



REGIONE PIEMONTE



European Regional Development Fund



European Chemical Regions Network

1st European Congress of Chemical Regions

– Congress Volume –

Brussels

21st May 2003

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 Andreis, 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.)



Pawel 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.

Opening of the Conference

Thomas Wobben

The Chemical Industry in Europe is clustered due to the specific requirements in only a few areas. These sites play a crucial role in the local and regional economy of chemical regions.

In the European context, chemical regions are often faced with similar challenges:

- implementing European legislation
- providing sufficient and cheap provision for infrastructure and public services
- organising the widest possible participation of citizens and those affected in the further development of chemical industry in those regions
- logistics and storage
- environmental issues and land
- training and labour

At the same time, EU-enlargement will increase the necessity for an exchange of information and the creation of new forms of co-operation.

Therefore, an initiative was taken by several regions to establish a European Network with the following objectives:

- exchange of experience in the execution and implementation of EU legislation,
- know-how transfer between regional administrations in Europe
- early and reciprocal information about new initiatives of the European Union
- development of joint statements towards the European Union on matters of importance to chemical regions
- initiatives to network our companies and the develop joint projects i.e. in fields such as R&D, Innovation

This Congress of Chemical Regions in Europe will bring together representatives of a large number of chemical regions, as well as representatives of chemical companies and their organisations and representatives of national and European institutions.

The congress aims at:

- discussing vital aspects of policies and development at European level which will affect chemical regions and their clusters
- exchanging experiences and developing joint solutions to common problems of chemical regions in Europe
- arriving at joint statements on recent proposals and developments affecting chemical regions in Europe and
- defining the future scope and working areas of the network of chemical regions.

**1.
Future Challenges for Chemical Industry
in an enlarged Europe**

1.1 Explanatory Note

(Reinhard Schulte-Braucks; European Commission, DG Enterprise)

1. Purpose of this note

This note explains the essential features of a new system to implement the policy set out in the Commission's White Paper of February 2001 on the 'Strategy for a future Chemicals Policy'. The new system, developed jointly by the Enterprise Directorate-General and the Environment Directorate-General, is called REACH – **R**egistration, **E**valuation and **A**uthorisation of **C**hemicals.

2. Duty of Care

A central feature of the new system is a duty on all companies that manufacture, import and use chemicals - regardless of the quantity - to use substances in such a way that human health and the environment are not adversely affected. This is achieved by assessing the risks arising from the manufacture, import or use of those chemicals and taking the necessary measures to manage any risks identified.

3. Registration

Registration requires manufacturers and importers of substances gather information on the substances they manufacture or import, and use the information for responsible and well-informed management of the potential risks of the substance. This is documented in their Chemical Safety Report (Annex I). All firms manufacturing substances in, or importing substances into, the EU in quantities of 1 tonne or more per manufacturer or importer per year will be required to submit relevant information to the Agency before new substances are first manufactured in or imported into the EU. The information required increases at the tonnage thresholds of 10, 100 and 1000 tonnes respectively (Annexes V to VIII).

Substantial efforts have been made to minimise costs and animal testing by allowing:

- the use of existing sources of information,
- the use of information not based on testing of vertebrate animals where possible
- (especially below the 10 tonne threshold),
- the reading across of data from analogous substances,
- the sharing of test results,
- the grouping of similar substances, and
- the dispensing with some requirements altogether where the information is not needed because of the properties or use of the chemical, or that more extensive information is already available. For example, testing can be waived in some cases on the grounds of lack of exposure during its intended use.

To ensure greater cost/resource efficiency, companies manufacturing or importing the same substance can form consortia and share information needed for registration. To facilitate this manufacturers and importers of substances that are already on the market will have to 'pre-register' their substance(s). Those manufacturers and importers having pre-registered the same substance will then be participants of a 'substance information exchange forum' (SIEF), where they will exchange available information on tests involving vertebrate animals. This will save time, money and reduce animal testing.

If information required for substances manufactured or imported in quantities of 100 tonnes and more per year (set out in Annexes VII and VIII) is not available, testing proposals to meet these requirements will have to be submitted as part of the registration (for it to be complete). These proposals will be examined by the authorities at the evaluation stage to ensure only the right tests will be performed and to avoid double testing.

As regards research and development, exemptions from REACH requirements will be available for substances subject to product and process orientated research and development, for up to 10 years, i.e. initially 5 years, which can be renewed for a further 5 years.

Special reduced registration requirements have been developed for polymers and intermediates:

- Polymers with certain dangerous properties will be subject to a reduced registration package, other polymers will be exempted from registration altogether. Monomers will follow the general rules. Many polymers subject to registration will only need to be registered after 12 years.
- Non-isolated intermediates, kept in closed systems, are excluded from the REACH system altogether. For intermediates used on site or transported to up to two other sites under strictly controlled conditions, as the exposure potential is limited, less information needs to be submitted than for other substances.

The information gathered on intrinsic properties of substances will help manufacturers and importers to improve the assessment of their risks and the development of measures to adequately control those risks. Chemical safety assessment will need to cover manufacturers' and importers' own uses of a substance as well as uses by downstream-users they supply with the substance. Registrants will have to assess at least 90 % of these so-called 'intended uses' of their substances. The assessments will be documented in the Chemical safety report.

To 'phase-in' the new system, deadlines will be established for registration of substances that are already being manufactured. This will start with substances in quantities of 1000 tonnes or more, and substances that are carcinogenic, mutagenic or toxic to reproduction (CMR substances) below that tonnage, 3 years after the Regulation comes into force, and end with substances in quantities of 1 tonne or more after 11 years.

As a consequence of introducing a single system for all substances, the current notification requirements for new substances, contained in Directive 67/548/EEC, will be repealed. Substances previously notified under this system will be considered to be registered.

4. Substances in articles

Substances in articles in quantities of 1 tonne or more will also have to be registered if sufficient amounts of the substance are released to pose a risk, to human health and/or the environment, and the substance has not already been registered for that use. For reasons of practicality, this requirement will be phased in shortly after the registration deadlines for substances (at the relevant tonnage level).

5. Downstream users and Information through the supply chain

Under the REACH system, manufacturers and importers of substances will provide downstream users with the information they need to be able to fulfil their duty of care, i.e. in particular information on recommended risk management measures for the 'intended' uses. A downstream user will only have to report his use of a substance to the Agency, if he uses it in a way that was not intended by his supplier or if he disagrees with the recommended risk management measures. This report might under very exceptional circumstances include testing proposals if a downstream user considers them necessary. This reporting requirement will be phased in after the respective registration deadlines for the suppliers. Downstream users of substances in quantities of under 250 kg/year have no reporting obligation.

6. Evaluation

There are two types of evaluation under REACH:

1. Standard evaluation:

Testing Proposals submitted by industry for substance tailored testing involving animals, for substances above the 100 tonne threshold, will be subject to evaluation by a Member State Competent Authority (CA) to avoid unnecessary animal testing and to ensure high quality. Testing must then be performed and information submitted

following the CA decision on the testing proposal. Generally, the CA of the Member State responsible for the registration will also evaluate the testing proposals. It is proposed, however, that 'phase-in' substances should be allocated to Member States' CAs on the basis of their populations.

2. Priority evaluation:

CAs may also perform a more in-depth evaluation of any substance. Such an evaluation is voluntary. For that purpose, the CA of a Member State may check the quality of information submitted in the registration and may ask for additional information if the quality of information submitted was not sufficient or if there is a reason for concern. A substance shall only be evaluated by one Member State at a time and any evaluation must be based on previous work.

To ensure consistency, decisions by individual CAs on further testing will be agreed through a Community-wide procedure. The Agency also has a key role in identifying any inconsistent application of the process. Disagreement between CAs can ultimately result in a Commission decision being required.

7. Authorisation

All uses of substances with intrinsic properties of very high concern will have to be authorised, once such a substance is identified in Annex XIII.

Such substances of very high concern are:

- category 1 and 2 CMRs;
- substances which are persistent, bioaccumulative and toxic (PBT);
- substances which are very persistent and very bioaccumulative (vPvB), and
- other substances, such as endocrine disruptors, that present an equivalent level of concern.

Substances to be authorised will be identified in Annex XIII along with a deadline for applications, and the date by which applications must be processed by the authorities. First priority will be given to substances where regulatory action will have the greatest impact on the protection of human health and the environment.

Prior to inclusion in Annex XIII, some PBTs and vPvBs, and certain other substances giving rise to similar levels of concern will have to be identified on a case-by-case basis. A Member State initiating the procedure to subject such substances to the authorisation system, has to demonstrate that PBT or vPvB properties or equivalent properties of very high concern are present. This is subject to an agreement procedure, which may result

in a Commission Decision in the event of disagreement between the Competent Authorities.

To obtain an authorisation, a manufacturer, importer, or downstream user will have to demonstrate that the risk from the use of a substance can be adequately controlled or that the socio-economic benefits outweigh the risk. Authorisation decisions for uses for which the risks cannot adequately be controlled, should take account of available information on alternative substances and processes that may replace the use. To focus efforts on aspects of highest concern, authorisations will only consider risks from the properties that led a substance to be subjected to authorisation (if a carcinogen is also an irritant, the irritancy will not be considered). Community wide authorisations will be granted by the Commission after considering a recommendation of the Agency in all cases where the applicant places, or intends to place, the substance on the market.

To simplify and lighten the system, an authorisation will be valid for enterprises further down the supply chain as long as they abide by the conditions of the authorisation for the intended use and inform the Agency.

Grouping of applications for authorisation is also possible, subject to justification by the applicant. Groups can be: manufacturers, importers and downstream users; substances; uses; or any combination of these groups. This is to enable costs to be minimised and to enable the system to process applications rapidly.

8. Restrictions

The restrictions process acts as a general 'safety net' for the whole REACH system. Any substance may be subject to restrictions (e.g. banning, or allowing particular uses under specified conditions), regardless of whether they are subject to registration or not. The restrictions process enables risk reduction measures to be introduced across the Community where they are shown to be necessary. Member States may suggest restrictions to be proposed by the Commission by sending a structured dossier to the Agency. The Agency will deliver an opinion to the Commission on the risks identified and the socio-economic impacts, taking into account alternative substances and processes. Restrictions will be adopted by a Commission Decision in a comitology procedure.

The Commission can also make use of the restrictions process to, for example, add new category 1 and 2 CMRs to the existing ban for consumer use or to implement relevant aspects of international agreements on persistent organic pollutants (POPs).

9. Agency

A newly created, independent Agency will be at the centre of the REACH system. It will play a key role in supporting the Commission, Member States and other actors with technical expertise and by establishing and running the IT infrastructure.

Through its expert Committees, it will advise the Commission:

- on priorities to set up the authorisation procedure,
- on applications for authorisations for the uses of substances of very high concern,
- on risk reduction measures for dangerous substances.

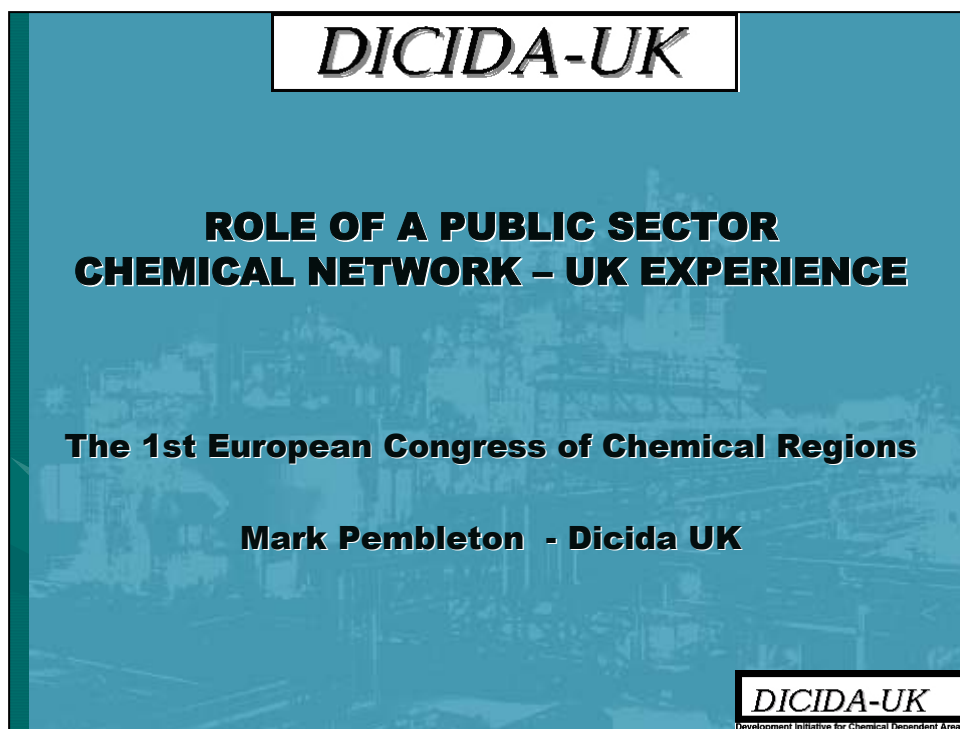
Furthermore, the Agency will help ensure a common approach between Member States, in particular in the evaluation stage and in enforcement issues. For the latter purpose, it will establish a forum of Member States to co-ordinate a network of enforcement authorities to promote a common approach to implementation of the measures.

The Agency will be established with an Executive Director appointed by the Management Board on the proposal of the Commission and responsible to the Board consisting of 15 representatives, including 6 nominated by the Commission. All Member States will be invited to make nominations for appointment to the Agency's Committees; the Management Board will appoint members on the basis of established competence. The aim will be to have nationals from all Member States, which make suitable nominations, present on the committees.

Most of the costs of the Agency will be met by fees fixed by the Agency and levied on enterprises for registration and authorisation, the remaining costs will be met by funding from the Commission.

1.2 Role of a Public Sector / Chemical Network – UK Experience

(Mark Pembleton; DICIDA Network UK)



DICIDA-UK

**ROLE OF A PUBLIC SECTOR
CHEMICAL NETWORK – UK EXPERIENCE**

The 1st European Congress of Chemical Regions

Mark Pembleton - Dicida UK

DICIDA-UK
Development Initiative for Chemical Dependent Areas



PRESENTATION AGENDA

- What is DICIDA-UK?
- Why was it formed?
- Current work programme
- Transferable best practice for a Network of European Chemical Regions

DICIDA-UK
Development Initiative for Chemical Dependent Areas

WHAT IS DICIDA-UK?

- A Local Authority Network
- Flexible Membership
- Objectives
- European Credentials

DICIDA-UK

Development Initiative for Chemical Dependent Areas

WHY WAS IT FORMED?

- Global nature but local impact of chemical industry
- Multiplicity of regulations effecting the industry
- Unique position of Local Authorities
- Strength through a Network

DICIDA-UK

Development Initiative for Chemical Dependent Areas

CURRENT WORK PROGRAMME 2003 - 2004

- **E.U White Paper**
 - local communities response
- **Chemical Industry Skills issues**
- **W.E.E.L.S**
- **Industry image**

DICIDA-UK

Development Initiative for Chemical Dependent Areas

CURRENT WORK PROGRAMME 2003 - 2004

- **U.K Chemical Stakeholders Forum**
- **Pipelines**
- **Serveso II**
- **European Chemical Regions Network**
- **Interreg IIIc Bid**

DICIDA-UK

Development Initiative for Chemical Dependent Areas

TRANSFERABLE BEST PRACTICE FOR THE NETWORK OF EUROPEAN CHEMICAL REGIONS

- Agreed annual work programme
- Meetings held in different regions
- Shared tasks clear delegation
- Annual monitoring and evaluation
- Open and fun

DICIDA-UK

Development Initiative for Chemical Dependent Areas

1.3 The Chemical Industry of Piedmont

(Massimo de Andreis; Director of Union of Chambers of Commerce of Piedmont)

Before I start my report, let me say a few words about the region I come from and represent: Piedmont. This region is located northwestern Italy, it has a population of 4 million people and a surface area of over 25.000 square kilometers. Piedmont produces 8.7% of Italy's GDP, in other words over € 106 billion. Thanks to the 400.000 companies operating here, the regional economic structure is based mostly in the industrial sector, with prominent manufacturers in the automotive, textiles and food sectors. A positive trade balance and an exports for nearly € 30 billion also bear witness to a strong projection of the regional economy abroad. Sixty percent of Piedmontese exports go to the countries of the European Union, first and foremost France and Germany.

Piedmont is also region with a rather large number of chemical companies: there are approximately 800 companies that operate in the regional chemical sector and employ a total of 16.000 people. The foreign trade balance of Piedmont in the chemical sector is slightly negative. In fact while exports amounted to €1763 million worth of chemical products in 2002 (mainly base chemicals), imports of chemicals amounted to €1948 million. The conjuncture analysis that the Piedmont Chambers of Commerce conduct quarterly revealed that the region's chemical sector has been substantially stationary and acyclic, in other words it did not suffer from the recession that had affected many other industrial sectors in the past two years.

I am glad to point out that Piedmont has shown its excellence in the chemical sector in the Novara Province. The chemical industry of Novara was born in the 1950s thanks to outstanding personages such as Giacomo Fauser and Guido Donegani. To them we owe the establishment of important state-of-the-art research institutes as the Guido Donegani Research Institute and the ANIC laboratory for the hydrogenation of fuels. Another determining factor of the penetration and development of the chemical industry in the Novara Province is its geographical position, immediately to the west of the Milan Province and the Lombardy Region, a region in which chemical companies are highly concentrated. Over the years this geographical closeness, along with the indisputable opportunities offered by the territory itself, has induced many Lombard companies, and some of their offshoots, to operate in the Novara Province. As a matter of fact there were more than a few cases of workers who succeeded in their attempts to start their own business west of the Ticino River.

Now I would like to move on to some more general as well as some more specific considerations regarding the chemical industry.

In the past century the chemical industry has occupied an important position in development processes worldwide. Clear signs can be seen by focusing on the current annual turnover of this sector, which is estimated at around 1700 billion dollars, of which 32% pertains to European companies and 28% to American companies, 13% Japanese, and the remaining 27% fractioned into many small producers scattered throughout various countries.

Italian chemicals manufacturing in Europe, amounting to € 52 billion in the year 2000 and employing a work force of 187.000 people, holds approximately 12% of European chemical production. It is the fourth largest after Germany, France and the United Kingdom.

As regards the composition of the Italian industry, according to data obtainable from the ISTAT, it consists of a large number of small and medium enterprises that contribute over 52% to total production worth.

Analysis of the territorial distribution shows a high concentration of chemical enterprises in the northern regions, in which a little under 70% of the sector's workforce is employed.

According to the point of view of the Chambers of Commerce it is important to confront the prospects of the chemical industry in four key areas: research, globalization, the environment and specialization.

The inalienable relationship between chemicals and scientific developments make it indispensable to carry on research constantly. This affirmation is clearly demonstrated by the data of the year 2000. Investments in research and development amounted to 1.3 billion euros, which is over half of the 2.1 billion euro of total investments.

Notwithstanding, these investments Italian companies need support and facilities to keep up with our competitors on international markets. The fear, certainly well founded, is that the Italian chemical sector, in spite of the large investments in research just mentioned, is not able to sustain an international-type competition globally.

According to the chambers of commerce, the territorial approach is advantageous. It consists of improving and promoting local specificities by creating suitable relationships to help public institutions, entrepreneurial forces and workers pursue goals of collective growth. In short we must find out whether the competitiveness mechanisms of the so-called "industrial districts" can function, an economic development model of northern Italy traditionally associated with other industrial sectors.

If we analyze the individual categories of the chemical industry, and therefore separate basic chemicals from pharmaceuticals, it becomes clear that only the latter is maintaining a considerable growth in demand resulting from a parallel demand for "health", both in developed countries and undeveloped companies countries, as well as the aging of the population.

We can make the supposition that in the past 13 years in large chemical-pharmaceutical enterprises the higher returns of research on pharmaceuticals have restrained the progress of chemicals research, resulting in less availability of economic resources.

Now, let us move on to the second aspect: globalization.

The overall evolution of the past decade has undergone the effects of the growing role of emerging markets on European chemicals and its companies. Though chemical products are becoming less essential to the development of new industries (remaining important however, even in the more immaterial sectors such as ITC), they maintain a fundamental role in the processes of development and industrialization for meeting primary needs (chemicals for agriculture) and developing the more advanced consumer areas (household items, clothing, cleaning, health, transportation, etc.) and the major infrastructures.

The demand for chemical products is a rapidly growing trend in developing countries, one of the reasons being that they are leaders in some of the principal user sectors (textiles, leather, the transformation of plastics, etc.).

It is also strategically important for chemical companies to choose a strong manufacturing presence in new areas (the Far East, India, Turkey, Eastern Europe) especially due to the need to locate near where the demand is coming from (for the just-in-time business) as well as and the location decisions of major world customers.

The third line of analysis regards the environmental issues.

After an initial phase of disorientation that was quite intense, and after an in-depth analysis of the reasons which actually banished chemical companies to the corner of liability in the field of safety, environment and health, environmental prevention played an important role in the development of the chemical industry in the past few years in terms of an organizational and economic effort and in terms of legislation that could modify international competitiveness.

Companies have increasingly started using state-of-the-art environmental management systems which are more frequently being certified (with the ISO 14000 and the EMAS standards), the commitment to research (in “green chemistry”) for clean processes and products, the development of marketing policies to confront the growing demand for environmentally friendly products. The results of these efforts have already become evident in the past few years.

In the European Union and each of its countries there has been an increase in the legislative efforts to protect the environment. Due to the characteristics intrinsic to chemicals, this commitment and the efforts to carry it out in practical terms have consequences that substantially affect costs, management systems, location decisions and, in more general terms, competitiveness and long-term growth.

In this regard is also worth noting the recent presentation by REACH (Registration, Evaluation and Authorization of Chemicals) by the Commissioner Wallstrom, a program that can radically change the EU policies in the chemical sector. In short, the chemical companies themselves will be responsible for the flow of information and the public authorities will no longer have to demonstrate that a chemical product is hazardous. This legislative apparatus on the EU level could favor environmental dumping deriving from less restrictive laws in other areas of the world.

The fourth and last aspect: specialization.

The evolution of the various scenarios of competition is so rapid that any kind of stylization risks becoming obsolete in a very short time. Currently there seem to be four main types of specialization among the large chemicals groups:

1. Petrochemicals, with the predominance of companies associated with oil companies, but also those having new actors who acquire the business of companies that have decided to give up basic chemicals manufacturing.

2. The chemicals of the life sciences (pharmaceuticals and biotechnologies), where – in the awareness of growth trend and the need for huge investments in research the number of companies is constantly on the rise. The companies, the distinctive factors, the technologies and competencies have become completely different from the traditional ones of chemicals, thus justifying for all intents and purposes a separate culture and trade identity.

3. Fine chemicals and specialties, with the influx of large specialized groups in this area which was previously dominated by divisions of large companies or specialized SMEs. In this category, where Italian SMEs are numerous, new actors who are much more aggressive and competent/focused are growing –I also through a dynamic policy of external growth.

4. Chemicals for consumption (cosmetics and cleansing products), where the relationship with chemicals is mainly between the purchaser and vendor and where the product portfolios have progressively done away with chemical activities, giving preference to specialization in activities with a high marketing content.

In fact the decreased flexibility of demand, the new challenge of innovation, the globalization of the market and environmental issues have led to corporate policies that are substantially different and new with respect to those of the previous decade.

In a nutshell (and at the cost of oversimplifying), during the 1980s in reaction to the two oil crises, the large chemicals groups developed policies to diversify their products. They either acquired activities in fine chemicals, specialties and pharmaceuticals or reinforced their own manufacturing in these areas. In general the goal was to attain a product portfolio with a balance of highly cyclical business (i.e. petrochemicals) and

others which were more stable but in any case connected in the value chain to chemicals.

The crisis (especially in prices) of petrochemicals in the early 1990s and the difficulty of managing activities which were less and less congruous with corporate cultures and radically different success factors led to successive waves of different operations which changed the features of the chemical industry. It became less logical to maintain highly diversified activities within the same company, also differing in their capacity to create profits, in a context where all the industrial sectors were showing a need to gain in every cyclical phase. There started to be a definitive awareness that each individual division had to solve their own problems and thereby generating a maximum of growth and profitability.

Lastly, it is interesting to note that, except in a few cases, the concentration of petrochemical manufacturing did not meet with binding opposition by the European or American antitrust laws due a comprehension of the worldwide dimension of the specific lines of business.

I would like to conclude with a reference to the realm of chambers of commerce, since I am the director of the Union of Chambers of Commerce of Piedmont. Chambers of Commerce in Italy represent all economic categories and their mission is to increase the growth of the system of enterprises locally. Therefore, in addition to having an administrative and registry function for companies, chambers of commerce work intensively on the designing and planning of interventions to increase the competitiveness of the system of companies in all economic sectors, including chemicals. In particular the chambers of commerce have taken action in three different areas that are strategically important for companies in the chemical sector: innovation, training and internationalization. In the area of technological innovation, the chambers of commerce have supported the creation of science and technology parks and contributed to improving the relationships between entities who conduct the research and companies who use the research.

In the area of training, the chamber bodies deal with training courses for entrepreneurs and neo-entrepreneurs as well as surveying companies' needs for personnel in order to build professional training courses that meet each company's specific needs.

Finally, as regards internationalization, the Italian chambers of commerce traditionally provide important support to projects for the internationalization of enterprises, through foreign trade, direct foreign investment and international collaboration agreements.

Finally, I would like to thank the Network of Chemical Regions in Europe for the opportunity they have given me, and indirectly given to Region of Piedmont and the network of chamber chambers of commerce, to participate in the first European Congress of Chemical Regions.

1.4 Cefic Views on the EU Industrial Policy and on the Future Chemicals Legislation

(Uta Jensen-Korte; CEFIC)

This document summarises Cefic's view on some aspects of the industrial policy in Europe, and also presents some sector specific comments from the chemical industry's perspective.

The industrial context of chemicals industry

The chemical industry operates in a global context and is heavily exposed to distortions of competition. Therefore, it needs a business environment that allows it to successfully engage in competition with other regions.

An essential condition for the competitiveness of the chemical industry is the completion of the European internal market. Much has already been achieved in this area, but there is still a lot of unfinished business, for example developing the internal market for services, completing the financial services action plan, reforming energy, transport and communication markets, and so on.

The enlargement of the Union eastwards is an opportunity, as it will provide European industry with a larger home market from which it can operate globally.

On the other hand, enlargement also poses major challenges as it comes to implementation of regulations throughout Europe, so as to avoid distortions of competition within the Union.

The current climate for chemical investment is not very favourable in Europe, which causes net outflows of investment. In 2000, the EU chemicals outflows accounted for more than one third of the total outflows in the manufacturing industry. By contrast, capital invested in the EU chemicals industry accounted for only 12% of the total inflows in the manufacturing industry. This is to a large extent due to the lower return on investment in the EU.

For example, the profitability of the EU chemical industry against its US counterpart is significantly lower. Over the years 1996-2001, the difference in profitability (gross operating surplus) amounted to about 15% on average for pharmaceuticals, about 8% for industrial chemicals and about 7% for total chemicals.

Key requirements for EU industrial policy

Cefic considers that a coherent and sustainable industrial policy is the key to fulfilling the commitment made by the March 2000 Lisbon European Council towards the goal of making the EU the most competitive and dynamic knowledge-driven economy in the world by 2010.

The chemical industry wants internationally competitive framework conditions within which our industry can flourish. Like companies, also countries and regions compete internationally for capital, know-how and qualified staff. It is the task of the European and national authorities to make Europe as attractive as possible to skilled workers, entrepreneurs and investors, especially by ensuring good infrastructure and favourable tax and regulatory regimes.

While the European chemical industry is doing all it can to meet the challenge, **Cefic believes the EU and the governments of the Member States must do more to keep Europe attractive and competitive as a place for doing business.**

Most policy areas have an impact on industry's competitiveness: internal market, competition, social, fiscal, research and development, education, environment, consumer health, transport, energy and trade, and particularly the chemicals policy review. **A coherent industrial policy is horizontal in nature and takes into account sector specific issues. Cefic therefore welcomes the acknowledgement of this in the Commission's Communication, and the specific mention of the chemical sector.**

Sector specific comments: EU Chemicals Policy Review

DG Enterprise and DG Environment of the European Commission have just published their draft text for the new chemicals legislation on the internet for public consultation. **The European chemical industry continues to fully support the political objectives of the new chemicals legislation,** aimed at ensuring the protection of human health and environment, as well as the competitiveness of the industry. The current rules need to be simplified and updated to create a consistent and transparent framework for business.

However, ever since the publishing of the White Paper on the future strategy for chemicals in February 2001, we have had some serious concerns about the

practicality of the proposed system. On the basis of what we have seen so far in the draft legislative proposals, our concerns are only increasing.

With this in mind, we have two key messages regarding the chemicals policy review:

1) We need to create a workable system

We must focus on science-based risk assessment, which is in line with the conclusions of the World Summit on Sustainable Development in Johannesburg, in order to establish a manageable system. Sound **scientific risk assessment of chemicals**, a fundamental principle that has long governed chemicals regulation, must be maintained and targeted to deliver real results on areas of most concern in the shortest possible time.

Positive aspects of the proposed system

- **No registration of substance < 1 t/a**
- **No phasing out and no general substitution of substances solely based on hazardous properties**
- **The consideration of socio-economic aspects and risk assessments is intended**
- **Phase-in time of the new system 11 years after entry into force of legislation**

In order to avoid an overburdened and unmanageable **REACH** (Registration, Evaluation, and Authorisation of Chemicals) system, an efficient functioning of REACH must be ensured.

Most critical aspects

- **Described process – heavy and bureaucratic:**

We think the described processes are very heavy and bureaucratic. Although the Commission proposes a central agency for management of the system, it seems that the agency is mainly responsible for administrative tasks, while management itself is devolved to the Member States. For example, regarding phase in substances the draft text proposes that the Member States shall carry out the evaluation of the substances. The Member States would share this task in

proportion of their total populations in the EC. This would not lead to a harmonised system.

- **Remedies are not sufficiently developed, e.g. right of hearing, second opinion or appeal:**

We also believe that the draft text does not grant effective remedies which still have to be installed for the whole REACH process. By remedies we understand a trifold system including in each case, successively, a right to a hearing, a right to a second opinion or appeal, and a right to a judicial remedy.

- **Scope of legislative proposal is too wide, maybe a more realistic timing should be considered:**

The scope of the system should be limited to non-polymeric substances that are placed on the EU market in quantities greater than 1 tonne per year. Polymers should be exempted, as they generally have non-hazardous properties, and their starting components are already covered by REACH. **Intermediates should also be exempted from the system**, because they are only used within the chemicals industry, and thus humans and the environment are not exposed to them. Potential exposure of workers is controlled by other legislation.

The **authorisation** procedure should be confined to the uses of **substances of very high concern**, namely category 1 and 2 carcinogens, mutagens, reproductive toxicants (CMRs), and persistent organic pollutants (POPs).

- **Chemical Safety Report (CSR) for substances covered by vertical legislation or used downstream:**

It seems that even substances covered by vertical legislation (e.g. substances in medical devices, food additives and food stuffs) that are exempted from REACH will have to provide a Chemical Safety Report, which will lead to duplication of work. In addition, the requirements for preparing CSR's for downstream users are very demanding and bureaucratic, leading to duplication of reporting by manufacturers and importers. This will also create a flood of different Safety Reports, depending on the supplier, product, and use.

➤ **Extensive information requirements:**

The proposed information requirements are over-demanding and go beyond the proposals of the White Paper and the current regulatory requirements for the notification of new substances. Cefic supports a bottom-up approval in terms of information requirements depending on the use and exposure of a substance.

2) We must maintain competitiveness of the industry

Our second key message focuses on competitiveness. The chemical industry is a genuine European success story contributing significantly to the economy, technological innovation and welfare of society. However, the **European chemical legislation should help support its efforts to remain competitive and to grow in a sustainable way in Europe as well as globally**. The new chemicals policy must deliver a cost-effective system that is consistent with the EU's international commitments. An unintentional development of "fortress Europe" must be avoided.

Already today, bringing a new chemical to the EU market takes 3 times longer and costs ten times as much as in the US. Substance innovation with new chemicals, on which the future of the industry depends on, is therefore mainly taking place outside the EU. **The situation is inconsistent with the commitments made by the Lisbon Summit.**

Conclusion

In order to succeed, the new policy must ensure that all other policies are applied so as to support the competitiveness of Europe's industry and the employment of its people.

Regarding the new chemicals policy, we therefore need a manageable system which works for regulators and for industry, and which is able to fulfil the expectations of the society.

The chemical industry will continue to make a positive contribution to Europe, provided that the framework conditions are supportive.

2. Sustainable Development in Chemical Regions



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

2.1 The European Parliament's view on the EU Chemical Policy

(Dagmar Roth-Behrendt; Member of the 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.

2.2 The European Commission's proposals for a future EU Chemicals Policy and Legislation

(Robert Donkers; European Commission, DG Environment)

THE EUROPEAN COMMISSION'S PROPOSALS FOR A FUTURE EU CHEMICALS POLICY AND LEGISLATION

1st European Congress of Chemical Regions
Brussels, 21 May 2003

Robert Donkers
Deputy Head of the Chemicals Unit

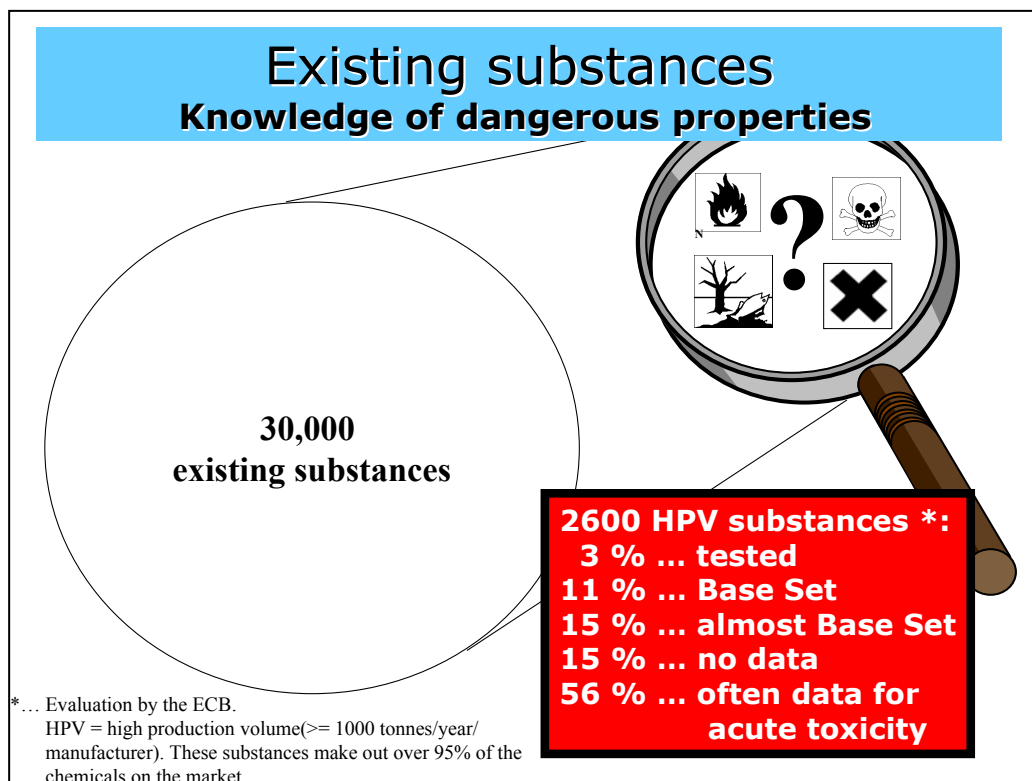
Directorate-General Environment, European
Commission, Brussels

The Current EU Chemicals Policy

Existing substances

- ☐ Existing substances can be used without testing (100,106 existing substances registered in EINECS)
- ☐ 30,000 to 70,000 on the market
- ☐ Public authorities to prove a substance is NOT safe
- ☐ No efficient instrument to ensure safe use of the most problematic substances
- ☐ Risk assessments too slow
- ☐ Insufficient resources on the part of Member States: heavy delays (4 to 6 years for some substances)

Lack of Confidence in Chemicals



A Sustainable EU Chemicals Policy

Objectives

□ **Sustainable Development**

- Protection of human health and the environment
- Innovation & Competitiveness of EU Chemical industry
- Employment in the chemical and other sectors
- Prevention of fragmentation of the Internal Market
- Increased Transparency and consumer awareness
- Integration with international efforts
- Promotion of non-animal testing

Precaution

Substitution

Guiding Principles

The REACH System

One System

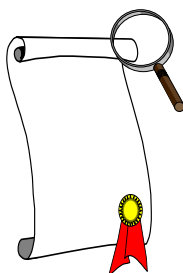
- ❑ A single, coherent system for new and existing chemicals with the following three new elements:
 - **Registration**
 - **Evaluation**
 - **Authorisation + Accelerated Restrictions**
 - **Chemical substances**
- ❑ A tiered approach to chemicals with a focus on chemicals in high volumes or of great concern.

Tiered Approach

REACH

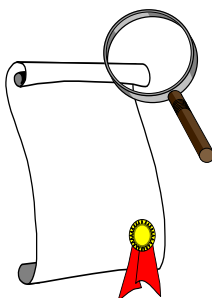
Registration

> 1 tonne



Evaluation

> 100 tonnes
and lower in cases
of concern



Authorisation

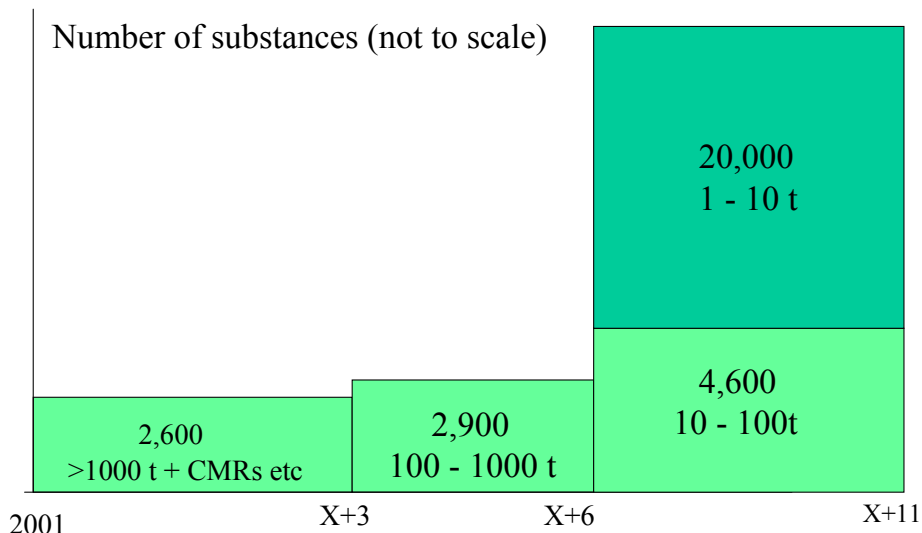
CMR, PBTs, vPvBs
& POPs

Accel. Risk Management

Restrictions of
other Substances



Registration of Chemicals: A Phased Approach + Pre-registration



Registration Requirements

- ☐ Data/information on identity and properties of substances (including data on toxicological and ecotoxicological properties)
- ☐ Intended uses, estimated human and environmental exposure
- ☐ Production quantity envisaged
- ☐ Proposal for the classification and labelling of the substance
- ☐ Safety Data Sheet
- ☐ Preliminary risk assessment covering the intended uses
- ☐ Proposed risk management measures

Council and European Parliament

Strong support for White Paper

Council

- ☐ PBT and vPvB substances under Authorisation scheme
- ☐ Secure workers' protection
- ☐ Supportive measures for in particular SMEs

Parliament

- ☐ Only time-limited authorizations and when applicant is developing alternative
- ☐ Yearly report on volumes
- ☐ No substances of very high concern in consumer products from 2012 and no authorisations after 2020

Rights and Obligations of Industry

- ☐ General duty of care irrespective volume placed on the market (NB. Council wants "simple" registration for substances produced/imported below 1 t level !)
- ☐ Obligation on producers/importers to deliver data on substances, where necessary after testing
- ☐ Downstream users to inform authorities where use differs from that envisaged by manufacturer
- ☐ Risk assessments to be performed by manufacturers (and downstream users in case no sharing of data with producers)
- ☐ Avoid duplication of animal tests
- ☐ Property rights for test data

New Responsibilities

- ❑ **Industry** responsible for **generating the knowledge** about chemicals including preliminary risk assessments
- ❑ Application of **precaution**, in case industry is not performing
- ❑ **Downstream users** obliged to **assess the safety of their products**
- ❑ **Member State Authorities** collectively responsible for evaluating data under **Registration and Evaluation phases**
- ❑ A **Chemicals Agency** provides the **technical, scientific and administrative framework**

Reversed Burden of Proof

Why an Agency?

- White Paper called for creation of a ‘central entity’
- Feasibility study
(<http://www.europa.eu.int/comm/environment/chemicals/whitepaper.htm>)
- Agency advantages
 - better long term continuity & credibility
 - financial (fees, staff)
 - consistent with governance White Paper (role of EC)
- Agency drawbacks
 - potential problems with start-up

Issues settled on 7 May 2003

- ☐ **PBT and vPvB substances + Endocrine disruptors** etc on case by case basis
- ☐ **R & D excluded**, 5 years + 5 years extra if needed
- ☐ **Intermediates, different treatment according to risk and management measures**
- ☐ **Polymers, “big” ones (> 10 000 Dalton) not included and registration after X + 11 years**
- ☐ Substances in **articles**, including when **imported, only when significant release during use**
- ☐ **Chemicals Agency, role of Member States**
- ☐ **Structure of the legislation: one single text (1200 pages)**

IMPACT ASSESSMENTS

- Business Impact Study (May 2002) on direct costs: € 4 billion over 11 years (to be updated)
- Indirect costs: difficult to estimate, could be € 14 -26 depending on how industry and market adapt and start using substitutes and redesign products where needed
- Occupational health study: difficult to estimate, potential benefits € 18 - 54 billion and 2200-4300 cancer cases less per year over a 30-year period
- Environment and public health study: ongoing, difficult to estimate, but for instance earlier measures on TBT would have avoided billions on lost income on shellfish and high costs on ensuring appropriate bathing water quality

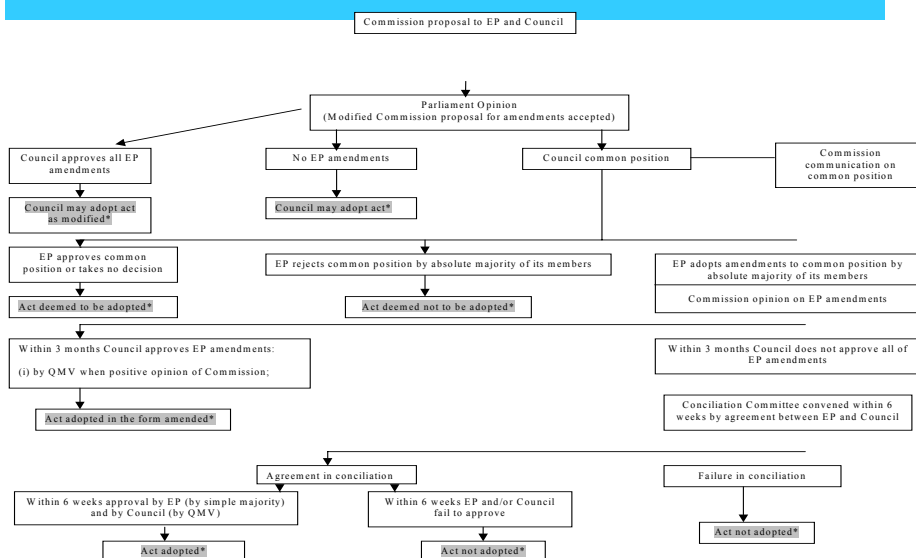
Timetable for the legislative process

Commission process

- 📅 Commission orientation debate: 7 May 2003
- 📅 Internet consultation on workability: started on 15 May 2003 and runs until 10 July 2003
- 📅 Adaptation of draft, if necessary, on basis input from stakeholders
- 📅 Updating of impact assessment
- 📅 Final round of inter-service consultation: September 2003
- 📅 Final adoption by Commission: October 2003
- 📅 Stakeholders Conference in the fall

Co-decision procedure between European Parliament and Council of Ministers. Final decision in 2005/2006??

Co-decision procedure



2.3 Sustainable Economy as a joint Task of the State and Business

(Ernst-Christoph Stolper; Head of Department, Ministry for Environment, Agricultural and Consumer Protection North Rhine-Westphalia)

I am very grateful for the kind invitation to speak at this interesting congress in Brussels.

I would like to present to you the programme of cooperation with the chemical industry in the state of North Rhine-Westphalia – which I would call the North Rhine-Westphalian cooperation model – aimed at promoting a sustainable economy.

But let me start by pointing out two facts: firstly, the chemical industry has traditionally played - and still plays - a central role in economic development in North Rhine-Westphalia; secondly, this industry began to tackle the question of sustainability at an early stage. It is therefore natural that the state government gives special attention to cooperation with the chemical industry in promoting sustainable economy.

The North Rhine-Westphalia cooperation model for promoting sustainable economy consists of three elements:

1. promoting resource efficiency
2. reducing the burden of administrative procedures
3. providing support for smaller and medium-sized enterprises

Regarding resource efficiency, I would like to mention first of all the activities carried out in the context of the state-wide Agenda 21 project in North Rhine-Westphalia.

In North Rhine-Westphalia we have been pursuing a state-wide sustainability strategy for almost two years - a strategy we call “Agenda 21 NRW”. We are conducting this process together with partners from the fields of business, politics, science, trade unions, environment and consumer organisations, churches and other social organisations.

One of the six subject areas covered by the “Agenda 21 NRW” is devoted specifically to the sustainable economy. The others are dealing with subjects such as energy, transport, municipal land policy, consumer protection, health, social welfare policy and global responsibility – all of which have major relevance for the economy and the environment.

In addition to concrete projects that have already commenced, we are currently drawing up overall concepts and behavioural targets for all of these different areas aiming at the

promotion of sustainable North Rhine-Westphalia. The chemical industry makes a decisive contribution to this programme, specifically in the area of “sustainable economy”.

Their involvement is also reflected in the so-called “Zukunftsrat”, a special council for planning future development established by the state government as part of the Agenda 21 programme. The council is composed of prominent figures from the fields of business, science, media and social groups. The chemical industry is represented in the “Zukunftsrat” by Dr. Schulenburg, chairman of the North Rhine-Westphalian branch of the German chemical industry association.

The central assignments of the “Zukunftsrat” are to advise the state government, to devise strategies for promoting sustainable development in North Rhine-Westphalia and to provide impulses for the thematic orientation of the “Agenda 21 NRW”.

Without anticipating the ultimate findings of the “Zukunftsrat”, I can state that the area of resource efficiency will play a central role in its final recommendations. Progress is currently being made in drawing up an ambitious concept of sustainable regional development that takes advantage of the present strengths of North Rhine-Westphalia and its regions and that merges different environmental, economic and social goals in a cohesive and productive way.

Another aspect of resource efficiency of special significance for North Rhine-Westphalia is waste management. Approximately 50 million tons of industrial and commercial waste are generated every year.

About one quarter of the total volume of approximately 4 million tons – that means around one million tons - of hazardous waste that accrue in North Rhine-Westphalia each year is generated by the chemical industry.

For this reason, my Ministry is currently carrying out a special sector programme in cooperation with the North Rhine-Westphalian chemical industry association (Verband der Chemischen Industrie – VCI). In this programme approximately 1,100 plants requiring permits at 290 sites of the chemical industry are examined with a view to exploiting untapped potential for preventing and recycling waste and waste water. The results of this examination will be taken as a basis for compiling a set of guidelines that will present the best available technique for selected processes.

The optimisation measures presented in the guidelines will be implemented in cooperation between public authorities and the relevant plant operator. Because this examination has not yet been completed, no definite figure can be put on the potential for waste and waste water reduction. I am confident, however, that we can together achieve major success in this venture.

Companies that operate efficiently with resources and according to principles of sustainability produce more economically and are generally more innovative than other enterprises.

This fact has been recognised by the chemical industry a long time ago. With the international concept of “responsible care” it gave early testimony to its commitment to sustainable economy and to its special responsibility for environmental protection, health and safety.

The second element in our programme of cooperation is reducing the burden of administrative procedures for enterprises that have made special efforts in the area of sustainable economy.

The Ministry of the Environment has for some time now been helping those companies that have introduced an environment management system in accordance with the EU eco-management and audit scheme (EMAS) in dealing with public authorities. Special attention is given to preventing duplication of work and to simplifying reporting procedures. North Rhine-Westphalia was, however, one of the first German states to provide administrative assistance not only for the EMAS but also for the environmental management system in accordance with ISO 14001 which is finding increasing international recognition. Both of these regulations were drawn up in close cooperation with the VCI.

My Ministry and VCI NRW are currently discussing further possibilities of reducing the burden of administrative procedures, in particular in the area of emission announcements and reporting obligations. It is intended in this regard to harmonise - as far as possible - the reporting periods for different environmental regulations (e.g. for the European Pollutant Emission Register (EPER) and for the 11th and 13th directive on the implementation of the German law on emission reduction and air quality).

A good example of solutions reached through creative cooperation between business and public administration is the recently completed framework agreement between the Ministry for the Environment and the VCI NRW regarding the publication of environment

monitoring data in the Internet. According to this agreement, a company that additionally announces its emission data in the Internet, instead of merely reporting to the relevant authority, is allowed a simplified reporting procedure. The result is a more streamlined procedure for the company and more transparency for the public.

The “Effizienz-Agentur NRW”, an agency set up by my Ministry in 1998, will also play a central role in attaining a sustainable, environmentally-efficient economy in NRW. And this brings me to the third element of the NRW cooperation model: providing support for small and medium-sized enterprises.

The main purpose of the “Effizienz-Agentur” is namely to promote cleaner production technologies (Produktionsintegrierter Umweltschutz - PIUS) in small and medium-sized enterprises in North Rhine-Westphalia.

Facilitating the transfer of know-how between science and business, and between technology suppliers and technology users promotes the use of cleaner production technologies in small and medium-sized enterprises.

Two instruments of the Effizienz-Agentur deserve special mention here: the so-called “PIUS Check” and resource cost accounting.

The “PIUS Check” is a low-cost and accessible consulting and evaluation programme for small and medium-sized enterprises. Following an initial meeting with the “Effizienz-Agentur”, a Company Check is carried out with an external consultant. This aims at revealing any potential for optimisation and cost reduction. On this basis a plan of follow-up measures is drafted. Results are generally evaluated after six to nine months.

The “PIUS Check” costs about EUR 5,600 to EUR 6,400. 70 % of these costs are covered by the Effizienz-Agentur, which means the company itself has to pay only EUR 1,700 to EUR 1,900.

Since the end of 2000, the “PIUS Check” has been successfully carried out in more than 200 small and medium-sized enterprises, including a number of factories of the chemical industry (e.g. varnish producers, artificial resin producers and mineral oil processing firms).

As part of its assistance in major investment measures, the “Effizienz-Agentur” also offers advice and support to small and medium-sized enterprises in their search for suitable grant programmes.

The second instrument, which is still in a test phase, is resource cost accounting.

This will shortly lead to the publication of sector guidelines for company resource cost accounting. These guidelines are based on the results of a joint research project carried out with nine companies from three sectors, which included three chemical firms.

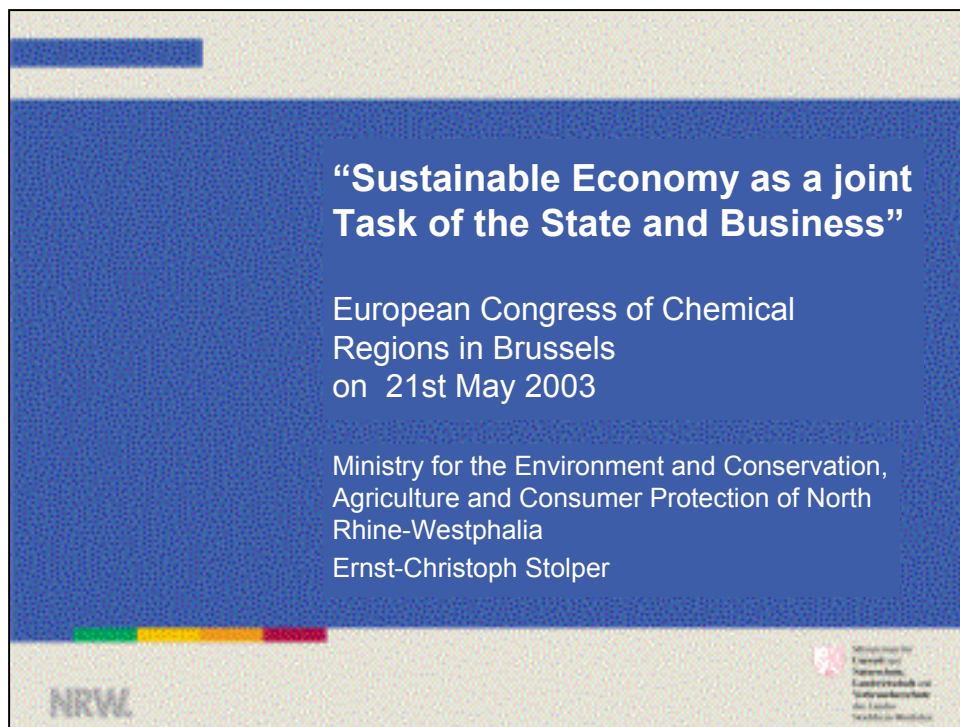
Resource cost accounting provides, as an extension of the existing company costing system, transparency regarding resource related costs and thus provides starting points for exploring and realising saving potential.

The “Effizienz-Agentur” also supports small and medium-sized enterprises in minimising their emissions of solvents – especially against the background of the EU solvent directive and national regulations on emissions (31. BImSchV). In this regard the programme includes regional and subject-specific seminars for the chemical industry.

With such a lot of cooperation between state government and the chemical industry it is of course inevitable that we are also intensively discussing the new chemicals policy of EU. Any more detailed statement on this subject would be outside the scope of my statement today. I shall therefore conclude merely by pointing out that, just last Friday, the state government together with the chemical industry organised a highly interesting and successful event with a significant contribution of the Commissioner Ms. Margot Wallström.

As you can see, in cooperation with the chemical industry in North Rhine-Westphalia we have implemented many good ideas on sustainable economy. We therefore intend to continue and expand this cooperation model for promoting the sustainable economy in the future.

Thank you very much for your attention.



Promoting Resource Efficiency

- sustainability strategy of North Rhine-Westphalia (“Agenda 21 NRW”)
 - partners from business, politics, science, trade unions, churches, environmental and other organisations
 - one of the subject areas is specifically devoted to sustainable economy
 - council for future development (“Zukunftsrat”) dealing with resource efficiency and regional concepts of sustainability
- sector programme in cooperation with the chemical industry for preventing and recycling waste and waste water

NRW

Ministerium für
Energie, Industrie,
Umwelt und
Klimaschutz
des Landes
Nordrhein-Westfalen

Reducing the Burden of Administrative Procedures

- reducing the burden of administrative procedures for enterprises that have introduced EMAS or ISO 14001
- currently discussing further possibilities with regard to the co-ordination of reporting obligations
- simplification of reporting procedures for companies that additionally announce their emission data in the internet

NRW

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Energie, Industrie,
Umwelt und
Klimaschutz
des Landes
Nordrhein-Westfalen

Supporting Small and Medium-Sized Enterprises

Effizienz-Agentur NRW – an agency set up by the state – promotes cleaner production technologies (Produktionsintegrierter Umweltschutz – PIUS)

- transfer of know-how between science and economy, technology suppliers and users
- “PIUS-Check” as a low-cost and accessible consulting and evaluation programme to reveal potential for optimisation and cost reduction
- resource cost accounting (currently in the test phase)
- implementation of new regulations, such as the EU solvents directive

NRW

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Energie und
Klimaschutz,
Landwirtschaft und
Forstwirtschaft
des Landes
Nordrhein-Westfalen

Last not Least: Discussion on the New EU Chemicals Policy

**Event on the subject
“New European Chemicals Policy”
on 16th May 2003 in Düsseldorf**

- organized by the state government of North Rhine-Westphalia
- in co-operation with chemical industry
- with a significant contribution of the Commissioner Ms. Margot Wallström

NRW

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Klimaschutz,
Landwirtschaft und
Forstwirtschaft
des Landes
Nordrhein-Westfalen

2.4 Summary

(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.

2.5 Sustainable Development Politics in Veneto

(Eng. Laura Armanini; Veneto Regional Government, Regional Agency for Environmental Protection)

Porto Marghera is one of the widest chemical industrial areas in Europe, also considering the variety and quantity of its productions and the handling of goods.

This industrial area is next to densely populated areas (to the north, west and south west) and is very near to the city of Venice.

This area is also located in the middle of the delicate ecosystem of the Venice Lagoon.

So, possible consequences of industrial accidents may cause severe damages both to environment and the population.

The Veneto Regional Government is carrying out several actions to ensure a sustainable development in this area, as well as environment protection and prevention in the Venice Lagoon:

- Program agreement for chemical industry in Porto Marghera, which takes in SIMAGE project, signed in 98 between private and public partners with the purpose to improve the environmental quality and to invest capitals to improve plant reliability and product quality
- Energy Agreement for development of thermal power plants in Porto Marghera
- Air quality monitoring plan for drainage basin in Venice Lagoon (directory plan 2000)

Considering that a sustainable development of Porto Marghera industrial area is closely connected to air quality management programs, Veneto Regional Government decided to promote Air quality monitoring plan and the SIMAGE system as a single project, and to commit to ARPAV, the Regional Environmental Agency, the realization of the executive project, subdividing the budget into three distinct lots

- I Lot: Implementation of Air quality monitoring plan for drainage basin in Venice Lagoon
- II Lot: Industrial risk assessment and realization of expert system for emergency management
- III Lot: completion of the first two lots

SIMAGE will be basically made of two components:

- **An air quality monitoring network**, dedicated to industrial chemical compounds, for prompt survey and evaluation of accidental releases from chemical plants;
- **A management structure** consisting of:
 - An informative system

- A management system
- A communication system
- An intervention system
- Upgrading air quality and environmental status of the Venice lagoon
- Ensuring sustainable development of chemical industrial area
- Preventing accidental release of chemical pollutants
- Reducing consequences of industrial accidents for people and environment

3. Reception at the Representation of North Rhine-Westphalia



Reception with Minister for Economic Affairs and Labour North Rhine-Westphalia
(Source: isw Halle-Leipzig e.V.)

3.1 Globaler Zusammenschluss der Chemieregionen in Europa

(Harald Schartau; Minister for Economic Affairs and Labour, North Rhine-Westphalia)

Anrede,

Ich freue mich, heute im Rahmen des 1. Kongresses der europäischen Chemieregionen in Europa das Chemieland Nordrhein-Westfalen vorstellen zu können.

Entlang der Rheinschiene im Raum Köln-Bonn dominieren die Grundstoff- und die Petrochemie. Die Produktion von Spezialchemikalien im nördlichen Ruhrgebiet stellt ein wichtiges Bindeglied in der weiteren Wertschöpfungskette dar.

Die Produktionspalette Nordrhein-Westfalens reicht aber noch weit darüber hinaus und kann kaum vielfältiger sein: anorganische und organische Chemikalien und Zwischenprodukte, Düngemittel und Pflanzenschutzmittel, Kunststoffe, Klebstoffe, Waschmittel, Kosmetika und nicht zuletzt pharmazeutische Produkte werden hier entwickelt, produziert und vermarktet. Aspirin, das vielleicht weltweit bekannteste Arzneimittel, wurde in bei der Bayer in Wuppertal entwickelt.

Die Chemische Industrie ist insgesamt zu einem Markenartikel für Nordrhein-Westfalen geworden. Sie hat für die Beschäftigung unseres Landes, für die Wirtschaftsstruktur und für die Innovation einen herausragenden Stellenwert.

Gut 130.000 Menschen arbeiten in Nordrhein-Westfalen in der Chemieindustrie. 35% der gesamten deutschen Chemieproduktion stammt aus NRW. 85% der Unternehmen in der nordrhein-westfälischen Chemiebranche sind kleine und mittlere Unternehmen. Sie ist eine der innovativsten Branchen.

Neue Erfindungen und Produkte beeinflussen die Entwicklung in anderen Industriezweigen- von der Automobil- über die Medizintechnik bis hin zu den Computerchips. Die Chemische Industrie steht dabei in hartem internationalen Wettbewerb. Ihre Exportquote (Anteil des Auslandsumsatzes am Gesamtumsatz) beträgt in NRW rund 50%.

Die Basis für unsere Wertschöpfung ist eine international wettbewerbsfähige Industrieproduktion. Das Zukunftsbild der Europäischen Union muss daher auch eine Perspektive für die klassischen Industrien enthalten.

Der Dienstleistungssektor ist ohne eine prosperierende Produktion kein Garant für wirtschaftliches Wachstum. Ohne eine vitale Grundlagenindustrie werden wir unseren Wohlstand nicht erhalten können.

Es muss auch zukünftig heißen: Produktion in Europa! Und für Nordrhein-Westfalen bedeutet dies, dass wir jetzt und zukünftig auf die chemische Produktion setzen werden!

Nordrhein-Westfalen ist ein guter Standort für die Chemie: Wir haben eine gute Infrastruktur mit einem ausgebauten Netz an Pipelines, das wir um eine Propylenpipeline erweitern wollen. Wir haben attraktive Chemieparks, eine starke Chemiebranche mit den Vorteilen eines Kompetenzfeldes, große Absatz- und Beschaffungsmärkte direkt vor der Haustür. Die zentrale Lage Nordrhein-Westfalens und eine gut ausgebildete Arbeitskräfte sind weitere Vorteile.

Es ist herausragende Aufgabe der Landespolitik, diesem wichtigen Wirtschaftszweig im internationalen Vergleich sichere Perspektiven zu bieten und seine weitere Entwicklung zu fördern.

Die Chemische Industrie verfügt über zwei gewichtige Standorte in NRW: die Region um Köln und die Emscher-Lippe-Region. Dort findet die Chemie nachhaltige Unterstützung in Politik, Verbänden und nicht zuletzt in der Öffentlichkeit. In den beiden Regionen haben sich die Initiativen ChemCologne und ChemSite gegründet, um die chemische Industrie in den Regionen zu stärken und die dort vorhandenen guten Chemiestandorte weltweit bekannt zu machen und um Investoren zu werben. Die beiden von der Landesregierung unterstützten Initiativen stellen sich heute vor.

Wir sehen darüber hinaus Sinn darin ein tragfähiges Netzwerk in Sachen Chemie zu knüpfen, das über die Landesgrenzen hinausgeht. Die chemische Industrie ist auf europäischer Ebene infolge spezifischer Anforderungen räumlich konzentriert und diese Chemieschwerpunkte spielen oft eine strukturbestimmende Rolle in der regionalen Wirtschaft. Wir unterstützen daher das Vorhaben, ein europäisches Netzwerk der Chemieregionen zu entwickeln. Wir versprechen uns vor allem eine deutlich stärkere Interessenvertretung davon gegenüber der Europäischen Union.

Entscheidende Rahmenbedingungen werden heute von der EU gesetzt. Die Legislativvorhaben der EU, die Rahmenbedingungen für die Chemiebranche setzten, werden von der Landesregierung besonders aufmerksam verfolgt. Ich weise auf die EU-Osterweiterung in 2004 hin, die für die wettbewerbsfähige Chemische Industrie eine gute Chance bietet.

Derzeit wird die Neuordnung der europäischen Chemikaliengesetzgebung mit weitreichenden Auswirkungen auf die Branche vorbereitet.

Die Bedeutung der EU-Chemikalienpolitik für die Chemische Industrie und ihre internationale Wettbewerbsfähigkeit kann nicht hoch genug eingeschätzt werden. Es ist das größte Rechtssetzungsverfahren, das die Kommission je vorgelegt hat.

Die Landesregierung steht hinter den mit der EU-Chemikalienpolitik verbundenen Zielen der Nachhaltigkeit und der Verbesserung der Wettbewerbsfähigkeit. In der Chemischen Industrie haben wir es häufig mit sensiblen Produkten zu tun und umfassende Kenntnisse über alle relevanten chemischen Stoffe zu haben und diese Kenntnisse transparent zu machen, unterstützen wir.

Aber wir müssen auch sehen, dass kaum eine Branche dem internationalen Wettbewerb so ausgesetzt ist wie die Chemie. Ich teile die Skepsis der Unternehmen, die nun vorgelegten Verordnungsentwürfe seien zu bürokratisch und die Umsetzung in den Betrieben wäre viel zu teuer. Vor allem mittelständische Unternehmen – ob als Chemikalienhändler, Produzenten von Spezialchemikalien oder als nachgeschaltete Anwender – können die erwarteten Belastungen nur in eng begrenztem Rahmen tragen.

Die Chemische Industrie in NRW hat sich den veränderten weltweiten Herausforderungen gestellt und ist ein international wettbewerbsstarker Partner. Die erheblichen Anpassungsanstrengungen haben aber nicht zuletzt zu Beschäftigungsverlusten geführt.

Allein in NRW sind seit 1995 mehr als 30.000 Arbeitsplätze verloren gegangen. Zu den internationalen Herausforderungen kommt hinzu, dass die konjunkturelle Lage angespannt ist. Die Chemieindustrie in NRW erhebt gewichtige Zweifel, ob die EU-Chemikalienpolitik in dieser Situation ökonomisch verkraftbar ist. Ich trete dafür ein, dass die großen Bedenken und Einwände der Industrie mit der gebotenen Sorgfalt geprüft werden.

Ich würde es begrüßen, wenn sich die Chemieregionen in der EU in diesen eminent wichtigen Fragen austauschen und zusammenarbeiten würden. Das Netzwerk der europäischen Chemieregionen ebnet den Boden für diese begrüßenswerte Kooperation. In diesem Sinne wünsche ich dieser Auftaktveranstaltung eines EU-weiten Netzwerkes der Chemieregionen viel Erfolg.

3.2 Chemieregion Köln – ein wichtiges Zentrum der europäischen chemischen Industrie

(Jürgen Hinz; Board Member Bayer AG, VCI-NRW, ChemCologne)

Sehr geehrter Herr Minister Schartau,
meine Damen und Herren!

Ich begrüße die Teilnehmer dieses europäischen Kongresses. Er stellt die Bedeutung wichtiger Chemieregionen in Europa heraus. Und ich freue mich, dass ich heute hier zu Ihnen sprechen kann. Dabei muss ich mir gewissermaßen drei Hüte aufsetzen:

- zum einen spreche ich als Vertreter des Chemieverbandes Nordrhein-Westfalen, Jürgen Hinz
- zum zweiten vertrete ich auch die Initiative ChemCologne
- und drittens bin ich als Geschäftsführer von Bayer Industry Services selbst Unternehmer

ChemCologne ist ein Zusammenschluss von Chemieunternehmen, Kommunen, Landesbehörden und Hochschulen in der Region Köln. Rund 150 große und kleine Chemie-Unternehmen mit insgesamt 75.000 Beschäftigten sind hier angesiedelt – mitten in Nordrhein-Westfalen und damit in einem wirtschaftlichen Kernbereich der Europäischen Union. Im Umkreis von 250 km leben über 60 Millionen Menschen. ChemCologne hat sich zur Aufgabe gemacht, die Standortvorteile der Chemieregion für in- und ausländische Investoren aufzuzeigen.

Wir haben in NRW hervorragende Standorte mit einer modernen Infrastruktur. Die sind für die Ansiedlung neuer oder die Erweiterung bestehender Betriebe bestens geeignet. Besonders in den letzten Jahren sind Chemieparks weiter entwickelt worden. Sie bieten vielen Unternehmen beste Voraussetzungen für Forschung, Marketing, Produktion, Entsorgung und Logistik. An diesen Standorten erbringen die Chemiaparkbetreiber anspruchsvolle Serviceleistungen z.B. Energie-, Sicherheits-, Umwelt-, Technik-, Analytik- Dienstleistungen.

Ansiedlungswillige Unternehmen können also in ein für sie maßgeschneidertes Chemiapark-Umfeld einsteigen. Trotz dieser struktureller Veränderungen möchte ich Folgendes betonen: Das hohe Niveau der chemischen Industrie bei den Sicherheits- und Umweltstandards wird auch in den Chemieparks weiter entwickelt. Das ist auch ein wichtiges Anliegen des Chemieverbandes.

Auch im Bayer-Konzern haben wir neue Wege eingeschlagen. Die Verantwortung für das operative Geschäft wurde auf vier Gesellschaften in die Bereiche HealthCare, CropScience, Polymers und Chemicals übertragen. Dazu kommen drei Bayer-Servicegesellschaften, die die operativen Gesellschaften und die Chemieparkpartner mit einem kundenorientierten Dienstleistungsangebot unterstützen.

Und in diesem Zusammenhang setze ich ganz kurz den „dritten“ Hut auf und stelle Ihnen Bayer Industry Services (BIS) vor. Mit etwa 7.000 Mitarbeitern und einer Gesamtfläche von 17 Quadratkilometern an den Standorten Leverkusen, Dormagen, Krefeld-Uerdingen und Brunsbüttel ist Bayer Industry Services der größte Chemiepark-Betreiber in Deutschland. Neben den Bayer-Gesellschaften produzieren inzwischen mehr als 25 Firmen in unseren Chemieparks und da wird das Wort „Kooperation“ großgeschrieben.

Kooperation zwischen den Firmen ist heute mehr denn je eine notwendige Voraussetzung für erfolgreiches Wirtschaften. Aber das ist nicht alles.

Auch eine gute Kooperation zwischen Staat und Wirtschaft bei Genehmigungen und Überwachung in den Bereichen Sicherheit und Umweltschutz ist notwendig und zeichnet auch die Chemieregion aus. Durch frühzeitige und intensive Dialoge mit den regionalen Behörden bemühen wir uns um schnelle Genehmigungen und vereinfachte Verfahren.

Ein Beispiel aus der Region Köln ist das Hospitationsprogramm mit der Bezirksregierung. Hier wird die Kommunikation und der Erfahrungsaustausch zwischen den Mitarbeitern bei Staat und Wirtschaft praktiziert, das heißt: So wird Vertrauen geschaffen, eine wichtige Voraussetzung für die positive Weiterentwicklung unserer Chemieregion ist. Und in dieser Art gibt es auch noch andere Beispiele.

Trotz solcher guter Ansätze sehen wir auch dunkle Wolken am Himmel. Die chemische Industrie in Europa hat derzeit erhebliche Sorgen. Die EU-Diskussion um eine neue Chemikalienpolitik, wird sehr aktuell hier in Brüssel, geführt. Dazu ist bereits vieles gesagt worden. Ich betone, dass die wirtschaftlich gravierenden Folgen einer Neugestaltung der Chemikalienpolitik die europäischen Entscheidungsträger nachdenklich machen sollte.

Die jetzigen Vorschläge führen zu hohen Kostenbelastungen für alle Chemieunternehmen. Die weltweite Wettbewerbsfähigkeit wird dadurch erheblich eingeschränkt und besonders die mittelständige Industrie, aber auch wichtige andere

Industriezweige, die Produkte der Chemie einsetzen, werden erheblich belastet. Das Chemieland Nordrhein-Westfalen unterstützt unsere Argumentation tatkräftig.

Ich wünsche uns, dass der heutige Kongress dazu beiträgt, die Rahmenbedingungen für die Chemische Industrie in den Regionen des neuen Europas zu verbessern.

Danke für Ihre Aufmerksamkeit.

3.3 Summary

(Günter Verheugen; Member of the European Commission, EU Commissioner - Enlargement)

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.)

4. The region's role in Maintaining Competitiveness



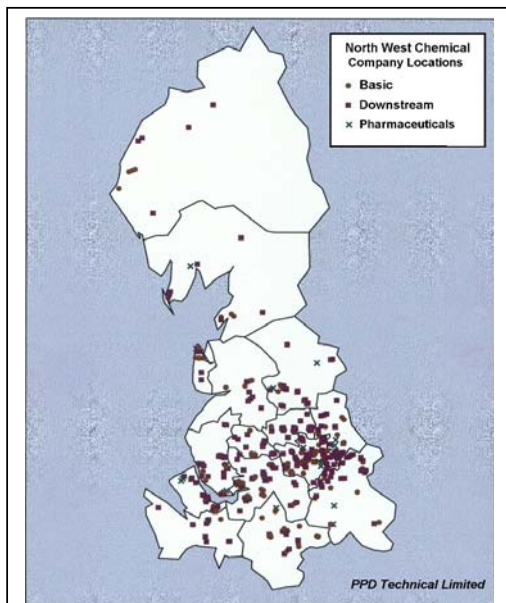
John Diggle, Henk Evers, John Frazer, Giulio Givone (Source: isw Halle-Leipzig e.V., Romanelli)

4.1 Chemical Clusters in Englands Northwest

(John Diggle; North West Chemical Initiative)



CHEMICAL CLUSTER IN ENGLAND'S NORTHWEST

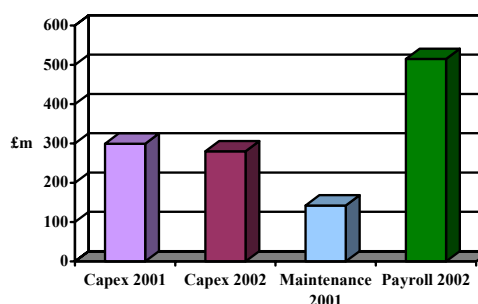
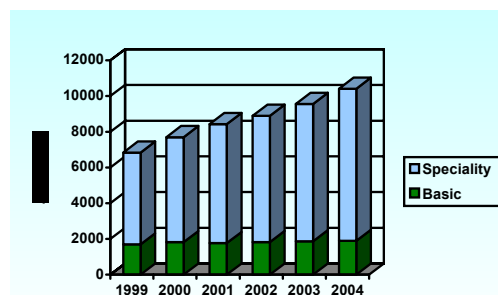


The chemical industry in England's Northwest is very diverse and large. It comprises both basic and commodity inorganics, fertilisers and petrochemicals, with a wide range of downstream speciality and fine chemical companies. There are over 450 manufacturing sites, and a further 350 companies directly servicing the industry.

In the region, there are 8 universities, and centres of excellence in chemistry and chemical engineering. Based on more than 150 years of manufacturing, the chemical cluster continues to grow, to change and to innovate.

More than 44,000 people work directly in the industry, with another 120,000 working in companies directly servicing the sector.

Independent surveys in 2002 showed that the industry sales were increasing strongly, partly because companies are becoming more efficient, and partly from the sales of new products.



England's Northwest is the largest regional centre for chemical manufacture in the UK. The **North West Chemical Initiative** is a non-profit organisation committed to ensure the continued and sustained success of the industry. Funded jointly by industry and the North West Development Agency we help the industry to become more competitive by:-

- Attracting inward investment and government funding
- Encouraging innovation
- Harnessing skills and training
- Supporting sustainable development
- Creating networking opportunities



Public Sector Support of a Chemical Cluster

**The EU Chemical Regions
Network Congress**

21st May 2003



Presentation Agenda

- **Introduction**
- **Summary of Chemical cluster**
- **Why focus on the Chemical cluster?**
- **What can be done by the public sector?**



The NW England Chemical Industry ...

- Very large, diverse, international
- 800 companies
- 87% with less than 100 employees
- supported by complex, competitive infrastructure



Chemical Industry in the NWE region...

- 20% of NW Manufacturing Output
- Between 5 and 6% of NW GDP
- North West accounts for almost 25% of the UK's GVA in Chemicals





North West Chemical Initiative

The Importance of Chemicals in Regional Economy

- Already very large, and growing
- Employs about 40,000 - 9% of North West employment in manufacturing
 - For every direct job, surveys suggest three directly servicing
- Major investor
- 30% total NW England exports
- Innovating continuously



North West Chemical Initiative

Why support the Chemical Cluster?

- Very large; small percentage change can make a large absolute increase in sales, exports, investment
- Industry has changed; fragmented and re-aligned – former networks gone
- Regional role also being defined elsewhere





North West Chemical Initiative

What can the public sector do usefully to strengthen the cluster

- Important to differentiate between **National, Regional and Local**
- Identify “services” that assist the industry
- Align and coo-ordinate the public sector providers



North West Chemical Initiative

What issues should be addressed?

	National	Regional	Local
International Trade	✓		
European regulation	✓		
Promote Innovation	✓	✓	
Skills provision	✓	✓	✓
Encourage networks		✓	✓
Business support			✓
Industry Image		✓	✓



North West Chemical Initiative

What can the public sector do usefully?

- Facilitate the creation of network(s)
(industry & academic participation essential)
- Encourage cluster to identify key issues & strategy
(forces shared understanding)
- Fund (small) data collection and cluster mapping
(where it does not exist)



North West Chemical Initiative

What can the public sector do usefully?

- Test the cluster strategy against regional economic strategy
- Entertain partnered proposals for funding, and rigorously review - "Will it make a difference?"
- Exert influence over other public sector to align with business development needs
- Develop overall umbrellas on Innovation, Skills, Sustainable Development, Regeneration under which cluster can operate



Conclusions from NWCI experience

- **Cluster development does work**
 - Needs engagement of key players
 - Takes time; players need to acquire culture of working together
 - Cannot dictate the destination
- **Essential for the industry and academics to work in new ways**
- **Focus on areas that will make a difference**



4.2 Partnership between the chemical Industry and the regional Government, the Limburg (NL) experience

(Henk Evers; Minister of Economics and International Relations, Province of Limburg)

Ladies and gentleman,

It is an honour and a pleasure to have the opportunity to give you a brief impression of the close relations and the co-operation between the Chemical industrial complex in the region of Limburg in the Netherlands and the regional government that I represent.

Limburg's history is closely related to that of the coal mining industry basis for the later chemical industry. Please allow me to concentrate in this short presentation on our most important chemical company named DSM.

In 1902, the Dutch government formed its nationalised coal company "De Nederlandse Staatsmijnen" (Dutch State Mines), the later DSM.

The Netherlands has never been a country of enormous natural resources. From early in its history, the Dutch had to learn how to add value to everything they could find. As the mining operation grew so did the company's coal-processing operation. This gave rise to a growing by-product: coke oven gas.

It wasn't long before they discovered they could turn this into a profitable commodity — ammonia — an ingredient in nitrogenous fertilisers. By discovering diversification in this way, DSM was saving itself from the fate that would ultimately close down coal mines around the world.

In the post-war era, chemical products began to draw increasing attention. Once again, DSM saw an opportunity and seized it, providing industrial chemicals and raw materials for synthetic fibers and yarns. It was not long after this that world-wide use of coal began to decline; oil and natural gas were much more profitable and coal was more polluting. By the 1960s, coal production was waning sharply and, in 1975, the Dutch Prime Minister officially closed the country's last mine. Fortunately, DSM saw what was coming and quickly started changing its focus. By 1970, chemicals and fertilisers comprised the company's chief activity, accounting for two-thirds of its turnover. Petrochemicals then took centre stage in just twelve years, profits from raw materials for plastics grew by a factor of 14. No mean feat, especially in view of the fact that DSM had to fight its way into a market dominated by major companies with long-established names.

In the 1970s and '80s DSM underwent major reorganisations to ensure itself of sufficient scale, greater guarantees for market consumption, and diversification into high-quality plastics and fine chemicals. After 1985, DSM developed a series of ambitious innovation projects resulting in specialties such as the polyethylene fiber Dyneema, the strongest fiber on earth.

In 1989, DSM privatised and was listed publicly. During the 1990s, the company paid greater attention to creating a balance between commerce and research and developing value-adding processes and products, particularly products for the pharmaceutical and the food industries and performance materials for the automotive industry and the E&E-sector.

Most recently, DSM completed the sale of its petrochemicals operation, in anticipation of future market movements. This is just one more sign of DSM's vision. Very simply, if you're going to lead the market, you have to stay out in front.

If DSM's history has been marked by any one constant it has been the capacity for change. It was the case more than 30 years ago, when DSM transformed from a mining company into a chemicals producer in a very short period. It is the case now, as it develops into an integrated, multinational chemical company providing high-quality specialties.

With 200 offices and production sites in 40 countries, DSM is a leading producer of :

- life science products,
- performance materials,
- industrial chemicals.

Each year, more than 20,000 employees bring in a turnover of € 6 billion.

Within their so called "Vision 2005" the company aims at a turnover level of € 10 billion by 2005.

The company is now working on its strategic transformation into a specialty chemicals company. By optimising and building on the specialty clusters of Life Science Products and Performance Materials, they are putting greater emphasis on increased added value. The recently completed sale of DSM's petrochemicals business to SABIC is an important step forward in this proces.

Parallel to the development of DSM being the most important chemical plant in our province, there is the related development of the provincial, governmental policy.

Regional economic policy, with an integrated policy on innovation and employment, goes back more than 30 years in our Province.

As the Limburg economy used to be dominated by some 13 coal mines, as I was referring at earlier, this meant that in some parts of the Province, more than 50% of the working population were directly or indirectly dependent on that sector of industry.

When in 1965 the Dutch Minister of Economic Affairs took the decision to close down the mines –all of them, and within only six years (from 1969 to 1975), a pace which later turned out to be unprecedented in Europe. This led to a dramatically high level of unemployment in the Province.

The rapid rate at which the mines were closed down produced a shock effect which placed the regional authorities in a good starting position for negotiations with central government on the issue of compensatory measures to promote employment.

This was the start of a specific regional economic policy in the southern part of Limburg. Dutch central government was prepared to finance measures to overcome unemployment, but the responsibility for coming up with high-quality project proposals lay with the regional authorities, in other words with the Province of Limburg. The result was at least twofold, leading to effective co-ordination and collaboration between central and provincial government on the one hand and to effective collaboration between the major socio-economic players within the region on the other.

So the reallocation of attention and core "business" or core concern over the past decades is what the chemical industry and the regional government in Limburg have in common.

Perhaps the term "knowledge based economy" characterises this common interest.

The term "knowledge-based economy" is frequently used nowadays, both in conversation and writing, and thus receives the attention which it rightly deserves. Nevertheless, that does not mean to say that the way we seize the opportunities it provides or solve the problems it causes can always be simply and clearly defined. Of course, the effects of new developments in the past have never become clear immediately, so that is something which we would not need to worry about all that much, were it not that the speed and the all-embracing nature of today's new developments requires us to adopt a different attitude. The speed of change itself has become an item for consideration, one which is quite separate from the actual change or changes involved. This applies to any party involved in economic life and thus for regional governments also.

Our conceptual framework is given a different significance and the discussion of the role of the various different layers of government can no longer be "extrapolated" from the historical context.

Both in the short and long run, the most striking feature of present innovation policy and the obvious effects it has on employment within a knowledge-based economy is the demythologising of familiar conceptual frameworks. Policy can no longer be based on rigid basic principles but decisions are increasingly required to be taken in the form of a bottom-up approach based on what is actually happening and is actually required.

It is in fact Europe's regional authorities which have been experimenting in this field for some years. We are clearly involved in a learning process, one in which not every regional authority has reached the same stage of development. This is the result of a large number of factors, such as prevailing legislation, the absorption capacity of a region, the question of whether one is operating in a centralised or a decentralised society, whether there is or is not a prevailing culture of collaboration, whether politicians are prepared to take risks, and so on and so forth.

I am convinced that 1994 implicitly marked the start of the "learning region" concept by starting the Regional Innovation Strategy policy in Europe by the European Commission. This policy aims at the co-operation of all the relevant actors in the region including the regional government and the business community, including multinational companies like DSM, to agree on the future innovation policy in the region.

Within this frame, the Province of Limburg and DSM-Research took the lead together with the regional development agency LIOF to use the huge research potential of DSM on behalf of the competitiveness of the SMEs in our region.

This so called "Research Voucher project" gives SMEs the opportunity to use the Research lab and the researchers of DSM for solving their problems with the help of DSM researchers. This initiative was started in Limburg and is now being operated by more than 10 other multinationals in the Southern part of the Netherlands and Flanders in Belgium because we believe that not only universities but also industry can be a major supplier of knowledge to the SME sector.

The specific purpose of the project was to encourage SMEs in Limburg and its surrounding areas to seek out external sources of expertise to supply them with the know-how they need to push operational management to a higher level, and to do so at a much earlier stage and more consistently than they have done in the past.

There are many different projects under way in Europe aiming at creating ties between SMEs and the "research world". Various studies have revealed the many problems associated with creating such ties, however. The approach chosen for the present "voucher" project is an innovative one that reflects both recent theory and empirical findings. The project can be described as simple effective and intensive.

After the success of this voucher project, the co-operation between the Province and DSM went on. Knowing that a big chemical company is able to solve SME problems, the question was what other tools can be offered to the Limburg business community, eventually combined to the voucher principle.

DSM selected from their plants world-wide, the best problem solving and management tools available. One of the most successful and powerful tools they came up with was the so called TRIZ-tool (Theory of inventive problem solving)

Not only was this tool offered to the Limburg SME-community, with the help of the province of Limburg, but this tool was also subject of an international pilot-project between the province of Limburg, Sachsen-Anhalt, South Moravia and Hajdu Bihar. Parallel to this, other tools are brought into the innovation system in Limburg. This approach is so successful that both the province and DSM created the link to the educational system.

By involving the Higher Educational Institutes, in a structured way, into the business advising environment, the triangle of business community, regional government and the world of education and training, is complete.

It is obvious that companies in general and DSM as biggest private company and employer in the region only can survive under the condition that there is a well organised educational system around them, well organised in qualitative and quantitative terms. Knowledge and knowledge creation is one of the most important preconditions for successful business operations.

This is the main reason that they take the responsibility as well as the lead in the implementation of the technical educational system in the region together with the province and other responsible organisations. DSM tries to influence the flows of students, mainly in the technical educational directions. It also provides technical assistance and technical equipment.

Optimising this and other important issues are prior topics during the institutionalised meetings between the Board of DSM and the board of Ministers of the province of Limburg. These regular meetings underline the close relationship between these two partners.

Of course. during these and other opportunities to discuss future developments, attempts are made to optimise the positive impact of the DSM and chemical complex on behalf of the Limburg competitive position.

Determining elements are: impact on employment, the relation to the knowledge infrastructure in Limburg and the bordering regions in Belgium and Germany, subcontractor relations to and from other firms, attracting related high-tech companies as well as spin-off activities, upgrading of the Life Science sector as well as building relations to synergetic sectors like the automotive industry in Limburg.

These and related activities demand well balanced transport, safety, environmental, energy and land use policies in our region. As production strategies change, parts of

the DSM complex are sold to third parties (mainly petrochemical activities), one can imagine that the decision making process on existing chemical sites regarding for instance environmental quota becomes more complex, or if you like more challenging.

This is exactly how we see the future both the Province and the chemical industry, strong in Limburg and the bordering Euro-region within the perspective of a challenging world if possible together with other chemical regions in Europe.

Thank you for your attention

4.3 Strategies for SME development at regional level

(Giulio Givone; Region Piedmont)

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.

5. Chemical Regions in Europe



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

5.1 Challenge for Chemical Regions in accession countries

(Pavel Zalewski; Member of the Management Board of the Masovia Region in charge international affairs)

Ladies and Gentlemen,

I am very happy to be here today and to have the honour to represent Mazovia at the 1st European Congress of Chemical Regions.

This congress takes place at a very specific moment for the relations between Poland and the European Union. The national discussion on Polish membership in the Union is entering its decisive phase. Pro and contras are being taken in consideration. It is certainly one of the most important decisions ever made in my country. I hope that the choice to be made the 7 and 8th of June will confirm the effort of the last decade. The results of earlier referendums in our neighbour countries will have its certain impact on the Polish general opinion as well.

The enlargement will obviously have its regional dimension. The new administrative division existing since 1999 was not only a part of many reforms made in Poland after the change of 1989 but as well an element of the preparation process for the participation in a Europe of regions. Mazovia is ready to take its place as a region in Europe and to share Polish responsibility within the Union.

From our point of view it is important to preserve the present character of the regional policy being one of the essential Community's policies, strengthening the economic, social and territorial cohesion among the EU member states and their regions, reducing regional disparities according to the principle of solidarity. As a future member state Poland will not only benefit from the Structural Funds but will also contribute to the common budget and the regional policy as a whole.

The new Governing Board of Mazovia pays much attention to the proper preparation for the region's membership in the European Union. Preparatory work for the implementation of structural work and management of Structural Funds has been initiated. We are conscious that the accession process is not a process measured by days, weeks or months but a long and challenging effort measured rather by years. The quality of the work being accomplished at this specific moment will have impact on the quality of our membership in the crucial initial period within the European Union.

Dear friends,

The last 13 years has been a period of fundamental reforms in almost every field of political, social and economic life of my country. The Mazovia region emerged out of it as the by far strongest Polish region both in spatial and demographic terms and in terms

of economic strength and development potential generating 20% of the Poland's total BNP. I am deeply convinced that Mazovia will preserve and further strengthen this position as an important actor in the Polish accession process as well as a firm regional subject within Poland – a future member of the EU. This requires from us many decisions and actions not only to help us to deal with the challenges of today but to create a momentum for future development. We have not only to prepare technical conditions for our membership but to create a vision of our place in the enlarged Union. The chemical industry is one those sectors that in the rapidly changing world preserved its key role for the economic development. Its well-being is fundamental for the functioning of the entire economy. That's why we are profoundly interested in a proper restructuring of this sector in our region creating a basis for its development in the future.

In this respect the task we stand in front of can be best reflected while taking into account the example of the Płock petrochemical plant. Within Mazovia, in region's 3rd largest city of Płock, PKN ORLEN, a giant petrochemical complex is located. The complex is the biggest plant of its kind in Poland and concentrates 80% of Poland's production in the field. As an integrated refinery and petrochemical complex it is regarded as one of the ten most modern and efficient facilities of its kind in Europe. The activities of the plant include crude-oil processing into wide range of products: unleaded gasolines, diesel oil, aviation fuel, plastics and petrochemicals etc.

The presence of the complex in Mazovia is a challenge both in terms of possibilities as well as threats for the entire region and for the city of Płock in particular. Let us concentrate on the environmental and structural significance of the complex for our region and some restructuring needs.

2002 was the first year of functioning under the new environmental law. Lots of measures have been taken to adjust to the new requirements. The efforts have been aiming at:

- creating of high level of environment protection by standards of sustainable development
- working out an integrated pollution avoiding system
- improvement of pollution and waste monitoring
- raising of environmental standards on all levels of complex activities in accordance with the present juridical and ecological regulations
- using of best available technologies for new and modernized sectors of the complex
- prevention measures in case of major accidents
- improvement of life quality of the inhabitants of the city and sub-region of Płock
- improvement of environmental parameters of the petrochemical products

- creating an open base of environmental information on the petrochemical complex.

Since 1997 22 tasks in the major environmental fields have been brought to an end. By the end of the 2003 all tasks of the Ecological Adjustment Programme should be accomplished. Because of the well preserved natural landscape on vast spaces of Mazovia - the preservation of it and the intersection of environment - chemical industry is one of the most important tasks.

Another important aspects of the restructuring process is building of a knowledge-based society. Płock is a good example of thinking in this direction. Some valuable initiatives have been taken there to accelerate the region's and the city's development in the shadow of a petrochemical giant.

One of the initiative is development of a well known concept of scientific-technological park though adjusted to regional and local conditions. This idea is based on inter-connections between industry, universities and main research centers in order to initiate technology transfer and to stimulate and encourage the development of advanced technologies in the region and at the same time to improve the economic condition in the sub-region of Płock, to diversify the economy and reduce the existing unemployment. The city of Płock does take advantage of the presence of the petrochemical giant PKN ORLEN, as well as branches of the Warsaw University of Technology and some other research institutions located in the city. Partners in the creating process of this park are:

- the Polish State
- Self-Government of Mazovia Region
- specialized agencies of Polish Foreign Investment Agency
- Polish Agency for Enterprise Development
- the Municipality of Płock,
- PKN Orlen
- Refinery Industry Research Centre
- Regional Centre for Technology Development
- Warsaw University of Technology

The need for acceleration of the economic development forces us to create and in a positive way stimulate conditions encouraging know-how transfer from the scientific sphere to the economic reality. The essence of the scientific-technological park is a commercialization of research led by universities giving momentum needed for industrial development and economic benefits.

PKN ORLEN's presence creates the basis in form of raw materials and semi-products being a platform for other sectors not only the chemical one but pharmaceutical, paper production, textile, plastics production and many others.

The expected modernization of the Polish petrochemical sector and planned privatization of PKN ORLEN will probably result in a rationalization of employment and creating of a new structure of the corporation in specific production sectors as fuel and gas production, auxiliary services as well as companies diversifying the risks in the production and commerce.

By creating the Płock Technological Park more efficient use of the units within the very petrochemical complex should be secured.

The products and semi-products can be a basis for Small and Medium Enterprises in a differentiated scope of production sectors. The using of this opportunity should enable us to avoid high storage and transportation costs. From the regional point of view the technological development of the sub-region of Płock may play a very positive role in diminishing the rapidly growing gap between the capital metropolitan area of Warsaw and the rest of Mazovia. We are obviously interested in developing of such centers of growth.

Ladies and Gentlemen,

The case of Płock, its petrochemical complex and technological-scientific park are a good example of challenges we face already and those we will have to face in the coming years. We know that we are not the first on this way although our actions have their specific Polish, Mazovian premises.

We hope that the participation in the Network of Chemical Regions will help us for the first not to repeat mistakes committed in the past in this field, for the second to use best possible practices to bring this crucial sector forward, for the third to take part in the current discussion on this important topic. In the discussions on vital aspects of policies and development at the European level - being of importance for the chemical sector - we can contribute with our specific Central European point of view. The development potential and the dimensions of the future Polish chemical market should neither be neglected. We are sure that our chemical sector will find its proper place in the enlarged Europe.

Let me express my support and appreciation for this initiative and wish all of us plenty of success for the future.

5.2 Potential impact of the future European Chemical Policy on Eastern Germany

(Christoph Mühlhaus; Board Member Dow BSL Olefinverbund GmbH, CeChemNet, Nord Ost Chemie)

Gemeinsam gestalten wir die Zukunft.
Nordostchemie

Restrukturierung der Chemieregion Mitteldeutschland

- Privatisierung im Zeitraum 1990 - 2000 mit wesentlicher Beteiligung global agierender Unternehmen
- Neue und ertüchtigte Anlagen repräsentieren modernste Technologien mit beispielgebender Umwelttechnik
 - 14 Milliarden Euro wurden von 1991 bis 2002 im Chemiestandort Ostdeutschland investiert
 - Im Jahr 2002 wurde ein Umsatz von ca. 8 Milliarden Euro erreicht, das sind 85 % des früheren Produktionsvolumens
 - Die Emissionen von umweltrelevanten Medien wurden jedoch auf ca. 5 % der früheren Werte abgesenkt.

Gemeinsam gestalten wir die Zukunft.
Nordostchemie

Die chemische Industrie Mitteldeutschlands hat sich zum „Verantwortlichen Handeln“ verpflichtet

- Sicherheit sowie Schutz von Mensch und Umwelt sind grundlegendes Anliegen
- Das gilt nicht nur für unsere Mitarbeiter, sondern auch für unsere Kunden und Verbraucher
- Das gilt nicht nur für die Herstellung der Produkte, sondern auch für den Vertrieb, die Anwendung, die Verwertung und die Entsorgung

Daher steht die chemische Industrie Mitteldeutschlands einer Neuordnung der Chemikalienpolitik aufgeschlossen gegenüber.

Gemeinsam gestalten wir die Zukunft.
Nordostchemie

Der vorliegende Text zur Neuregelung der europäischen Chemikalienpolitik erfüllt uns mit großer Sorge

- Die vorgeschlagenen Verfahren der Registrierung, Evaluierung und gegebenenfalls der Autorisierung werden sehr kosten- und zeitaufwendig, ohne dass wir damit eine angemessene Erhöhung der Sicherheit und eine Verringerung der Risiken erzielen
- Allein die Erhebung vieler Daten gibt keinen Sicherheitsgewinn
- Mehr Sicherheit gewinnt man durch qualifizierte Risikobewertungen in den Fällen, in denen es angebracht ist.

Dazu hat die chemische Industrie jahrzehntelang Erfahrungen gesammelt, die wir mit einbringen können.

Gemeinsam gestalten wir die Zukunft.
Nordostchemie

Der vorliegende Text zur Neuregelung der europäischen Chemikalienpolitik erfüllt uns mit großer Sorge

- Von großer Bedeutung ist eine Gleichbehandlung in Europa, die eine einheitliche Bearbeitung aller Registrierungen durch eine zentrale Agentur voransetzt.
- Das gilt auch für notwendige Evaluierungen und Autorisierungen, wobei ein Rechtssystem geschaffen werden muss, dass die Möglichkeit von Einsprüchen vorsieht.

Gemeinsam gestalten wir die Zukunft.
Nordostchemie

Spezielle Auswirkungen bei Umsetzung der Chemikalienpolitik für die Chemieregion Mitteldeutschland

- Zunächst ergeben sich keine strukturellen Unterschiede der Betroffenheit zu Gesamtdeutschland

aber

- Die mitteldeutsche Region ist im besonderen Maße von der Entwicklung der chemischen Industrie abhängig, da nur die chemische Industrie die Restrukturierung mit wettbewerbsfähiger Arbeitsproduktivität abschließen konnte
- Die chemische Industrie in Mitteldeutschland ist auf weiteres Wachstum angewiesen, da die Standorte mehr Geschäft für die moderne, aber kostenaufwendige Infrastruktur benötigen.
Es werden 6,5 Milliarden Euro zusätzliche Investitionen erforderlich, um die Standorte angemessen zu füllen.

Gemeinsam gestalten wir die Zukunft.
Nordostchemie

Spezielle Auswirkungen bei Umsetzung der Chemikalienpolitik für die Chemieregion Mitteldeutschland

- Diese Folgeinvestitionen müssen sich dem globalen Standortvergleich stellen
 - Die europäische Chemikalienpolitik darf nicht dazu führen, dass mögliche Investitionen dann außerhalb Europas erfolgen
- Dies gilt im besonderen Maße für innovative Geschäftsfelder, bei denen ein besonderer Nachholbedarf in Mitteldeutschland gegeben ist.

Gemeinsam gestalten wir die Zukunft.
Nordostchemie

Unser Anliegen ist es,

dass die europäische Chemikalienpolitik auf Basis der Internet-Konsultation jetzt so ausgestaltet wird, dass sie kein Wettbewerbshemmnis wird.

Das gilt nicht nur für den Wettbewerb im Markt der Chemieprodukte, sondern auch für den Wettbewerb um weitere Investitionen und Innovationen.

Gemeinsam gestalten wir die Zukunft.
Nordostchemie

Spezielle Auswirkungen bei Umsetzung der Chemikalienpolitik für die Chemieregion Mitteldeutschland

- Der Landesverband Nordostchemie hat mit einer Studie von Arthur D Little die Auswirkungen auf die Wirtschaft von Sachsen-Anhalt bewerten lassen

Clouds	1000 Arbeitsplätze
Storm	7000 Arbeitsplätze
Hurricane	17000 Arbeitsplätze

- Wir benötigen genau das Gegenteil:

Rahmenbedingungen für Wachstum

5.3 The chemical industry in North Rhine-Westphalia and the inward investment strategies

(Dr. Bernhard Hofmann; Board Member Degussa AG, Marl)



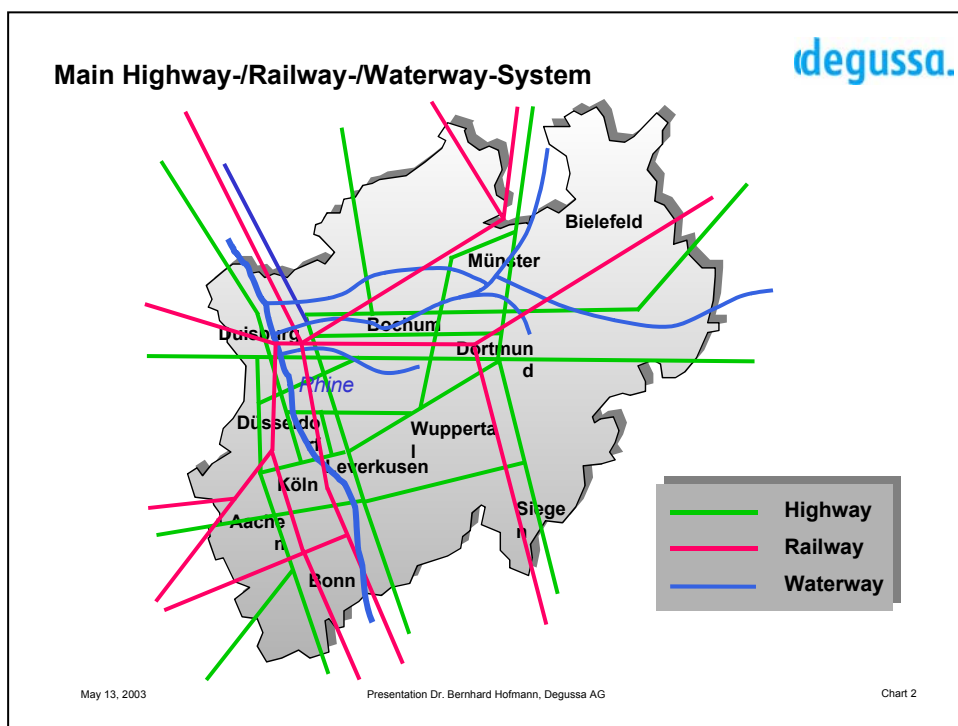
The Chemical Industry in North Rhine-Westphalia

Attracting New Investment to its Chemical Sites

Presentation at the
1st European Congress of Chemical Regions
Brussels, May 21, 2003

Dr. Bernhard Hofmann,
Executive Vice President, Degussa AG

May 13, 2003Presentation Dr. Bernhard Hofmann, Degussa AGChart 1



NRW locations in western Germany are ideally situated for tapping into Europe's high market potential

From North Rhine-Westphalia in a 600 km radius

- nearly 50% of all European consumers,
- producing more than 50% of the European GDP

can be reached within one day's trucking distance.

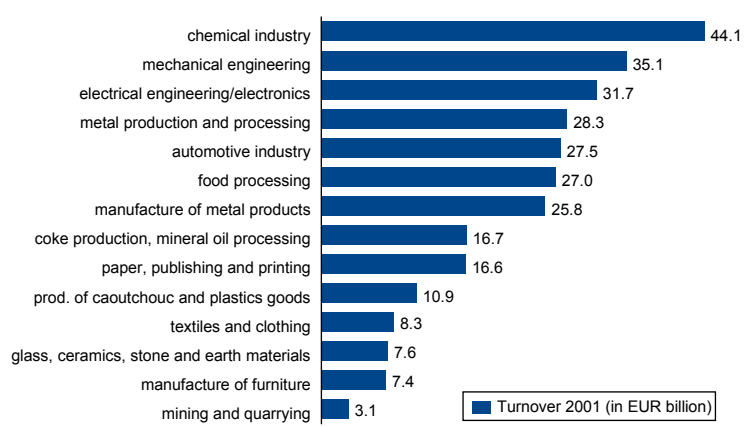


May 13, 2003

Presentation Dr. Bernhard Hofmann, Degussa AG

degussa.

Chemicals is NRW's most important industry



Industry	Turnover 2001 (in EUR billion)
chemical industry	44.1
mechanical engineering	35.1
electrical engineering/electronics	31.7
metal production and processing	28.3
automotive industry	27.5
food processing	27.0
manufacture of metal products	25.8
coke production, mineral oil processing	16.7
paper, publishing and printing	16.6
prod. of caoutchouc and plastics goods	10.9
textiles and clothing	8.3
glass, ceramics, stone and earth materials	7.6
manufacture of furniture	7.4
mining and quarrying	3.1

Source: LDS NRW / GW

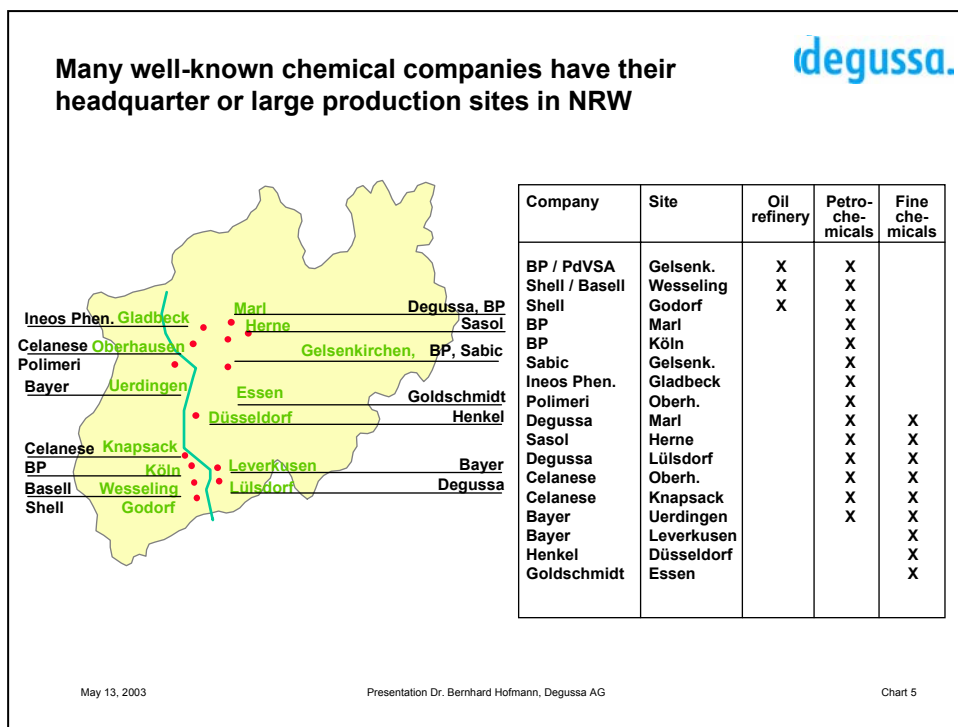
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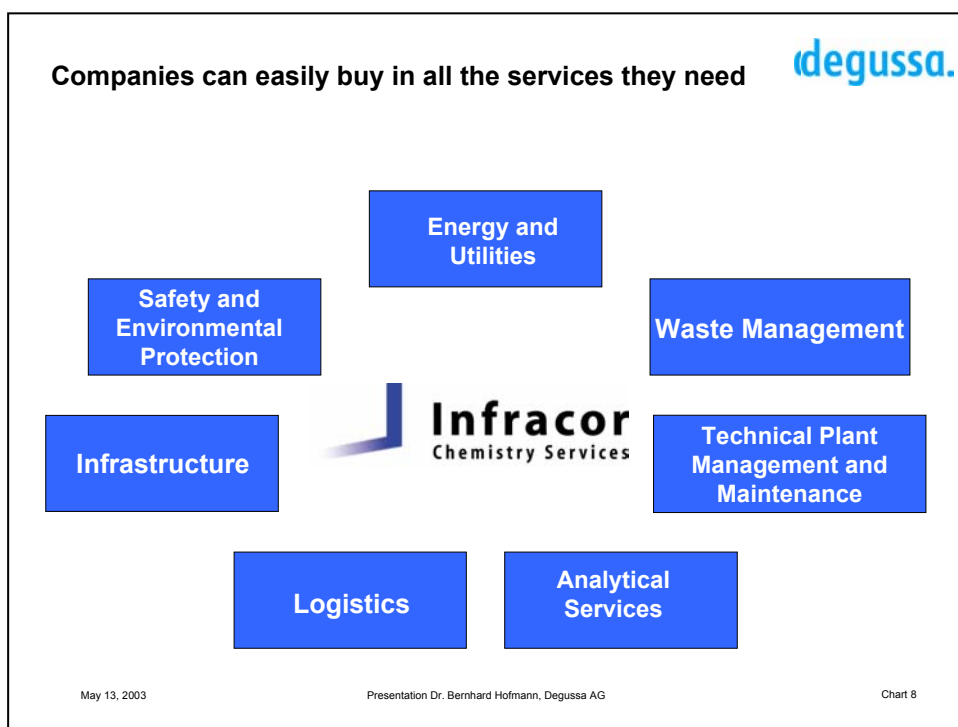
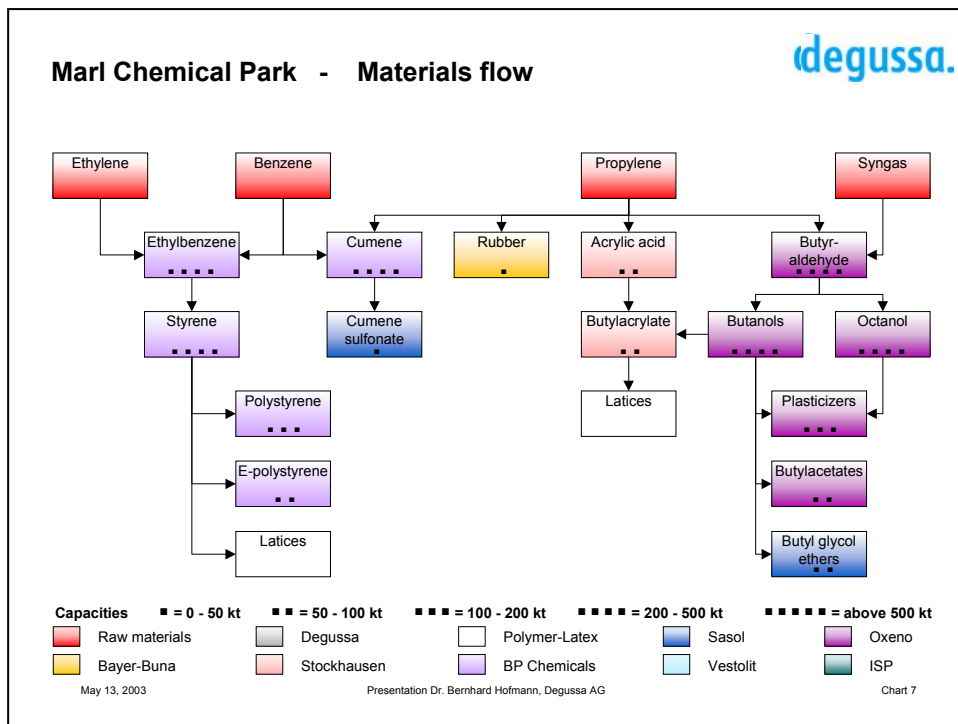
Presentation Dr. Bernhard Hofmann, Degussa AG

Chart 4

degussa.

© GW NRW
30





Added value is offered by single source service providers



Infracor is one of the few companies offering a full package of services needed by chemical manufacturers and thus providing added value beyond just steam supply or pump repairs. Infracor offers tailored solutions, professional site operation and active site development. Infracor

- runs the site safely, securely and according to legal requirements with minimum interference by authorities,
- is the one partner for all services needed, by either providing them with own staff or using subcontractors and thus being able to find "optimum solutions" and reduce management complexity for manufacturers,
- has the size to accompany the investments of customers by expanding the infrastructure,
- develops the site by attracting new investors, using public-private partnerships in getting the government's and communities' support.

The best way to convince potential customers are specific examples for added value services.

May 13, 2003

Presentation Dr. Bernhard Hofmann, Degussa AG

Chart 9

Value added by a single source service provider



Example No. 1

Optimum solution in engineering, fire fighting, insurance, and environmental and regulatory services:

A company building a new production plant at Marl asked for advice on their detail engineering (made by a German engineering company)

Results:

Planned investment for in-plant-fire-fighting was replaced by an Infracor concept relying on works fire fighting unit. No tank farm insulation and no automatic water sprinkling system were needed. Fire fighting water containment was not needed as that system was integrated in the chemical park system.

Passiv building protection could be built lighter and less expensive.

Insurance premium for plant (usually 0,2 % - 0,4 % per year of investment) was lowered by one third, as the fire fighting concept was arranged in cooperation with chemical park fire fighters.

Total savings about 3,5 % of investment plus one third of insurance premium.

May 13, 2003

Presentation Dr. Bernhard Hofmann, Degussa AG

Chart 10

Value added by a single source service provider.



Example No. 2

Optimum solutions in cooperation of engineering, waste water treatment, sludge burning, and environmental and regulatory services:

A company in Marl that wanted to use cheaper but environmentally more problematic raw materials, thus saving about 10mn €/year.

Solution:

An improved waste water treatment and sludge burning concept using existing facilities proved to be the way to go. Infracor provided that concept and successfully negotiated it with authorities.

May 13, 2003

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Chart 11

Value added by a single source service provider



Example No. 3

Transfer of maintenance and technical services in total to Infracor, including maintenance management

Two big companies with several production plants in the Marl Chemical Park made a plant performance contract with Infracor. This means a shift from contracting single maintenance service jobs to contracting a certain performance of the production plant. Infracor took over the employees and put a preventive maintenance system in place.

The responsibility for the maintenance of the plants was transferred to Infracor, including the maintenance personnel and management.

The customers' advantage:

- reduction of total expenditure of maintenance (cost leadership)
- reduction of fixed costs (employees)

May 13, 2003

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Chart 12

Value added by good cooperation within public private partnership



Example No. 4

Excellent working relationship with authorities to ensure fast plant permits plus fast execution of projects.

A notion we encountered in our ChemSite Initiative: "There are too many regulations in Germany!"

Joint promise by ChemSite team, Infracor and authorities of the district government of Münster:

The engineering and the actual building of any new plant are rate-determining. The permitting process is faster and will not slow down the project.

In 2001/2002 the 100.000 t/y biodiesel plant of NEW took only 13 month for investment decision, engineering, permitting process, building the plant and start-up.

May 13, 2003

Presentation Dr. Bernhard Hofmann, Degussa AG

Chart 13

A new propylene pipeline system has been studied and is due to be decided



First Steps in 1998/1999

- ChemVision working group established
- study of olefine supply and demand in NWE

Actual status by April 2003

- feasibility study finished
- NL, B and NRW working groups founded EPDC
- financing in negotiation
- investment decision due in 2003
- start-up of a NWE-PPS in 2006
- pipeline Marl-Duisburg harbour (—) as first step till 2004

May 13, 2003

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Chart 15

Many well-known chemical companies are at the
Marl Chemical Park

degussa.



Value added by single source service provider

degussa.

Example No. 5

Cooperation of maintenance, engineering and technical plant safety using "integrated inspection procedures" to save costs in the mandatory 5-year-turn-arounds.

A recent case:

In high pressure reactors the water pressure test is standard procedure.

In this case that would require removing the catalyst, which would be destroyed by contact with air. Our new inspection concept was developed by maintenance people and inspectors of the plant safety department. It left the catalyst in place, and had the reactor be inspected under a nitrogen blanket by a person with outside air supply, a video camera, and a set of ultra-sonic inspections.

Cost savings on that single turn-around: about 500.000 €.

May 13, 2003

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Chart 17

Value added by single source service provider



Other examples

After taking over a site in East Germany:

overhauling and renegotiating the plant permits in total.

Large customer at a large site in West Germany:

contracting all permitting processes and technical plant safety services of a new 0.5 billion € investment plus the existing plants there.

Closing down of a site:

removing all plants and buildings, dealing with ground contamination of a 40 ha site, in cooperation with authorities and local community.

Area is used today by shops, warehouses and light industry.

May 13, 2003

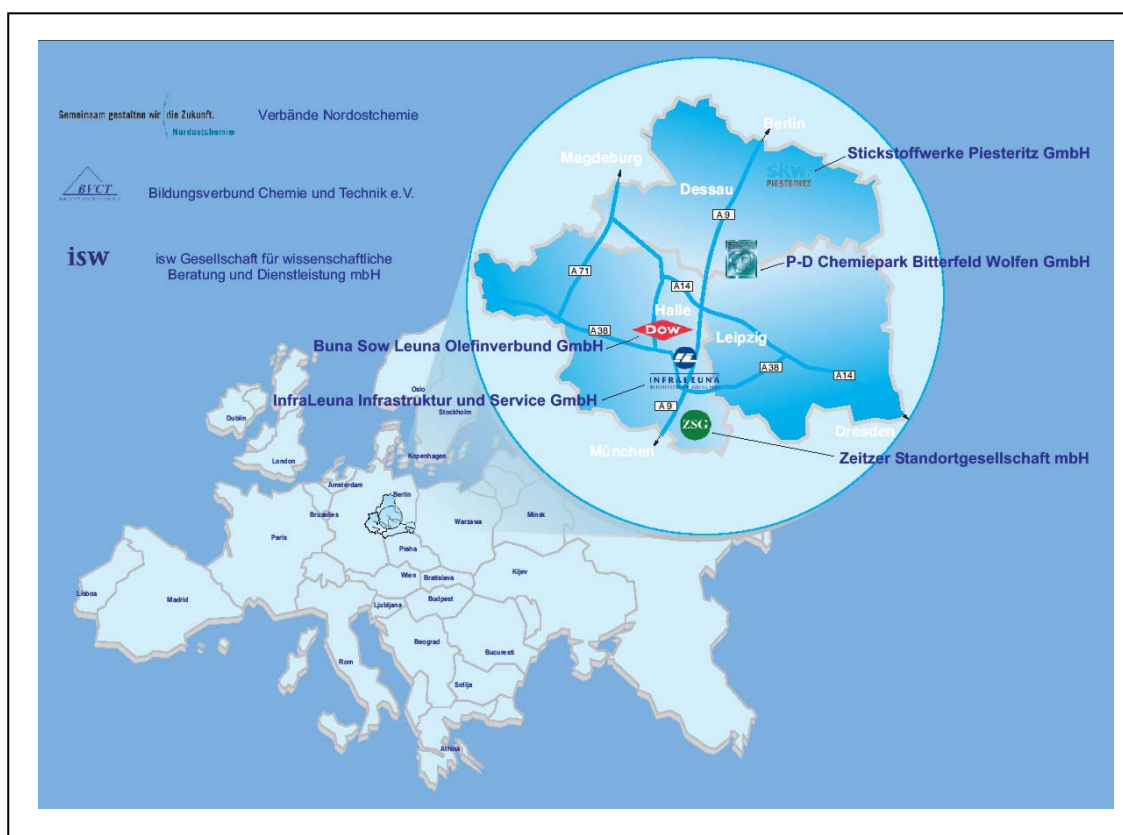
Presentation Dr. Bernhard Hofmann, Degussa AG

Chart 18

5.4 CeChemNet as a strategy for strengthening competitiveness of chemical sites

(Matthias Gabriel; Board Member P-D ChemiePark Bitterfeld-Wolfen, CeChemNet)

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.

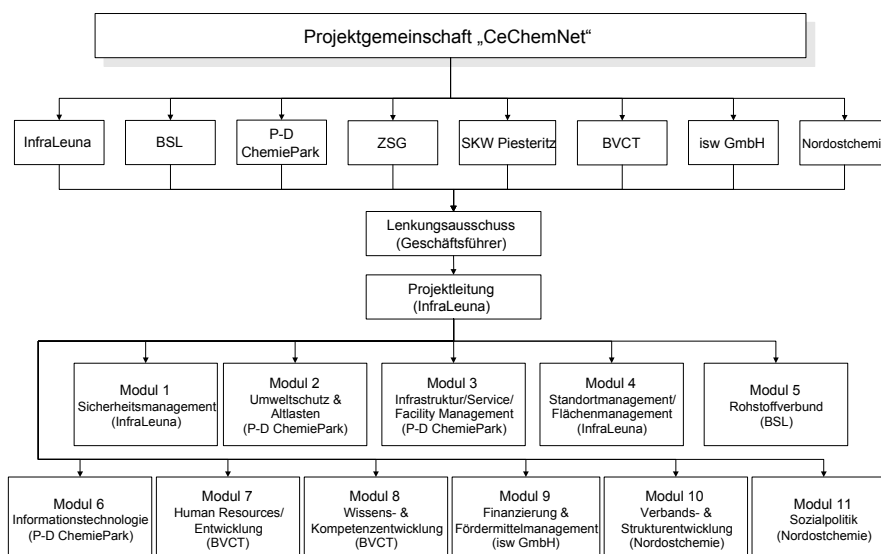




Aufbau des Netzwerkes der chemischen Industrie zur Ausprägung von Kompetenzen des Chemiepark-managements und der modulhaften Anwendbarkeit im Rahmen internationaler Netzwerkstrukturen



Projektpartner & -organisation





Projektziele

- Aufbau eines regionalen Netzwerkes im Rahmen der Chemieindustrie Sachsen-Anhalts
- Aufbereitung der Kompetenzen der großen Chemieparks des Landes als Grundlage der Einbindung der Unternehmen in internationale Kooperation und Netzwerkstrukturen
- Aufbau eines Kompetenznetzwerkes Chemieparks zur Erhöhung der Wettbewerbsfähigkeit der Unternehmen im Ergebnis verstärkter Synergien
- Verstärkung der Rolle von Unternehmen der Chemieparks im Rahmen internationaler Netzwerkstrukturen
- Vertiefung projektkonkreter Zusammenarbeit mit mittel- und osteuropäischen Staaten auf Basis eines intensiven Erfahrungsaustausches
- Verstärkung der Lobby-Fähigkeit der mitteldeutschen Chemie in Brüssel

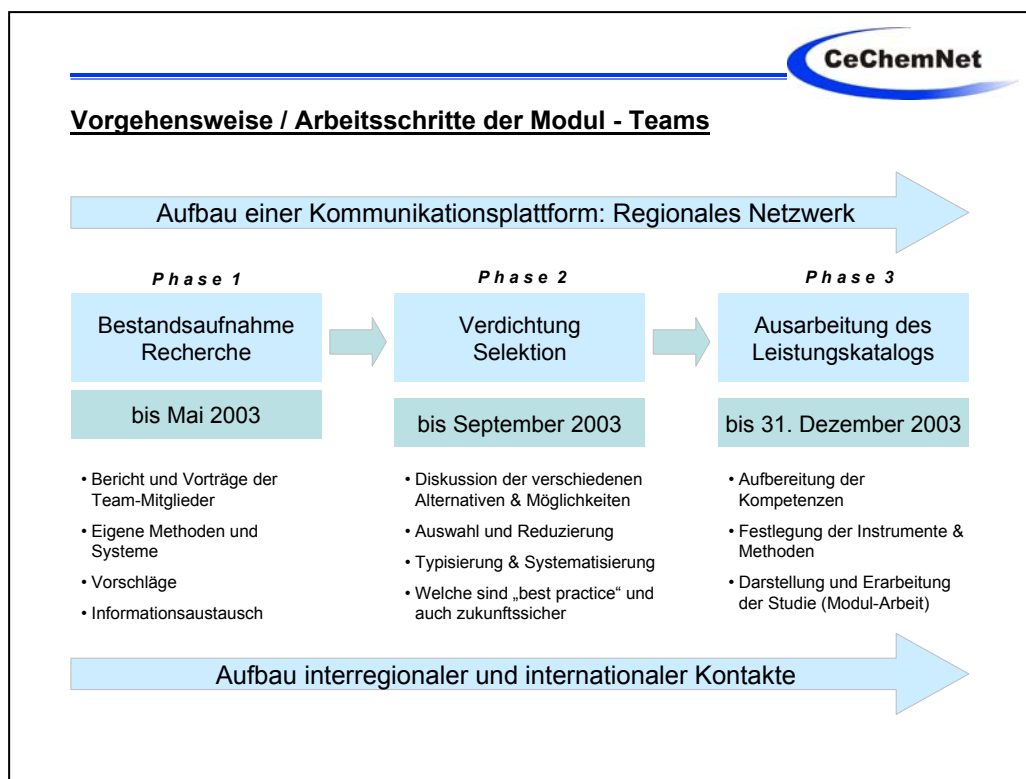


Projektablauf

- Organisation der Zusammenarbeit der Chemieparks bei der arbeitsteiligen Entwicklung von Modulen zur Ausprägung von Kompetenzbündeln
- Erarbeitung eines Leistungskatalogs „Best-Practice“-Ansätze und Aufbau einer Kompetenzplattform Chemie & Entwicklung neuer innovativer Dienstleistungen
- Einbringung von Kompetenzen in internationale Partnerschaften und Vertiefung der Einbindung der Unternehmen in internationale Arbeitsteilung

Projektergebnisse

- Inhaltliche Darstellung von Kompetenzen in Modulen
- Leistungskatalog mit „Best-Practice“-Lösungen als Basis verstärkter Synergien bei der Standortentwicklung
- Kompetenzplattform Chemie als stabile Grundlage der Zusammenarbeit der Chemieparks
- Integration in internationale Netzwerkstrukturen und Entwicklung von projektkonkreten interregionalen Partnerschaften



**6.
The European Agenda for the Chemical Industry
and the Future scope and objectives of the
Network of Chemical Regions**



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

6.1 Speaking Points and Panel Discussion to the topic

(Erkki Liikanen; Member of the European Commission, EU Commissioner – Enterprise & Information Society)

1. Introduction

Mr. Chairmen,

Ladies and gentlemen,

- Let me begin by thanking the Network of Chemical Regions in Europe for organising this first Congress today and for the invitation to participate in the panel discussion.
- First, I want to acknowledge the contribution of the European Chemicals industry and its workforce to Europe's economic development. In line with the Commission's approach to industrial policy, the future competitiveness and innovation potential of this industry is a priority.
- Second, I want to acknowledge the contributions that many of you here today have already made to the follow up debate on the White Paper and the development of the New Chemicals Policy. Meeting the objectives of the New Chemicals Policy will very much depend upon the input and active participation of all stakeholders and a regional perspective is warmly welcomed.
- Third, I wish to stress the importance which the Commission attaches to giving real meaning to its sustainable development strategy, which will be the guiding principle for the new chemicals policy.

2. Importance of the Chemical Industry and EU Industrial Policy

- The importance of the European chemicals industry in the regions that many of you represent has already been underlined today and is indisputable. Europe has every reason to be proud of the achievements of some world class companies, both large multinationals and small and medium sized enterprises alike. The chemicals industry also plays a vital role in ensuring the competitiveness and the innovative potential of many so-called downstream user sectors. There are many examples of this - textiles, automobiles, electronics, etc.
- In December last year, the Commission issued a Communication on "Industrial Policy in an enlarged Europe" the objective of which has been to put industry back on the political agenda.
- The Commission's Communication highlighted the importance of a favourable climate for fostering innovation and technical progress in Europe which is seen as critical to the international competitiveness of our industry and for Europe to continue

to be an attractive location for investment and generating highly skilled jobs. This is also a critical issue in the design of the New Chemicals Policy.

- The environmental performance of European industry is also a major interest. In our competitiveness report for 2002 we pointed out that the environmental performance of European industry over the last twenty years is far more favourable than it is sometimes given credit for. For example, it has managed over this period to increase its production, whilst at the same time significantly reducing its impact on the environment as measured by emissions and use of raw materials. In this year's competitiveness report we will be looking at the performance of individual industrial sectors and we will focus on the chemicals sector.
- The Commission has been aware also of the importance of ensuring proper application of the chemicals legislation in the new Member States and substantial support has been made available to European industry to provide training and advice to these countries. This operation has yielded good results.
- The Commission continues to be active on all of these issues. We still have some way to go, but we can be especially heartened that the Council of Competitiveness Ministers is prepared to take an active role in examining all of the factors that have an impact on the competitiveness of enterprises and to ensure that the balance between the economic, social and environmental pillars of sustainable development is maintained. This means also that competitiveness is key, since it is the economic pillar that allows the creation of jobs and investment in more environment-friendly technologies. Achieving this balance has been particularly important in the context of the New Chemicals Policy to which I will now turn.

3. The New Chemicals Policy

- The Commission has now decided to open up the draft REACH system for public comment. The draft documents have now been placed on the Internet for an eight week consultation period. The purpose of the Internet consultation is to provide a check on the workability of the proposals, and to get a reaction on issues that have arisen since the adoption of the White Paper in 2001. This point concerns mainly the treatment of intermediates and polymers that are used as raw materials - I shall return to these later.
- We look forward to a focused response to the consultation by all stakeholders and particularly encourage inputs from regions, which will be familiar with the practical implications of putting chemicals legislation into effect.
- Once we have analysed all comments and considered a full impact assessment which is being prepared by the Commission Services the Commission will adopt its proposals later this year.

I would like to give you an overview of the main elements and to highlight some of the main features we have introduced into the system in order to achieve the sustainability balance.

4. Essential Elements of the New Chemicals Policy

There are five main elements.

First, **Duty of Care**

- This requires all enterprises to ensure that the substances they manufacture, use, or supply do not adversely affect human health or the environment. This is largely met by carrying out a chemical safety assessment. Full compliance with REACH meets this obligation in practice.

Second, **Registration**

- Enterprises that manufacture or import substances in quantities of 1 tonne or more per year must provide a minimum of information on the properties, uses, and safe management of the substance.
- The information has been structured so that expensive testing is avoided as far as possible. The registration of substances will take place over an 11 years period. This time frame should be reasonable for enterprises.
- In order to lighten the burden for intermediates, we have proposed important exclusions and reduced requirements in line with their lower risk.
- The majority of intermediates that are never removed from the equipment in a production process or from a single site are either excluded from the REACH system altogether, or only require a very basic registration and no testing. Similarly, regarding polymers, at least half of them should be exempt and the vast majority of the remainder will be regulated with a very light touch; again reflecting the low risk they entail.

The third main element of the new system is **Evaluation**:

- This permits a mandatory check to avoid any unnecessary testing where animal tests are proposed. It also allows Member State authorities to satisfy themselves that the substance is being adequately controlled.
- The fourth element regards **Authorisation** of substances of very high concern. For the most part this covers CMRs (carcinogens, mutagens, and reproductive toxicants), PBTs (persistent and bioaccumulative and toxic), vPvBs (very persistent and very bioaccumulative).
- Authorisations will be granted where an enterprise demonstrates that it can adequately control the risks posed by a particular use of a substance. It will be possible to take into account socio-economic aspects in the decisions to be taken by the Commission.

- Enterprises will be given adequate time to prepare. In order to avoid enterprises being penalised by failings in the system, if the authorities do not keep to the deadlines they are given, the substance may continue to be used.
- Finally, **Restrictions** on uses and/or substances can follow where a risk has been identified that needs to be managed EU-wide. The principle of restricting the marketing and use of dangerous substances is not new. The changes make this process more streamlined.

5. SMEs

- A number of elements in the New Chemicals Policy will help SMEs to cope with the new system, and to limit costs to them.
- These include raising the starting threshold for Registration to 1 tonne, introducing differential information requirements according to tonnage that can be met in a wide number of ways, so helping SMEs avoid testing costs.
- The formation of consortia is also positively encouraged. Being in a consortium will save SMEs money by sharing the costs of the preparation of the dossier as well as in reduced fees. Additionally, innovation has been encouraged through allowing research and development to take place without registration for five years, extendable for a further five.

6. Final Comment

- In conclusion, I want to stress again the importance the Commission attaches to an effective industrial policy and ensuring the competitiveness of Europe's chemical industry.
- Industry is now firmly back as a priority issue on the political agenda. Regional co-operation is essential to strengthen the emphasis on industrial competitiveness and to enable the continued successful economic development of the regions themselves. Over the next few weeks, I look forward to receiving your views on the new draft texts on chemicals and more specifically your practical proposals for any adaptations you consider necessary.

6.2 Erfahrungen des Strukturwandels der Neuen Bundesländer mit wachsender Bedeutung für die EU-Erweiterung

(Dr. Horst Rehberger; Minister für Wirtschaft und Arbeit des Landes Sachsen-Anhalt)



Erkki Liikanen und Horst Rehberger (Source: Romanelli)

Sachsen-Anhalt hat wie die anderen ostdeutschen Bundesländer in den letzten Jahren einen dramatischen strukturellen Anpassungsprozess vollzogen. Hierbei spielt in unserem Land neben transformationsbedingten Sonderfaktoren, wie die hohe Nachfrage nach Bauleistungen in der ersten Hälfte der 90er Jahre, insbesondere der Strukturwandel der Chemischen Industrie eine entscheidende Rolle für die Entwicklung des Landes. Die Chemieindustrie ist neben der Ernährungswirtschaft und dem Maschinen- und Anlagenbau eine der strukturprägenden Branchen des Landes mit hohem Vernetzungspotenzial insbesondere in Richtung der Kunststoffverarbeitung. Rund die Hälfte der Chemischen Industrie Ostdeutschlands ist in Sachsen-Anhalt zu Hause. In den Zentren der Chemischen Industrie mit international bekannten Standorten wie Bitterfeld und Schkopau haben sich leistungsfähige Chemieparks entwickelt, auf denen neben international agierenden Unternehmen wie Bayer, Dow Chemical und Total Fina Elf eine Vielzahl von kleinen und mittleren Unternehmen zusammen arbeiten. Typisch hierfür ist die Kooperation in Stoffverbünden, die zu deutlichen Synergien zwischen den handelnden Unternehmen beitragen. Die ehemals unwirtschaftlich arbeitenden veralteten Anlagen mit hohen ökologischen Belastungen sind durch modernste Produktions- und Dienstleistungseinheiten ersetzt worden. Hierbei werden auch bei der Einhaltung ökologischer Standards Spitzenwerte erreicht.

Der Prozess der Restrukturierung der Standorte zeichnete sich durch das Ineinandergreifen unterschiedlicher Politikfelder aus. So galt es, Wirtschaftspolitik mit Umwelt- und Arbeitsmarktpolitik zu verbinden. Die Herstellung von Planungsrecht für die Standorte, die sozial verträgliche Bewältigung des Personalabbaus verbunden mit einer parallel dazu notwendigen Entwicklung qualitativ hochwertiger Humanressourcen sowie die Erhöhung der Attraktivität der Standorte als Ansiedlungsschwerpunkte stellten hohe Anforderungen an das Zusammenwirken von Wirtschaft, Gewerkschaften und Landesregierung.

Das hierbei gewonnene Wissen schließt auch das Know-how über einen effizienten Einsatz europäischer Strukturfondsmittel ein, die im Rahmen integrierter Förderstrategien zum Einsatz kamen. Hierbei wurde von vorn herein hoher Wert darauf gelegt, dass die sich umstrukturierenden Chemiestandorte mit hohen regionalwirtschaftlichen Impulswirkungen verbunden werden konnten. Heute stellen die großen Chemieparks Wachstumspole dar, die positiv auf das Wirtschaftswachstum in Sachsen-Anhalt wirken.

Vor dem Hintergrund dieser positiven Entwicklungen gehen die Unternehmen in den Chemieparks verstärkt dazu über, ihr im Transformationsprozess gewonnenes Know-how aufzuarbeiten. So besteht ein Ziel der heutigen Konferenz aus Sicht des Landes darin, sachsen-anhaltinisches Know-how des strukturellen Wandels in den Chemieparks den Partnern in den anderen Chemieregionen Europas darzustellen. Das Land will sich damit in den europäischen Know-how Transfer einbringen. Hierbei spielt einerseits das Übertragen von Wissen auf die neuen mittel- und osteuropäischen Beitrittsstaaten eine Rolle. Eine Vielzahl von Kontakten zu Chemieregionen in Polen und Tschechien belegt, dass dieses Know-how bei der Umstrukturierung der Chemischen Industrie in den Beitrittsstaaten gebraucht wird. Andererseits weisen Entwicklungen in den anderen EU-Staaten darauf hin, dass die Chemische Industrie zur Erhaltung ihrer globalen Wettbewerbsfähigkeit vielschichtige Anpassungsprozesse durchläuft. Einen wichtigen Aspekt stellt dabei die Entwicklung leistungsfähiger Standortmanagementsysteme mit vielfältigen Produktivitätseffekten für die Unternehmen in den Chemiestandorten dar. Die in den Chemieparks Sachsen-Anhalts entwickelten Lösungsansätze zur Ausprägung moderner Chemieparkmanagementsysteme können einen wichtigen Beitrag zur Erhöhung der Wettbewerbsfähigkeit einer der wichtigsten Schlüsselindustrien Europas im globalen Wettbewerb leisten.

Das Land sieht im Aufbau des Netzwerkes europäischer Chemieregionen eine gute Grundlage, um die bisher entwickelten Kompetenzen stärker als bisher in den europäischen Dialog der Chemischen Industrie und der mit ihr verbundenen Chemieregionen einzubringen. Damit das im Land gewonnene Know-how der Chemieparks und der Umstrukturierung der Chemischen Industrie noch wirkungsvoller

in den Prozess der europäischen Erweiterung eingebracht werden kann, schlage ich vor, den zweiten Kongress der europäischen Chemieregionen in Sachsen-Anhalt durchzuführen. Als Wirtschaftsminister des Landes Sachsen-Anhalt möchte ich Sie hierzu in der ersten Hälfte des Jahres 2004 in unser Land einladen. Ich verbinde damit den Wunsch, dass wir in dem für den Beitritt der neuen EU-Staaten so wichtigen Jahr gemeinsam einen Beitrag dazu leisten können, den Prozess der Integration dieser Staaten mit ihrer Chemischen Industrie mit hoher Effizienz und weitreichenden Auswirkungen auf die Erhöhung der Wirtschaftskraft Europas im globalen Wettbewerb gestalten können.

Magdeburg, 20. Mai 2003

Erster Kongress der europäischen Chemieregionen Sachsen-Anhalt macht sich in der Chemikalienpolitik für Mittelstand stark



Ministerium für
Wirtschaft und Arbeit

Pressestelle

In Brüssel findet morgen der erste Kongress der europäischen Chemieregionen statt. Zu der Veranstaltung, die Sachsen-Anhalt organisiert hat, werden mehr als 200 Gäste aus europäischen Chemieregionen, Unternehmensvertreter und Verwaltung erwartet. Damit trifft sich das Netzwerk der Chemieregionen, das bisher nur auf Arbeitsebene wirkte, erstmals offiziell. Wichtigstes Thema der Zusammenkunft wird dabei die derzeit in der Ausgestaltung befindliche neue Europäische Chemikalienpolitik sein. Dazu werden die Länder in einer gemeinsamen Erklärung erstmals zu den in der vergangenen Woche erschienenen Kommissions-Vorschlägen Stellung beziehen.

Wirtschaftsminister Dr. Horst Rehberger, der die Landesregierung vertritt, sagte: „Nach wie vor birgt die neue Chemikalienpolitik der EU große Risiken für die Wettbewerbsfähigkeit der Chemieunternehmen nicht nur in Sachsen-Anhalt. Gerade kleine und mittlere Unternehmen können nur schwer den zeitlichen Aufwand und die Kosten beispielsweise der Registrierungsverfahren für Chemikalien verkraften.“ Natürlich seien der Schutz von Umwelt und Gesundheit Ziele, die eine moderne Chemikalienpolitik erfüllen müsse. Dennoch dürfe darunter aber nicht die Wettbewerbsfähigkeit der europäischen Chemieindustrie leiden. „Die Kunst ist, das Wünschenswerte mit dem Notwendigen in Einklang zu bringen. Ergebnis der jetzigen Vorschläge seitens der EU wären aber vor allem Bürokratie und langwierige und teure Prozesse“, so der Minister. Deshalb werde Sachsen-Anhalt gemeinsam mit den anderen Regionen die Abstimmungen nutzen, hier Veränderungen zu erreichen. Gleichzeitig setze man sich für Pilotprojekte zum Testen der neuen Regelungen ein. Gast des ersten Kongresses der Chemieregionen ist auch der EU-Kommissar für Industriepolitik, Erkki Liikanen.

Zu den Gründungsmitgliedern des Netzwerkes zählen Europas wichtigste Chemieregionen aus den Ländern Großbritannien, Belgien, Niederlande, Spanien, Frankreich, Italien und Polen. Neben der Chemikalienpolitik stehen auch die Themen EU-Osterweiterung und die künftige EU-Regionalpolitik auf dem Programm.

Wirtschaftsminister Dr. Rehberger wird sich daneben auch mit dem flämischen Wirtschaftsminister Gabriels treffen, um mit ihm über eine stärkere Kooperation von Flandern und Sachsen-Anhalt zu sprechen. Flandern gehört zu den aufstrebenden Industrieregionen Belgiens. Die Unternehmen DOMO und Solvay sind bereits in Sachsen-Anhalt aktiv und spielen an den Chemiestandorten eine wichtige Rolle.

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Magdeburg, 21. Mai 2003

Erster Kongress der europäischen Chemieregionen in Brüssel Regionen machen sich für faire Chemiepolitik stark

In Brüssel hat heute der erste Kongress der europäischen Chemieregionen begonnen. In bisher einmaliger Weise haben sich hier die Regionen zu einem Netzwerk zusammengeschlossen, um gemeinsam ihre Interessen gegenüber der Europäischen Union zu vertreten. Aktueller Anlass ist die Diskussion um die Neugestaltung der europäischen Chemikalienpolitik. Hier hatte die Kommission in der vergangenen Woche einen ersten Vorschlag zur Umsetzung vorgelegt. An dem Kongress nehmen auch die deutschen Chemieregionen Rheinland-Pfalz, Nordrhein-Westfalen und Sachsen-Anhalt teil. Die Wirtschaftsminister der Länder Nordrhein-Westfalen und Sachsen-Anhalt, Harald Schartau und Dr. Horst Rehberger erklärten auf einer Pressekonferenz: „Wir werden uns dafür stark machen, dass die neue Chemikalienpolitik nicht zu Wettbewerbsnachteilen für die Chemieindustrie führt. Die neuen Regelungen müssen auch für kleine und mittlere Unternehmen umsetzbar sein.“ Ziel sei es, nicht nur einen sicheren Schutz für Mensch und Umwelt zu erreichen, sondern auch Zeitaufwand und Kosten auf das Notwendige zurückzustutzen, so die Minister. Deshalb werde man gemeinsam mit den anderen Regionen die Abstimmungen nutzen, hier Veränderungen zu erreichen. Gleichzeitig setze man sich für Pilotprojekte zum Testen der neuen Regelungen ein. Gast des ersten Kongresses der Chemieregionen ist auch der EU-Kommissar für Industriepolitik, Erkki Liikanen.

Im Ergebnis des Chemiekongresses, zu dem mehr als 200 Teilnehmer aus europäischen Chemieregionen, Unternehmensvertreter und Verwaltung gekommen sind, wird auch eine gemeinsame Erklärung der Regionen verabschiedet werden. Diese greift die Themen Chemikalienpolitik, regionale Strukturpolitik und EU-Osterweiterung auf. Hier setzen sich die Länder für eine Fortführung der Regionalförderung als Begleitung des wirtschaftlichen Wandels ein, ebenso sollen Kooperationen mit osteuropäischen Partnern forciert werden. Die Ost-Erweiterung wird dabei vor allem als Chance gesehen, ohne die Risiken einer stärker werdenden Konkurrenzsituation zu unterschätzen.

Zu den Gründungsmitgliedern des Netzwerkes zählen Europas wichtigste Chemieregionen aus den Ländern Großbritannien, Belgien, Niederlande, Spanien, Frankreich, Italien und Polen. Vor diesem ersten offiziellen Auftritt setzten sich die Chemieregionen bereits seit gut zwei Jahren auf Arbeitsebene für die Interessen und die Wahrung der Wettbewerbsfähigkeit der Chemiestandorte ein.

Die Chemieindustrie in Europa erwirtschaftet gut zehn Prozent des Umsatzes im Verarbeitenden Gewerbe. Die deutsche Chemieindustrie trägt am europäischen Umsatz der Branche rund ein Viertel. In Sachsen-Anhalt wird die Hälfte des ostdeutschen Chemieumsatzes erzielt.

Diese Pressemitteilung finden Sie im Internet unter www.mw.sachsen-anhalt.de



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6.3 Summary

(Gordon Adam; Member of the 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)

6.4 Summary

(Paolo Alli; Director General for Economy, Research and Technological Innovation, Region Lombardia)

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, Gunthard Bratzke (Source: Romanelli)

6.5 Zusammenfassung der Diskussion / Summary of the discussion

(Gunthard Bratzke; Board Member Institut für Strukturpolitik und Wirtschaftsförderung Halle-Leipzig e.V.)

In Zusammenfassung der letzten Konferenzrunde sowie als Fazit des Verlaufs der Konferenz, konnte folgendes Resümee aus der „Ersten Konferenz Europäischer Chemieregionen“ gezogen werden:

1. Angesicht des anspruchsvollen Ziels der EU, sich bis zum Jahr 2010 zur wettbewerbsfähigsten Region der Welt zu entwickeln, sind nachhaltige Schritte in Richtung der Erhöhung der Wirtschaft der Industrieregionen erforderlich. Die Chemieindustrie wird im Rahmen der weiteren Ausgestaltung europäischer Industriepolitik eine wichtige Rolle spielen. Hierbei kommt dem Zusammenwirken von regionalstrukturprägender Chemieindustrie und Region eine zunehmende Bedeutung zu. Der mit dem Aufbau des „Netzwerkes Europäischer Chemie-

regionen“ verfolgte Ansatz eines verstärkten Zusammenwirkens der Chemieregionen trägt den Erfordernissen nach Effizienzsteigerung europäischer Industrie-, Wirtschafts-, Forschungs- und Innovationspolitik in Verbindung mit regionaler Wirtschafts- und Beschäftigungspolitik Rechnung und kann damit als zu entwickelnde Kompetenzplattform einen wichtigen Beitrag zur Erhöhung der Wettbewerbsfähigkeit der Chemie und der eng mit ihr verbundenen Regionen beitragen.

2. Die im Vorfeld der Konferenz von den Regionen erarbeitete Deklaration wurde vom Konferenzverlauf bestätigt. Das vorliegende Dokument beinhaltet Ziele, Arbeitsschwerpunkte und Umsetzungsschritte zum Aufbau des Netzwerkes der Chemieregionen. Mit der ersten Konferenz der Chemieregionen und den darin verankerten Beiträgen hochrangiger Repräsentanten der anwesenden Chemieregionen und der Bestätigung der Deklaration, wurde das „Netzwerk Europäischer Chemieregionen“ effizient formiert. Aufgabe der nächsten Monate ist es, die Netzwerkarbeit zu institutionalisieren und Hauptfelder der Zusammenarbeit abzuleiten. Im Zentrum steht hierbei die durch die Konferenz unterstützte Bewerbung der Chemieregionen im Rahmen des Interreg-Programms.

Entsprechend den festgelegten Arbeitsplänen werden sich die Repräsentanten der Chemieregionen hierzu in den nächsten Monaten auf Arbeitsebene zusammenfinden, um den gemeinsamen Antrag weiter zu qualifizieren. Parallel dazu werden die rechtlich verbindlichen regionalen Interessenartikulationen zur Mitarbeit am „Netzwerk Europäischer Chemieregionen“ eingeholt.

3. Der Kongress hat gezeigt, dass eine Vielzahl gemeinsamer Chancen und Probleme vor den Chemieregionen bestehen. Zugleich wurde deutlich, dass unterschiedliche Erfahrungen im strukturellen Wandel von hohem gegenseitigem Interesse bezüglich der Ableitung von best-practice-Lösungen sind. Deutlich wurde, dass die Plattform der Chemieregionen einen Stellenwert bei der Positionierung zu aktuellen Themen europäischer Industriepolitik hat. So zeigt sich, dass eine gemeinsame Stellungnahme im Rahmen der Diskussion zum Weißbuch Chemikalienpolitik einen wichtigen Beitrag zur Ausgestaltung europäischer Chemikalienpolitik darstellt.

In Zukunft sollten die Anstrengungen verstärkt werden, aus regionaler Sichtweise heraus, gemeinsame Positionierungen zu wichtigen europapolitischen Themen vorzunehmen. Hierzu ist jedoch eine engere Zusammenarbeit der Netzwerkpartner sowie die stärkere Institutionalisierung der Netzwerkarbeit erforderlich.

4. Die im Rahmen der Konferenz vorgestellten regionalen Lösungsansätze zur Gestaltung der Beziehungen zwischen Chemischer Industrie und Regionen waren vielfach innovativ. Hierdurch stellen sie einen wichtigen Beitrag zur Ausprägung

einer innovationsorientierten Regionalpolitik dar. Beispiele für diese Entwicklung sind die zunehmend auf Innovation ausgerichteten Chemiestandorte, die unterschiedlichen Modelle zur Entwicklung von Chemieparks mit ihren vielfältigen Synergiepotenzialen der Unternehmen untereinander sowie die Einbindung der Chemischen Industrie in regionale Netzwerkstrukturen. Die Konferenz zeigte, dass die Chemische Industrie den verschiedenen Regionen Impulsgeber für die Herausbildung wettbewerbsfähiger Zukunftscluster ist. Die weitere Erhöhung von Synergien im Rahmen regionaler Zukunftscluster sowie die Verstärkung der Zusammenarbeit zwischen den Regionen, insbesondere bei der weiter in Ausprägung befindlichen europäischen Netzwerkstrukturen, sind Schwerpunkte der weiteren Zusammenarbeit im aufzubauenden Netzwerk europäischer Chemieregionen.

5. Die Konferenz brachte einen Konsens über die Schwerpunkte des weiteren Vorgehens beim Aufbau des „Netzwerkes Europäischer Chemieregionen“. Aufgabe der bestehenden Arbeitsgruppe ist es, bis September den kompletten Interreg-Antrag zu erarbeiten. Mit der Antragstellung werden die Arbeiten zu inhaltlichen Schwerpunkten im Rahmen des Netzwerkes weiter vertieft. Mit der im 1. Halbjahr 2004 auf Einladung des Wirtschaftsministers aus Sachsen-Anhalt stattfindenden Konferenz werden einerseits diese Schwerpunktsetzungen diskutiert und mit entsprechenden Arbeitsstrukturen untersetzt. Andererseits kann die „Zweite Konferenz Europäischer Chemieregionen“ zugleich als Auftaktveranstaltung für das bis dahin entstehende Interreg-Projekt zum Aufbau der Netzwerkstrukturen zwischen den Europäischen Chemieregionen genutzt werden. Parallel zu diesem Vorgehen werden sich die Netzwerkpartner zu wichtigen industriepolitischen Themen, wie z. B. im Rahmen der Internetkonsultation der Europäischen Kommission zur EU-Chemikalienpolitik gemeinsam positionieren.

Als Konferenzmoderator bedankte sich Dr. Gunthard Bratzke bei allen Mitwirkenden und Teilnehmern der Konferenz. In Übereinstimmung mit den Teilnehmern konnte der Schluss gezogen werden, dass die „Erste Konferenz Europäischer Chemieregionen“ einen Erfolg darstellt, der einerseits aus dem Bedarf verstärkter Zusammenarbeit zwischen den Europäischen Chemieregionen resultiert, andererseits wichtige Perspektiven für die Erhöhung europäischer Wettbewerbsfähigkeit im globalen Standortwettbewerb aufzeigt.

Im Namen der Chemieparks Sachsen-Anhalts und des Verbandes der Chemischen Industrie (VCI Nordost) erfolgte nochmalig eine Einladung zum Abendempfang in die Bibliothek Solvay, auf der sich die am Projekt CeChemNet beteiligten Chemieparks als Partner für internationale Kooperation darstellen wollen.

Summary of the discussion

(Dr. Gunthard Bratzke, isw Halle - Leipzig)

In summarising the last conference session and regarding the debate during the whole conference, the following conclusion can be drawn from the "First Conference of European Chemical Regions":

1. In view of the demanding aim of the EU to become the most competitive region in the world until 2010, sustainable steps for the strengthening of the economy in the industrial regions are necessary. The chemical industry will play an important role for the further shaping of the European industrial policy. In this respect, the co-operation between the regional chemical industry and the region are becoming more important. The pursued approach of the creation of the "European Chemical Regions Network" takes into account the needs for increased efficiency of the European industrial, economic, research and innovation policy in connection with the regional economic and employment policy. This emerging competence platform can be an important contribution for the strengthening of competitiveness of the chemical industry and the particular region.
2. The jointly drafted declaration of the chemical regions has been approved during the conference. The present document contains aims, working packages and implementation steps for the creation of the European Chemical Regions Network. The network could see an efficient formation with the first Conference of Chemical Regions, the contribution of high-ranking representatives of the present chemical regions and the approval of the declaration. The task for the coming months will be to institutionalise the network and to derive the main topics for co-operation. The application of the chemical regions in the framework of the Interreg III C programme will be the next important step. According to the agreed time table, the representatives of the chemical regions will work together in the coming months to finalise the joint application. At the same time, the juristic reliable letter of intentions from the regions for the participation in the "European Network of Chemical Regions" will be collected.
3. The congress has shown that the chemical regions are faced with a number of similar chances and problems. Different experiences with structural transformation are from mutual interest for the development of best-practice-solutions. It became obvious that the platform of the chemical regions has a strong importance for the positioning towards actual topics of the European industrial policy. A joint position in the framework of the discussion of the White-Book chemical policy is an important contribution for the further shaping of the European Chemical Policy. In the future, these efforts should be strengthened to develop joint positions regarding important European topics from a regional perspective. A stronger co-

operation of the network partners and a stronger institutionalisation of the network are necessary.

4. The presented regional approaches for the shaping of the relation between the chemical industry and the regions were very innovative. They are an important contribution for the development of an innovation oriented regional policy. The increasingly on innovation oriented chemical locations, the different models for the development of chemical parks with their manifold synergy potentials between the enterprises and the integration of the chemical industry in regional networks are examples for this development. The conference has shown that the chemical industry in the different regions is a driving force for the creation of competitive clusters. The further increase of synergies in those clusters as well as the strengthening of the co-operation between the regions, especially regarding the European network structures, are focal points for the further co-operation in the growing European Network of Chemical Regions.
5. The conference brought a consensus about the main topics for the further proceeding for the creation of the "European Chemical Regions Network". The main task of the existing working group will be to finalise the Interreg III C application until September. With this application the work on the main topics and the technical work of the network are deepened. On the next conference, that will in invitation by the Minister of Economy of Saxony-Anhalt take place in the first half of 2004, these working packages will be discussed and respective working structures will be developed. Furthermore, the second Conference of European Chemical Regions can be used as the start-up event for the Interreg IIIC network to enforce co-operation between the network partners. At the same time, the network partners will develop joint positions towards important topics of the European industrial policy, e.g. in the framework of the internet consultation with the European Commission on the EU Chemical policy.

Dr. Gunthard Bratzke expressed his thanks as moderator to the speakers and participants of the conference. In agreement with the participants, the first Conference of European Chemical Regions has been a success, thanks to the need for stronger co-operation between the European chemical regions. At the same time, the conference showed important perspectives for the strengthening of the European competitiveness in the global competition.

In the name of the chemical parks of Saxony-Anhalt and the association of the chemical industry (VCI North-East) he invited the participant for the evening reception in the Bibliothèque Solvay, where the chemical parks participating in the project CeChemNet want to present themselves as partner for international co-operation.

**7.
Reception at the Bibliothèque Solvay -
The Central German Chemical Industry
in an enlarged Europe**



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

Welcome

(Thomas Wobben; Liaison Office Saxony-Anhalt, Brussels)

7.1 Welcome

(Gerwald F. Grahe; Chair of the board of LV VCI North-East)



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

Esteemed guests,

Ladies and gentlemen

As chairman of the board of the north-east chapter of the German Association of chemical industry VCI I welcome you to this evening.

In my opening address I would like to make a few remarks about the situation in our region, the East-German Chemical Industry.

As you know the chemical industry in the New German States underwent a drastic structural change from a state-controlled industry sector in 1989 to a modern efficient chemical industry in 2002

From 1991 to 2002 more than 13 billion € were invested in the development of the East-German Chemical industry. Unprofitable and ecologically critical facilities were dismantled consequently and ultra modern production lines were created.

During this change the turnover of the East-German chemical industry dropped from about 10.3 billion € in 1989 to a bottom of 3.4 bio € in 1993. Since then it grew again and reached in 2002 8.5 bio € or 85% of 1989.

Contrary to this increase the amount of all ecologically harmful emissions was reduced by more than 95% until today. Up to 1992 this was achieved by the removal of the old

facilities. Since then the reduction was caused by the construction of product lines which include efficient environmental protection measures. A marked decoupling of environmental burden and production growth can be stated.

Parallel to this structural change a severe reduction of employment took place. In 2000 finally we could register a slight increase of employment for the first time. In 2001 it grew slightly and 2002 we had a increase of employees by 3.5%. This is equal to more than 33,000 employees which is about 17% of the value of 1989.

From the former chemical combines together with newly founded enterprises a number of 480 chemical companies have developed. Only four of them have more than 1,000 employees. Most are small and medium enterprises where 90% have fewer than 250 employees.

A few words about R&D.

In 2002 2,450 people worked in R&D. That is about 7% of the workforce. 4% of turnover are spent in R&D. The respective numbers for Germany are 9% and 7%. We still have to grow these numbers in Eastern Germany. Since most of the companies are small and medium size they can finance R&D only limited. Therefore the enterprises look for cooperation with regional and international R&D centers. Also competence centers comprising large and small companies as well as scientific organisations are formed. The R&D departments of the larger companies are working on special fields within their respective group R&D.

The recent growth in turnover as well as in employment is in contrast to the development in total Germany. While the East German chemistry in 2002 increased their sales by 6% the German chemical industry had to report 1.4% reduced sales. The employment grew more than 5% in East Germany while it fell 1.3% in total Germany.

Nevertheless the industrial density especially in the chemical parks is still too low for the existing infrastructure. We estimate that additional investments of about 6.5 bio € are necessary to fill this gap.

So the development of the chemical industry in the East German states is a real success story, but a lot remains to be done still.

To continue this success story a cooperation between the chemical regions of Europe certainly is beneficial. Therefore we welcome the initiative for this congress and are happy to participate in it.

I wish you an interesting evening with many fruitful conversations.

7.2 The chemical sites in Central Germany as a partner in an enlarged Europe (Andreas Hiltermann; Board Member InfraLeuna, CeChemNet)



Information about the cluster-project







European Fond
for Regional Development



Ministerium für Wirtschaft und Arbeit
des Landes Sachsen-Anhalt

Seite 1
Stand: 06.05.2003





CeChemNet...

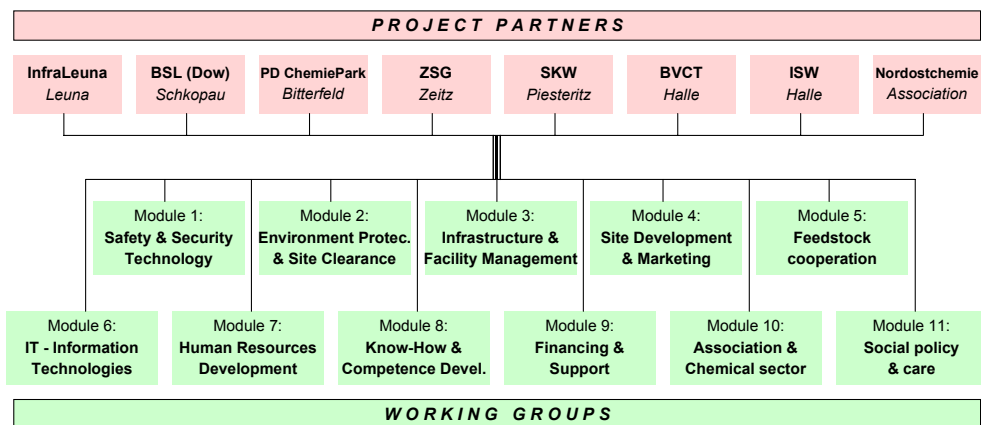
- is a new project to built up a net of competence between various chemical sites, their companies as well as other organizations
- shall stimulate the cooperation and partnership between different companies, regions and countries
- is financed by the European Communication in the frame of
"Innovative Activities of EFRE 2002 - 2003"
- has been started within the "Chemical Triangle" of East Germany (various project groups)
- will be opened on an international level especially for the new members of the EU
(first symposium in May 2003 in Brussels)

Seite 2
Stand: 06.05.2003



Five major industrial chemical sites and three major institutes form the chemical triangle of Eastern Germany have formed a cluster to create a network of cooperation and improvement.

Eight companies (organizations) are presently working in 11 Modules (project groups)



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Objectives of the project

- Creation of a regional network within the framework of the chemical industry in Saxony-Anhalt
- Preparation of the competencies of the big chemical sites of the region as basis for integration of the companies into international cooperation and networks
- Creation of a competency network "Chemieparken" (chemical sites) to increase - as a result of enhanced synergies - the competitiveness of the companies
- Enhancement of the part of the chemical site's companies within the framework of international networks
- Closer and project-oriented cooperation with Central and Eastern European countries on the basis of an intensive exchange of experiences

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Procedure of the project

- Organisation of the cooperation between the chemical sites for the development of Modules by division of labor to characterise competency groups
- Compilation of a performance catalogue „best-practice“-basics and creation of a competency platform “chemistry & development of new and innovative services”
- Bring in of competencies into international partnerships and strengthen the integration of the companies into the international division of labor

Results of the project

- Presentation of the contents of competencies as Modules
- Performance catalogue with „Best-Practice“ - solutions as base for enhanced synergies for site development
- Competency platform “Chemie” (chemistry) as solid base for a cooperation between the chemical sites
- Integration within international networks and development of project-oriented and interregional partnerships

7.3 The role of international co-operation for the Wojewodship of the Masovia

(Pavel Zalweski; Member of the Management Board of the Masovia Region in charge of international)

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.

Sponsors for the 1st Congress of Chemical Regions

This event would not be possible without the support
of the following institutions:

Cheshire County Council

Halton Borough Council

InfraLeuna

Institut für Strukturpolitik und Wirtschaftsförderung Halle–Leipzig

Liaison Office of Saxony – Anhalt

Mazowsze Region

Ministry for Business and Employment of North Rhine–Westphalia

Province of Limburg

Regione Piemonte

Tees Valley Joint Strategy Unit

Unioncamere Piemonte

VCI Landesverband Nordost

IMPRESSUM

European Chemical Regions Network 1st European Congress of Chemical Regions - Congress Volume -

Herausgeber Institut für Strukturpolitik und Wirtschaftsförderung Halle-Leipzig e.V. (isw) Verbindungsbüro des Landes Sachsen-Anhalt in Brüssel	Redaktion Institut für Strukturpolitik und Wirtschaftsförderung Halle-Leipzig e.V. (isw)
Herstellung der Druckvorlage Institut für Strukturpolitik und Wirtschaftsförderung Halle-Leipzig e.V. (isw)	Bezugsmöglichkeiten Institut für Strukturpolitik und Wirtschaftsförderung Halle-Leipzig e.V. (isw) Internet: http://www.ecrn.net
Postanschrift isw Halle-Leipzig e.V. Hauptbüro PSF 110551 06019 Halle (Saale) Germany Tel.: 0049345 / 521 36 10 Fax: 0049345 / 517 07 06 e-mail: info@isw-ev.de Internet: http://www.isw-online.org	Hausanschrift isw Halle-Leipzig e.V. Hauptbüro Heinrich – Heine - Str. 10 06114 Halle (Saale) Germany
	Druck Repromedia Leipzig AG Halle (Saale), August 2003
	Fotos • Anna-Maria Romanelli • isw Halle-Leipzig e.V.