ECRN - NEWS

European Chemical Regions Network

Volume 12 :: October 2010

First national follow up conference to the HLG on chemicals in Germany

Organized by the German ECRN member regions and the German Chemical Association (VCI), a first national follow-up conference on the HLG took place on July 1 in Berlin.

More than 90 participants from national ministries, the chemical regions in Germany, the chemical industry and other stakeholders discussed key HLG recommendations and their follow-up in the field of innovation, human resources and education, logistics as well as energy and feedstock. Held in the representation of North Rhine-Westphalia in Berlin, the discussion focused on three main questions:

1. What are chemical regions and the chemical industry in Germany already doing to implement the HLG-recommendations in the four topics? 2. What is still needed to fully implement the HLG recommendations at regional and national level in Germany? 3. What recommendations can be made for further implementing these recommendations?

At a political opening session the State Secretary of the Federal Ministry for Economics and Technology, Hans-Joachim Otto, underlined the importance of the chemical industry for the German economy and the director in charge of chemical industry in DG Industry Gwenole Cozigou indicated the need for close collaboration to realize the HLG recommendations. The ECRN President, Dr Reiner Haseloff underlined that the chemical industry is not the problem but part of the solution for the burning challenges of society. The Secretary General of the German Chemical Association stressed the positive role the ECRN played over the past years to highlight the regional concerns regarding the competitiveness of the chemical industry in Europe. The opening session was followed by four workshops chaired by representatives of four ECRN regions in which successful examples of projects and strategies were presented which were aiming at a number of HLG recommendations. It became very quickly clear that the exchange between the chemical regions, the representatives of the European Commission, the German chemical industry and national representatives offered a unique opportunity to take stock of the vast number of schemes and strategies already in place and the future potential for interregional learning. The workshops were prepared by a number of background papers with more than 100 projects and strategies, showing what is already happening in Germany to improve the competitiveness of the sector.

HLG follow up conference in Berlin

At a final session, the ECRN Board Member Bert Kersten from Limburg gave a view from a neighboring chemical region by very much highlighting the need to address the climate challenge and strengthen collaboration within the industry and together with the chemical regions in Europe. At this session it was also suggested that in the further development of the "Europe 2020" Strategy there is a need to continue the sectoral dialogues,

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such as the HLG on the chemical industry, as an example for a productive collaboration in a multi-level governance framework.

The results of the conference will be published shortly in a conference report. It is also planned to put forward a report to the German conference of Ministers for the Economy for their session in December this year to adopt a joint position towards the future implementation of the HLG recommendations. All in all the first national follow up conference in Germany provided a platform for a thorough and interesting discussion. The conclusions of this conference will now be put forward to the discussion at European level on how to proceed with regard to the HLG recommendations. Its success mainly rested on the commitment and involvement of the German ECRN members in the preparation and execution of the event.

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

The Elbe – new opportunity for logistic solutions?

Planned lock in Děčín

The Elbe is one of the largest rivers in Europe. It runs through the Czech Republic and Germany to the port of Hamburg and the North Sea. For the Czech Republic it is the only connection line with the West European waterway network and seaports. Through the channel system it is connected with the Baltic Sea, the Rhine, Weser, Ems and Oder rivers.

Navigation on the river Elbe has been free of charge since 1821. Main goods transported on the Elbe were coal, chemical products and raw materials for the chemical industry. Many chemical plants were built along the river: Neštěmice, Ústí nad Labem, Lovosice in the Czech Republic, Piesteritz, Nünchritz in Germany used the inland navigation.

The transport corridor for rail, road and navigation along the river Elbe is currently the main transport route to Western Europe for the Czech Republic. Goods exported and imported from the Czech Republic to Western European countries are 80% railway cargo, 50% road freight and 100% by water. Free transport on the river acted as a price regulator for the export and import from the old Austria-Hungarian Empire until the end of WWI from Czechoslovakia before and after WWII. Similar advantages were used before WWII in Germany and after WWII by the GDR. The state-owned river navigation companies during the communist era were supported by the state to reduce transport costs compared to railway and road.

Navigation on the river suffered with long low water periods which led to the interruption of transport for weeks and sometimes even for months. After WWII the situation grew more complicated with the split of Germany. The lower part of the river with the port of Hamburg belonged to West Germany (FRG) and the upper part to the GDR. FRG solved the problem by constructing a separate Elbe channel parallel to the East German border to connect Hamburg with the Western European waterways systems. Plans were developed by the GDR to build locks on the river Elbe, however as the transport to Hamburg should not be supported, they built a railway system to the port of Rostock on their own territory instead.

Consequently the navigability of the river Elbe suffered, while waterways in Western Europe developed. After German reunion in 1992 it was decided to renew the old water level regulation and to dredge the Elbe river bed. The minimum draught of 140 cm for 345 days a year is planned to be completed by the end of 2010 to guarantee economical water transport. After the Czech Velvet Revolution it was decided to build locks to improve navigation conditions on a critical 40 km part of the river between Ústí and the German border. This plan would make it comparable to the German Elbe. The German level regulation cannot be used in this section because the declination is

double compared with the German side. The project has been postponed many times because of environmental protests. The Czech Ministry of Transport hopes that the new government in 2010 will decide to build the first lock in Děčín. In Germany it is also considered to build one lock on the canal by the river Saale. The river Saale and its connection with the river Elbe is a significant link to an important chemical cluster in Saxony–Anhalt.

The renaissance of river navigation on the Elbe could bring new possibilities for the traditional transport of chemical products and raw materials, but also for the transport of energy sources such as coal and liquid natural gas (LNG). Transport of LNG could also help reduce the dependency of unreliable delivery from Russia. Transport of LNG by river transport has additional benefits regarding security and relatively low specific gravity of the product. Furthermore, new logistic opportunities could also arise for other industries and agriculture along the river Elbe.

Jiří Aster, President of the Chamber of Commerce in Děčín District

Sustainability lasts longest – a Minister's view from Limburg

provincie limburg

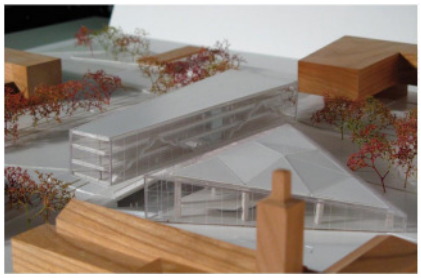
A series of carefully selected measures is being taken in Limburg whose results should be mutually reinforcing: Improving access and traffic flows in a way that boosts the economy, including the activities on the Chemelot Campus; making traffic and transport more sustainable in order to improve the quality of life; making smarter use of energy, so that our region becomes cleaner and more appealing to residents, visitors and companies; encouraging innovation based on the principle that the environment should not suffer any negative effects (Cradle to Cradle). Cradle to Cradle emphasizes closed-loop recycling, renewable energy and designing for wellbeing. Together with many enthusiastic partners, the Province wants to develop into one of the most progressive regions in the Netherlands and Europe when it comes to this approach.

Limburg in the ECRN

We can only succeed in making Limburg accessible and sustainable if our efforts receive support within a broader international context. After all, the Province is located at the heart of an important European region, with transfrontier roads and cross-border economic activity. That is why the "Accessible and Sustainable Limburg" programme seeks to cooperate with foreign partners on various projects.

The "Chemelot Campus Master Plan"

Limburg has been advocating the development of the Chemelot Campus into a top technology cluster for chemicals and open innovation since 2005. By now 32 new companies have moved to the campus and 1050 knowledge workers are now employed there. The plan is to extend the Chemelot Campus site and broaden its activities in order to turn it into a leading European business location. The aims are to encourage open innovation, add fifty new companies, and to increase the number of knowledge workers from around 1000 now to more than 2000 in 2018. The initiators – DSM, the Province of Limburg and Maastricht University/Maastricht UMC+ – agreed officially on 10 March 2010 to develop a "Chemelot Campus Master Plan", in cooperation with the current campus residents, LIOF Limburg Development Company, the Dutch Ministry of Economic Affairs, RegieGroep Chemie, the City of Sittard-Geleen, Zuyd University and Aachen University of Technology. The aim is to set up a joint development company, Chemelot Campus, in the Euroregion. The Chemelot Campus development process is important not only for the three initiators. Cooperation has also been envisaged at local level with Maastricht's Life & Science Campus, Greenport Venlo and the solar energy cluster. At the supra-regional level, the Chemelot Campus will be viewed increasingly within a regional/ Euroregional context. Given the huge impact of the Campus on the region/Euroregion's future economic robustness and innovativeness, the Province is working energetically with various stakeholders on additional development



Maquette of Chemelot Campus
Source: Chemelot

models designed to enhance both the site and the campus itself. Cooperation will be extended in 2010 after the Chemelot Campus Master Plan has been developed in detail.

Being the Regional Minister of Limburg, I want to ensure that Limburg is accessible, both for individuals and businesses. That requires having a good road network, a proper public transport system, and smart and efficient goods transport solutions. But we also have to be environmentally responsible. Transport has to be safe and clean, and so does the chemicals industry. That's why Limburg cannot be accessible without also being sustainable. And sustainability means: cleaner air, less energy consumption, more renewable sources of energy, and less noise. I believe that the ECRN offers long-term added value in allowing us to join our European partners in lobbying the EU for the necessary legislative and regulatory amendments in order to meet the requirements of the chemicals industry. The added value of our network also lies in taking our Open Innovation philosophy from the regional and national to the European level. It is only in this way that the Chemelot Campus can in fact become a leading European business location.

Bert Kersten
Source:
Alf Mertens

Bert Kersten, Regional Minister for the Province of Limburg

Social and environmental responsibility – the oil shale production in Ida-Virumaa

Oil shale is found in many countries around the world, and its reserves become more and more important, especially thanks to last years' oil shale gas revolution in the USA. Oil shale processing, however, takes place only in few locations: Estonia is one of three countries in the world, together with Brazil and China, which do oil shale processing in industrial scale. Main products derived from oil shale are fuels – both shale oil and shale gas.

VKG is the biggest oil shale processor in Estonia and covers the whole production chain, starting with the mining and processing of oil shale up to the manufacturing and marketing

Source: VKG

of the most sophisticated chemicals. The biggest chemical organisation in the country is also one of its biggest developers which has invested heavily in recent years to improve safety, productivity and environmental aspects of the production. First in Estonia, in May 2010 VKG prepared a Report on Social Responsibility and Sustainable Development where it published data on economic, ecological and social impact of its enterprise (www.vkg.ee). The report is based on the 3P-bottomline (people-planet-profit) principle which is at the highest level in the management process implemented at VKG. A base line running through the report is an integral policy of social responsibility operating at VKG as a separate development direction. "With our new initiative we hope to popularize the principle of disclosure and transparency among Estonian enterprises" – says Priit Rohumaa, the VKG CEO. With the publication of the report, VKG joined a world-leading initiative – the Global Reporting Initiative (www.globalreporting.org).

Reporting is not the main topic here, however, but can be considered as a cherry on the top of a cake known as socially responsible management concept. The basis of the report are ten years of non-stop work in the field of environment, professional health, safety and R&D which led to outstanding economic and environmental results. By the beginning of 2010, VKG opened a new plant, was first in contemporary Estonia to start to build its own mine and launched a production of sophisticated chemicals. VKG's current aim, being also supported by the state, is to start the production of diesel fuel to cover Estonian needs completely. By 2015 the enterprise hopes to start with production of high-quality cement and to put an end to the storage of the biggest solid waste of oil shale production - semi-coke. The new plant will allow VKG to use all the semi-coke while at the same time preparing it for 2015, when a new pricing policy for the stor-

age of waste is being introduced in Estonia.

We highly valorize social responsibility as a concept of commercial thinking — our people and surrounding environment are most important. These two values are developing in parallel with profitability and economic outsight.

Background: VKG is the biggest chemical enterprise in Estonia with its headquarters in Kohtla-Järve, some 180 km from the country's capital Tallinn. The production site has been working since the year 1924 when it became the country's first production unit. At present the operation employs 1,370 highly-skilled people. It was state-owned during the time of the former Soviet Union. In 1990 it was privatized, remaining 100% private to this day.

Julia Aleksandrova, VKG

Additional information: Indrek Narusk, Ida-Virumaa County Government

LOSAMEDCHEM – logistics project in the Mediterranean area

The final recommendations of the High Level group on the Competitiveness of the European Chemicals Industry stated in the logistics section that initiatives as ECRN and its project on chemical logistics cooperation in Central and Eastern Europe might also be relevant for other parts of the EU. What was meant here was the Interreg 4b Central Europe "ChemLog" project, with the objective to strengthen the chemical industry by improving the conditions of the supply chain management. In the perspective of implementing the European Commission recommendation, the Province of Novara elaborated a project which is meant to extend the objectives and the actions of "ChemLog" to the Mediterranean area: LOSAMEDCHEM. It has been approved funding under the Interreg 4b Med program.

"LOSAMEDCHEM - How could the logistics and the safety of the transports of chemicals be improved in the Mediterranean area", brings together 10 different partners from the entire basin of the Mediterranean sea. The Province of Novara (LP) has a specific competence in territorial planning and in the definition of most of the local transportation infrastructures. SC Sviluppo Chimica S.p.A. is a shareholders company totally controlled by Federchimica, the Italian Federation of the Chemical Industry. The Association of Municipalities of Malta, the Chamber of Commerce of Thessaloniki (GR), the General Council of the Chambers of Catalonia and the Port Study Institute of the Valencia Region (both ES) represent areas involved in chemical goods transportation. The University of Maribor (SL) participates in the project as responsible for its web site implementation. The others are partners of public authorities, managing the harbours of Genoa, Trieste (both I) and Koper (SL).

All the participating regions are crossed or influenced by the following European corridors: no. 4 (connecting Dresden with Thessaloniki), no. 5 (connecting Lisbon with Kiev), no. 10 (connecting Salzburg with Thessaloniki), no. 24 (connecting Genoa with Rotterdam). The regions of the Mediterranean northern shore have a transportation capability that can, on average, be considered satisfactory; but in comparison with northern European regions, there are many critical issues.

The project will analyse the current situation of chemical goods transportation in the partner regions to identify strengths, weaknesses, opportunities and threats. On this basis the partners will articulate their future actions. This part will be implemented in the first year of the project and focus on a SWOT analysis and on the evaluation of the existing approaches in the participating regions which will allow the exchange of good practices. The second phase has the scope to elaborate common solution proposals to the problems studied in the previous phase and will be focused on the exchange of good practises too. On the basis of the results, regional, national and transnational strategies to achieve the proposed solutions will be developed in the final phase by every partner.

Silvano Brustia, Province of Novara

Region profile: Brandenburg

LAND BRANDENBURG
Ministerium für Wirtschaft und Europaangelegenheiten

Together with the city of Berlin the State of Brandenburg forms the German Capital Region. Located at the heart of Europe Brandenburg is geographically the fifth biggest German State with boarders to Saxony, Saxony–Anhalt, Lower–Saxony, Mecklenburg–Pomerania and Poland. The biggest city is the capital Potsdam (150,000 inhabitants).

Brandenburg and chemicals industry

For the last twenty years the chemicals and plastics industry has undergone a fundamental change from a state - controlled economy to a market orientated economy. With costs of several billion EUR the chemicals industry – supported by the State Government of Brandenburg – has made great endeavours not only to preserve an international competitive industrial location but also to prepare for the challenges of the future. All efforts were focused on the successful revitalisation of traditional chemical industry sites like Schwarzheide/ Lauchhammer, Guben, Premnitz, Fürstenwalde and Schwedt. Other important locations are Oranienburg and Rheinsberg. Investors like BASF, Trevira, Nycomed and Märkische Faser are located in the region. Thanks to those investments chemical plants in Brandenburg are among the most sophisticated and environmentally friendly worldwide and form a strong basis for the further development of the business location Brandenburg.

The chemicals industry belongs to the most important manufacturing industries of Brandenburg. Its range of products covers nearly the entire portfolio of chemicals marketed, main products being basic chemicals, chemical fibres, pharmaceutical products, paints, plastics and chemical specialties. About half of the manpower is employed by SMEs. In addition to this the plastics industry employs about 5,300 persons, with an consolidated turnover of about 1 billion EUR. Some 3,200 people work for companies based in the Schwarzheide/Lauchhammer area like BASF and Vestas. This area accounts for nearly a third of the manpower employed by Brandenburg´s chemicals and plastics industry and about 40 percent of the consolidated turnover. Main products are basic chemicals, plastics, paints and specialties.

Chemical research and innovation

Chemistry is an important subject taught and researched at four of Brandenburg's universities. Additionally, the Technology Transfer Chemicals/Plastics of Brandenburg (BTS) was set up with support from the Brandenburg Ministry of Economics and European Affairs in 2009. BTS is the statewide contact for sector specific technology transfer. As an interface between science and economy BTS assists companies and initiates contacts with industry experts.

Recent developments

Until fall 2008 the chemical industry had grown against the overall German trend, but the following recession led to a strong decline in turnover. Since the second quarter of 2009 the chemical industry has been growing again and the outlook for the years to come is again very optimistic. Brandenburg's economic policy wants to support the chemicals industry to meet the challenges of the future like ensuring the availability of skilled labour force, sustainability, climate and environmental protection. Those challenges can only be solved in a close cross border collaboration between business and politics European-wide.

Facts and Figures

Inhabitants: 2.6 million

Area: 29,500 km^2

Gross Domestic Product (GDP): 53,891 billion EUR

Main business sectors: energy industry, tourism, aviation and space industry, railway construction, industry, food industry, chemical industry

Chemical and Pharmaceutical Industry

Number of companies: 29

Number of employees: 4,500

Export rate: 9.4 %

Annual turnover: 1.4 billion EUR

Region profile: Yorkshire and The Humber

The Yorkshire and Humber region has had chemical interests since before the industrial revolution. During the 16th century industrial scale manufacture of Alum was developed to supply the medieval textile sector. Today the chemical and chemistry using industries has an output that exceeds 10 billion EUR and represents one of the region's largest and most successful manufacturing sectors. The chemical and down-stream chemistry using sectors are very diverse, with activities in petrochemical, pharma, paints, pigments and personal care products. Collectively the Yorkshire & Humber industry and direct supply chains are represented by over 300 operating companies employing in excess of 20,000 employees.

The academic and research community across the region is very strong with a cluster of universities offering and providing advanced chemical science & technology education and research at cities such as Hull, York, Leeds, Sheffield, Bradford and Huddersfield. In addition, and with the support of the regional development agency Yorkshire Forward, the region hosts a strong enterprise support culture to encourage the commercialisation of university intellectual property.

Supporting Chemical Cluster Development

The Yorkshire & Humber region has given strong support to the development of chemical industry clusters through the development of two regional chemical initiatives: Humber Chemical Focus (HCF) and Yorkshire Chemical Focus (YCF). HCF and YCF have been operating for over 10 and 5 years respectively with the aim to create strong and enduring public-private sector partnerships. Today they have together a membership of over 200 local organisations and companies and operate over 15 networks on a wide range of topics e.g. Innovation, REACH, Major Hazards, Bio-Fuels, Environmental Management and Skills. These networks are being run on an industry led basis and provide forums and opportunities for information to be exchanged as well as to work together at both public and private sector level. One recent successful example of these networks has been the creation of a 10 million EUR innovative skills facility CATCH (Centre for Assessment of Technical Competency) which recreates the scale and working protocols of a real chemical site and allows students to train in a real industrial environment. CATCH is a great example of collaborative cluster working in the chemical industry.

Outlook

The Yorkshire & Humber region hosts one of the UK largest clusters for energy and power generation as well as one of the country's most dynamic SME sectors. The region is at the fore front of driving toward a more low carbon economy. Its maritime position is also driving investment in major renewable energy projects such as off-shore wind as well as on-shore biomass to energy, bio-fuels, chemicals programmes. In addition the region is host to major energy generation capacity as well as some of the major energy intensive industries and is attracting some of the EU's first scale carbon capture projects. Yorkshire & Humber is poised to take advantage of these new opportunities and represent further support to its competitive chemical industries and investment location qualities.

Facts and Figures

Inhabitants: 5 million

Area: 15,000 km^2

Gross Domestic Product (GDP): 90 billion EUR GVA

Main business sectors: Engineering, Aerospace, Energy Generation, Fuel Manufacture, Transport & Ports, Chemical & Process Industries, Digital, Tourism

Chemical and Pharmaceutical Industry

Number of companies: 300

Number of employees: 20,000

Export rate: 65%

European Chemical Regions Network ECRN e.V.

ECRN Network Secretariat
Boulevard St. Michel 80
B - 1040 Bruxelles

Phone: +32 (0) 2 7410 947
Fax: +32 (0) 2 7410 927
E-mail: office@ecrn.net
www.ecrn.net

Amtsregister Magdeburg 1995
Hasselbachstr. 4
D—39104 Magdeburg

IMPRINT

European Chemical Regions Network (ECRN) e.V.

President: Dr. Reiner Haseloff,

Minister of Economy and Labour of Saxony-Anhalt

Director of the Secretariat: Michael Hack

Contact person: Eva Hertel

Phone: +32 (0) 2 7410 947

Fax: +32 (0) 2 7410 927

e-mail: office@ecrn.net

'Responsible Care' in the Czech Republic

The chemical industry's global ethic launched in 1985 by the Canadian Chemical Producers' Association, Responsible Care, drives continuous improvement in health, safety and environmental performance. Responsible Care is a global leadership and best practices initiative. It has eight fundamental features, and a set of core principles commit companies and national associations to work together. Responsible Care intends to build public trust and confidence in the industry. It requires companies to be transparent towards other stakeholders, and the Responsible Care logo is a worldwide brand and trademark for participation in the programme.

Focusing on the Czech Republic we look back on 16 years of successful activity within the Responsible Care programme, and the major role of the programme in the process of privatisation in the early 1990s and the change to an environmental industry approach. SCHP ČR member companies have defined their own programme goals and target values and gradual steps focused on health, safety, environment performance, enhancement of their credibility and awareness in relation to neighbouring cities, municipalities, employees and a prestige in the business. Major attention was given to the implementation of Directive 96/61/EC on IPPC. Opposite to the „old" EU countries, where the IPPC process had started in 1999, in the new accessing countries it only started in 2003. Despite that limited time, all production facilities of SCHP ČR member companies relevant to the IPPC directive obtained integrated permits before the end of October 2007. 250 companies' experts have jointed technical working groups of the Ministry of Industry and Trade, 5 experts represent the Czech chemical industry in the Sevilla process. Responsible Care sub-programme Product Stewardship has significantly helped in facilitating the REACH implementation. An enhancement of communication processes between producers and consumers has also played a very important role.

We are really proud to be able to announce that, so far, 69 companies did fulfill the Responsible Care principles, 41 obtained the respectful logo of Responsible Care and five companies have been awarded the prestigious Responsible Care Award (since 2006). This brings a generous piece of optimism in these days when we are facing the impact of economic crisis.

Ladislav Novak, SCHP ČR - Association of Chemical Industry of the Czech Republic