



EUROPEAN CHEMICAL
REGIONS NETWORK

ECRN - NEWS ::

02 April 2005

Results of the ECRN Presidium Meeting on the 1st December 2004 in Brussels

The second Presidium Meeting of the European Chemical Regions Network took place at the regional representation of Catalonia in Brussels. Important results of the meeting have been the decision about a joint logo of the network and the approval of a joint declaration of the presidium regarding REACH and the climate protection in Europe.

The ECRN Presidium asks the Council and the European Parliament to amend the REACH proposal from the European Commission in several important aspects. Thereafter the exposition and the material characteristics should be crucial for the evaluation and registration demands and not the production volume. Furthermore, the discussed proposals for a simplification of the registration procedure should be integrated as much as possible in the final legislation.

Regarding the climate protection, the network is in favour of a global system of climate protection and against unilateral actions of the European Union.

Furthermore, the Presidium has decided about a new corporate design and a logo for the network that will be used for all publications and the updated internet presentation www.ecrn.net. Finally, the Presidium agreed to hold the next European Congress of Chemical Regions in the beginning of October in Milan.



Foreword

Dr. Horst Rehberger
*Minister of Economy and
Labour of the State of Saxony-Anhalt
ECRN President*

The European Chemical Regions Network has started in the New Year with a new logo and many new ideas. The positive response of the European Institutions regarding the work of the network is a good motivation for our joint undertaking. We welcome that the European Union will give more importance to the dimension of competitiveness in the future, which is one of the core objectives of the European Chemical Regions Network.

This newsletter will report about the position of the ECRN regarding the question of the future European Research Policy and the development of the cooperation of regional stakeholders in the partner regions.

Upcoming Events of the ECRN • The ECRN has agreed on the dates for the upcoming events this year. The next meeting of the ECRN Presidium will take place on the 12th of May in Warsaw (Poland). The yearly congress of European Chemical Regions will be organised on the 5th October in Milan.

Nord Est Sud Ouest
INTERREG III C

PROJECT PART-FINANCED
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Saxony-Anhalt
*Regional Partnership
Meeting*

North East England
Yes, we are nePIC!

REACH
Latest Developments

Regional Profiles
*Asturias
North Rhine-Westphalia
Masowia*

Reports from the Regional Partnership Meetings

Regional Partnership Meeting in Saxony-Anhalt,

The strengthening of regional cooperation between administration, politics and industry in the chemical regions is one of the core objectives of the ECRN. For this purpose, each partner region organises Regional Partnership Meetings twice a year. These meetings should bring together the relevant actors to discuss important issues for the development of chemical regions that should be integrated in the activities of the ECRN.



Updated ECRN Internet Presentation • The completely updated internet presentation of the ECRN has been published in January. Ongoing information about the topics and initiatives of the network, background information about the chemical regions and important links can be accessed at www.ecrn.net. Furthermore, the Intranet should give a possibility for internal communication of the network members.

Saxony-Anhalt

The Regional Partnership Meeting in Saxony-Anhalt took place on the 14th December 2004 in Halle together with the regional chemical initiative CeChemNet. The following topics were discussed:

- The use of Structural Funds for the support of the development of the chemical sector.

This topic has a particular importance for chemical sites together with the present discussion about the reform of the European regional policy. The consequences for the Leipzig-Halle area, which, as a consequence of statistical effect could lose its status as an Objective 1 region, will be reduced funding quotas and therefore worsened general conditions for investments. Based on interregional exchange of experience, proposals for further action should be developed.

- Support of industrial growth poles including large enterprises and large scale investments are necessary for further successful development.

The sole concentration of support on

SME is not sufficient. The European Commission's proposal to allocate future assistance within the framework of Structural Funds exclusively for SME is therefore harmful. This applies especially to the New Bundesländer, which still have a substantial deficit in their sustainable economic structure.

- The topic of chemical site development should be further deepened in the framework of the ECRN in order to initiate the interregional exchange of experience.
- For further thematic work of the network two topics have been proposed:

The importance of large-scale investments and of financial assistance for big enterprises in the development of chemical industry and the future use of Structural Funds.

The Unique Selling Point of the chemical industry in chosen regions (including Central Germany) with regard to the experience from the transformation process and its possible transfer to other regions, especially in Central and Eastern Europe, with particular focus on the implementation of Structural Funds in Objective 1 regions.



North East of England

Yes we are nePIC!

North East Process Industry Cluster

The merger of the Pharmaceutical & Speciality (P&S) Cluster and the Teesside Chemical Initiative (TCI) will be completed on the 31st of March and the combined organisation, operational on the 1st of April 2005. nePIC will build on the success of its founding organisations and will have two offices, one at RTC North in Sunderland, serving the northern part of the region, and one at the Wilton Centre, Redcar, serving the South. The Northern office is already fully operational and the new office at Wilton should be open for business at the end of April.

The nePIC Leadership team will be led by senior managers from some of the key Process Industry companies with facilities in the North East. As well as providing knowledge of their sectors and industrial perspective, these individuals will be setting the Cluster's agenda and driving the programs. They will also using their combined industrial clout help to secure the resources needed to deliver the programs and projects of the Cluster.

This is an exciting time for the Process Industries in the North East as the arrival of nePIC is providing new impetus to the foundations laid by P&S Cluster and TCI. With programmes and activities budgeted at £2m nePIC is simply going to be able to leverage more resources and have more impact to deliver sustainability and growth of its industry sector for the North East. nePIC companies have significant presence in all sub regions of the NE - Northumberland, Tyne & Wear, Durham and Teesside as it represents the

Pharmaceutical, Chemical, Speciality and Biotechnology Industries and their supply chain. This is a constituency of about 350 companies and about 200 of them are already formally engaged members of the Cluster. nePIC's combined economic power and importance to the NE region cannot be over emphasised, it represents ~£8 billion of GDP and is over 25% of the regions industrial base, employing 34000 people directly and impacts indirectly on the income of a further 200.000. This industrial activity has a very diverse impact on other industries, stakeholders and consumers. Almost all aspects of a modern lifestyle are associated with these industries. The nePIC leadership team have been working together since October last year and have already agreed that the organisation will focus on six strategic themes: **Marketing and Networking, Skills and Education, Trade & Investment, Research & Technology, Manufacturing & Productivity, The NE's GDP gap.**

This is clearly a big agenda calling for major public and private sector collaboration. Along with ONE, the sub regions and many others we hope you will be able to increase your support for the Cluster and it's activities going forward.

So here's to a great future for nePIC and the North East!

To become a member of nePIC and participate in its value adding activities, contact either Stan Higgins, Ian Mains, Darren Timby or Dawn Topping on firstname.surname@nepic.co.uk or telephone +44 191 516 4400.

Who's Who of the Chemical regions published • The "Who's Who of the Chemical Regions" has been published to present a compendium of the chemical regions that are united in the ECRN. Under the responsibility of the network partner North Rhine-Westphalia, information about production sites, regional actors and economic profile have been brought together in a comprehensive form. This documentation should improve the networking between the chemical regions and constitute the basis for the future cooperation. The "Who's Who" is available in hardcopy and as electronic version that can be downloaded from the ECRN web page.

Latest Developments in the European Chemical Policy

The hearing in the European Parliament about the future reform of European chemical policy on the 19th January 2005 has intensified the political debate in Europe. Now the European Parliament's rapporteur on the REACH proposal has published its legislative amendments on the 14th of March, which will be in the heart of the discussion for the first reading.

The Italian socialist Guido Sacconi has remained close to the position he took on REACH before last year's elections interrupted parliament's consideration of the proposals. In total 111 amendments to the REACH text were formally presented to members of the environment committee. The rapporteur proposes no substantial changes to REACH's registration requirements, the stage that will generate the biggest part of the direct costs to industry. He wants to strengthen the substitution principle through a firmer authorisation procedure, and a strong role for the future European Chemicals Agency.

Regarding the registration process the Sacconi report stresses the notion that production volumes are the most legally sound basis for prioritising substance testing. However, he proposes that a review of the mechanism should happen earlier than currently planned, possibly including other forms of prioritisation.

Sacconi also is in favour of the "one-substance-one-registration" (Osor) procedure that has been discussed in the Council of Ministers. If the plan is finalised, the European Parliament could follow member states in adopting it. Furthermore he adds that some testing requirements should be



extended to substances in lower volumes. In other amendments, the rapporteur suggests the need for strengthening the chemicals agency along the lines of the EU's medicines evaluation agency. Its first task should be to draw up a list of priority substances for the evaluation on the basis of registration data.

Finally, the amendments limit the scope of the controversial concept of "adequate control" as the initial criterion for granting firms authorisation to use dangerous substances. The effect would be to add impetus to the substitution of chemicals by less harmful ones by making authorisations harder to gain.

With the publication of the Sacconi report the discussion about the REACH has reached its hot phase. The European Chemical Regions Network will follow the debate and develop own positions in the future to stress the impact of the reform on chemical regions and to propose amendments based on the expertise in the regions.

Proposal for „GO REACH“

Lombardy region is planning to develop a joint research project in the framework of the 6th FPR (IP STREP) related to the topic REACH. The project wants to develop a tool set system for the effective implementation of REACH on the market. Partner should come from academia, agencies, industry, regional administration, ICT industry, chemical federation and service providers. The application should be finalised by the 21st September 2005. For further information please contact Cecilia Mensi (Email:Cecilia_Mensi@regione.lombardia.it) or access information on www.ecrn.net.

The ECRN takes part in consultation about future European Technology Platform for sustainable chemistry

IMPRINT

European Chemical Regions Network (ECRN)

Lead Partner:

Ministry for Economy and Labour Saxony-Anhalt

Contact person:

Catrin Gutowsky

Phone (office):

+49 (0) 391 56 74 45 2

Fax:

+49 (0) 391 56 74 45 0

e-mail: catrin.gutowsky@mw.lsa-net.de

ECRN Secretariat

isw GmbH

Contact person:

Andreas Fiedler

Hoher Weg 3

D-06120 Halle

Phone (office):

+49 (0) 345 29 98 270

Fax:

+49 (0) 345 29 98 27 11

e-mail: fiedler@isw-gmbh.de

@isw-gmbh.de

www.ecrn.net

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Repromedia Leipzig AG

Johannisplatz 21

04103 Leipzig

www.repromedia-leipzig.de

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The European Chemical Regions Network presented its position on the European Technology Platform for Sustainable Chemistry at the end of January 2005. The ECRN was invited by the European Chemical Industry Council (CEFIC) to take part in the debate about setting up the Technology Platform within the 7th Framework Programme for Research and Development.

The main aims of the initiative are to engage all major stakeholders in the development of a shared vision of a more sustainable future for EU chemical industry, to

give a joint input in the European Strategic Research Agenda for innovation in key chemical technologies and to develop an implementation Action Plan for the Strategic Research Agenda for mobilizing resources for collaborative R&D.

The ECRN focused its remarks mainly on the role of regional actors and the regional co-operation for fostering competitiveness and innovation. The experiences made in the clusters in chemical regions have shown, however, that the promotion of research has to be included in a pro-active regional environment.

Breakthrough in relations to CEFIC

In the framework of a joint lunch of the Presidium of the European Chemical Regions Network and CEFIC on the 1st of December 2004 in Brussels, the General Secretary of the European Association of the Chemical Industry (CEFIC), Allain Perroy, has invited the network to participate in the planned strategy group for the future development of the chemical industry in Europe.

This group should bring together the president of the European Commission, the relevant commissioners concerned with questions of the chemical industry and the CEOs of the chemical enterprises in the European Union.

CEFIC would welcome the participation of Dr. Horst Rehberger as the President of the European Chemical Regions Network in order to represent the chemical regions in the discussion about the future shape of EU policies in the strategy group. This invitation is an important step for the ECRN to become an European stakeholder of the chemical regions in Europe.

ECRN – Links

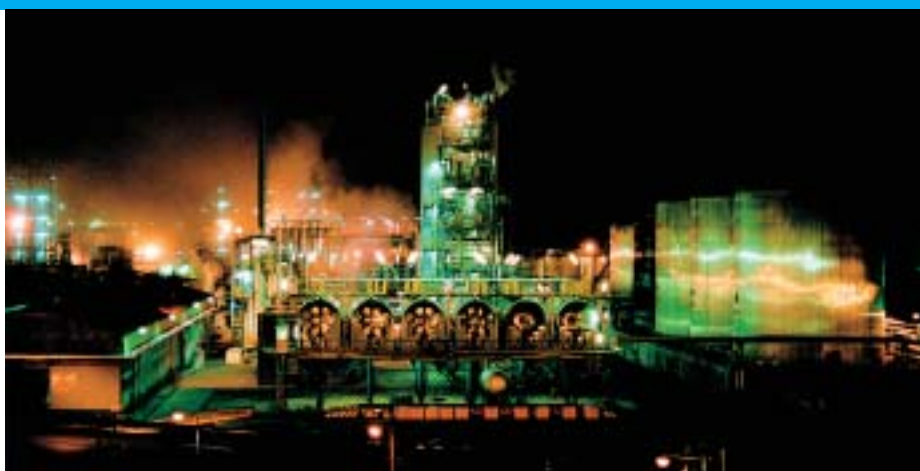
- European Chemical Regions Network
www.ecrn.net
- Saxony-Anhalt (Germany) – Lead Partner
www.sachsen-anhalt.de
- North Rhine-Westphalia (Germany)
www.nrw.de
- Tees Valley Joint Strategy Unit (UK)
www.teesvalley-jsu.gov.uk
- Government of Catalonia (Spain)
www.gencat.net
- Voivodeship of Masowia (Polen)
www.mazovia.pl
- Province of Limburg (The Netherlands)
www.limburg.nl
- Lower Saxony (Germany)
www.niedersachsen.de
- Piedmont Region (Italy)
www.regione.piemonte.it
- Country Council of Huelva (Spain)
www.diphuelva.es
- Lombardy Region Government (Italy)
www.artigianato.regione.lombardia.it
- Ida-Viru Country Government (Estonia)
www.ivmv.ee
- Principality of Asturias (Spain)
www.idepa.es
- Cheshire Country Council (UK)
www.cheshire.gov.uk

Principado de Asturias

The Principality of Asturias is situated in the northwest of Spain. The region lies between the Cantabrian Sea to the north, with 334 km of Atlantic coastline, and the clearly drawn natural boundary of the Cordillera Cantábrica mountain ranges to the south separating it from Central Spain. The geography of the Region presents a series of sharp contrasts: the high mountains of the Picos de Europa, the valleys of the interior, criss-crossed by numerous streams and rivers, and coast with its rocky headlands and multitude of beaches and coves.

The Principality of Asturias is one of the 17 self-governing Regions making up the Spanish State. The Regional Statute conferring powers of self-government in numerous areas was approved in 1981. The Capital of Asturias is Oviedo, the population is largely concentrated in the metropolitan area in the center of the Region, which is formed by the cities of Oviedo, Gijón, Avilés, Mieres and Langreo, where 80% of Asturias inhabitants have their home.

Historically, economic activity in Asturias has been concentrated in four main sectors: steel, mining, shipbuilding and agriculture. The balance is shifting and over the past few years Asturias has implemented



a policy of reindustrialisation that has introduced a high level of diversity and modernization. Services as advanced engineering or software development, and industries such as environmental equipment or new materials are growing fast in Asturias. Right now, however, the sector most rapidly expanding in Asturias is chemicals.

Asturias GDP in 2003 was 16.522 million euros, 2.2% of the total for Spain. Regional GDP per capita was 15.363 euros. The industrial sector represents 15.65% of the Region's gross value added, three percentage points above the national average. Services, which have grown strongly over the last decade, are the main constituent of regional GDP, providing 62.77% of the total. Construction contributes 11.50%, while the primary sector accounts for the remaining 2.58%.

The main products produced by the chemical sector are carbon-based chemicals, fertilizers, pharmaceutical products, cosmetic and paper. In addition, DuPont manufactures other specialized products. The main player in the carbon-base products sector is Industrial Química del Nalón, IQN, while Química Farmacéutica Bayer heads the pharmaceuticals sector and Empresa Nacional de Celulosa, ENCE, is the leading manufacturer of wood pulp for the paper industry.

The combined number of employees of the Chemical, and Plastic and Rubber Industries in Asturias represents 5% of the total Processing Industry of the region and 1.20% of both the Chemical Industry and Plastic and Rubber in Spain.



GOBIERNO DEL
PRINCIPADO DE ASTURIAS



FACTS & FIGURES

- 1.073.761 inhabitants (101.3 inhabitants per km²)
- Gross Domestic Product 12.706 million Euro
- Two ports, one international airport
- Chemical industry: 109 companies 3.127 direct jobs export of 168 million Euro



North Rhine-Westphalia

North Rhine-Westphalia (NRW) is the largest German Bundesland (federal state) regarding population and is located in the centre of Europe, in the West bordering Belgium and The Netherlands. NRW is the most important chemical region in Europe, its more than 500 chemical companies generating a turnover of more than 45 billion Euro in 2003, one third of Germany's total chemistry turnover. With more than 128.000 employees the chemical industry is one of the most important branches in the region.

North Rhine-Westphalia is a location with an excellent infrastructure. The transport system with seven international airports, Europe's largest domestic port in Duisburg and a road network of nearly 30.000 km (whereof 2.200 km are motorways) is unrivalled in the world. Twelve universities with chemical departments and a large number of advanced technical colleges and research institutes are located in NRW, providing a lively science community. North Rhine-Westphalia with its long industrial tradition shows a high acceptance for industry and offers a large pool of skilled workers.

There are two main chemical clusters in NRW, one in the northern Ruhr Basin, the other along the river Rhine. Both cluster areas are promoted by chemical industry initiatives organised as Public Private Partnerships, namely ChemSite

in the Ruhr Basin and ChemCologne in the Rhine Area. Further chemical plants are distributed across the region.

For nearly 200 years the heart of the German industrial sector has been beating in the Ruhr Basin, with its coal and steel industries. In this area a chemical industry cluster evolved, traditionally with an emphasis on coal chemistry, later evolving to petrochemistry. E.g., the Max-Planck-Institut für Kohlenforschung (coal research) with a history of nearly one hundred years, was directed by "legends in chemistry" like Franz Fischer and Karl Ziegler. Besides the petrochemistry with leading companies like BP, Sabc, Rütgers and Aral, the cluster is affected by speciality chemistry, e.g. the world-leading Degussa.

The second cluster in the Rhine area of Cologne and Düsseldorf features strengths in basic chemistry and plastics (e.g. Lanxess, formerly part of Bayer, and Basell), pharmaceuticals (e.g. Bayer) and detergents (e.g. Henkel). The Rhine area, also known for its quality of life, has been traditionally strongly industrialised because of its access to the North Sea and the world markets via Germany's largest river. The university of Aachen is world-famous for its chemical engineering and polymer science departments.

The decline of the traditional industries, especially of the coal and steel industries, faced NRW with high unemployment rates and the challenge of structural changes. These problems have been and still were addressed by concentrating on future-oriented technologies, also in the chemical branch.

FACTS & FIGURES

- 18.080.000 inhabitants (22% of German population)
- 531 inhabitants per km²
- GDP: 467 billion Euro (2003)
- 30 Cities with more than 100.000 inhabitants
- Main economic sectors: chemical industry (15.8% of industrial turnover), mechanical engineering (12.0%), electrical engineering & electronics (10.8%), metal production & processing (9.4%)





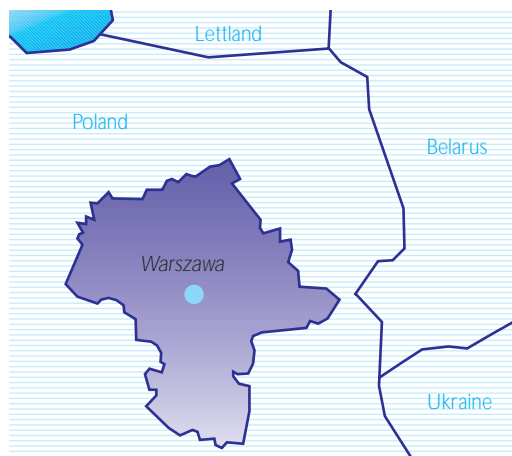
Mazowieckie Voivodeship

For over four centuries, Mazovia (Polish: Mazowsze) has been a gateway to Poland: its centre and the seat of the national capital. It lies at a crossing of trade and communication routes connecting the east and the west of Europe. The region's characteristic scenery has its lasting place in the Polish cultural landscape. It is here, in Poland's most populous province, that hundreds of the biggest domestic and foreign companies have established their headquarters; it is here that all the major government offices are located. For over a dozen years, Mazovia has been the leader of Polish transformation, and the country's fastest growing region. It is here that the momentum of Polish transformation is best visible. Mazovia is the province most often chosen by foreign investors interested in Poland as the base for their operations.

Mazowieckie Voivodeship, as the most important research and development center in Poland, with its universities, research institutes, science and technological development centers located in Warsaw, Plock, Radom and Siedlce, has developed modern and progressive production in the chemical and petrochemical sector, as well as in pharmacy and cosmetics. Since 1990 numerous international concerns of the chemical branch have placed their investments in the Mazowieckie Voivodeship.

Overall income of the production of chemical products in the year 2003 was over 3.6 billion Euro, making the net income equal to over 2.4 billion Euro. Export was worth over 898 million Euro.

Worth mentioning is that the Mazowieckie Voivodeship is home for the biggest refinery in Poland, by the name of PKN Orlen S.A. Orlen is a concern consisting of Plock Petrochemicals and Central Petroleum Products. It also has a numerous amount of shares in the Mazowieckie Refinery and Petrochemical Works. Together they have the ability to process over 17 million tons of crude oil. They are all situated in Plock, right next to the "Friendship" pipeline, stretching from West Siberia, all the way to Germany. Orlen is one of the 20 biggest refinery – petrochemical companies in the world, and one of 10 most modern in Europe.



FACTS & FIGURES

- Population 5.124.000
- Area 35.598 km²
- Gross Domestic Product (GDP) 37.1 billion Euro
- Main sectors chemical and petrochemical industry, food-processing, metallurgy, metal industry, clothing and printing, energetic, electronics

Chemical Industry

- Number of companies in total: 1159
- Number of employees 79.496 /year 2003/
- Sector structure Petrochemical production – 68%, chemicals – 13.2%, pharmaceuticals – 5.8%, cosmetics – 4.6%, paints and lacquers – 3.3%, other chemicals 5.1%
- Share of Chemistry in relation to whole industry in the region 34.9 %