

# An industrial policy agenda for the next decade

Most European chemical manufacturers were not expecting the financial crisis that erupted last summer and the resulting, sharp economic recession EU leaders scrambled to hammer out a common response to the credit crunch and dramatic economic downturn. Meanwhile, the High Level Group on the Competitiveness of the European Chemicals Industry (HLG) adopted its final report in February 2009.

The HLG's conclusions – the outcome of a process initiated by Cefic and chemical industry leaders five years ago following the publication of the Cefic Scenarios 2015 study – are a milestone and a roadmap in building a strategic agenda for the EU chemical industry geared toward achieving long-term competitiveness and sustainability.

Although the chemical industry is still reeling from the effects of the recession, these conclusions mark a turning point in European policy-making for this industry. The HLG's recommendations were drawn up before the outbreak of the economic crisis with a long-term objective but their expeditious implementation has become more acute in the face of the economic crisis.

## Solution provider

The HLG recognises that the chemical industry is a major enabler of sustainable development.

The Group acknowledges that the chemical industry is an important solution provider for modern-day challenges such as energy efficiency and climate change, more and better food, clean water, better health and calls for ensuring that European manufacturers are competitive on the world stage. Only with a profitable and competitive industry can it be ensured that these solutions are developed in Europe and not elsewhere in the world.

Other key findings that will shape the industrial policy agenda for the coming decade are:

- More innovation is key for a sustainable and healthy European chemicals industry.
- Education and attracting talent are cornerstones of innovation and competitiveness.
- Access to sufficiently high quality renewable raw materials at world market prices is essential for a competitive chemicals industry in Europe.
- In a globalised chemicals industry, global action including engagement of emerging countries is essential to combat climate change effectively.
- The need for favourable internal economic and regulatory framework conditions that foster the efficient functioning of markets and rapid take-up of innovations.
- Open world markets and an improvement in market access to the emerging economies where the growth in chemicals consumption is expected to be significantly higher.

## “True asset”

On release of the report's conclusions, European Commission Vice President Günter Verheugen, responsible for enterprise and industry policy, said: “The European Union has a strong interest to have a world class chemicals industry which is innovative and contributes to sustainable growth and employment. The chemical industry is a true asset of the European Union.”

The Commission's view echoes our own – that of an industry with a critical role to play in the development of a prosperous society and a sustainable economic model.