

The Voice of the Chemical Industry in Europe



ZCHFP, Bratislava, 9 May 2012

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Cefic: The European Chemical Industry Council

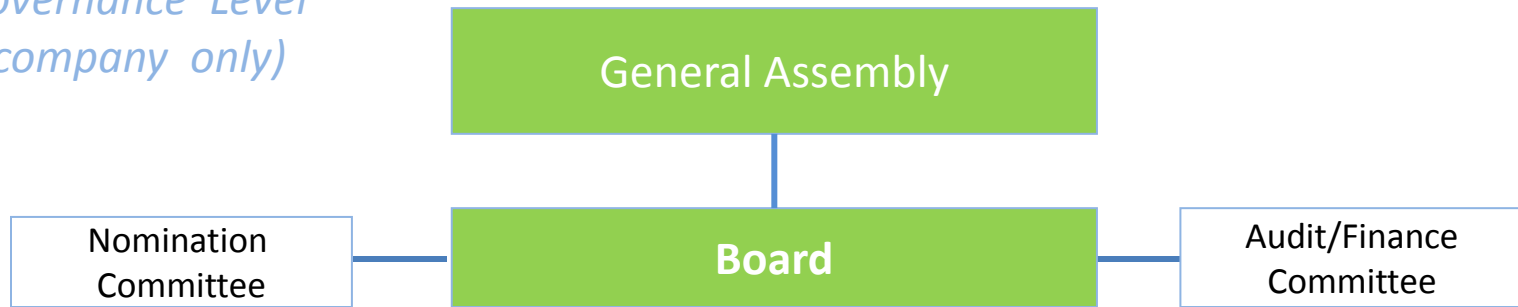
- **Representing 29.000 chemical companies in Europe**
- **29 National Chemical Federations**
- **Over 700 direct Company Members**
- **More than 30 Associate Companies from around the world**
- **24 European Affiliated Associations**
- **Operates 101 Sector Groups**
- **About 5.000 industry experts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

THE VOICE OF THE CHEMICAL INDUSTRY IN EUROPE

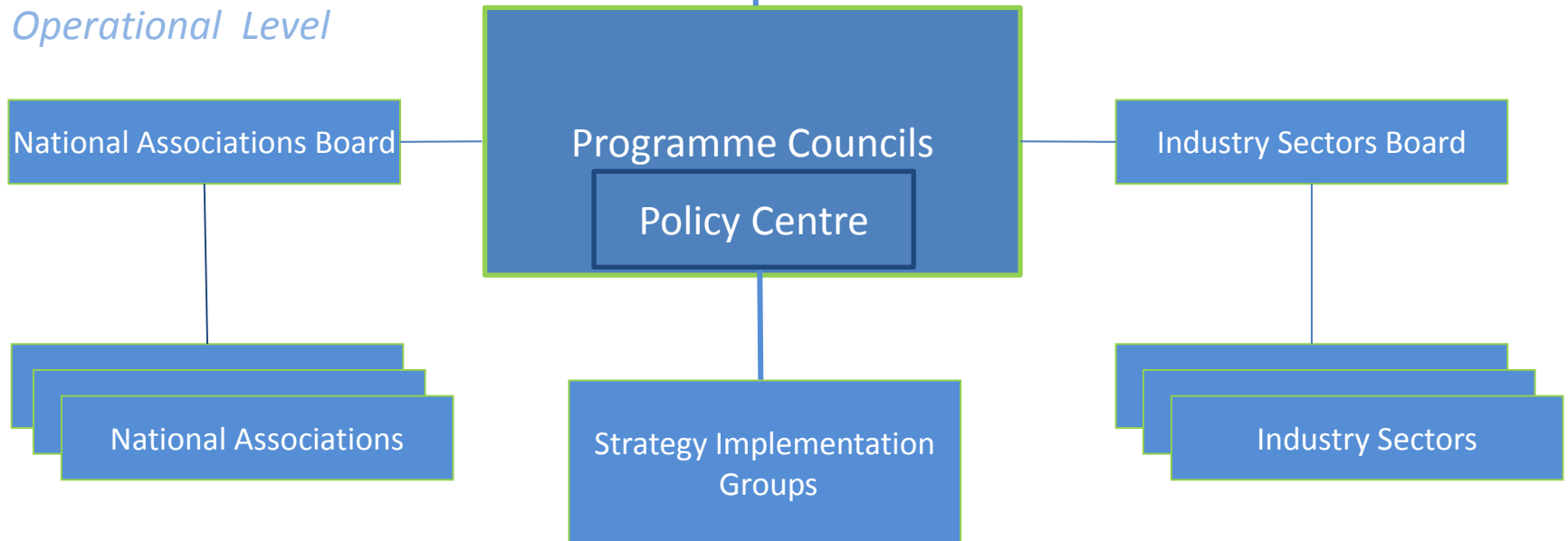


Cefic Governance & Operations

*Governance Level
(company only)*



Operational Level



Cefic priorities 2012



Sustainable development
Competitiveness
Chemicals safety

REACH	<ul style="list-style-type: none"> • 2012 review • Registration, Implementation • Nanomaterials, Mixtures, Endocrine Disruptors 		X	X
Energy and Climate Change	<ul style="list-style-type: none"> • ETS • Minus 20% by 2020 • Energy Strategy, roadmaps 2050 	X	X	
Innovation	<ul style="list-style-type: none"> • Innovation partnerships implementation • HLG Key Enabling Technologies follow-up 	X	X	
Communication	<ul style="list-style-type: none"> • Sustainable Development 	X	X	X
Smarter Regulation	<ul style="list-style-type: none"> • Consistency and workability • 7th Environmental Action Programme 	X	X	X
Industrial Policy	<ul style="list-style-type: none"> • HLG recommendations implementation • Industrial Policy for chemical industry and implementation 		X	
Sustainable Development	<ul style="list-style-type: none"> • Develop strategy • Rio+20 • 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.

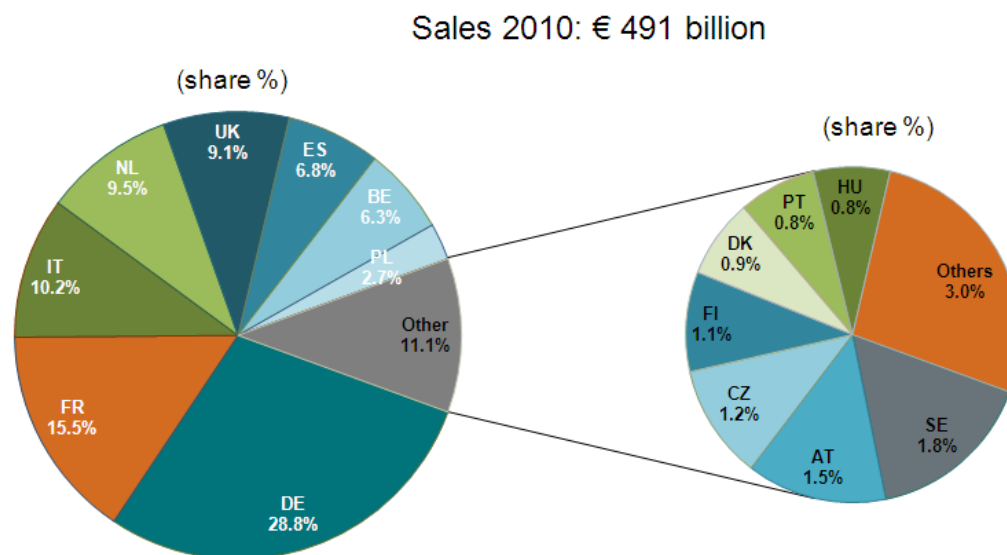
It will keep attracting investments by way of its strong economic performance.



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)

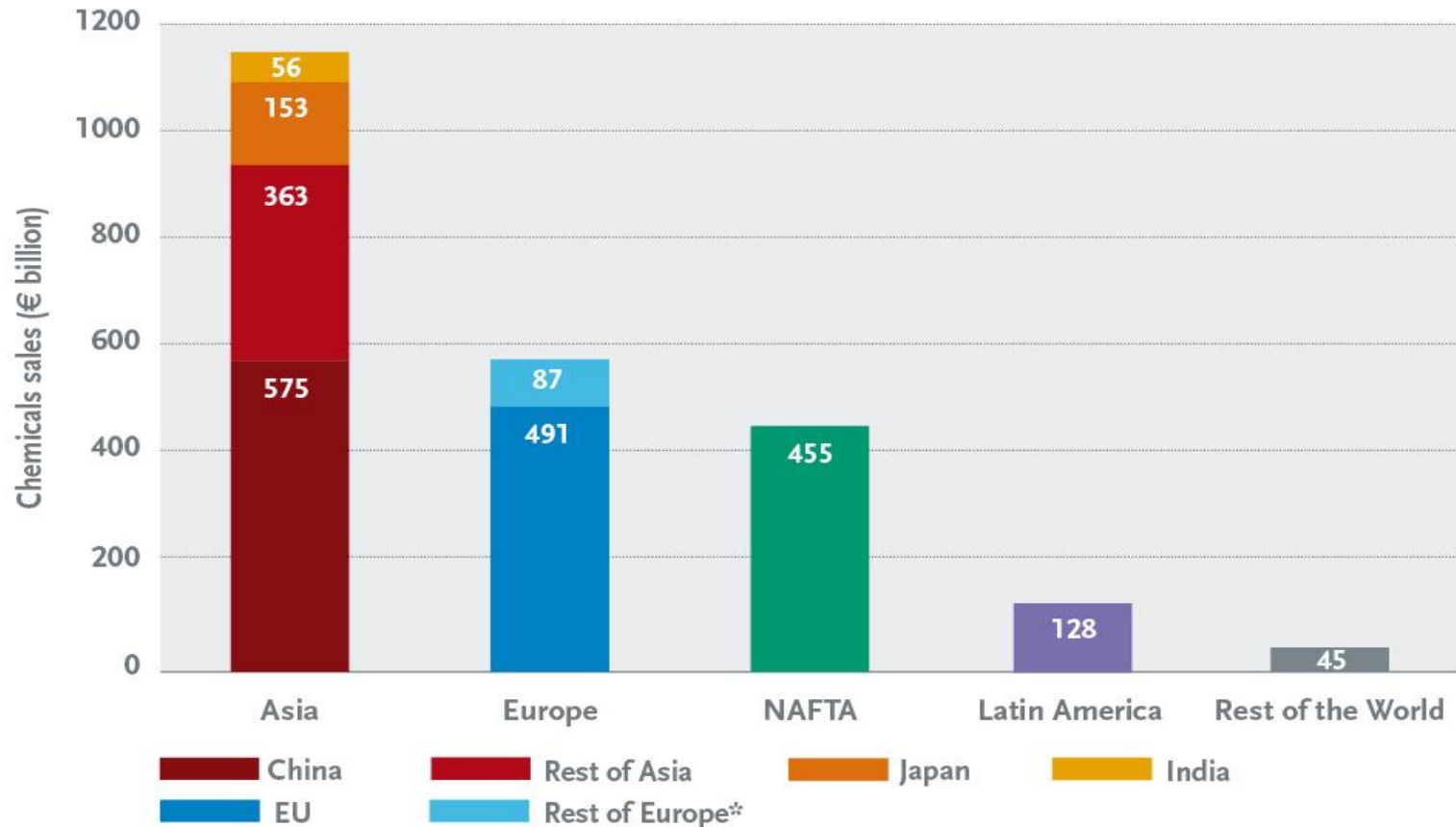


Source: Eurostat and Cefic Chemdata International

Global Chemicals Sales in 2010



2353 Billion €

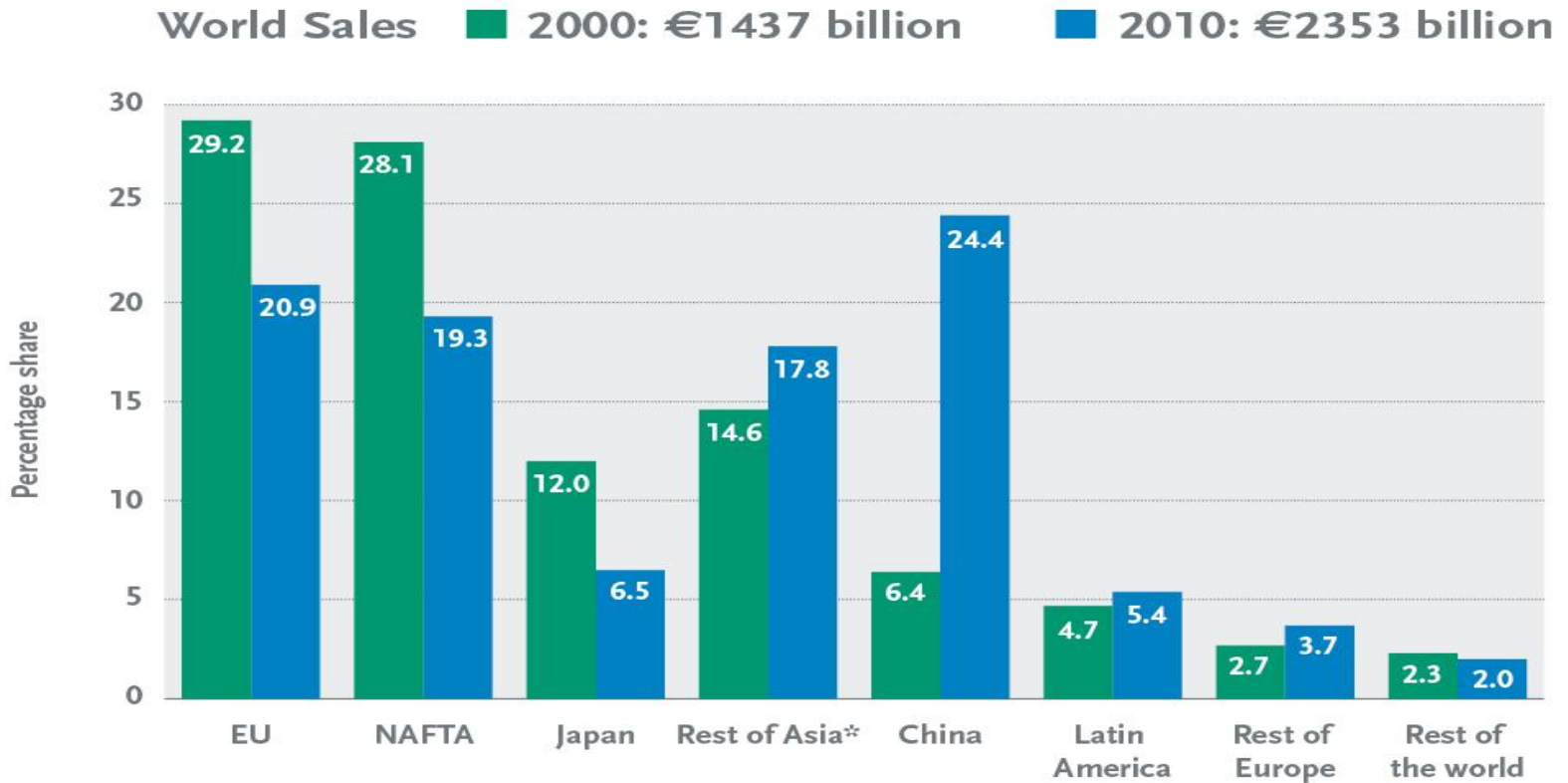


World chemical sales in 2010 are valued at € 2353 billion.
The EU accounts for 21% of the total.

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	Green	Green	Green	Grey	Green	Grey	Green	Red	Green	Green
Petrochemicals	Green	Orange	Orange	Grey	Red	Red	Green	Red	Red	Red
Polymers	Grey	Grey	Orange	Green	Green	Orange	Grey	Red	Orange	Orange
Specialty Chemicals	Red	Red	Orange	Green	Orange	Red	Orange	Orange	Orange	Orange
Consumer Chemicals	Green	Green	Green	Green	Green	Grey	Green	Green	Green	Orange
Chemicals (sum)	Green	Orange	Orange	Green	Red	Red	Orange	Orange	Orange	Orange

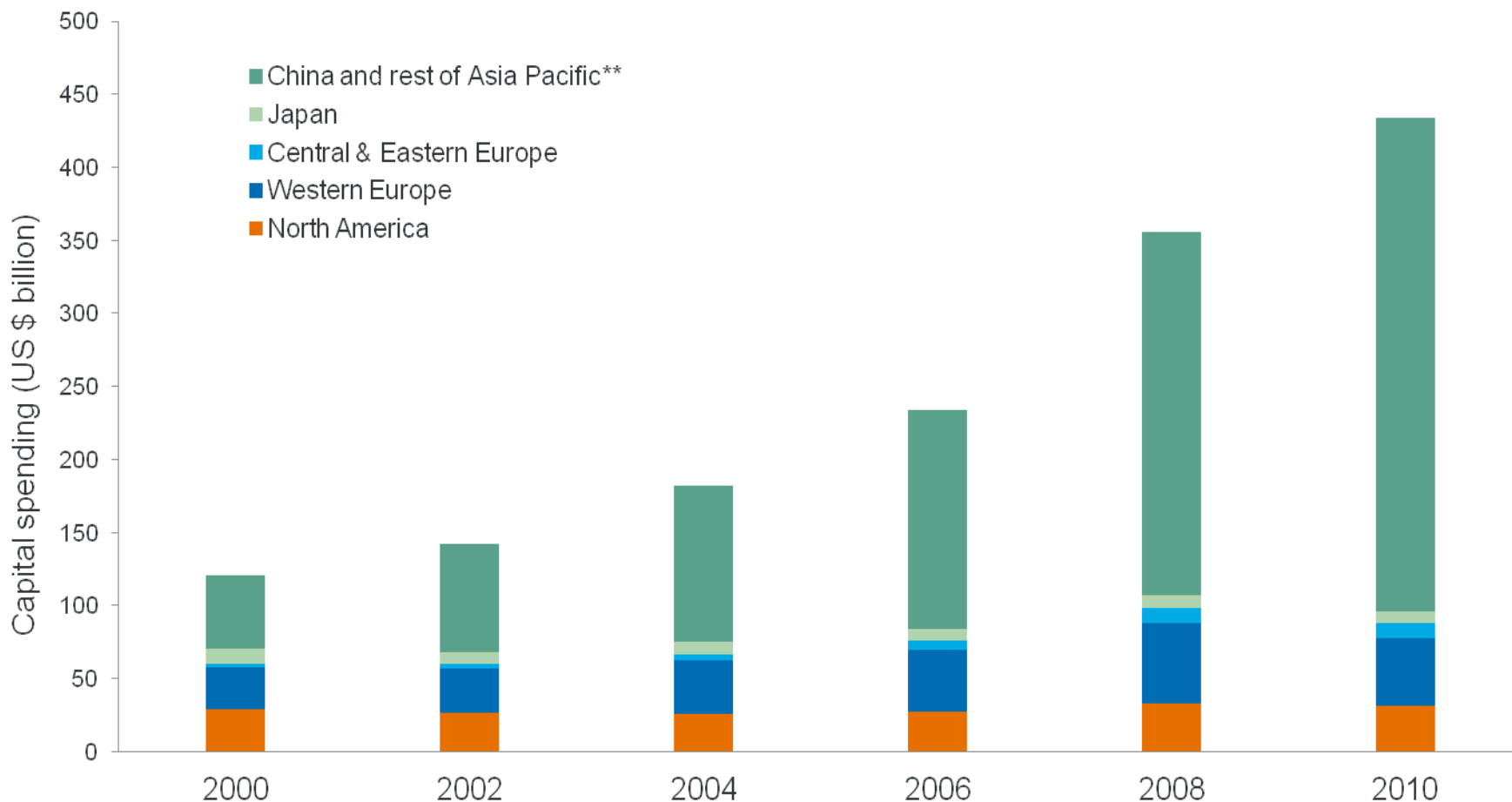
- EU has a trade deficit and its competitive position weakened
- EU has a trade surplus but its positive competitive position weakened
- EU has a trade deficit but its weak competitive position improved
- EU has a trade surplus and its healthy competitive position improved

Source: : Cefic Chemdata international

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



Capital spending in the chemicals industry* (US\$ billion)

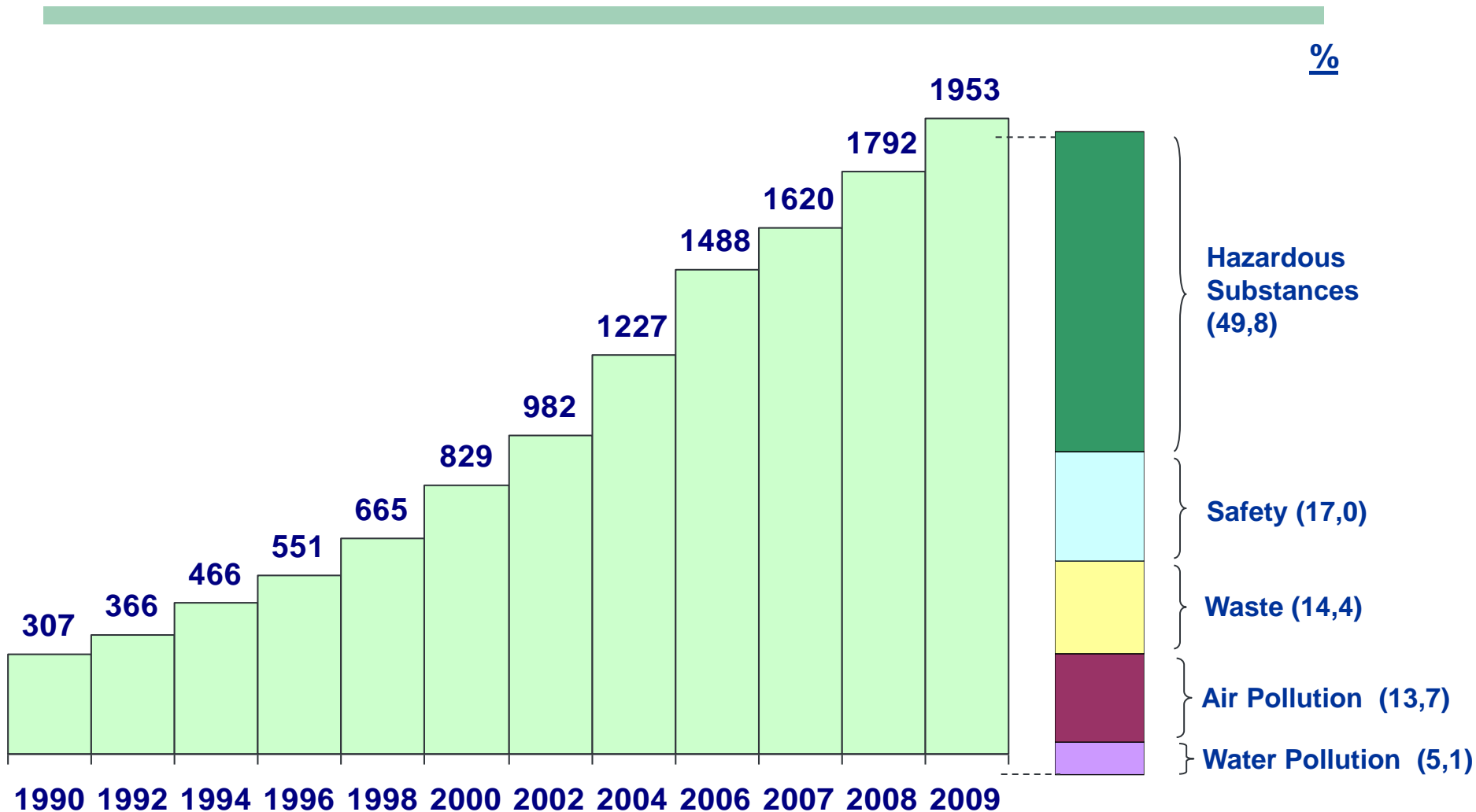


Source: American Chemistry Council (ACC), *including pharmaceuticals

**excluding Japan

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 economic criteria		
	No weakening of TDI legislation		
	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		

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



Evolution of Environmental Issues and Challenges



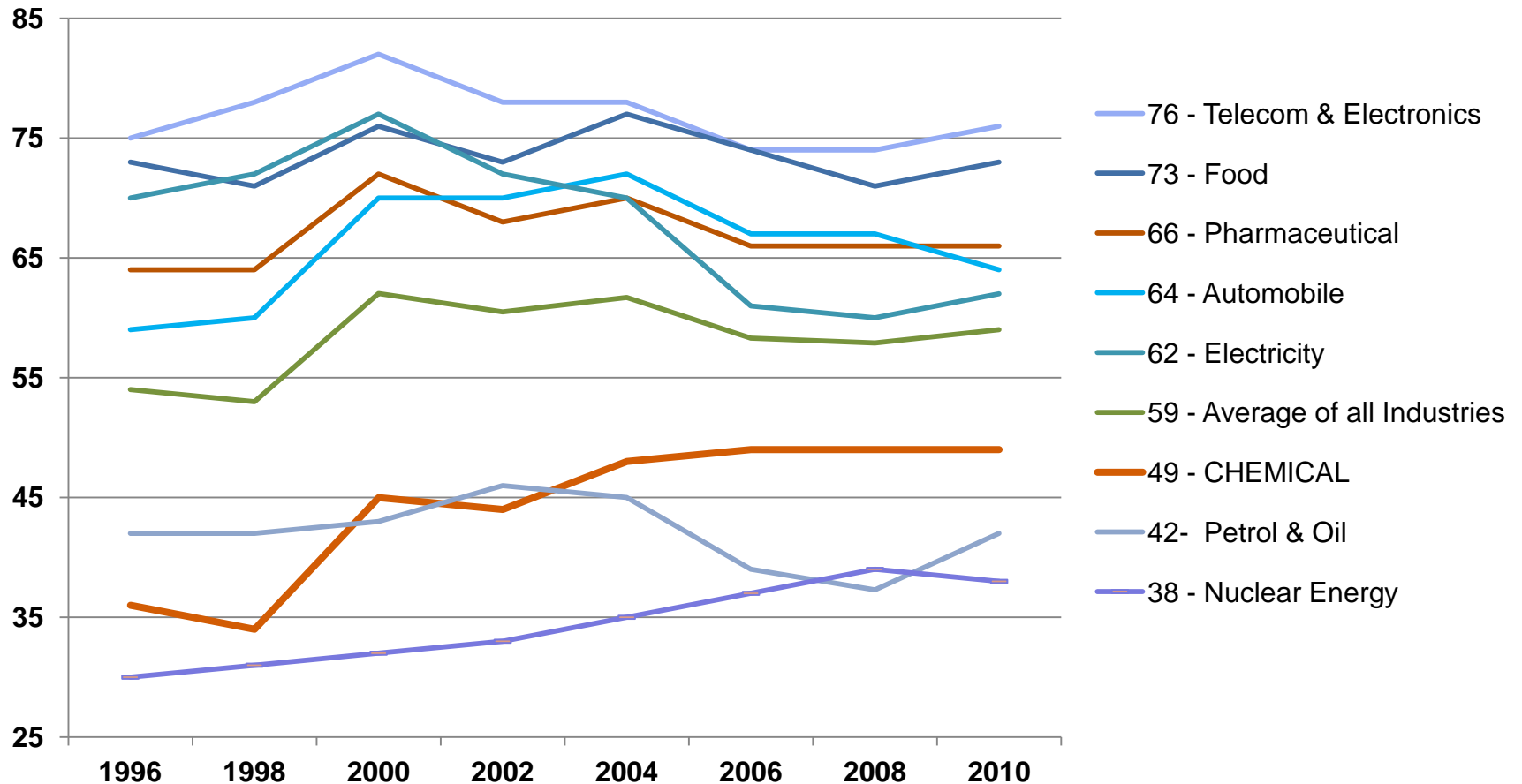
In the spotlight during	Climate change	Nature and biodiversity	Natural resources and waste	Environment and health
1970s/1980s (until today)		Protect selected species and habitats.	Improve waste treatment.	Reduce emissions.
1990s (until today)	Reduce greenhouse gas emissions, Increase share of renewable 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 pollutants.

Source: EEA (European Environmental Agency) - 2010

Image of Industry



% (more) positive



Source: :Cefic PES 2010