

It is hoped that the encouraging, pragmatic approach can serve as an inspiration as the EU prepares for the United Nations Climate Change Conference in Cancun, Mexico. We remain concerned by the EU's overly unilateral approach to energy and climate change policies.

The risk of carbon leakage – the displacement of production and employment to regions implementing less stringent climate-change policies – remains of concern for European manufacturers unless all major global players implement policies with similar constraints and costs to businesses. What is needed is a global, legally-binding agreement under which all large emitting countries pledge to significantly cut back emissions by 2050.

Unilateralist trap weakens industry

Europe must avoid falling in the unilateralist trap: a weakening European industry's competitive positioning will not further sustainable development, quite to the contrary. This is particularly true for the chemical industry, which enables emission reductions by deploying innovative products and solutions.

When the EU sets itself unilateral objectives that entail EU-specific costs to address one of the biggest global challenges, it inevitably weakens Europe's industrial base and competitiveness, and undermines investment and research and development. Policies that seek to stimulate economic transformation predominantly by means of targeted regulation; emissions trading; tax breaks, grants and subsidies; public investment and procurement must not be allowed to undermine the proper functioning of a market economy or its innovative potential.

In the absence of an international climate package, initiatives such as the EU Emission Trading Scheme are creating a disproportionate burden for European businesses and consumers.

Societal needs require robust innovation

Europe and the world are in a critical need of more and faster innovation. By accelerating the innovation process, society can come up with the solutions that will make it possible to ease the current pressure on natural resources and on the environment. Such pressure will continue to increase due to an expanding world population and its legitimate and continuous demand for better living standards.

Energy and raw materials must be used in a more sustainable way. The chemical industry's production processes, feedstock use and consumption patterns must evolve to ensure its long-term future. But the EU's current bio-fuels policies and its Common Agricultural Policy are fuelling price and market distortions which discourage investment and innovation.

Genuine progress requires more and faster innovation. Europe's innovation capability will determine whether it can continue having a role in a changing world that is being shaped by the rising economic prominence of the Asian continent and major social and ecological transition worldwide. Precisely because of its outstanding ability to generate innovation, the chemical sector is of major strategic, economic and social importance to Europe.

Pushing for more innovation

Innovation requires brainpower, education and skills. Cefic has been mapping out the skills needed to meet innovation and sustainability requirements and providing input to education programmes at European schools and universities.

Cefic is taking an active part in the EU Innovation Flagship Initiatives by taking the lead on important public-private partnerships involving sustainable urban construction, sustainable individual mobility in large cities, energy for a low-carbon society and resource efficiency in processing.

At the same time, Cefic has been facilitating access to research funding for companies, developing various demonstration projects and expanding the activities of the Sustainable Chemistry Technology Platform (SusChem).

The SusChem platform is a prime example of a European public-private cooperation project that is furthering innovation throughout the value chain. SusChem uses visionary projects to showcase the full-chain approach to innovation. The Smart Energy Home, for example, is a project that is developing energy-saving home design solutions based on cross-industry collaboration.

Cefic also uses SusChem as a vehicle to coordinate various industrial sectors active in nanotechnology. Such cross-sector collaboration, involving multi-disciplinary expert teams, is giving birth to important research projects that may provide solutions to present-day energy challenges, such as lightweight materials for construction and transport, new material designs and breakthroughs in diagnostics and healthcare.

New technology requires public confidence

But successful innovation requires political will if new technologies and innovative products are to be brought to the market. And nanotechnology is a case in point.

Nanotechnology has become a hot topic for EU government institutions and non-governmental organizations. But the technological potential of nanotechnology is being reined in by concerns about safety – which, although often legitimate, are not impossible to address – and a pervasive distrust of new technology.

Nanomaterials provide unique solutions to global challenges such as climate change, mobility, or housing. It is up to us all to make sure that any risks are properly assessed and regulation properly addressed.