

Cefic statement on the EU Economic Recovery Plan

The European chemical industry welcomes the ambitious Economic Recovery Plan to kick-start our economy by focusing on “driving competitive sustainability”.

The unprecedented public health challenge of the COVID-19 pandemic quickly turned into a humanitarian and economic crisis. Throughout this period the chemical industry has been at the forefront of industry response and has demonstrated its resilience and flexibility to address those unprecedented conditions. It has stepped up regular production of critical products, maintained security of supply and has been crucial for the provision of essential materials and goods, including hand sanitiser and personal protective equipment. This challenging period has been a grave reminder of the need for a strong and resilient Europe with its own robust industrial capacities.

The European Recovery Plan rightly proposes to address this challenge by transforming it into an opportunity for a more resilient Europe; by accelerating investments into the green and digital transition in a manner that leaves nobody behind, in line with the EU Green Deal.

The chemical industry will play a critical role in Europe’s transition, both by providing the products enabling European society to transform, and by transforming its own production processes. Our priority in this regard is to ensure that we are able to make this transformation while maintaining, and if possible increasing, our production capacity in Europe. This will only be possible if industrial competitiveness is maintained throughout the transition. We therefore underline the importance of accompanying the Economic Recovery Plan with the implementation of the EU Industrial Strategy, embedding it firmly in the Green Deal actions. This will ensure that the recovery funding achieves an industrial transformation that will be resilient over time.

Our sector has been hit by the current economic downturn. The outlook for our industry remains highly uncertain as demand for chemicals will largely depend on the future course of the pandemic, restriction measures taken by authorities, and the pace of recovery of downstream industries as the major users of chemicals (e.g. construction, automotive).

We therefore applaud measures supporting economic recovery, particularly for the renovation of buildings and clean mobility, for the development of all forms of clean hydrogen and the support for enabling technologies such as CCS and CCU, and the ‘Strategy on Offshore Renewable Energy’ which will hopefully provide a boost for associated chemicals demand. We equally welcome the new EU4Health programme that will invest in prevention, crisis preparedness, procurement of vital medicines, medical devices and Personal Protective Equipment and support the relaunch EU production of Active Pharmaceutical Ingredients.

New investments in collection, sorting and recycling of waste will help to reduce Europe’s dependence on strategic secondary raw material imports and can promote innovative technologies such as chemical recycling, which will accelerate the transition to a Circular Economy.

Own resources should be earmarked to support the Circular Economy ambitions of the National Recovery Plans of member states, and not put additional burdens on businesses at a time when the Economic Recovery plan seeks, on the contrary, to support businesses.

The EU chemical industry encourages the European Council to swiftly agree on the EU Recovery Plan which is urgently needed for the restart of the European economy and for supporting the investments needed for the green and digital transition.