



## **Ludwigshafen Declaration**

### **Joint Declaration of the Fifth European Congress of Chemical Regions**

**November, 30th 2007**

#### **“Competitive Chemical Regions in Europe”**

#### **Introduction**

The fifth Congress of the European Chemical Regions Network (ECRN) held 29-30<sup>th</sup> November in Ludwigshafen brought together high-level representatives from politics, science, industry and public administrations from all-over Europe. Participants discussed essential questions for the future development of the chemical industry at regional level and agreed the following declaration:

#### **High-level dialogue about the future of the European Chemical Industry**

The European chemical regions welcome the move to establish the High Level Group (HLG) on the Competitiveness of the Chemical Industry, bringing together senior policy makers from the public and private sector as well as representatives of civil society. The aim of the HLG to examine the factors that determine the competitiveness of the European chemicals industry, to provide analysis of the economic and statistical factors underpinning structural changes in the chemicals industry, and to deal with questions linked to the sustainable development of the industry will be essential in order to define future goals for the future decade and beyond.

The European chemical regions acknowledge that there are clear signs that the chemical industry in Europe is facing unprecedented challenges both from the impacts of globalisation and the expectations of our citizens.

The European Chemical Regions Network is therefore pleased that it has been invited to take part in the HLG as recognition of its past and ongoing activities. It is first time that a network of regions takes part in such a high level dialogue.

All member regions are invited to give concrete input to the work of the ad-hoc groups set up under the HLG on specific topics: innovation and human resources, trade, energy and raw materials, logistics and regional aspects, economy and social requirements.

As a network, the ECRN represents nearly 1 million employees in the chemical sector in Europe and we believe can bring this unique perspective setting out the role of the chemical regions in finding solutions on the ground on key questions regarding competitiveness.

The ECRN promises to play a pro-active role in the future work of the HLG. In this sense the Regions state that it will be important to find adequate solutions for energy intensive industries in the future design of EU climate and energy policy.

Furthermore the Regions suggest using the HLG for a concerted effort to further develop the integration of chemical sites in central and Eastern Europe.

We also announce that the ECRN is currently working with CEFIC on a joint initiative to bring the European technology platform approach closer to the regions.

The ECRN invite the European Commission to use chemical regions as test beds for better regulation in the future.

### **Energy Strategies in Chemical Regions**

The chemicals industry is an energy-intensive sector using oil and gas as the main raw materials. Energy prices are therefore of great significance and can amount to more than 50 % of the total costs.

The ECRN has held events and presented joint positions and documents on this topic given the importance for the chemical industry, i.e. Taragona Congress 2006 and the Presidium Meeting in Antwerp in March 2007 and the talks of the ECRN President with Andris Piebalgs, EU Commissioner for Energy. The ECRN responded to European Commission's Green Paper on Energy 2006 and the EU's Energy and Climate Package 2007.

In that context, the ECRN welcomes the important EU Council decisions and further proposals of the European Commission known as the climate and energy package published in 2007 with the aim of creating a more coherent energy policy for the 27 Member States. The ECRN calls on the European Union to seize this opportunity to pursue a much better globally coordinated approach to climate policy beyond 2012. The ECRN also proposes working with European industry sectors to ensure a realistic share of renewables and biofuels in the energy mix. Among initiatives presented in the energy package, ECRN supports the measures proposed to achieve truly competitive energy, the emphasis on energy efficiency and on security of supply, and the proposal for a European Strategic Energy Technology Plan in 2007. This Technology Plan is intended to speed development of low-emission technologies including carbon capture and storage and second-generation biofuels, in which the chemical industry has a crucial role to play.

The good proposals to build an effective European Energy Policy are spoiled by the Commission's proposal for further unilateral CO<sub>2</sub> reduction targets by 2020.

(1). The ECRN strongly supports the need to combat climate change through stronger efforts to increase energy efficiency and reduce CO<sub>2</sub> emissions at global level.

(2). The ECRN believes that further CO<sub>2</sub> reduction targets that have not been adopted by other major emitting nations will weaken the competitiveness of European industry within the global business environment without achieving effective environmental benefits. It has been recognised that EU leadership is not effective in achieving the environmental objective of curbing global greenhouse gas emissions - and thus limiting the global atmospheric increase to 2°C - unless the European Union has followers among the world's biggest emitting regions.

ECRN therefore calls on the EU to strive for an agreement among the world's biggest emitting countries and regions to combat climate change beyond 2012. In particular, with the growing interest in climate change in other regions of the world, it is vital Europe is using this opportunity to work together with its major partners. There is a huge potential for a better energy policy in Europe that can also support EU's environmental goals. A sustainable energy policy must be built on three areas, economic, social and ecological.

ECRN is offering expertise and constructive input in important fields such as energy markets liberalisation and the EU Emissions Trading Scheme (ETS) revision process. Until the ETS and the energy markets work properly, ECRN calls for clear and robust transitional provisions for energy-intensive industries.

### **ECRN and the European Commissions initiative Regions for Economic Change (RfEC)**

The European Chemical Regions welcome the EC's proposal on Regions for Economic Change and stress their commitment to engage in this initiative.

The ECRN believes that without denying the need to focus with regional policy also on the challenges of the changing pattern of our industrial environment it is important to also reflect on the opportunities of industry as a motor and growth engine for regional development. Many regions in Europe which are eligible for structural funds have used a considerable amount of these resources to develop regional strategies to improve industrial competitiveness in close co-operation with the industry in the regions.

The European Chemical Regions Network reflects this strong focus of regions towards a proactive industrial policy focus in regional development by

- starting a process of exchange of experiences between chemical regions;
- involving these regions in the strategy dialogue of the Commission on key industrial sectors (High Level Dialogue on Chemical Industry);
- putting forward joint positions on EU proposals which will have an impact on regional competitiveness such as REACH;
- creating joint solutions between regions to cope with the burden of EU regulations, with a particular focus on SMEs and;
- developing co-operation projects regarding key EU-initiatives such as knowledge regions.

### **Working on Innovation and further cooperation – the ECRN next generation**

The European Chemical Regions Network was initially supported by the INTERREG III C programme. It has since then successfully developed into the ECRN association with the European Commission recognising the network as a stakeholder at EU level. Since the funding has run out in January 2007 it is up to the network to develop further initiative regarding the use of the INTERREG IV C programme. The ECRN has launched at its Presidium meeting in April 2007 in Antwerp a proposal to establish an EU wide dialogue on the “role of industry for regional development” within the Regions for Economic Change initiative of the European Commission.

Besides this initiative the ECRN will apply for a follow up network proposal within the INTERREG IV C programme.

Over the last years the European Commission has encouraged stakeholders in the field of science and innovation and business to form European Technology Platforms. They were asked to bring together all relevant actors in the specific field to define and implement a joint strategic research agenda for their specific technology or sector. The Technology Platforms develop Strategic Research Agendas in their field which now will be used – as far it is possible – also to implement the 7<sup>th</sup> framework programme on research of the European Union.

One of this Technology Platform is SusChem which is run by CEFIC and focuses on leading technologies in the field of industrial biotechnology, materials technology and reaction and process design. Since its setup the ECRN was invited to join SusChem in the Mirror Group.

It is proposed to focus the ECRN II application on research and innovation in chemical regions by adding a regional dimension to the European Technology Platform instrument in the field of chemical science.

The proposal is aiming at developing regional strategies for strengthening research and innovation in chemical regions, using the ECRN as a platform for exchange of experience on research and innovation, developing a mechanism to link regional initiatives on research and innovation with actions carried out at EU level in particular to the European Technology Platforms, strengthening the role of the ECRN as a stakeholder in the field of research and innovation policies at EU level and extending the ECRN membership significantly at the end of the co-operation project.

It is planned to have the following outcomes of the ECRN II project proposal:

- Lasting co-operation between ECRN and CEFIC,
- Regional input in the European Technology Platform approach in particular to SusChem,
- Developing regional technology platform approaches in the participating regions,
- Developing a toolkit for setting up regional technology platforms,
- Identifying successful practices in research and innovation policies in chemical regions and
- Arriving at 10 regional strategic research action plans of the participating regions and an overall compilation of these action plans.

**Ludwigshafen, 30 11 2007**