

# Message from the President We must keep sight of our strategic priorities

## As European chemical manufacturers struggle to cope with recession and an unprecedented financial crisis, now is not the time to lose sight of our strategic priorities.

Pulling European economies out of the current recession is the most immediate concern. In this context, the credit crunch needs to be urgently addressed. Lack of credit is hurting the day-to-day operations of most chemical companies in Europe and it is the thousands of small and medium-sized enterprises in our sector which are the most affected.

In the current crisis we simply cannot afford to let up our efforts to safeguard the European chemical industry's competitiveness. European manufacturers' ability to compete in the global economy continues to be hampered by high labour, feedstock, energy and regulation costs. We must contain these. Furthermore, European authorities should also defend fair competition at a global level.

Thanks to the progress made by Cefic and EU stakeholders in the High Level Group on the Competitiveness of the European Chemicals Industry, to the successful implementation of REACH and to the participation in the EU's Research Framework Programme, our industry has been laying some solid foundations for the future. But we cannot take our eyes off the ball.

In times of crisis it is easy to forget some of the fundamentals. The truth is that Europe is lagging in terms of research and development expenditure. R&D spending in Europe totals 1.8% of Gross Domestic Product, which remains well below the EU target of 3% of GDP (and below other developed regions of the world).

In addition, Europe still needs to improve its ability to turn research investments into innovative solutions.

The chemical industry thrives on innovation and European industry and government leaders must work together to bridge Europe's R&D and innovation gaps. The SusChem project is a good example of successful public-private cooperation in this field, but to reap the full benefits we must focus on bringing research closer to market applications and make it more open to a greater number of industry players, including innovative SMEs.

Many of the thousands of SMEs in our sector are highly innovative companies and major employers. Yet they are the ones being the hardest hit by the financial crisis. At Cefic, we fully recognise the vital role of SMEs when establishing our policy priorities and when carrying out advocacy.

Thousands of European workers are paying a hefty price in the current crisis. It is our industry's duty to support and create high quality, sustainable employment in Europe by boosting our competitiveness and capacity to innovate.



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