

February 2, 2011

Cefic statement on EU Commission Communication on Commodities and Raw Materials

Chemicals trade group supports EU Commission push for more raw materials access

Cefic strongly supports the work by the EU Commission to help Europe secure access to raw materials and welcomes the new communication published today.

Fair and secure access to natural resources is a central concern for the European chemical industry, which must have access to raw materials and is greatly impacted by artificial price or availability distortions.

Natural resource-rich countries' trade restrictions worrying

Countries rich in natural resources increasingly introduce discriminatory practices to limit availability of their raw materials to other markets. The chemical industry in Europe sees these policies as a worrying trend, and the sector cannot accept that countries subsidize their downstream industry by artificially increasing the price on world markets for foreign competitors. These practices include double pricing, export restrictions and export taxes on ethylene feedstock, gas, palm oil or key minerals such as fluorspar, yellow phosphorous and rare earths.

Strong governance sought under WTO

Stronger global governance is needed under the wing of the World Trade Organisation (WTO). Cefic supports EU Commission initiatives through the WTO process, including dispute settlement, to obtain better rules on export taxes and restrictions or via bilateral free trade agreements.

Europe must push use of bio-based materials

Cefic also believes that Europe must catch up, move forward, and thrive in a bio-based economy. We urge the Commission and EU member states to permanently remove self-erected barriers, without jeopardising food security, on bio-ethanol and sugar / carbohydrates which are used as feedstock for the chemicals industry. The Commission should extend the scope of the Raw Materials Initiative to these bio-based materials.

Substitution, recycling help meet raw materials challenge

Raw materials will remain a challenge for Europe, but the chemicals industry stands ready to bring further sustainable solutions through innovative approaches to critical raw materials. In particular, Cefic sees substitution with other materials within the same technology or recycling as possible approaches along with harnessing alternative technologies. Both solutions, over time, potentially eliminate or at least reduce the need for certain critical raw materials.

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