President

To: President of the European Council, António Costa
EU Heads of State and Government

Cc: President of the European Commission, Ursula von der Leyen
President of the European Parliament, Roberta Metsola

Brussels,
11 February 2026

Urgent call to the Heads of State at the Alden Biesen Informal Retreat, 12 February 2026

Dear [President / Prime Minister],

As the 2026 Davos meetings made unmistakably clear, Europe must fully capitalize on its economic and political strengths if it is to remain a serious global player. The European Council has clearly confirmed this direction: there is no safe and strong Europe without a thriving European industry.

This is no longer simply a question of manufacturing, as it is no longer about the competitiveness of our manufacturing sectors. It is the recognition that without a strong industrial base, Europe cannot sustain its economic, social and strategic foundations.

The chemical industry is the industry of industries - numerous sectors depend on it and the innovative products and solutions we deliver, from mobility, to health, energy systems and climate objectives. Our future lies in Europe. Yet, our industry is under unprecedented pressure, facing an accelerated and structural consolidation process that will decisively shape Europe's industrial landscape.

Published last week, Cefic / Roland Berger research shows that chemical plant closures in Europe have surged sixfold since 2022 and even doubled in the last year, reaching a cumulative 37 Mt of capacity, or around 9% of EU production capacity in only four years. This rapid consolidation has already resulted in the loss of 20,000 direct jobs in the chemical industry. There is a sharp slowdown in new investments, as annual announced investment capacity fell by almost 90% over the 2022–2025 period: a clear indicator that confidence in Europe as industrial location is rapidly eroding.

While some challenges are structural and offer limited scope for change through public policy, others are self-inflicted by EU policy, through higher cost burdens that competitors in other regions do not face, or red-tape limiting growth due to extensive reporting and administrative requirements.

The European Chemical industry, that I am honored to represent as President of Cefic, counts on your bold leadership to address the numerous levers that can be shaped politically to improve competitiveness of our sector. It is not five minutes before or after twelve, a rapid consolidation of Europe's chemical industry landscape has started. Industry stands ready to do its part, as we expect policymakers fulfill theirs.

We therefore look to the Alden Biesen European Council Retreat on February 12th with strong and clear expectations. We call upon you, and the leaders of the other EU institutions, to deliver bold and decisive action on four key areas:

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Bring total energy and carbon costs down

Europe urgently needs a true interconnected and affordable Energy Market, a real Energy Union, now. Critical infrastructure must be added without delay, both nationally and across border. Storage capacity needs to be built, and electrification timelines must be set in a realistic and investable way. To ensure that investment and production remain in Europe, Member States need to deliver a long term maximum industrial power price of €50/MWh with all surcharges included across Europe. In addition, support should be secured for significantly increasing Europe's indigenous gas production and for more competitive long-term natural gas contracts, access to low-carbon energy sources (renewable, nuclear, biogas,..) and industrial decarbonization solutions such as Carbon Capture and Storage (CCS).

We ask for a fundamental rethink of the approach to carbon costs for European Industries in a world that does not follow. Carbon costs are steeply increasing while the ability to implement deep decarbonisation measures is constrained by factors that remain largely outside industry's direct control. The enabling conditions are not in place.

We therefore call for temporary **emergency measures** to shield the European economy from additional carbon costs by suspending as of 2026 further ETS benchmark reductions. Without such measures, industry would face a significant loss of free allocation compared to the 2021-2025 period, resulting in additional costs of several hundred million euros per year for the chemical sector alone, and diverting resources away in innovation and transformational investment projects. We also call for an end to the invalidation of emission credits in the market stability reserve (MSR).

The short-term fixes need to be complemented with medium-term adjustments to address core issues in the upcoming ETS reform, such as the extension of the reduction pathway to 2050 and a dedicated approach to hard to abate sectors. A regular review of progress should be laid down in the revised directive. ETS and CBAM revenues should return 100% to industry to maintain carbon leakage protection and de-risk industrial projects, with access across all regions and company sizes, and within a technology-neutral framework.

A new spirit of lawmaking

EU regulation must be smart and fit for business. It must support transformation while safeguarding competitiveness, and it must be proportionate, without weakening further Europe's industrial base. The ongoing efforts, including the launch of several Omnibus packages are commendable, but they require greater ambition, as well as faster and more effective implementation. For example, the Industrial Emissions Directive (IED) must be significantly simplified as part of the Environmental Omnibus, for which the ambition level is clearly insufficient. Temporary suspension of the IED implementation timeline is essential (stop-the-clock). Permitting procedures shall be limited to three months.

Gold-plating by Member States must be avoided when implementing EU requirements. More still needs to be done to streamline legislation and ensure it is efficient and workable in practice. A systematic review of the existing acquis is indispensable in order to phase out outdated and disproportionate rules and to create lasting space for investment. Political leaders need to ensure that the new spirit of lawmaking is implemented at all levels in their institutions.

For all new legislations and their reviews, a new spirit of law-making is required: one that places competitiveness, innovation, technology neutrality, regulatory sandboxing and trust in responsible entrepreneurship at the core of EU legislative work. Such new spirit should apply also for substantial amendments introduced during the legislative process: systematic competitiveness checks should ensure that industry is supported rather than burdened. Completing this work before the end of 2026 would send a strong and confident signal.

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The application of the REACH Regulation, the core regulation for our sector, should be geared towards more efficient implementation. REACH remains the world's most comprehensive chemicals legislation, and the main challenges lie in implementation and enforcement, not the legislation itself. Improvements to REACH processes should be achieved within the existing legislative framework, notably through changes to implementing measures and guidance.

Support global and fair trade and access to finance

Competitiveness starts at home, but Europe cannot thrive alone. We need your support for the European Commission's efforts in global trade, as Europe needs global partnerships and large-scale trade agreements more than ever – and they must be implemented without delay. At the same time, we ask you to strengthen and adapt the EU trade toolbox so it can respond swiftly to unfair trade practices, circumvention and global oversupply. Urgent action is needed at the border to enforce the rules already in place, ensuring that imports comply with EU standards and that European companies compete on a true level playing field. Preliminary anti-dumping duties should be imposed earlier on in the trade defence process, in line with practice in other major economies. Finally, we must mobilise Europe's investment power. Decisive action is needed to complete the Capital Markets Union and to better align public funding with our shared objective of a strong and competitive Europe.

Be proud to buy products made in Europe

Last but not least, you have a critical role in helping creating demand. Today, there is no meaningful premium or sufficient demand for low-carbon, bio-based, and circular products. We therefore call for the urgent creation of lead markets through public procurement, completed by fiscal and financial mechanisms that derisk investment and create predictable revenue streams for Europe's strategic sectors and value chains. You can make this concrete and impactful by complementing EU labelling and standards with demand-side incentives at scale, such as performance-based standards, offtake tax credits for business customers, and new market mechanisms. To reach a viable economic scale up, we also ask you to endorse a pragmatic and flexible mass balance approach.

The European chemical industry looks to the Alden Biesen European Council Retreat as the moment when Europe turns ambition into action: a moment to address with clarity and resolve, the root causes of our sector's decline. These include the EU's structural disadvantages compared to other regions and countries, particularly on energy and raw materials, intensifying tough and sometimes unfair international competition, as well as self-inflicted challenges and politically induced costs.

Europe's future competitiveness, resilience, and leadership can only be made with industry. We place our trust in you, and we stand ready to work with you as part of the solutions - for Europe.

Please accept the expression of my highest esteem.

Yours sincerely,

Markus Kamieth