

The European Chemical Industry at a crossroad:

Competitiveness at the top of the policy agenda



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Deputy Director General Cefic / Industrial Policy

BASF customer event - Budapest

3 December 2024



Our industry was one of the first to support the EU Green Deal.

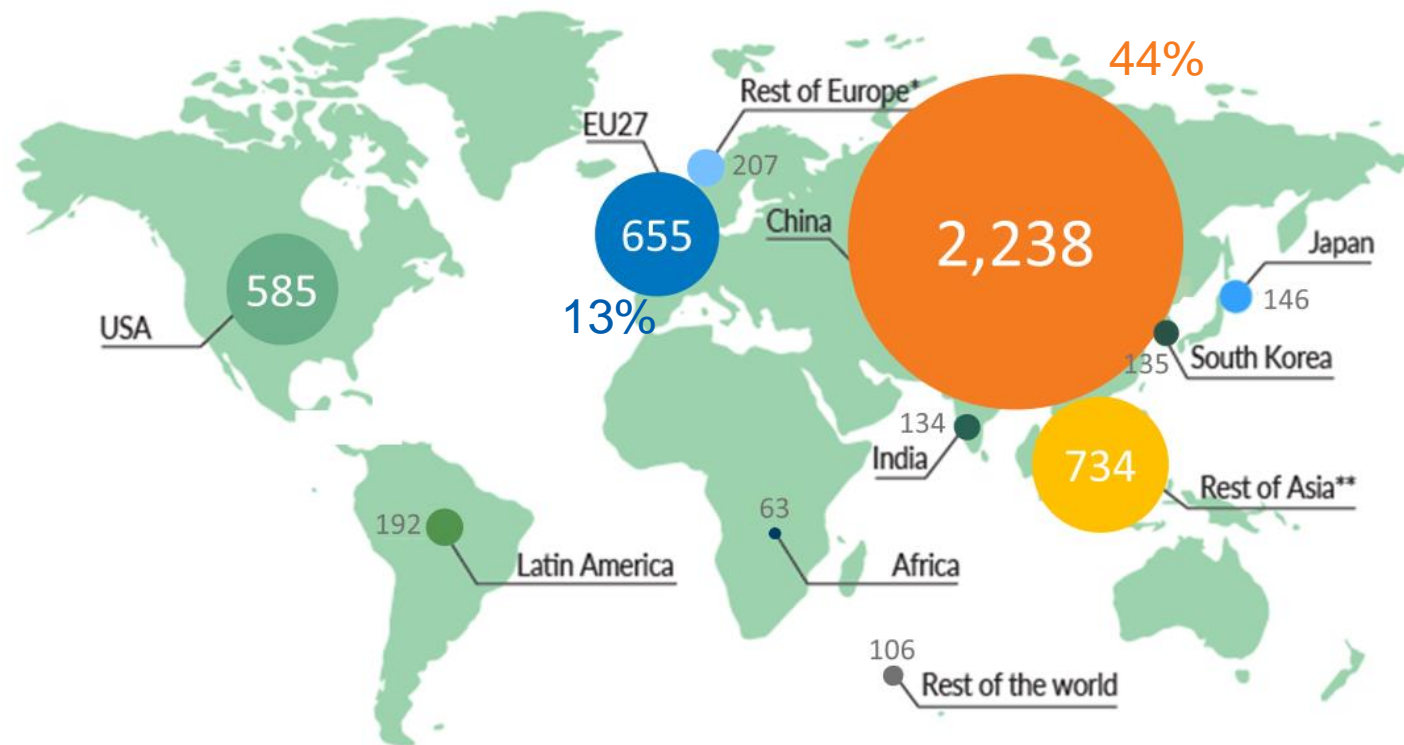
We have the ambition to go climate neutral by 2050.

In just 30 years, our industry will have to change not only **how** we produce but also **what** we produce



Europe is the second-largest chemicals producer in the world

World chemicals sales (2023; €5,195 bn)



Source: Cefic Chemdata International

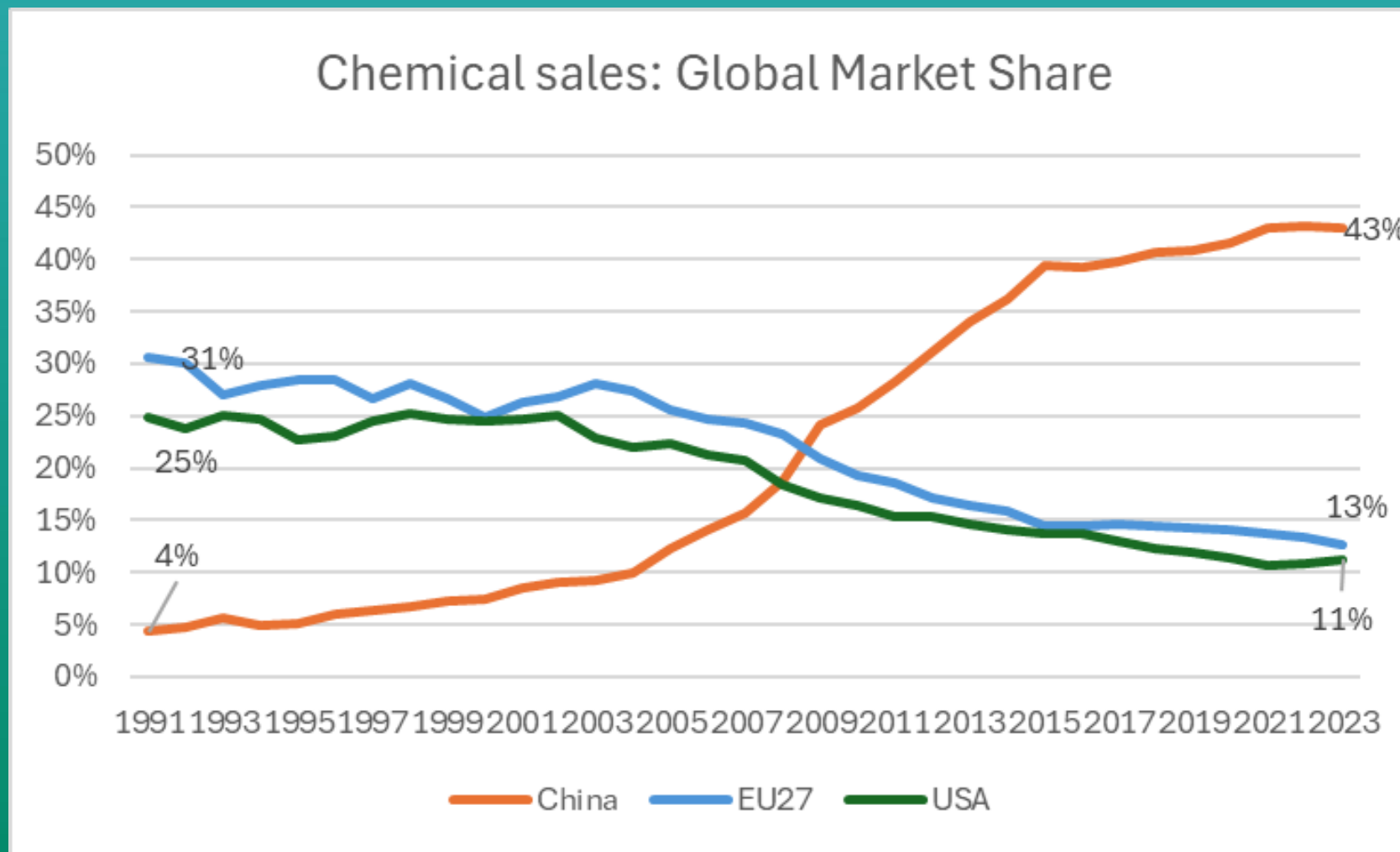
* Rest of Europe covers UK, Switzerland, Norway, Türkiye, Russia and Ukraine

** Asia excluding China, India, Japan and South Korea

**Our market share of the global market more than halved in 20 years
but Europe is still a net exporter of chemicals**

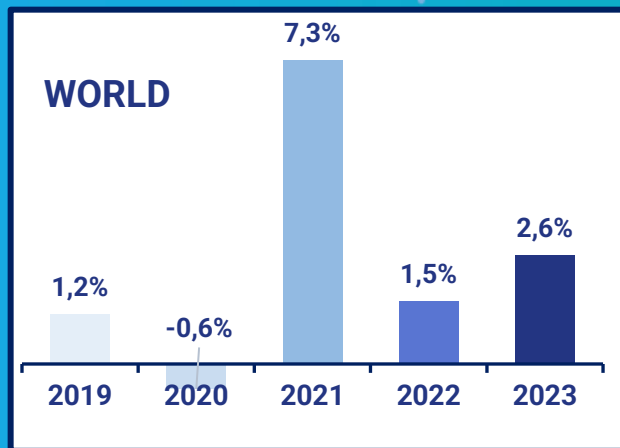
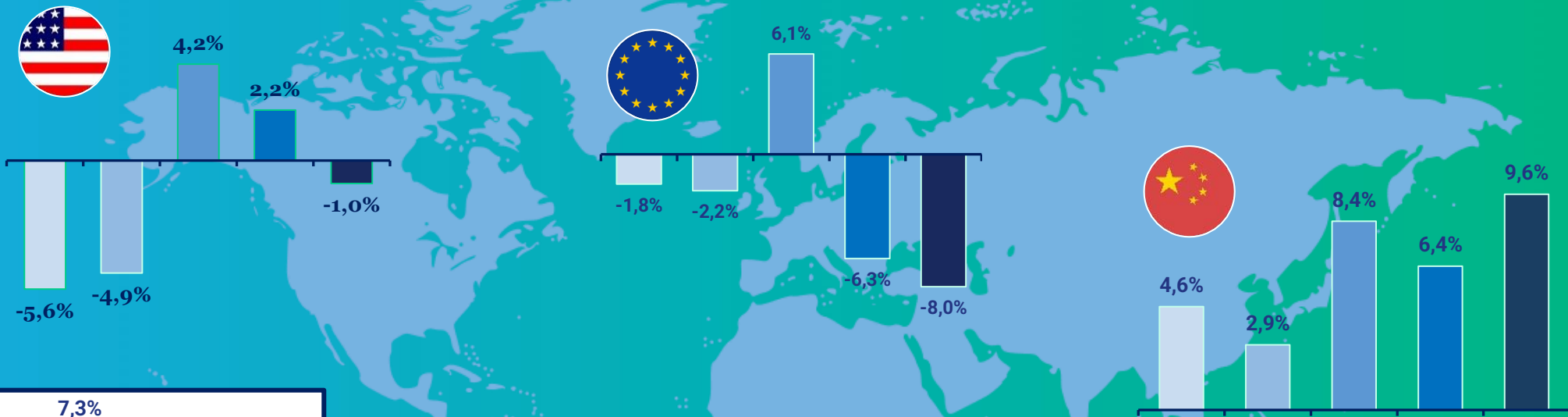


Evolution of relative market shares



In a recovering global market, the European chemical production declines sharply

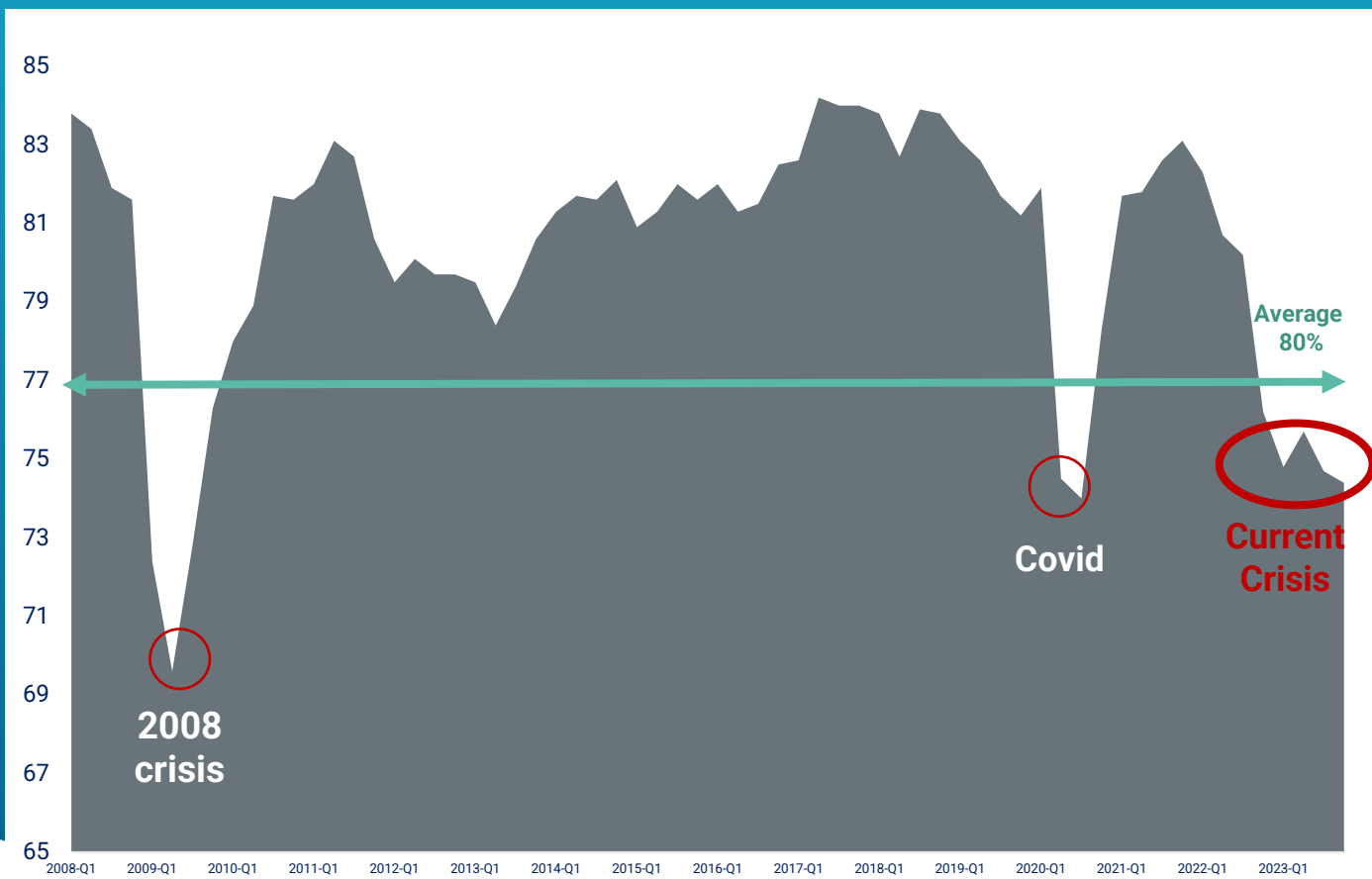
Annual production evolution, in volume



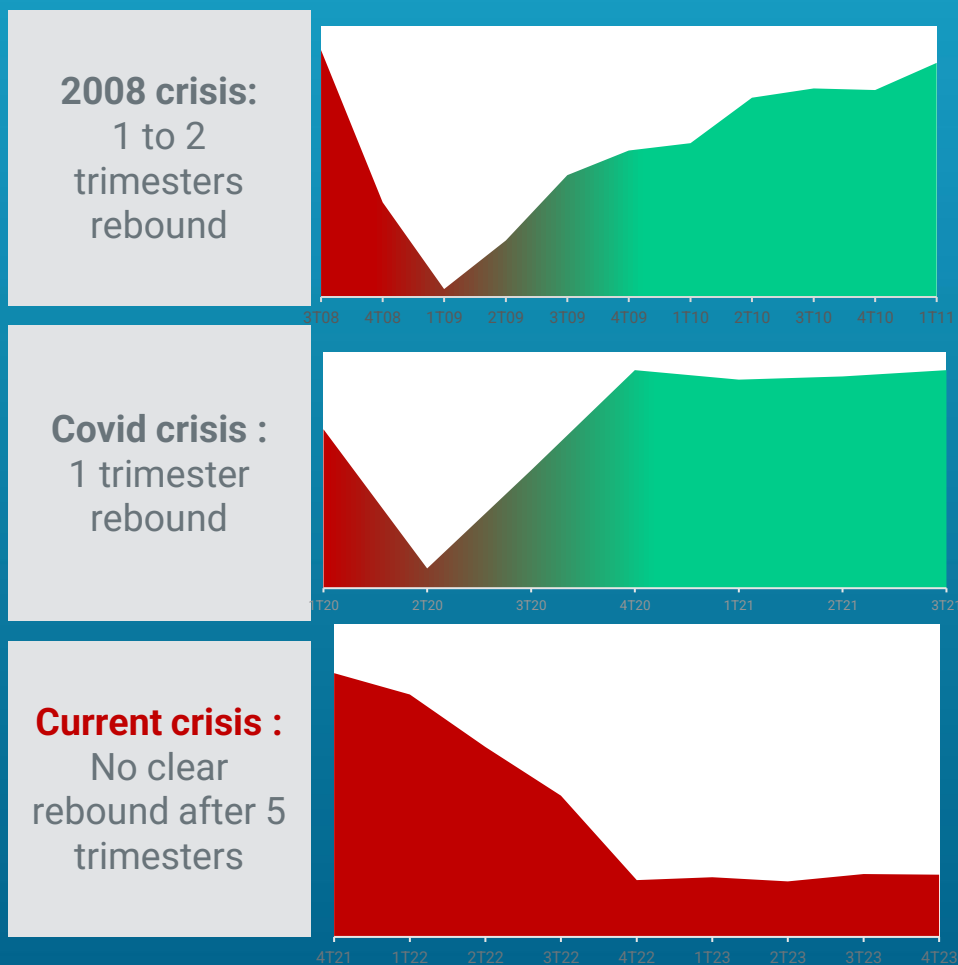
Sources : Eurostat, Cefic

This crisis is unprecedented in terms of length

Capacity utilisation rate of the European chemical sector (%)



Illustrative evolution of utilization rate in recent crisis
Base 2008-2011, 2020-2021, 2021-aujourd'hui



We need a comprehensive, integrated industrial policy package

Costs ↗↗



Energy
Administrative/regulatory
Raw materials
Labour



Sustainable
production

Sustainable
products



Demand ↘



Innovate &
Invest ↗↗↗



The Antwerp Declaration for a European Industrial Deal

*The Antwerp Declaration calls to support the **business case for investments in Europe, to complement the EU Green Deal goals and safeguard quality jobs in Europe.***

01

Put the Industrial Deal at the core of the new European Strategic Agenda for 2024-2029.

02

Include a strong public funding chapter with a Clean Tech Deployment Fund

03

Make Europe a globally competitive provider of energy.

04

Focus on the infrastructure Europe needs.

05

Increase the EU's raw materials security

06

Boost demand for net zero, low carbon and circular products.

07

Leverage, enforce, revive and improve the Single Market

08

Make the innovation framework smarter

09

A new spirit of law-making.

10

Ensure the structure allows to achieve result



20 February 2024





cefic

From the Antwerp Declaration to the new European Commission

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The Letta and the Draghi Reports

“avoid a slow agony”

“for the first time since the Cold War, we must genuinely fear for our self-preservation”

Statement: Cefic Truly Welcomes The Draghi Report

The future of European competitiveness

Part A | A competitiveness strategy for Europe

SEPTEMBER 2024



Includes nearly 200 policy proposals



Key pillars for the next European Commission

Ursula von der Leyen's political guidelines

July 2024

1 A new plan for Europe's sustainable prosperity and competitiveness

2 A new era for European Defence and Security

3 Supporting people, strengthening our societies and our social model

4 Sustaining our quality of life: food security, water and nature

5 Protecting our democracy, upholding our values

6 A global Europe: Leveraging our power and partnerships

7 Delivering together and preparing our Union for the future



1

A new plan for Europe's sustainable prosperity and competitiveness

Some of the measures announced under this pillar



1. Making business easier

5. Putting research and innovation at the heart of our economy

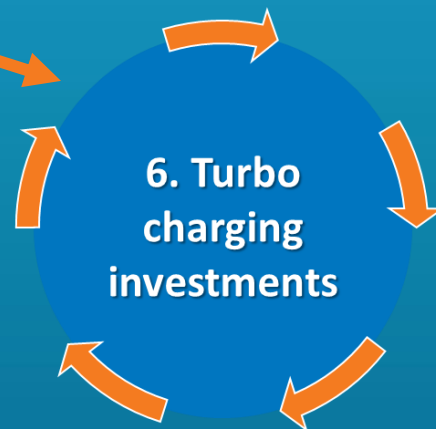
2. A Clean Industrial Deal

6. Turbo charging investments

3. A more circular and resilient economy

7. Tackling the skills and labour gaps

4. Boosting productivity with digital tech diffusion



• Reduce administrative burden and simplify legislation



- Implement the Green Deal
- Energy prices, access to clean energy, infrastructure
- Industrial Decarb. Accelerator Act

- Chemicals Industry Package incl REACH and PFAS
- Circular Medicines Act
- Circular Economy Act

- Public investment to de-risk private capital
- Revision of Public Procurement Directive
- European Competitiveness Fund (support IPCEIs)



So, what happens now ?

- Political trends in the EU
- Geopolitics
- US presidential elections results: impact ?



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Thank you.

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About Cefic

Cefic, the European Chemical Industry Council, founded in 1972, is the voice of large, medium and small chemical companies across Europe, which provide 1.1 million jobs and account for 15% of world chemicals production. Cefic members form one of the most active networks of the business community, complemented by partnerships with industry associations representing various sectors in the value chain. A full list of our members is available on the Cefic website.

Cefic is an active member of the International Council of Chemical Associations (ICCA), which represents chemical manufacturers and producers all over the world and seeks to strengthen existing cooperation with global organisations such as UNEP and the OECD to improve chemicals management worldwide

