



REGIONE PIEMONTE



European Regional Development Fund



European Chemical Regions Network

1st European Congress of Chemical Regions

– Congress Volume –
Summary

Brussels

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Foreword

The debate about the role and the importance of the chemical industry in Europe has been concentrated primarily on industrial, employment and environmental aspects. The first Congress of European Chemical Regions, that took place on the 21st of May in Brussels, made clear that also the regional dimension has a crucial importance. The Congress of Chemical Regions has shown that growth, employment and regional development in the chemical sector are optimised, if there is good political framework for intensive co-operation of the actors in the regions.



The experiences of the local and regional actors from politics and economy can be an important contribution for the development of appropriate, practical and acceptable solutions also at European level. With the Congress and the European Network of Chemical Regions, the regions try to develop jointly proposals, experiences and initiatives at European level. The Congress of Chemical Regions can therefore also be understood as a sign of the debate about Good Governance as offer for co-operation and communication between politics, administration and the economy in Europe.

This documentation summarises the most important contributions of the speakers and participants. It is foreseen to organise one Congress each year. For that purpose, I have invited all interested actors to Saxony-Anhalt for the second Congress of Chemical Regions. Saxony-Anhalt is the biggest location of the chemical industry in East Germany. After the fall of the Berlin wall, the old and inefficient enterprises in our land have been restructured and a competitive and productive location for the chemical industry could be developed. Today, these experiences can be also an important contribution for the enlarged European Union.

Therefore, the place and the timing for the next congress are a good choice.

See you soon in Saxony-Anhalt.

Dr. Horst Rehberger

Minister for Economy and Labour
of the Land Saxony-Anhalt

Vorwort

Die Debatte über Rolle und Stellenwert der Chemieindustrie in Europa wurde bisher vor allem und unter industrie-, arbeitsmarkt- und umweltpolitischen Aspekten geführt.

Mit dem 1. Kongress der europäischen Chemieregionen, der am 21. Mai in Brüssel stattfand, ist deutlich geworden, dass daneben auch die regionale Dimension von großer Bedeutung ist. Der Kongress der Chemieregionen hat gezeigt, dass Wachstum, Beschäftigung und regionale Entwicklung im Bereich der Chemie nur dann optimal möglich sind, wenn die Rahmenbedingungen und das Zusammenwirken der Akteure vor Ort stimmen.



Die Erfahrungen der Akteure vor Ort aus Wirtschaft und Politik können einen wichtigen Beitrag bei der Entwicklung von sachgerechten, praktikablen und akzeptablen Lösungen auch auf europäischer Ebene leisten. Mit dem Kongress und dem Netzwerk der europäischen Chemieregionen versuchen die Regionen, künftig gemeinsam Vorschläge, Erfahrungen und Initiativen auf europäischer Ebene einzubringen. Der Kongress der Chemieregionen ist deshalb auch im Zeichen der Debatte über Good Governance als Angebot zur Kooperation und Kommunikation zwischen Politik, Verwaltung und Wirtschaft in Europa zu verstehen.

In dieser Dokumentation sind die wichtigsten Beiträge der Redner und Teilnehmer zusammengefasst. Nunmehr ist vorgesehen, diesen Kongress einmal jährlich einzuberufen. Dazu habe ich alle Interessierten zum 2. Kongress der Chemieregionen nach Sachsen-Anhalt eingeladen. Sachsen-Anhalt ist der größte Chemiestandort in Ostdeutschland. Nach dem Fall der Berliner Mauer wurden in unserem Land die ehemaligen Chemiekombinate zu leistungsfähigen Chemiestandorten umstrukturiert. Diese Erfahrungen können heute auch einen wichtigen Beitrag in einer erweiterten Europäischen Union liefern. Auch deshalb sind Ort und Zeitpunkt für den nächsten Kongress gut gewählt.

Bis bald in Sachsen-Anhalt!

Dr. Horst Rehberger

Minister für Wirtschaft und Arbeit
des Landes Sachsen-Anhalt

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**Program at the 1st European Congress of
Chemical Regions**

Agenda:

09.00 Registration of Participants

09.25 Opening of the Conference
Thomas Wobben, Liaison Office of Saxony-Anhalt, Brussels

09.30 – 10.30 Future Challenges for Chemical Industry in an enlarged Europe
Moderation: Councillor Tony Richmond, Darlington Borough Council

- Reinhard Schulte-Braucks, European Commission, DG Enterprise
- Mark Pembleton, DICIDA Network UK
- Massimo de Andreis, Unioncamere Piedmont
- Uta Jensen-Korte, CEFIC

10.30 – 11.00 C o f f e e B r e a k

11.00 – 12.00 Sustainable Development in Chemical Regions
Moderation: MDir Michael Dörffel, Chair of the Working group Chemicals of
Bund-Länder, Head of Department, Ministry for Agriculture and
Environment of Saxony-Anhalt

- Dagmar Roth-Behrendt, Member of the European Parliament
- Robert Donkers, European Commission, DG Environment
- Ernst-Christoph Stolper, Head of Department, Ministry for Environment, Agricultural and Consumer Protection North Rhine-Westphalia
- Michael Gnann - Head of Fuel Cell Division, MTU
- Eng. Laura Armanini, Veneto Regional Government, Regional Agency for Environmental Protection

12.15 – 13.45 L u n c h R e c e p t i o n
at the Representation of North Rhine-Westphalia

- Harald Schartau, Minister for Economic Affairs and Labour, North Rhine-Westphalia
- Günter Verheugen, Member of the European Commission
- Jürgen Hinz, BAYER AG, Board Member, VCI-NRW, ChemCologne

14.00 – 15.00 The region's role in Maintaining Competitiveness

Moderation: Councillor John Frazer, Chair of Cheshire County Council's
Economic Development Board, Cheshire County

- Making regional intervention work in practice, John Diggle, North West Chemical Initiative
- Relations and interaction between chemical companies and the regional administration - the Limburg (NL) case, Henk Evers, Minister of Economics and International Relations, Province of Limburg
- Strategies for SME development at regional level, Giulio Givone, Region Piedmont

15.00 – 16.00 Chemical Regions in Europe

Moderation: Dr. Horst Schnellhardt, Member of the European Parliament

- Challenge for Chemical Regions in accession countries, Pavel Zalewski, Member of the Management Board of the Masovia Region in charge of international affairs
- Potential impact of the future European Chemical Policy on Eastern Germany, Dr.-Ing. Christoph Mühlhaus, BSL
- The chemical industry in Northrhine-Westfalia and the inward investment strategies, Dr. Bernhard Hofmann, Board Member Degussa AG, Marl
- CeChemNet as a strategy to strengthen competitiveness of chemical sites, Matthias Gabriel, P-D Chemie-Park Bitterfeld-Wolfen

16.00 – 16.30 C o f f e e B r e a k

16.30 – 17.30 The European Agenda for the Chemical Industry and the Future
scope and objectives of the network of Chemical regions

Moderation: Dr. Gunthard Bratzke, isw

- Erkki Liikanen, Member of the European Commission
- Dr. Horst Rehberger, Minister for Business and Employment of Saxony-Anhalt
- Gordon Adam, Member of the European Parliament
- Ing. Paolo Alli, Director General for New Economy, Research and Technological Innovation, Region Lombardia

18.30 – 22.00 E v e n i n g R e c e p t i o n
at the Bibliothèque Solvay / Park Solvay

“The Central German Chemical Industry in an enlarged Europe”

- Welcome by Dr. Gerwald F. Grahe, Chair of the board of LV VCI North-East
- The chemical sites in Central Germany as a partner in an enlarged Europe - Andreas Hiltermann, InfraLeuna
- The role of international co-operation for the Wojewodship of Masovia, Pavel Zalewski, Member of the Management Board of the Masovia Region in charge of international affairs

Summary Report

Nicola JOHNSTON, Cheshire Brussels Office,
Juan ARREGUI McGUILLION, North of England Office,
Andreas FIEDLER, isw Halle-Leipzig e.V.

Introduction

This report presents a summary of the main presentations and discussion developed during the 1st Congress of Chemical Regions held in Brussels on 21st May 2003. Over 200 participants including Commissioners, Ministers, MEPs, EU officials and representatives of the regions of Member States, as well as candidate countries, took part in this first Congress.

The Congress was organised in an effort to:

- highlight the benefits of co-operation between chemical regions;
- provide a forum for discussion on vital aspects of policies and developments at European level which will affect chemical regions and their clusters;
- define the future scope of the network of chemical regions and;
- launch a joint position on recent proposals and developments affecting chemical regions.

This Congress was particularly timely given that the European Commission had recently launched an 8-week consultation process on its new strategy for the chemicals industry.

Opening session:

In opening the forum, **Thomas WOBEN**, Director of the Liaison Office of Saxony-Anhalt to the EU in Brussels, welcomed all participants to the Congress and reiterated the aims of both the network and of this inaugural conference.

1st Panel Discussion:

Future Challenges for Chemical Industry in an Enlarged Europe

Moderation by Cllr **Tony RICHMOND**, Darlington Borough Council

Reinhard SCHULTE-BRAUCKS, DG Enterprise, European Commission

Mr Schulte-Braucks initiated the debate by placing the industry in context with some facts and figures: the chemicals sector is a very important industry throughout the EU, with 96% of the industry operating in SMEs. Under the new EU chemical strategy, some 36,000 SMEs throughout Europe and an estimated 500,000 downstream users will face new obligations. Therefore, future legislation needs to be both practical and balanced with regard to reconciling the economic, social and environmental requirements inherent in this strategy.



Massimo de Anreis, Uta Jensen-Korte, Tony Richmond, Mark Pembleton, Reinhard Schulte-Braucks
(Source: isw Halle-Leipzig e.V.)

He then outlined the main principles of the new policy. In practice the approach must achieve aims set for health and environment and at the same time ensure that the industry remains competitive and is encouraged to innovate. He underlined that achieving sustainability meant that industry would have to shoulder responsibility for the safety of chemicals manufacturing; environmental groups need to accept that there will be no phasing out concept for chemicals, and; society will gain through the supply of chemicals and the maintenance of jobs.

Mr Schulte-Braucks set out an overview of the essential features of the new Registration, Evaluation and Authorisation of Chemicals (REACH) system – a single regulatory system for existing and new substances. Firstly, enterprises will be required to ensure that the substances they manufacture or supply do not adversely affect human health or the environment. Secondly, enterprises that manufacture or import substances in quantities of 1 tonne or more / year must provide registration dossiers on the properties, uses and safe management of the substance. Registration will take place over an 11 - year period.

Mr Schulte-Braucks then proceeded to outline the scope of the REACH system. Chemicals used in sealed processes would be exempt, as would pesticides, biocides and pharmaceuticals unless a Member State requests a risk assessment for a particular pharmaceutical. Certain categories of substances such as polymers and intermediates would be either exempted in some cases, or, subject to specific arrangements under REACH. Another element includes the authorisation of substances of very high concern (covering CMRs, PBTs, and vPvBs). Other substances may be included if a high level of concern is demonstrated or if requested by an individual Member State.

Finally, he discussed restrictions of uses and / or substances, where a risk has been identified that needs to be managed EU-wide. In these cases the Chemicals Agency would present opinion and the Commission will make decisions on restrictions based on risk, as well as socio-economic factors. The Commission will take the final decision on restrictions after providing two opportunities for comments to be forwarded. The new policy also tries to limit burden on downstream users by making efforts to get manufacturers to register the substance. First registration of substances should take place in 2008.



The Participants (Source: isw Halle-Leipzig e.V.)

Mark PEMBLETON, DICIDA Network UK, Cheshire County Council, UK

This contribution focused on the aims and current work programme of the DICIDA – UK network (Development Initiative for Chemical Dependant Areas in the UK). The origins of the network can be traced back to 1994 when 12 European regions, each with a significant employment in the chemicals sector met in Brussels to discuss ideas for common working. This concept of 'networking' was taken back to the UK and developed into DICIDA – UK. There are approximately 73 local authorities in the UK with a significant concentration of employment (251,000 people are directly employed) in the chemicals sector. The network provides a forum where local authorities and public sector agencies in areas with a concentration of employment in the chemicals industry can join forces to secure a safe future for their communities'. At present the network covers 100,000 employees. Membership, which is flexible, includes local authorities in the North - East and North - West of England, Yorkshire and the Humber, and Scotland. The aims of DICIDA-UK are to ensure that national government and EU policies and programmes assist the continued growth of the chemicals industry in and across the Member States and enable local regions to cope with the economic, social and environmental problems created by the restructuring of the chemicals industry.

DICIDA was formed in 1996/97 primarily because of the recognition that while the chemical industry is a global force, the impacts of the industry are local. It has a flexible membership and EU credentials from having had experience of the exchange of best practice through an INTERREG project. Given the multiplicity of regulations affecting the industry, the network considered that local companies could benefit from the support of a public sector driven network. The unique position of local authorities means that impacts from the sector span many local authority areas of competence such as Highways, Planning, Landuse and Emergency Plans. From the DICIDA experience there is clear value added in consensus building through networking to develop expertise on issues of common concern.

Issues on the current work programme for the network, include the EU's Chemical Review – there are concerns here, inter alia, regarding data protection and confidentiality and on the complexities of the new legislation. There are also issues to be addressed on skills and training - the network is concerned with the potential 'time-bomb' given an industry age profile in which 30% of employees are over 50 and only 10% under 30.

DICIDA welcomes the development of the European Network of Chemical Regions to support the exchange of experiences between public bodies on regional and industrial policy approaches. DICIDA is keen to pursue its active involvement and contribution to this European dimension as a means to tackle common problems faced by local authorities right across Europe and hopes that such a network will facilitate benchmarking between European regions. A successful INTERREG IIIC bid application would give the network further scope for development. DICIDA is also keen to share its positive experience and transfer best practice from its working model to the European Network of Chemical Regions. Mr Pembleton concluded by reiterating the need for clear delegation of tasks within the network, annual monitoring and evaluation and above all, for the network to be OPEN and FUN!

Massimo de ANDREIS, Director, Union of Chambers of Commerce of Piedmont, IT

Mr Deandreis initially presented an overview of the regional profile of the Piedmont region in north-western Italy, with approximately 800 companies operating in the regional chemical sector and employing a total of 16.000 people and the role of the Chamber of Commerce. Italian chemical manufacturing, mainly consisting of a large number of small and medium sized enterprises, is the fourth largest after Germany, France and the UK, within the EU.

The Italian Chambers of Commerce represent all economic sectors, including chemicals, and their mission is to increase the competitiveness of companies. In particular the Chambers of Commerce act in three areas that are strategically important

for chemical companies: innovation, training and internationalisation. The Region of Piedmont works with the Chamber to provide specific support to the chemical industry and they are very interested in developing European links.

Mr Deandreis stressed the need to confront the future prospects of the chemical industry by considering four key areas: research, globalisation, environmental concerns and specialisation. One major concern for Italian companies is the level of support and facilities which are required in order to keep speed with competitors on international markets within this industry. On environmental concerns, he pointed out the increase in legislative efforts in the Piedmont region to protect the environment, the commitment for clean processes and products and the increase of chemical companies using the state-of-the-art environmental management systems.

Uta JENSEN-KORTE, CEFIC (European Chemical Industry Council)

Ms Jensen-Korte firstly emphasised that the global nature of the chemical industry requires a business environment to allow it to successfully compete. She also pointed out that the eastward enlargement of the EU would create a much larger scale home market. She stated that the current climate for the chemical industry is not particularly favourable, with profitability against the US significantly lower.

CEFIC considers that a sustainable chemicals policy is essential to fulfil Community objectives to create internationally competitive framework conditions. The Chemicals policy review will have a large impact upon the industry and the political objectives of this review are still supported by the chemicals industry. Firstly, it is essential to create a manageable system with sound risk based assessment targeted to deliver real results. She pointed out that industry considers that, whilst there are some positive elements within the review, there is still a need for further flexibility. CEFIC would welcome a Chemicals Agency with real managerial capacity and responsibility to run the system.

Secondly, CEFIC feels that the scope of the EU proposals is too wide. However to conclude Ms Jensen-Korte stressed that CEFIC will continue to contribute positively to the current discussions.

2nd Panel Discussion:

Sustainable Development in Chemical Regions

Moderation by **Michael DÖRFFEL**, Ministry of Agriculture and Environment, Saxony-Anhalt



Laura Armanini, Robert Donkers, Michael Dörffel, Michael Gnann, Dagmar Roth-Behrendt, Ernst-Christoph Stolper (Source: isw Halle-Leipzig e.V.)

Ernst-Christoph STOLPER, Head of Dept., Ministry for Environment, Agricultural and Consumer Protection, North Rhine-Westphalia, DE

Mr Stolper presented the co-operation model this region has with the chemical industry to promote a sustainable economy. The sustainable economy is one of the six priority areas in the region's Agenda 21 strategy. This co-operation model is based on three pillars: firstly, promoting resource efficiency. North Rhine-Westphalia has put in place a sector programme in co-operation with the chemical industry aimed at preventing and recycling of waste and waste water.

The second pillar is reducing the administrative burden for SMEs, and in particular those companies with an EMAS or ISO 14001 certificate. The region and the sector are currently discussing further possibilities with regard to the co-ordination of reporting obligations. Reporting procedures are simplified for those companies which post their data on the internet.

The third pillar of the co-operation model is to provide support for SMEs. The region has set up the "Effizienz Agentur NRW" to promote cleaner production technologies for SMEs in North Rhine-Westphalia. The agency also facilitates the transfer of know how between science and business, from technology suppliers to users. Two instruments of the agency are the "PIUS check", a low-cost and accessible consulting and evaluation tool for SMEs, and resource cost accounting, which is currently in a pilot phase.

Laura ARMANINI, Regional Agency for Environmental Protection, Veneto Regional Government, IT

Ms Armanini presented the key elements of the region's activities in promoting sustainable development with the chemical industry. Most of the industry is concentrated around Porto Marghera, very close to densely populated areas, such as

Venice and any accident could cause serious damage to the population and environment. The regional government is carrying out a number of actions in this field under the programme agreement for the chemical industry in Porto Marghera. As a first step, an integrated system for environmental monitoring and emergency management was signed in 1998 between the public and the private sectors. This was followed by the brokering of an energy agreement for power plants. Finally an air quality control plan has been implemented. Ms Armanini concluded her presentation by highlighting the need to strike a balance between environmental protection and maintaining the competitiveness of the chemical industry in the region since it is one of the main exporters and employers.

Dagmar ROTH-BEHRENDT, Member of European Parliament

Mrs Roth-Behrendt MEP, who is the co-ordinator of the PSE Group in the European Parliament's Environment Committee, focused her presentation on the new draft legislation for chemicals adopted recently by the European Commission. Her main concern regards the lack of data both of chemical products and chemical waste.

She said that no data exists for 80% of chemicals produced in large quantities, which means that potential hazards are unknown and cannot be assessed. According to Mrs Roth-Behrendt, industry representatives and regional representatives need to work together to ensure sustainability.

Robert DONKERS, DG Environment, European Commission

Robert Donkers presented the main elements of the REACH system, one of the core elements of the draft regulation for chemicals. According to him, this system will contribute to the sustainable development of chemical regions. REACH constitutes an instrument balancing all elements of sustainable development (social, environmental, economic, health) and goes beyond the short term considerations and priorities which according to him so often drive the actions of the chemical industry.

Michael GNANN, Head of Fuel Cell Division, MTU

Mr Gnann gave a presentation on the real and potential benefits of fuel cells to sustainable development. In terms of efficiency, fuel cell is in the same range as gas and steam, and in terms of emissions, it has the lowest levels of all supply systems.

MTU has established parks in Germany, Spain and the United States and is conducting and extensive field - tests mostly concentrated in Germany and Spain.

A lively debate followed the different presentations. Industry representatives wanted to take the opportunity to respond to the remarks made by Mrs Roth-Behrendt and Mr

Donkers regarding lack of data for chemical products and industry's commitment to sustainable development.

Lunch Reception at the Representation of North Rhine-Westphalia:



Participants of the Lunch Reception (Source: isw Halle-Leipzig e.V.)



Pavel Zalewski, Günter Verheugen, Miroslaw Milewski, Horst Rehberger (Source: isw Halle-Leipzig e.V.)

Jürgen HINZ, Bayer Industry Services and a Member of the ChemCologne Initiative
He spoke about the importance of the chemical industry to North Rhine-Westphalia, and the area around Cologne in particular, host to 150 chemical companies of all sizes, employing 75,000 people. The main task for ChemCologne is to showcase the location advantages of this chemical region to German and foreign investors. According to Dr Hinz, an essential factor in achieving economic success is co-operation between industry and public administration in licensing and monitoring in the fields of safety and environmental protection, which is one of the main features of the chemical region of Cologne. One example is the staff exchange programme with the local district

government. Dr Hinz ended his presentation by urging the European Commission to re-think its draft regulation for chemicals. As it presently stands, it will burden the industry with high costs that will limit their global competitiveness.



Jürgen Hinz (Source: isw Halle-Leipzig e.V.)

Harald SCHARTAU, Minister of Economic and Labour Affairs of North Rhine-Westphalia

Minister Schartau centred his address on the important role of the chemicals sector in the region, and on the draft EU regulation for chemicals. Approximately 130,000 people are employed in the chemical industry in the region. 35% of all German chemical production comes from North Rhine-Westphalia. 85% of the region's chemical companies are SMEs. The chemical industry is one of the most innovative sectors. The mission of North Rhine-Westphalia is to give this sector reliable prospects in international competition and to promote its development. In this respect, it makes sense to take part in a network of European chemical regions and fully supports this initiative. Regarding the draft EU regulation on chemicals, Mr Schartau qualifies it as "the most important legislative act the Commission has ever passed". His government supports the objectives of the proposal, namely sustainability and improved competitiveness for the sector. However, he shares the scepticism of the industry in that the regulation is too bureaucratic and its implementation too expensive for companies, in particular for SMEs.



Günter Verheugen in discussion (Source: isw Halle-Leipzig e.V.)

Commissioner **Günter VERHEUGEN**

Commissioner Verheugen welcomed the creation of the network of European chemical regions. Part of his presentation centred around the three main projects the EU is currently addressing: the widening of the EU through enlargement, how to achieve deeper European integration, and reform of the EU. The second part of his presentation focused on the importance of the chemical industry for the EU economy, 30% of the EU's trade surplus is provided by the chemical industry. He stressed the importance of having a strong and sustainable chemical industry in the EU, which is at the heart of the draft EU regulation on chemicals. There needs to be a balance between economic competitiveness and sustainable development and he is convinced that this will be achieved thanks to the draft regulation.



Günter Verheugen (Source: isw Halle-Leipzig e.V.)

3rd Panel Discussion:

The Region's Role in Maintaining Competitiveness

Moderation by Cllr **John FRAZER**, Cheshire County Council



John Diggle, Henk Evers, John Frazer, Giulio Givone (Source: Romanelli)



John Frazer (Source: Romanelli)

John DIGGLE, North West Chemical Initiative, UK

John Diggle initially presented an overview of the chemical industry in the North West of England. The chemicals sector is very large, diverse and international, with 800 companies providing approximately 20% of the North - West manufacturing output. 87% of these companies have less than 100 employees. A complex, competitive, closely integrated cluster infrastructure, combining academia, local authorities, trade unions

and the service industry supports this manufacturing industry. The chemicals sector provides between 5 and 6 % of the North - West GDP and accounts for almost 25% of the UK's GVA in chemicals. Chemicals are highly significant in the regional economy employing about 40,000 people in manufacturing. As an industry it is growing and innovating continuously.



John Diggle (Source: Romanelli)

He went on to outline reasons for supporting the chemical cluster setting out that a small percentage change can make an absolute increase in sales, exports and investment. With regard to how the public sector can usefully strengthen the cluster, Mr Diggle stressed the importance of differentiating between competencies at a national, regional and local level and the need to align and co-ordinate the public sector providers. He emphasised that the public-sector should realistically have only a limited intervention role given the lack of real expertise on the majority of issues. Issues such as international trade and dealing with European regulations should be addressed at the national level. The regional and local level should be more concerned with promoting innovation and skills provision, developing networks, business support and the industry image. Mr Diggle concluded by saying the public sector does have a useful role to play as a broker and facilitator in the process. However, he acknowledged that limited resources need to be focused and clearly defined.

Henk EVERS, Minister for Economics and International Relations, Province of Limburg, NL

The Chemicals Industry in Limburg is closely related to coal mining. Mr Evers pointed out that the Netherlands have never been a country of many natural resources and as a

consequence the Dutch people have traditionally had to learn to add value. His overview presentation focused on relations and interaction between chemical companies and the regional administration in the case of the province of Limburg, with particular concentration on one company DSM, which has developed its manufacturing business from coal mining to chemicals production in a relatively short period of time.

In the post-war period, chemical production began to draw more attention as world coal production slipped into decline. The 1970's and 1980's saw major organisation within the DSM structure with more emphasis being placed on research and development by the 1990's. Recently the company has sold the petro-chemical side and is now a leading producer of life science materials. This, in itself, stated Mr Evers, is a clear demonstration of the capacity of the company to adapt to change. The DSM vision for 2005 aims at a turnover of 10 billion EUR and the successful transition into a speciality chemical company.



Henk Evers (Source: Romanelli)

The rapid rate of closure of the mines led to a large problem with job losses. The regional economic policy was prepared to finance measures to overcome unemployment. Many different programmes aimed at creating the links between SMEs and research within knowledge and knowledge creation, clearly a pre-condition for successful business creation.

Giulio GIVONE, Ministry for Industry, Piedmont Region, IT



Giulio Givone (Source: Romanelli)

Giulio Givone described strategies for SME development at a regional level given the experiences of the Piedmont region in Italy. The chemicals industry has a strong industrial history in the region with continuous growth, high quality production and a high level of research spending. However, diminishing trade barriers and enlarging markets are presenting key challenges. The internal economy over recent decades has evolved into a more global and progressive industrial economy. More recently economic stagnation and the general climate of instability present ever-greater challenges and difficulties in the new economy with an impact upon all sectors, including the chemical industry.

4th Panel Discussion:

Chemical Regions in Europe

Moderation by Dr. **Horst SCHNELLHARDT**, Member of the European Parliament





Pavel Zalewski, Bernhard Hofmann, Horst Schnellhardt, Christoph Mühlhaus, Matthias Gabriel (Source: Romanelli; isw Halle-Leipzig e.V.)

Pavel ZALEWSKI, Member of the Management Board of the Masovia Region responsible for international affairs, PL



Pavel Zalewski (Source: Romanelli)

Pavel Zalewski described the difficult transformation process of the last decade and the fundamental reforms put in place since 1990. Masovia is the strongest region in Poland, standing for about 20% of the national GDP. Besides the dramatic economic transformation, the chemical industry has preserved its key role in the regional economy. The chemical park in Plock concentrates 80% of the chemical production and belongs to the 10 most modern chemical facilities in Europe. In 2002 a new environmental law was implemented with high standards to prepare the accession to the European Union. Masovia wants to play an active role in the future European regional policy and supports the development of strong interregional links. In the past there has been a strong co-operation with Saxony-Anhalt to share experience and initiate technology transfer. Masovia is keen to participate in the network of Chemical Regions to learn from existing experience; secondly to employ best practice that exists

in other regions and; to play an active role in the current discussion on the future of regional policy.

Dr. **Bernhard HOFMANN**, Board Member Degussa AG, Marl, DE



Bernhard Hofmann (Source: Romanelli)

In North Rhine-Westphalia (NRW), the chemical industry is the most important industrial sector, standing for about 44 billion Euro turnover compared to 130 billion Euro in Germany. Many international enterprises such as Henkel, Bayer and Degussa have their headquarters in NRW, benefiting from the central position and the good infrastructure. Dr. Bernhard Hofmann, from Degussa AG, especially pointed to the successful development of the industrial parks that offer a complete range of services for production in the chemical sector, which is especially advantageous for entrepreneurs and SMEs. ChemSite is another example of co-operation between all relevant players and social partners in the industry and communities to improve the general conditions and to increase confidence for investment in the chemical industry.

Dr. **Christoph MÜHLHAUS**, Board Member BSL Olefinverbund GmbH, DE

Dr. Christoph Mühlhaus from BSL initially gave an overview of the dramatic economic and social transformation after reunification experienced by East Germany. The impact of transformation was felt keenly by the chemical industry. With the help of 14 billion Euro investments between 1990 and 2002 the chemical industry has quickly recovered and is today a highly productive and fast growing industry that competes successfully at global level. The East German chemical industry is an outstanding example for the management of environmental problems: in 2002 emission levels were reduced to 5% of the level of 1990 with a turnover of 85%.

Dr. Mühlhaus stressed the need for responsibility of the chemical industry for the people, the environment and the society and especially the contribution to employment

and welfare. He asked for an equal level-playing field in Europe: new EU-regulations for registration, evaluation and authorisation should take into account the special needs of the chemical industry. European companies must also in the future be able to compete at global level and negative impacts on employment and growth must be avoided.



Christoph Mühlhaus (Source: Romanelli)

Matthias GABRIEL, Board Member P-D Chemie-Park Bitterfeld-Wolfen, DE

CeChemNet is an example for the successful development of the chemical sector in Central Germany that can build on a tradition stretching more than 100 years. The advantages of networking guarantee competitive employment and growth. The Central German economy could see a dynamic development and the chemical industry sees itself as the driving force. The network combines strengths and experiences of the partners to produce synergy effects. Matthias Gabriel from P-D Chemiepark Bitterfeld-Wolfen emphasised in particular the experience with the restructuring of ruined industrial sites and the management of environmental problems. This awareness can be extremely useful for regions in Eastern Europe and a practical example for the advantages of co-operation of chemical regions in an enlarged Europe.



Matthias Gabriel (Source: Romanelli)

5th Panel Discussion:

The European Agenda for the Chemical Industry and the future scope and objectives of the network of Chemical Regions

Moderation by Dr. **Gunthard BRATZKE**, Board Member of isw Halle-Leipzig e.V.



Paolo Alli, Gunthard Bratzke, Erkki Liikanen, Horst Rehberger (Source: Romanelli)



Gordon Adam, Paolo Alli, Gunthard Bratzke, Erkki Liikanen, Horst Rehberger (Source: isw Halle-Leipzig e.V.)

Erkki LIIKANEN, Member of the European Commission, EU Commissioner – Enterprise & Information Society

“The chemical industry is one of the most important industries in Europe, but also one of the least known.”, Mr Liikanen stated to start this discussion session. He indicated his strong support for the establishment of a network of Chemical regions as a mean to increase the visibility and reputation of the industry and to mobilise interests for better policy making in the EU. Today, the concept of sustainability is widely accepted. But

sustainability, as stressed by Mr Liikanen can only work if there is a sound balance between the economic, social and environmental dimension. If the economy fails, all other objectives will fail too. This has to be taken into account by the new European legislation.

The Commissioner reiterated the most important objectives of the recently published White Paper on Chemical Policy such as duty of care, registration and evaluation. He encouraged the industry to take an active part in the consultation process, that will review the pro and cons of the proposed measures to take into account the needs and interest of all actors.



Erkki Liikanen (Source: Romanelli)

Paolo ALLI, Director General for New Economy, Research and Technological Innovation for the Lombardy Region, IT

The Italian chemical industry is most densely concentrated in the Lombardy region, with a high number of very innovative SMEs (42 percent of these SMEs are classified as innovative). Paolo Alli, Director General for New Economy, Research and Technological Innovation, regards the network of chemical regions as the interface for the integration of local actors. He noted in particular the role of the European Structural Funds for the development of the chemical regions as a topic for exchanging experience. The aim is to apply new rules equally in all Regions. Lombardy hopes to be the place that the new Agency for REACH is located.



Paolo Alli (Source: Romanelli)

Gordon ADAM, Member of European Parliament

Mr Adam, MEP from the North - East of England, one of the largest manufacturing bases in the UK, described the difficulties for the industry in the European decision making process. The network of chemical regions could in his view be used to support the development of a common view on new European legislation in order to have a better impact and a stronger position in the decision-making process.



Gordon Adam (Source: Romanelli)

Dr. **Horst REHBERGER**, Minister for Business and Employment of Saxony-Anhalt, DE
Dr. Horst Rehberger, Minister for Business and Employment of Saxony-Anhalt, stressed how it is in the common interest of all chemical regions to put forward their joint views and articulate needs of the industry Europe-wide to policymakers and legislators. The chemical industry is a flagship of the economy and therefore highly important for

employment and growth. He emphasised how, in particular in the enlargement process, the network can be used to shape structural change and to avoid previous mistakes.

He indicated that within the framework of the congress, Saxony-Anhalt agreed a stronger co-operation with the Masovia region and is keen to help to establish a successful network of chemical regions that integrates all important partners. Therefore, Dr. Rehberger invited all interested regions to participate and establish stronger links. Further more, he invited all participants to Saxony-Anhalt, where the next follow-up congress of chemical regions will be organised in 2004.



Horst Rehberger (Source: Romanelli)

Conclusions:

In concluding the final session, Dr. **Gunthard BRATZKE** from isw Halle-Leipzig e.V. drew on the clear success of the conference. The strong participation from many regions and representatives from the industry as well as the support of the European Commission showed that the idea for a network of chemical regions makes sense and is needed.



Gunthard Bratzke (Source: Romanelli)

The declaration of the first congress of European Chemical Regions summarises the common challenges and objectives for a further co-operation. The activities must be enhanced and therefore an Interreg IIIC proposal for a network of chemical regions will be prepared for September 2003. All interested regions are invited to participate. The discussions during the conference showed the great interest in exchanging experience of the regions in the both current EU-15 and the regions within the future Member States. The network will therefore play an important role to support a successful European enlargement. To further develop relations between the regions, an annual series of conferences for chemical regions will be organised with the next conference to take place in Saxony-Anhalt.



Thomas Wobben, Paolo Alli, Erkki Liikanen (Source: Romanelli)

Evening Reception of CeChemNet Central Germany at the Bibliothèque Solvay:



Park Solvay; Christoph Mühlhaus, Peggy Padur, Gunthard Bratzke, Rolf Siegert, Andreas Fiedler
(Source: isw Halle-Leipzig e.V.)



Thomas Wobben (left); Biblioth que Solvay with the Participants (Source: isw Halle-Leipzig e.V.)



Gerwald F. Grahe (Source: isw Halle-Leipzig e.V.)

The evening reception gave the possibility to continue the discussion in the nice and friendly atmosphere of the just shortly renovated Biblioth que Solvay. The reception was hosted by the German chemical industry association VCI and Dr. Gerwald f. Grahe, Chair of the board of the VCI Section North-East welcomed the participants and stated his strong satisfaction about the clear success of the conference, which could be seen

by the big number and diversity of participants and the lively debate. Especially the central German chemical industry has a strong interest in pushing forward the discussion about the future of the European Chemical Policy and it wants to play an active role in the process of enlargement. Mr. Hiltermann from InfraLeuna presented CeChemNet a chemical site in Central Germany that is interested in sharing experiences and best-practice with regions in the new Member States. Mr. Zalewski, Member of the Management Board of the Masowia Region expressed his strong support of the intensified dialogue between the chemical regions. There is a growing interest in strengthening the co-operation especially from the view of the regions of the new Member States. The implementation of the EU regulatory obligations in the field of chemical policies will be a big challenge for the regions. But the potential for growth and the creation of a bigger market show the benefits for a stronger co-operation. He particularly stressed the agreement taken during the Congress by Saxony-Anhalt and Masowia to intensify their co-operation in the future. Mr Wobben, from the Liaison Office of Saxony-Anhalt to the EU in Brussels, concluded the reception with good hopes for the establishment of the European Chemical Regions Network and with an outlook to the next Congress of Chemical Regions, which will take place in Saxony-Anhalt.



Jürgen Hiltermann, Pavel Zalewski, Thomas Wobben



Pavel Zalewski

(Source: isw Halle-Leipzig e.V.)



REGIONE PIEMONTE



European Chemical Regions Network

Declaration at the 1st Congress of European Chemical Regions

Brussels 21st May 2003

1. Chemical Regions in Europe

The European chemical industry ranks among the most successful, competitive and internationally-oriented industries in the European Union. It employs a workforce of more than 1.7 million and turnover of more than 500 billion EURO.

Thus, this sector accounts for about 10% of the process industry in the EU and is the third-largest employer in the EU, making the largest contribution to the EU trade surplus. 96% of companies in this sector, that is, more than 36.000, are small and medium-sized companies.

The European chemical industry therefore plays an outstanding role even at regional level. Here, it is often the leading employer and the strongest force for growth.

2. Challenges common to the Chemical Regions

The chemical industry is faced with major challenges: Against the backdrop of radically changing competitive conditions under the auspices of globalisation, the development and use of new technologies, environmental, economic and overall social conditions play a particularly important role.

Moreover, The regions where the European chemical industry is located are directly affected by these challenges. They are usually responsible for the implementation of legal regulations on site, and at the same time - and with scarcer public funds – they have to try to reach the broadest possible consensus between economic, environmental and social interests at regional level.

This is why the chemical regions have a common interest in looking for appropriate and manageable solutions that find the broad support of those concerned when it is a question of the development and implementation of overall conditions. Since these conditions are increasingly defined at European level and no longer at national level alone, many of these regions have come to the first Congress of Chemical Regions on 21st May to build a network and to speak up on important subjects of chemical policy at European level.

Among the most important challenges are the following:

- the future development of chemicals policy in Europe
- aspects of chemical policy in European industrial policy
- the effects of EU enlargement on chemical regions, as well as
- the future development of European regional policy

3. Future European chemicals policy

In early May, the European Commission published its latest proposals for the development of chemicals policy. At the same time, it requested all those interested and concerned to comment on these proposals by summer this year.

The views of the chemical regions in this respect are based on the following principles:

- the protection of the health of citizens, particularly of the workforce in Europe
- the reduction of risks and strains for present and future ecological systems
- safeguarding existing jobs by maintaining the competitiveness of the European economy
- the creation of new jobs via improvements to innovative capacities
- planning and legal certainty to promote investment,
- respect and recognition of ethical standards
- participation in the development of political decision-making and implementation processes to promote the sector's long-term capacity for development including the regions.

On the basis of these guiding ideas, the following conditions are crucial for the chemical regions in Europe:

- The ecological, economic and social sustainability of the new system can be guaranteed only if a practical workable system can be secured.

This is why, in its development, what is desirable should be subordinated to whatever is necessary, and deliverable in terms of time and cost. The efforts to be made should therefore primarily be geared to real sources of danger and risks for human health and ecosystems.

Substances whose use does not pose any danger or that are used within safe systems should not require expensive additional testing. The intention of the European Commission to exempt intermediate products in closed systems from authorisation procedures must therefore be welcomed. When data is required for registration, this should be proportionate to the level of risk it is likely to cause to people or ecosystems.

- To maintain the competitiveness of European businesses, it is imperative to create a practicable and feasible system of regulations that protection for property rights, e.g., of data on substances and exposure. The protection of operational and business secrets should be guaranteed in this connection.

- In the drafting of chemicals policy, the problems of small and medium-sized companies must receive more attention. Therefore, the procedure for registration, evaluation and authorisation must be developed in such a way as to enable these companies to fulfil the requirements at economically justifiable cost.

Mainly small and medium-sized companies that provide new substances for innovative products and procedures. They are therefore of particular importance for the European economy's capacity for innovation and should be treated accordingly.

- European chemicals policy must provide incentives for the development of new substances and their introduction onto the market. They should represent a more environmentally friendly alternative to old substances.

However, it is often the specific effect of a substance that appears to be toxic on the one hand, but on the other hand offer highly effective possibilities for use and product developments. However, the ecological and socio-economic benefits become obvious only in the course of their development or at the end of the product chain.

Chemicals policy must not prevent the use of such substances, but define general conditions for their safe handling and disposal, wherever possible by way of recycling of such substances.

- Despite the possibility of individual registration, European regulations should be drawn up to create incentives for co-operation among those subject to registration and the formation of consortia for registration. It would be useful if, as a rule, the registration of one and the same substance could take place via consortia. In this context, rules for fair cost sharing are also required, taking into account the special conditions of SMEs and issues of business confidentiality.

In addition, uniform and central handling and evaluation of registrations by a European Agency (to be created) should be assured in order to ensure equal opportunities for companies from different countries and chemical regions. Experts from the member states could be integrated into the agency or could assist it in order to guarantee professional competence.

- Authorisation for substances should in principle be granted for an indefinite period of time, on the condition that the material conditions of the authorisation will be maintained. To keep their authorisation, companies have to demonstrate this in a suitable manner by means of regular inspections (every 15 years). In addition, the authorisation procedure should be simple and non-bureaucratic, and should be the responsibility of the central agency. The opportunity to lodge an appeal should be provided for.

- To speed up procedures, for the sake of both businesses and state institutions, and to provide planning security for all those concerned, feasible rules for deadlines and sanctions should be laid down.
- Animal experiments should be kept to the minimum necessary and should not be repeated. Here, the obligation to make a preliminary inquiry should be introduced.
- With regard to the organisation of registration, efficiency and competitiveness should take priority.
- Control and monitoring of imported chemical substances contained in articles, needs to be financed and enforced, to ensure that EU manufacturers are not at a disadvantage to foreign importers.
- As the regions are both affected parties and important partners, they should therefore be allowed to participate intensively in the decision-making and implementation process.

In this context, appropriate pilot projects for testing of different options for achieving the objectives of the new chemicals policy in some of the chemical regions should be considered.

4. Chemical policy aspects of European Industrial policy

The European Union has set itself the goal of becoming the most competitive region in the world by the year 2010. This objective can be reached only if the necessary steps to develop and safeguard competitiveness of the European industry are taken.

It goes without saying that the chemical industry – due to its size alone – has a particular role to play.

In this respect, the fact that in its communication on the subject of “Industrial policy in an enlarged Europe”, the European Commission has attached particular importance to the chemical industry in the implementation of a European Industrial Policy must be welcomed.

An early analysis of possible effects of legal obligations, as well as knowledge of the relevant regulations in other parts of the world, are important instruments for ensuring that Europe has a reasonable and correctly dimensioned regulation policy. This also includes the early and comprehensive participation of those concerned.

So far, chemical regions have not been adequately integrated in this process. On site, they are often the central contact when it comes to seeking the most pragmatic and efficient solutions possible to problems of industrial policy, and they take important decisions regarding the provision of infrastructure. However, it is clear that so far, they

have been able to contribute this experience only to work for the development of future European industrial policy in a very limited manner.

5. Chemical Regions and Eastern enlargement

In May of next year, the European Union is going to be enlarged to include 10 new member states, and a European internal market with more than 450 million consumers will be created.

The chemical sites in the present and the future EU countries will be affected by this in a very different manner. On the one hand, competitive pressure is going to increase due to the arrival of new companies; at the same time, however, new markets and opportunities will be created.

It is therefore not surprising that the chemical industry has already been preparing for this date with increased cross-border co-operation between businesses and with strategic investments.

It is now a question of supporting this process of division of labour at European level through increased co-operation among the regions. Experience in implementing the *acquis communautaire*, in particular the implementation of European environmental, regional and economic policy, represent central fields for co-operation for the chemical regions in Europe.

6. Future Development of a European Regional Policy

In many chemical regions, the process of economic and social transformation is supported by the European Structural Funds. Without these financial resources, many attempts to modernise and improve environmental and social working conditions at chemical sites would not have been possible.

With the enlargement of the European Union, many chemical regions in the accession countries will also come to benefit from European structural aid.

In order to guarantee targeted and efficient use of these funds as well as their smooth allocation, chemical regions in the European Union are asked to increase their co-operation and together draw up regional development models for the restructuring of chemical regions.

In view of the next programming period and for the future development of regional policy, the following points should be taken into account:

- In the future, European structural policy must continue to make an important contribution and must accompany economic and social change in regions lagging

behind in their development and in regions with special structural problems in the European Union.

- An abrupt end to assistance without a transitional solution would jeopardise the success the policy has enjoyed up to now in many regions.
- The topics of competitiveness, provision and capacity for innovation must receive more attention in the future development of the Structural Policy.
- The regions must be fully integrated into the development and implementation of Structural Funds programmes
- In the future, more attention must be given to an interregional exchange of experience and best practice as well as to networking of regions with common interests and concerns in regional policy.

7. Outlook

The interests and positions of European chemical regions mentioned here can be implemented successfully only if there are strong structures for an appropriate network. It is therefore the clear intention to intensify the efforts made so far to establish the network and to formalise it to the extent necessary in order for it to be perceived as the legitimate representation of the chemical regions at European level.

To this end the following steps will be taken:

- formal establishment of the network of chemical regions and of associated measures (adoption of statutes, election of a presidency, etc.)
- joint application as a network of the chemical regions under the INTERREG III C programme
- organisation of an annual congress of chemical regions.

IMPRESSUM

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