ECRN - NEWS

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New territory for regional networks — ECRN in HLG

New Territory for regional networks – the role of the ECRN in the High Level Group on the Competitiveness of the Chemical Industry in Europe

The invitation of the European Commission to the European Chemical Regions Network (ECRN) to join the High Level Group on the Competitiveness of chemical industry in Europe marked a new era of regional input into industrial policy debate at European level.

At the beginning nobody knew whether chemical regions would have anything to say when it came to a debate on the future competitiveness of a key industry in Europe.

But the last months and the initiatives of the ECRN have shown that there are many interactions between the European and the regional level which are closely linked.

Chemical industries are clustered in a few chemical regions in Europe. In these regions the rules and regulations which were set up in Brussels on chemicals and on the chemical industry have to be implemented. Regional authorities are often the direct partners of the chemical companies – many of them SMEs – in finding pragmatic solutions for the application of the regulations. At this level first hand experience is gained on how regulations work or not.

Furthermore, many policies such as education, training, infrastructure development or other services are carried out or are provided by local and/or regional administrations. Particularly the discussions on human resources, innovation and logistics in the High Level Group have shown that the European level cannot work without the active involvement of the actors on the ground.

Another element of the active role of the ECRN in the High Level Dialogue was the high awareness, identification and mobilisation of its regions for finding new solutions and using the High Level Group as a platform for concerted actions.

The Chemical Logistics Initiative for Central and Eastern Europe is a striking example on how the ECRN used the opportunity to combine the affected Member States and the European Commission departments in an interregional initiative to improve the conditions for chemical logistics in this area. The High Level Group welcomed this involvement of the ECRN and expressed its interest to support such a close collaboration beyond the life cycle of the High Level Group itself.

The follow up event on the High Level Group in April 2009 in our partner region Ústí in the Czech Republic marks another example on how the ECRN and its partner regions took the initiative to bring the results of the High Level Group closer to the stakeholders on the ground. This found not only the support of the European Commission but also of the Czech Presidency of the European Union which will start in January 2009.

In many chemical regions a dialogue between the industry and the regional governments is in place in order to develop clustering strategies and policies to increase knowledge absorption/transfer and diffusion capacities. In general, this process covers all major stakeholders.

Therefore the chemical regions will also play a key role in the future in implementing many HLG-recommendations. They are particularly keen to keep up the competitiveness of the chemical industry since they would be the first to suffer from it otherwise.

That is why regional networks can enhance industrial strategy dialogues at European level, to provide proximity with the stakeholders and to find pragmatic solutions for the challenges ahead. The ECRN has paved the way and opened the doors. Hopefully other regional networks can follow in other sectoral dialogues in Europe.

Thomas Wobben
Director of the Representation of Saxony-Anhalt to the EU

North East of England Survey on REACH awareness

North East of England

Survey on REACH awareness

One NorthEast, the Regional Development Agency, funded the employment of a REACH Ambassador to raise awareness and to help companies that may be affected by REACH. The Ambassador is based with the cluster organisation for the North East, NEPIC (North East Process Industry Cluster) and was appointed through ReachReady Ltd, a part of the UK Chemical Industry Association.

Part of the work of the REACH Ambassador was to provide a Baseline Study on the regional level of REACH awareness. A previous study by the UK Government's Department of Environment Food and Rural Affairs (DEFRA) had indicated that SME awareness of REACH in the UK was low, although there was more awareness from sectors where the potential impact of REACH is high.

The North East survey was conducted from a sample of companies from key sectors located across the North East Region and of varying size. A total of 51 companies were surveyed to provide an indication of the levels of awareness rather than conclusive evidence. Baseline information will be used to measure future improvements in awareness, to highlight sectors where increased awareness is needed to minimise potential impacts and to identify contacts from companies needing immediate help. Despite the small number of companies surveyed the results proved to be an interesting indication of what future support and actions will be needed.

Awareness of REACH was assessed using a set of key questions and through conversations with the person responsible for Health, Safety and Environment issues in each company to ascertain the likely issues and problems confronting them. Although a different approach was used from that of DEFRA, it was still possible to determine an increase in basic awareness of REACH. The depth of knowledge and understanding of the implications does however, remain a concern.

Findings of the baseline survey were that of the companies surveyed

- 69% had heard of REACH and 57% demonstrated some knowledge;
- Awareness of manufacturing companies higher with 79% having heard of REACH and 66% having some knowledge
- Only 27% of small businesses had heard of REACH

Knowledge and understanding of the implications varied across the sectors surveyed. As could be expected the Process Sector had the highest level of understanding. Although companies from the Food and Drink sector will not be required to register under REACH they were highlighted as a sector that would benefit from a much greater understanding of the implications of REACH through their supply chain and of potential risks.

Overall findings were that there is a current failure to fully engage with suppliers and customers regarding their approach to REACH and this could represent a significant business risk. Additional risk to businesses is likely to arise from long complex supply chains and the drag effect that can be caused by some companies within it. The other problem highlighted is the remaining lack of clarity in the Regulations themselves.

Lynne Brear
Tees Valley Joint Strategy Unit

2009 Outlook for the ECRN

Michael Hack
Director ECRN Secretariat

The ECRN develops and widens its activities continuously and steadily. We are proud of the achievements of our young network as these give us a high motivation and self-assurance for coming challenges.

With our transparent structure and clear processes for decisions we are a sustainable association which has taken its place in the European arena. The ECRN is a value-added network and attracts regional authorities Europe-wide which are interested in actively developing regional policy. We are and we stay open to new regions and we look forward to welcome our 20th member soon.

With the established office in Brussels and our vivid group of regions, we remain focused on our three main objectives:

- Internal communication: we provide an information function for our members internally about current activities in the chemical sector and provide seminars, workshops and permanent working group meetings to specific regional topics;
- External communication: towards the European institutions and meta-networking with other associations;
- Project development and initiation of European projects, for example in the INTERREG frame.

Since the European Commission and the European Parliament will change in 2009, the ECRN is confident to maintain its excellent relations with the European institutions and offers its cooperation. The regional perspective brings beneficial insights for all stakeholders in the chemical sector. The ECRN went one step ahead and has identified three main areas of regional expertise on which we put special attention:

- Skills development including surrounding topics, e.g. image of the chemical sector;
- Logistics;
- Innovation including the areas climate change, clusters and aging society.

The ECRN will provide several seminars and workshops in 2009 to inform about and in order to share the ideas and solutions from our regions in these areas. We will promote our regions - and represent them on a European level.

2009 will be an active year for the ECRN also in hosting major events. The ECRN organises together with its member region Ústí and under the patronage of the Czech EU-Presidency and the European Commission the follow-up event of the High Level Group on the Competitiveness of the Chemical Industry in Europe on the 16th and 17th April 2009. In the second half of 2009, the 7th Congress of the European Chemical Regions will follow.

We are delighted about your interest in the ECRN - and we look forward to a dialogue with you and your organisation.

Sincerely yours,

Michael Hack
Director of the ECRN Network Secretariat

ECRN Team October 2008

REACH – webinars support SMEs

The different requirements in the REACH Regulation are for SMEs an exercise they never had been confronted with before. The REACH Regulation foresees as a help national helpdesks in the Member States, to whom questions can be directed (address list: http://echa.europa.eu/reach/helpdesk/nationalhelp_contact_en.asp).

In November 2007 the ECRN held already a workshop on "**The burden of proof and the work for experts and expert communities"** in Aachen, Germany. That showed the different activities at national and regional level, in industry organisations and in consultant groups. Several additional activities are ongoing with information seminars and consultation in different regional institutions supporting and helping especially SMEs with pre-registration of their produced chemicals before the deadline of 1 December. At EU level, REACHCentrum* offers 2-3 days-seminars on various topics concerning the REACH Regulation. In addition, "webinars" have been created, which are web-based seminars that can be followed at home.

In close co-operation between REACHCentrum and the ECRN office, a special webinar for the pre-registration of chemicals was organised on 25 June 2008 for the ECRN member regions, which was followed by 20 participants.

Further activities in the region North Rhine-Westphalia together with the regional Enterprise Europe Network (EEN) were set up. EEN supported REACHCentrum for the organisation of webinars in German that attracted more than 70 persons on 5 and 19 September 2008. An additional webinar will be held within the next weeks. (Applications sent to Dr. Karsten Lemke, ZENIT, le@zenit.de). The very good response on this activity - organised together with the regional EEN organisation - will lead to additional webinars on "data sharing" and other topics in the coming months.

Dr. Hanny Nover
Ministry of Economic Affairs and Energy,
North Rhine - Westphalia

* an organisation set up by the European Chemical Industry Council CEFIC

CLIB^{2021} – cluster industrial biotechnology

Industrial biotechnology enables the utilization of renewable resources and the development of novel materials and active substances and is an innovation driver in climate protection. Worldwide industrial biotechnology already generates a sales volume of about 70 billion EUR. It is established in the market segments of fine & specialty chemistry, pharmaceuticals as well as detergents and body care. However, looking on the total global chemical industry, industrial biotechnology covers only a niche of about 7%. This niche will expand significantly because today's changing feedstock markets drive the chemical industry towards alternative raw materials and on the other hand progress in science and technology provides excellent options for innovative processes and products. Leadership in biotechnology *and* chemistry is now a crucial competitive advantage.

Developing and providing these complex disciplines in a network of excellence in science and technology, production and commercialization is the task of CLIB^{2021}. Founded in March 2007 in Düsseldorf, CLIB^{2021} is a cluster of more than 50 members. It includes Germany's who's who in the chemical industry - Altana, Bayer Material Science, Bayer Technology Services, Cognis, Evonik Industries, Henkel and Lanxess, small and mid-sized enterprises (SME) - Artes, bitop and Protagen being represented on the board as well as academia - among them the leading universities Bielefeld, Dortmund, Düsseldorf and FZ Jülich - investors and infrastructure.

With an accumulated R&D budget of its members of about 100 million EUR, CLIB^{2021} provides the critical financial power offering an attractive R&D market for big industries, SME, academia and investors. CLIB^{2021} is promoted by the German Federal Ministry of R&D (BMBF) and the Ministry of Innovation, Science and Technology NRW (MIWFT). It is to become the leading German and European cluster of industrial biotechnology. The cluster includes members from all over Germany and welcomes more European members.

CLIB^{2021} relies on its so called *Technology Cluster* designed and made available by academic institutes involving internationally recognized universities and research centers. In addition the *Graduate Cluster* cares for an excellent rising generation in science & technology. In summary, the biggest driver of industrial biotechnology is its potential in process and product innovation. CLIB^{2021} captures it through partnering its members in industry, SME, academia and investors.

Dr. Manfred Kircher
President CLIB^{2021}

Study on supply chain collaboration and competition in European chemical clusters

The European Petrochemical Association (EPCA) has released a study on supply chain collaboration in chemical clusters in Europe. The study was performed in 2007 and follows two EPCA reports on the huge potential for cooperation between producers, suppliers, service providers and customers. The work deals with two examples of clusters of different scale: Tarragona and the much larger Antwerp/Rotterdam/Rhine-Ruhr mega-cluster. The report is based on results of think tank sessions and on a comprehensive survey carried out among senior representatives of chemical industry, logistic services providers (LSP) and public sector. The findings on the Tarragona cluster are summarised below:

Tarragona is the most important chemical manufacturing cluster in the southern Europe and Mediterranean area: Production of 18 million tones per year, roughly 44% of total plastic and polymers production in Spain. The cluster consists of two distinct areas (20 km^2): The Northern park (refinery and cracker based petrochemical complex) and the Southern area (intermediates, polymers and specialty chemicals site). Both are linked to the port of Tarragona. There is a high integration between the companies in Tarragona, as one third of the products are used within the cluster. Specific features of the Tarragona cluster: 1. The Tarragona port is not integrated into the cluster although it is essential to its competitiveness. 2. There is no partnership with authorities for cluster development. 3. Land is owned by chemical companies or logistic services suppliers and some companies promote their sites for investment. 4. Companies share a number of facilities and coordinate activities.

The main advantages perceived by the producers are the availability of competitive feedstock and raw materials, and the proximity of suppliers. The high concentration of chemical companies is a big opportunity for LSP. The lack of land availability is reported as the main disadvantage by the producers. According to LSP, the high level of competition is regarded as a disadvantage because it prevents horizontal collaboration. Producers and LSP perceive the lack of collaboration as main obstacle to overcoming cluster disadvantages. On the other hand, producers and LSP have different points of view about the opportunities for horizontal collaboration. Producers and LSP agree on the advantages of a vertical integration of LSP in designing supply chain solutions and collaboratively sharing planning data. Producers and LSP consider that a cluster requires clear leadership and propose a stakeholder driven model.

EPCA's conclusions: The co-existence of competition and collaboration is a strength of European chemical clusters. Despite the intensity of competition within and between chemical clusters, collaboration is being increasingly recognized as indispensable for the supply chain. However, there is still room for improvements. Recommendations being made:

- Organized information - sharing between all stakeholders should be put in place to improve cluster operations.
- A platform for discussing cluster opportunities should be established.
- Producers should develop long-term relationships with selected LSP and those should put greater emphasis on strategic thinking and implementation of strategies.

Eduard Figuerola
Secretariat for Industry and Enterprise
Government of Catalonia

Region profile: Rhône-Alpes

Rhône-Alpes, a major centre for research and innovation

With a 43,000 km^2 area, Rhône-Alpes covers a territory equivalent to Switzerland, the Netherlands or Belgium and enjoys a strategic position in Europe. Its population of over 6 million people also makes it comparable with Denmark and Finland. Additionally, Rhône-Alpes has a GDP 3.5 times higher than the average GDP of European regions.

The second highest-ranked French region in terms of research, and fifth highest-ranked in Europe, Rhône-Alpes has a high concentration of brain-power. This position is reinforced by the presence of more than 230,000 students in local universities and 'grandes écoles'. In chemicals and the environment field, Rhône-Alpes offers a chain of top-tier comprehensive training with a strong reputation, including ongoing training: the regional training potential represents around 1,300 chemical engineers and 1,350 chemistry doctors a year.

Major international laboratories contribute to the excellence of the region in the field of research, alongside with many research laboratories. A top-flight research facility exists at the "Vallée de la Chimie", with 5 research centres in the field of chemistry and more than 6,300 jobs, 1/3 of which dedicated to R&D.

From traditional industry to "green" chemistry

A place with a long industrial tradition, Rhône-Alpes, which accounts for 12.3% of the French industrial GDP, now relies both on traditional and cutting-edge industries. The region is the leader in France for metals industry, mechanical construction, chemical industry and plastic transformation. Rhône-Alpes is France's first chemicals production centre (12.3% of the French industrial GDP) and the second largest chemicals region in France by staff numbers (26,000 employees). The chemical sector is the second largest industrial sector in the region by turnover and represents 15% of all regional industrial investments.

Crédit photo: Gil Lebois

The shift from a traditional to an innovating chemistry is already well engaged in Rhône-Alpes and the region works on facing new challenges, such as 'sustainable chemistry'.

On overall strategy to boost innovation in Chemistry

Region Rhône-Alpes fosters the networking of players from research and business, through organizations such as the research cluster "Sustainable Chemistry and Chemistry for Health" and the competitiveness cluster AXELERA.

Located in Rhône-Alpes, the Chemicals and Environment competitiveness cluster (AXELERA) is the place where local players in industry, training and research in the fields of chemicals and the environment join together to increase competitiveness of this business sector. The activities of the cluster, which has more than 100 members to date, are focused on 12 technology cooperation projects and 5 cross-discipline projects.

Facts and Figures

Inhabitants: 6 million

Area: 43,000 km^2

Gross Domestic Product (GDP): 173 billion EUR

Main business sectors: Metal industry, mechanical engineering, chemicals (plastic transformation, textiles and garments, electrical and electronic construction, pharmaceutical and health industries, biotechnology and nanotechnology, environment and energy management.)

Chemical and Pharmaceutical Industry

Number of companies: 350

Number of employees: 26,000

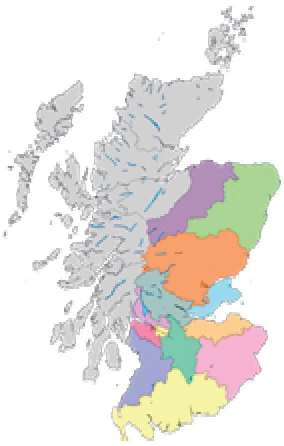
Export rate: 25%

Region profile: Scotland

Scotland has a population of just over 5 million in an area of 78,000 km^2. Population densities vary from 3,300 per km^2 in Glasgow to eight per km^2 in the Highlands. Gross Domestic Product is around £65,000 million (£12,500 per capita) for a labour force of 2.5 million people (75 per cent of all those of working age).

Scotland is famous primarily for its spectacular scenery, but it also offers a rich historical and cultural heritage, together with a wide range of activities bringing over 20 million tourists annually. Each year the Edinburgh Festival contributes £176 million to the Scottish economy, making it the largest arts event in the UK.

However Scotland has considerably more to offer than simply tartan, whisky, castles and bagpipes as it has a strong science heritage and is home to many of the world's booming industries: 20 per cent of the biotech companies in the UK are located in Scotland and the country is recognised as one of the fastest-growing regions for business start-ups. With a thriving and engaged chemical sector, rapidly growing optoelectronics industry, a globally significant oil & gas sector, a buoyant food and drink industry, internationally attractive textiles industry, expanding semiconductor sector, growing finance centres and educational excellence boasting 13 universities, six specialist higher education institutions and 46 further education colleges, Scotland is an extremely attractive place for people to live, businesses to operate and economic prosperity to thrive.



Chemical Industry

The Chemicals industry is Scotland's second top export earner, generating around £1.3 billion of manufacturing exports from a revenue stream worth almost £3.5 billion. Many of Scotland's industries, including life sciences, electronics, food and drink and energy have Chemical Sciences at their core. These industries are dependent on innovative chemistry to create new products and new market opportunities and they could not exist without this underpinning science. The industry is also one

of Scotland's highest value industries, providing employment for almost 14,000 people directly and nearly 70,000 in total through dependent services.

Wages and productivity in the chemicals industry are high; salaries average £27,500 per annum and Gross Value Added (GVA) per employee is £76,000, 44% higher than general manufacturing. The industry comprises more than 120 businesses and 12 universities with chemistry and engineering capability and capacity. With excellent road, rail and sea transport links, Scotland's proximity to mainland Europe makes it an attractive place to do business and many of Europe's and indeed global chemical manufacturing bases operate from within Scotland shores, including: BASF, DOW, INEOS, FUJIFilm, Glaxosmithkline, Shasun & Dupont Teijin.

Facts and Figures

Inhabitants: 5 million

Area: 79,000 km^2

Gross Domestic Product (GDP): £82 billion

Main business sectors: Energy, Food and Drink, Financial Services, Tourism, Chemical Sciences, Life Sciences, Textiles, Forestry, Construction and Enabling Technologies, Marine and Defence

Chemical and Pharmaceutical Industry

Number of companies: 120

Number of employees: 40,000 - 70,000 (dependant on the sector)

Export rate: £1.65 billion

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ECRN Seminar in Lyon

ECRN Seminar on "Leadership in Europe's Chemical Clusters" in Lyon/ Rhône-Alpes on 29th September 2008

ECRN Seminar in Lyon

On 29 September 2008, the ECRN continued after the summer break with the practise of regularly organizing seminars on different current issues, this time on the topic of leadership in chemical clusters. The seminar took place in Lyon / Rhône-Alpes in cooperation with our member region. Participants and speakers from the European Commission, European chemical regions, industry and science created an atmosphere of inspiring presentations and lively discussions, such as Jos Verlinden, Director for Transport and Logistics at Cefic, by his interesting presentation on clustering in the industrial view.

The debates led to many insights on different strategies concerning chemical clusters and the identification of key success factors.

We would like to thank our partners in Rhône-Alpes for the perfect organisation and the warm welcome in their beautiful region!

ECRN member region Rhône-Alpes hosted the seminar