

## License to operate

Helping shape the overarching regulatory framework of the industry has also been a major concern. The entire industry's license to operate was under possible threat 10 years ago when the EU decided to develop a new, integrated chemicals regulatory policy. The initiative evolved into the REACH regulation, with Cefic involved at every step of the way to ensure that the outcome would be workable and meet the purpose of protecting human health and the environment – while maintaining the ability of the EU chemical industry to compete in the world market.

Progress toward sustainability hinges on innovation. The European chemical industry excels at innovation, but policy makers and other important stakeholders have sometimes failed to recognise this. Part of the blame lay with the industry: for example, it had until a few years ago remained largely – and oddly – absent from the EU's research and innovation agenda.

Cefic managed to get the industry more engaged than ever: SusChem, the European Platform for Sustainable Chemistry is on board the EU's 7<sup>th</sup> Framework Programme for research and has given rise to a dozen other national research platforms in the EU Member States, as the basis for further innovation efforts.

## Taking ownership

The current economic situation is difficult and it puts a lot of strain on our members. But, as Director General of Cefic, I am heartened to see how the leaders of this industry have taken full ownership of the Cefic project. Their endorsement and the support of national associations and the wider Cefic network have been and continue to be a major boost to our credibility, leverage and responsiveness.

This is no surprise considering our growing membership. Cefic now has close to 50 large corporations as members, while more than 600 small companies have also joined.

In the past 10 years, we have established a strategy and vision for the future of this industry. We have also discovered and expressed new ambitions for the chemical industry. The rest of the world has taken notice; the European chemical industry is now acknowledged by its peers as a leader on global issues such as chemical safety and climate change.

But challenges still lie ahead:

- We are still at the very beginning of REACH implementation. Registrations are scheduled to be completed by 2018 and, as of today, we already have no fewer than 2.8 million pre-registrations. Many practical questions remain unanswered.
- Although we are making progress in stimulating innovation across the board in the pan-European context, many chemical manufacturers are ill-equipped to conduct joint-research projects.
- On climate change, a new emissions trading system is scheduled for 2013-2020. Cefic succeeded in introducing the possibility of free allowances based on benchmarks for exposed sectors such as the chemical industry. The industry has but a few years to come up with an operational project to address the climate change challenge.
- Our industry's reputation still lags behind that of many other industries.

I am confident that we are making headway on all of these fronts.

Through Cefic, the European chemical industry has increased its legitimacy and credibility with the European institutions, regulators, national governments and stakeholders at large.

The industry today is in a much better position than it was 10 years ago, and is now better able to determine its future.

This would have been impossible without the hard work and dedication of the people at Cefic and those active among its associations and company members.

I thank them all.



Alain Perroy  
Director General