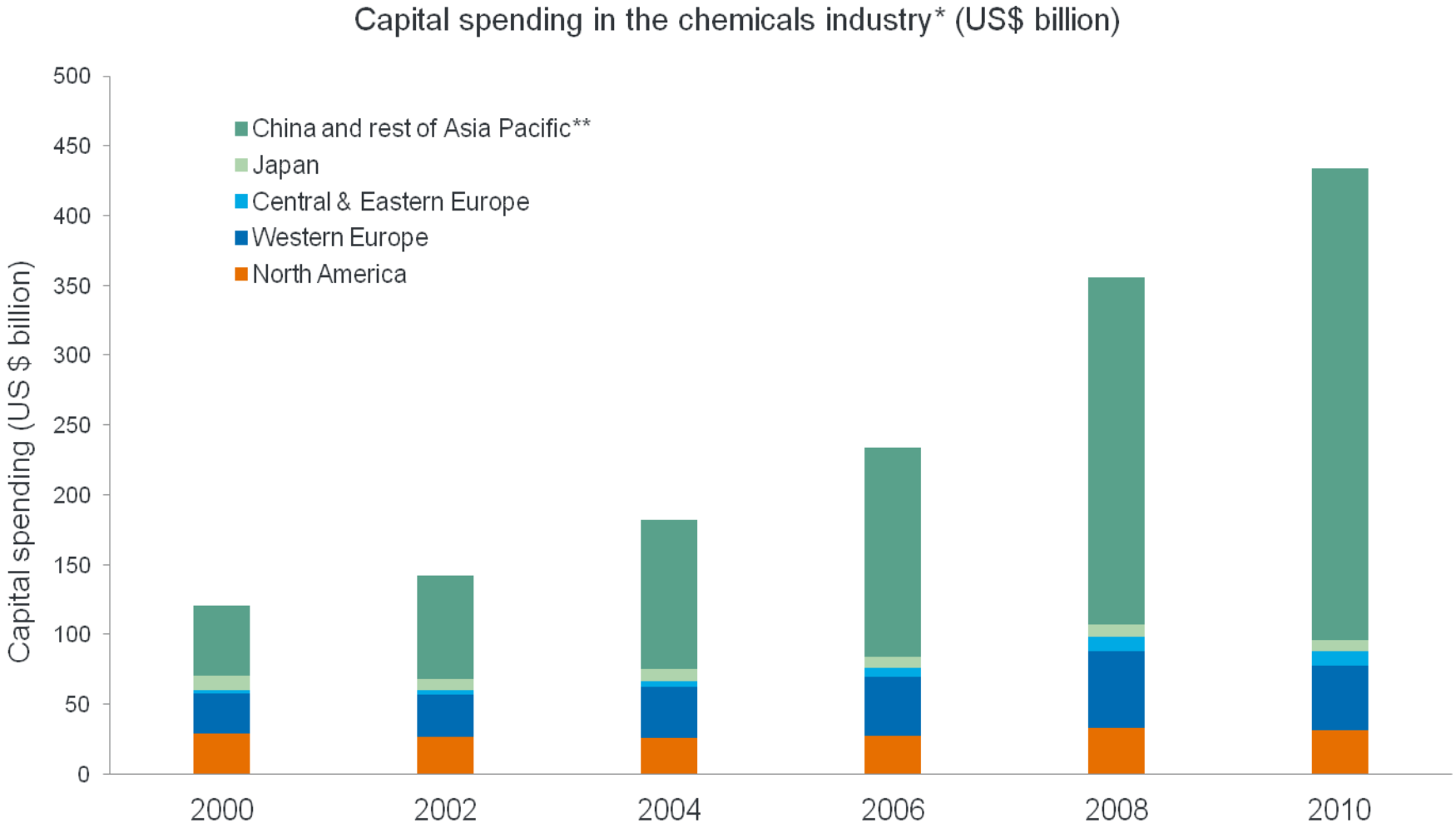
## Trade analysis (2000-2004) to (2005-2009)

| | USA | Japan | Brazil | Russia | India | China | South Korea | Middle East | Asia | Rest of Asia |
|---|---|---|---|---|---|---|---|---|---|---|
| Basic Inorganics | | | | | | | | | | |
| Petrochemicals | | | | | | | | | | |
| Polymers | | | | | | | | | | |
| Specialty Chemicals | | | | | | | | | | |
| Consumer Chemicals | | | | | | | | | | |
| Chemicals (sum) | | | | | | | | | | |

- EU has a trade deficit and its competitive position weakened
- EU has a trade surplus but its positive competitive position weakened
- EU has a trade deficit but its weak competitive position improved
- EU has a trade surplus and its healthy competitive position improved

***Source:*** *: Cefic Chemdata international*

# China and the rest of Asia-Pacific attract the bulk of chemicals investment




***Source***: American Chemistry Council (ACC), *including pharmaceuticals

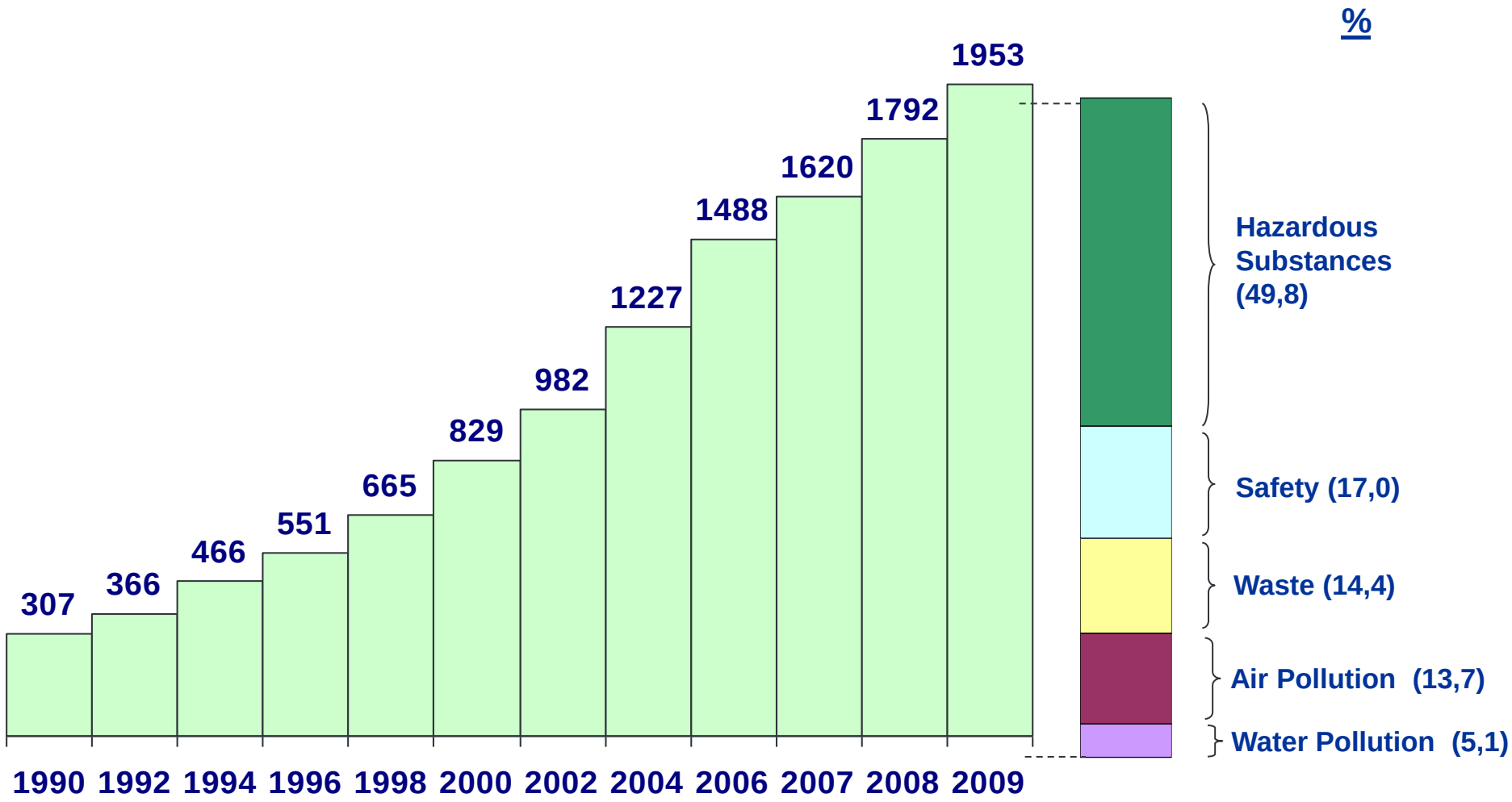
**excluding Japan

## Status Implementation HLG Chemicals

| | | |
|---|---|---|
| ***Innovation and research*** | Topical innovation networks | |
| | Strengthen innovation clusters | |
| | SusChem explore opportunities | |
| | Private sector speed up innovation | |
| | Public sector to provide support to private sector efforts | |
| | Develop more effective dialogue with society | |
| ***Intellectual Property*** | EC+MS agreement on Community patent | |
| | EC+MS pursue efforts on international patent law | |
| | EC+MS recognise protection of confidentiality | |
| | Action against counterfeiting | |
| ***Regulation*** | Commission to take business impact studies into account | |
| | EC+MS improve communication with industry | |
| | EC+MS avoid divergence of rules and implementation requirements | |
| ***Human Resources*** | MS step up promotion of chemical/science education | |
| | Engineering faculties+industry define profiles of new professions | |
| | Assess HR requirements in the short and long term | |
| ***Energy and Feedstock*** | Support petrochemicals sector by cluster strengthening, improving infrastr. | |
| | Improve gas access | |
| ***Logistics*** | Stable long term electricity supply | |
| | Development of local cluster platforms industry+ public authorities | |
| | Cooperation to address key bottlenecks on wider intermodal transport use | |
| | Authorities assess possibilities to revitalise railway freight transport | |
| | Commission to investigate congestion of road network | |
| | Closing gaps in olefin pipeline network | |
| ***Raw material change*** | Continue research for fossil feedstock replacement | |
| | Avoid side effects of incentives in agriculture/energy policy | |
| ***Climate change*** | Research and development efforts | |
| | Adequate measures by emerging economies | |
| | Sectoral agreements, bring to a successful conclusion | |
| | Robust, verifiable info on emissions and emissions reductions | |
| | EC+MS efforts for full implementation of ETS directive | |
| ***Globalisation and Trade*** | Actively pursue NAMA agreement + sectoral agreement | |
| | WTO new accessions: avoid trade distortions | |
| | New FTAs: give priority to econmic criteria | |
| | No weakeninig of TDI legislatiion | |
| | WTO to ensure global level playing field of TDI practices | |
| | Harmonise customs procedures to avoid black/grey schemes | |
| | Promote development of new WTO rules | |
| | Reduction of import tariffs and import quota for raw materials | |

**May 2012**

# Number of "pieces of legislation"* on environment and safety issued by the European Union (1990 – 2009)




* Directives, Decisions and Regulations

Source: Federchimica

# Chemical Safety

*Example:* *REACH Regulation*
*Registration, Evaluation, Authorisation and Restriction of Chemicals*

*Goal :* *Gain information on and control the risks of all chemicals on the EU market*

| 30.11.2010 | 31.05.2013 | 31.05.2018 |
|---|---|---|
| > 1000 tonnes a year<br>> 1 tonne/year CMRs | 100 tonnes/year | |

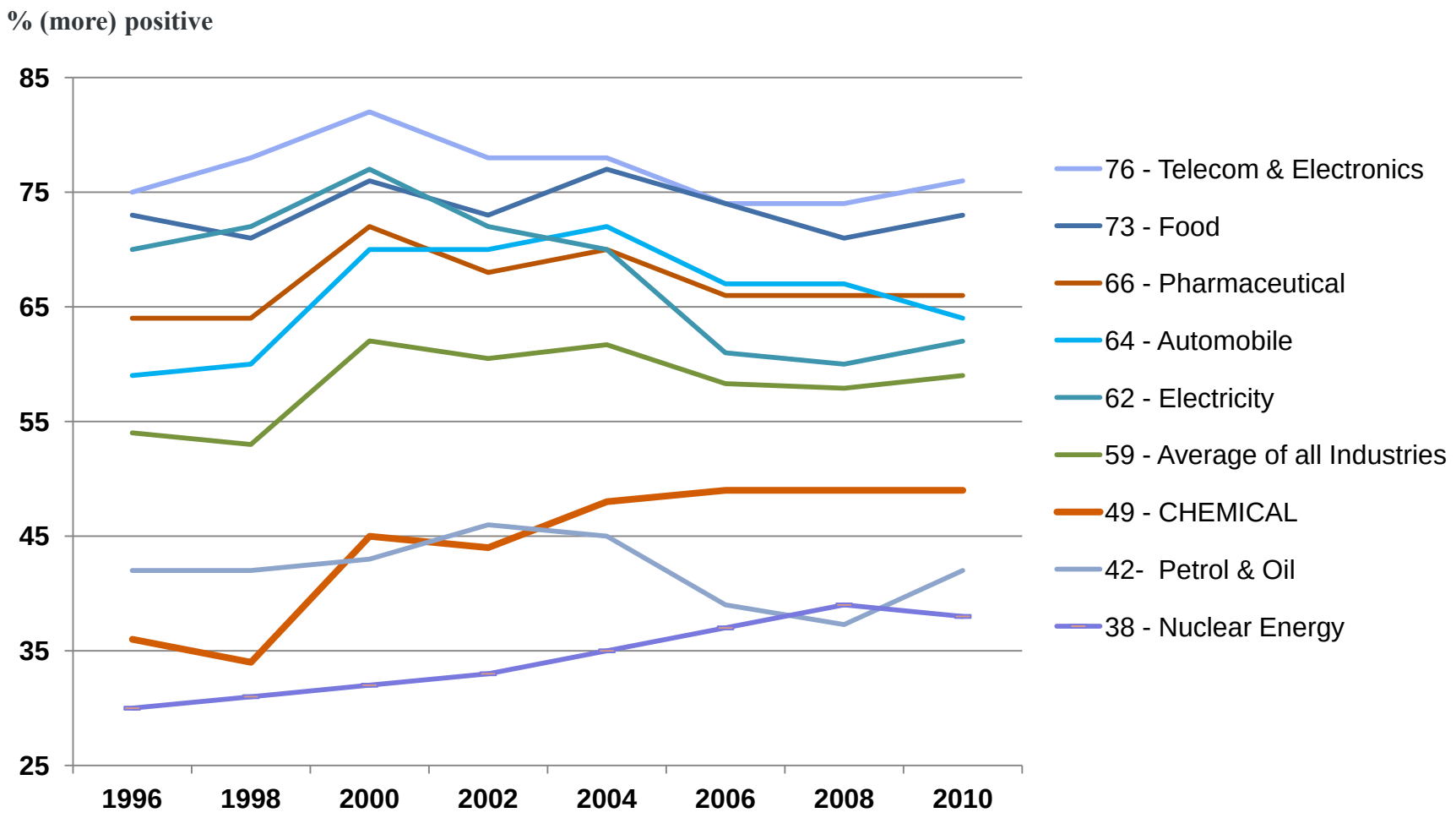
REACH Registration deadlines

# Evolution of Environmental Issues and Challenges

| In the spotlight during | Climate change | Nature and biodiversity | Natural resources and waste | Environment and health |
|---|---|---|---|---|
| 1970s/1980s (until today) | | Protect selected species and habitats. | Improve waste treatment. | Reduce emissions. |
| 1990s (until today) | Reduce greenhouse gas emissions, Increase share of renewable energy. | Reduce pressure from agriculture, forestry, fisheries and transport. | Recycle, reduce waste. | Reduce emissions, improve regulation of chemical substances. |
| 2000s (until today) | Establish economy-wide approaches, Provide behavioural incentives. | Integrate ecosystem services linked to climate change. | Improve efficiency of resources use. | Reduce people's combined exposure to harmful polutants. |

***Source:*** EEA (European Environmental Agency) - 2010

# Image of Industry




***Source:*** *:Cefic PES 2010*