



7th Congress of the European Chemical Regions

6th November 2009, 11 a.m. – 17:30 p.m.

CESRW, Rue du Vertbois 13c, B – 4000 Liège

Congress Report

Opening of the Congress: Chemical Regions: Enablers for a sustainable future

After a short welcome by ECRN Vice-President and Moderator of the opening panel Karl-Uwe Bütof from North Rhine-Westphalia, **Jean-Claude Marcourt**, Vice-President of the Walloon Government and Minister of Economy, welcomed the congress participants to Wallonia and to the city of Liège, the cradle of industrial revolution in continental Europe in the 19th century, as he pointed out. He continued by giving a short overview on the current economic situation in the Walloon region with a special focus on the chemical industry. He thereby mentioned main priorities and strategies in facing the current crisis and innovative measures taken as the very successful “competitiveness poles”. He finished by wishing all participants a successful congress day in Liège.

Moderator Karl-Uwe Bütof thanked Mr. Marcourt and stressed the added value of the ECRN especially in crisis times like these. He then introduced the next speaker of this opening, **Dr. Reiner Haseloff**, President of the ECRN and Minister of Economy and Labour of Saxony-Anhalt. Dr. Haseloff welcomed the participants and warmly thanked host region Wallonia for the hospitality. He stressed the importance of today’s event facing the current economic situation where innovative solutions from the European regions are more urgently needed than ever. Dr. Haseloff pointed out the positive role the ECRN has played in the past in successfully linking regional experiences and interests with the more abstract European political level and to get heard as an important European stakeholder - with the participation in the High Level Group on Chemicals being the very best proof. He continued by pointing to current ECRN activities in the areas of chemical logistics as through the ChemLog project and in the field of chemical cluster development as through the very recently approved ChemClust project. He stressed the importance of these two areas for future competitiveness of the European chemical industry and invited the ECRN members to actively bring in their ideas and projects. He finalised his speech by pointing to the successful “service provider” – role the ECRN plays for its member regions at the interface of regional and European level. The latest application for ECRN membership of a new region is the best proof that the ECRN is on a very promising path for the future, he added.

Moderator Bütof thanked Dr. Haseloff for his speech and introduced as the next speaker **Dr. Jean-Claude Lahaut**, Cefic Executive Director. Dr. Lahaut firstly presented the excuses from CEFIC Director General Dr. Hubert Mandery who was not able to be here for unexpected time schedule conflicts. Dr. Lahaut stressed the excellent cooperation CEFIC has developed with the ECRN concerning the areas of innovation and competitiveness which are definitively key priorities for the future of the chemical sector. Chemical regions as “incubators for innovation” as this year’s congress’ heading points out, play an essential role in these processes, he added, be it green chemistry, innovative clusters, logistics cooperation etc.

Concerning the current situation on the world market, Dr. Lahaut made clear that even though there still is growth in the European chemical sector, there is no way around facing the fact that the European chemical sector has been outpaced by Asia in recent years which is now no 1 worldwide. In order to remain competitive in Europe in the future, he stressed the special importance of education and innovation (not just research) across the whole supply chain.

Mr. Bütöf thanked Dr. Lahaut for his presentation. After a short question from the audience concerning Dr. Lahaut's expectations and positions concerning the probable Copenhagen results on climate change and emission policies in December this year, which was answered by Dr. Lahaut by explaining the CEFIC position on these developments, Moderator Bütöf introduced the next speaker, the President of Essenscia Wallonie, Mr. **Pascal Lizin**.

Mr. Lizin started his presentation by introducing to the audience the mission statement of Essenscia Wallonie. He stressed the special role of the chemical industry in today's world where chemical products are to be found nearly everywhere in our daily lives, and he continued by quoting from a study taken by a well-known consultancy which found that the chemical industry contributes much more to the fight against CO₂ emissions through its sustainable and innovative products than it produces CO₂ emissions itself. These study results are a proof for the innovational strength of the chemical sector, he explained, and for its central role in facing today's various challenges. This essential and green role of the chemical sector should be communicated more effectively, he added. Mr. Lizin then went on by giving an insight into the chemical sector in the Wallonia region and recent initiatives as the successful strategy of different "competitiveness poles" where close relationships between the different chemical actors are being fostered. In finalizing his speech he mentioned the International Year of Chemistry IYC which will take place in 2011 and which will see several events in Belgium, hopefully also with the involvement of other chemical regions, which he would highly appreciate.

Mr. Bütöf thanked Mr. Lizin for his speech and especially for mentioning the IYC in 2011, which the ECRN has of course already considered regarding its activities for the time to come. As last speaker of the opening, he then welcomed Mr. **Massimo Buscemi**, Councillor of Region Lombardia. Mr. Buscemi stressed the good forum ECRN offers in order to develop regional responses to the economic challenges of today. He continued by shortly presenting the current situation in the Lombardy region and how the region has successfully in the past been engaged in R&D and in a constant exchange of experience and best practice with other regions and stakeholders from Europe and the world. He pointed out that often regions are more closely linked with each other than the national level, which offers many possibilities of added value. He therefore invited the congress participants to make use of this day in this regard and get in touch with each other. At the end of his speech, Mr. Buscemi informed the participants on two events which will take place in Lombardy in the coming weeks.

Mr. Bütöf thanked for this last presentation of the opening session and asked if there were any questions. During the following debate, a question was raised from the audience to Mr. Lizin concerning the exact idea behind the "competitiveness poles" mentioned before. Mr. Lizin gave some more details on the poles in general and especially on the 6th pole of competitiveness which addresses the chemical sector and which has just been created. Mr. Marcourt added that the special characteristic about these poles is that it is the companies which are the motors of the poles and that if they accept to join a pole, they are expected to actively contribute to the initiative.

Two other questions were asked by a representative from Dow, who was interested in the question if the issue of "industrial symbiosis" as e.g. in the biogas production through organic waste, is of any special interest for the ECRN. Furthermore, she was wondering if a chemical logistics project like ChemClust is only focused on production clusters but also on value chain clusters? ECRN President Dr. Haseloff answered that based on the specific conditions in Eastern Germany which have led to new industrial structures during the last years, most

clusters combine much more than just production nowadays, but also research etc. Concerning the second question, Mr. Bütöf added that ecoefficiency is indeed a topic the ECRN is aware of.

As there were no further questions, Mr. Bütöf thanked all speakers and participants of the opening for their active engagement and wishes a successful continuation in the two afternoon panels to follow.

Panel 1: Intelligent Solutions made in chemical regions

The first of the two afternoon panels was introduced and moderated by Tony Richmond, Vice President of the ECRN. He stressed that the current economic situation makes the 7th ECRN Congress especially important and that he was therefore looking forward to the afternoon presentations. He then shortly presented the speakers of the first panel and opened the floor for the first contribution.

Prof. Dr. Víctor G. Marroquín, General Manager of the Economic Development Agency of the Principality of Asturias (IDEPA) opened the round with his presentation on 'Intelligent Solutions Made in Chemical Regions, Asturias Strategy' in which he gave an overview on the geographical and economic situation of his region and on its approach towards innovation. Asturias is a region located in the middle of Northern Spain and its economy consists mostly of SMEs, which is the reason why clusters are not an option but a need, as Prof. Marroquín explained. Among other things, he presented IDEPA as one of the Asturian clusters and pointed to how Asturias is engaged in cluster networks and initiatives. He also mentioned the very positive general conditions of the region concerning skilled workforce, industrial bases and logistics infrastructure as the harbour of Gijon, and finalised by saying that concerning the aim to preserve and even improve competitiveness and thereby wealth and prosperity in his region, clusters are the only way.

After thanking Prof. Marroquín for this interesting insight into Asturias, Tony Richmond passed the word to Mr. **Dirk Plees** from the Limburg Region.

After delivering the apologies from Bert Kersten, Executive Councillor for Environment for the Dutch Province of Limburg, for not being able to attend the conference and give the speech himself, Mr. Plees gave the presentation on behalf of him with the title 'Limburg on track during the financial crunch'. Aim of the presentation was to present some solutions the Limburg region has developed in order to tackle the current crisis, with special focus on the chemical industry. Mr. Plees started by mentioning three main problems: There is a lack of staff in the chemical industry, while at the same time, jobs are being cancelled and salaries being frozen. Furthermore, the unemployment rate in the Netherlands is expected to be close to 12% by April 2010, so solutions had to be found quickly, as Mr. Plees made clear. The approach which has recently been taken by the Limburg region is creating a taskforce called 'Limburg on track'. This taskforce connects different actors from cities to the industry, from knowledge institutions to employer organisations, from employees to province officials. The main responsibility of the taskforce are investments in the economy, business support, taking care of the job seeking, and developing new ideas for the economy. The taskforce has been successful so far and also for the chemical sector, there are some success stories to tell already, as Mr. Plees stressed by finalising his speech.

Moderator Richmond thanked Mr. Plees for this presentation. As there were no further questions, **Frédéric Van Gansberghe** from the Walloon chemical company Galactic presented his company and some current challenges and chances the company is faced with. Galactic is part of the food industry sector and produces food additive products as for example lactic acid, as Mr. Van Gansberghe explained. He then gave an example for the importance of cheap and efficient logistics for innovation and competitiveness in European

regions: In order to develop an innovative “green lacto-chemistry” in the future, a project which Galactic puts special focus on at the moment, a lot of biomass will be needed. As the amounts of biomass available are much higher in countries outside Europe, Galactic plans to import biomass to Europe in the future. Because of the current high transportation costs, however, it would be cheaper to produce the whole product in the countries where the biomass comes from, e.g. Brazil. Thus, as Mr. Van Gansberghe finalised, in the globalised world as existing today, the further development of cheap transport means should be in the focus of European and national policymakers.

The next speaker announced by Tony Richmond was Mr. **Martin Naundorf** from InfraLeuna GmbH in Saxony-Anhalt. Mr. Naundorf first presented some general figures and the mission statement of his cluster management company and of the chemical site. Leuna is a chemical site with a production structure ranging from specialty to bulk chemicals, which attracts both medium-sized and larger chemical companies, continuing its long-standing tradition of exceptional chemical production, as Mr. Naundorf made clear. He continued by presenting some innovative ways for the use of lignite, e.g. in the area of synthetization, and finalised by pointing out that an important aim for the future is the reduction of dependence from raw material imports.

Tony Richmond thanked the speaker and added that Mr. Naundorf’s presentation can be seen as a good proof for the fact that dependence concerning raw materials is most likely to be the most important strategic weakness of certain chemical regions in Europe and that it is important to find solutions to decrease this dependence.

Coming to the last speaker of the panel, Mr. Richmond asked **Dr. Glyn R. Hughes**, CEO of Humber Chemical Focus, to present the Yorkshire & Humber region to the congress audience, since Yorkshire & Humber had just handed in their application for ECRN membership a couple of days before.

Dr. Hughes thanked for the opportunity to present his region and to explain why they consider ECRN membership important for future success and competitiveness of their region. He pointed to the geographic, infrastructural and economic situation of Yorkshire & Humber in Northern England. Dr. Hughes then explained why the region has decided to apply for ECRN membership and thereby especially mentioned the unique regional perspective for the chemical sector the ECRN is offering to its members, and the strong voice the network has developed during the last years, which is heard by all European stakeholders, as could be seen regarding the ECRN’s participation in the High Level Group.

After thanking all speakers for their presentations, Mr. Richmond asked the audience if there were any questions. One congress participant explained that the biggest problem his company is facing nowadays is the problem of logistics and a lack of political support in this regard. As an example he mentioned the fact that truck transport is cheaper than transport by train, especially because of crossing-borders-issues. Due to this situation, most products from his company are transported on the road, as he explained, even though he would prefer to use trains. A joint regional cooperation as the ECRN network should raise awareness among national governments for these kinds of issues. Concerning this remark, a congress participant from the railway industry stepped in - as time was running out, however, moderator Tony Richmond suggested to continue this debate during coffee break, and thanked all participants for their attention.

Panel 2: Open for Innovation: Clusters in chemical regions

The second afternoon panel was moderated by Mr. Daniel Collet from the congress' host region Wallonia. He welcomed the participants to this second panel of the afternoon and shortly introduced the three speakers. He then passed the word to **Carsten Schierenbeck** from the European Commission.

In his presentation "Reviewing Innovation and clusters – changing concepts, new challenges and EU policy responses", Mr. Schierenbeck gave an overview on recent cluster development trends and characteristics and presented the most important European Union initiatives for the supporting of clusters. He pointed out that the European Commission has adopted a communication on clusters in 2008 in which it has set the cluster policy framework for the coming years. Important tools to support clusters European-wide are e.g. the "European Cluster Policy Group" and the "European Cluster Alliance", but also on a more practical level the "Initiative for Excellence of Cluster Organisations", the "European Cluster Observatory" (which for example offers a European-wide cluster mapping tool in order to find clusters everywhere) and tool of "Cluster Partnerships", which offer among other things the possibility of an exchange of cluster managers between different clusters in order to exchange experience. He warmly invited all participants to find out more about these initiatives and to make use of them.

Mr. Collet thanked Mr. Schierenbeck for his presentation and added that also for the upcoming Belgian EU Presidency in 2010, cluster development and cluster policies will be an important issue. A representative from Chemie-Cluster Bavaria mentioned concerning the "cluster partnerships" – initiative just presented by Mr. Schierenbeck that his own cluster is currently engaged in an exchange of cluster managers with a cluster in France, and that he would voluntarily report on their experiences at a later point of time.

Mr. Collet now passed the word to **Prof. Dr. Michael Droescher**, Clustermanger Chemicals in North Rhine-Westphalia. In his presentation called "Clusters in chemical regions: provision of infrastructure open for innovation: Chemistry Cluster in North Rhine-Westphalia", Prof. Droescher made clear that innovation is without any doubt *the* topic of the day and that the government of North Rhine-Westphalia tries to actively respond to this fact also by its cluster policies. Prof. Droescher went on by presenting the cluster structure and lead markets from his region and then pointed to the most important current aims of his organization and gave some practical examples for ongoing activities. He finalized his speech by presenting some strengths and opportunities for his cluster region, but also some weaknesses and threats and how the latter will have to be overcome in the future.

As the last speaker of the day, Mr. **Luc Vandeputte** from Vandeputte S.A. presented the success story of his Walloon family enterprise as a practical example of how the courage to invest in innovation can bring an SME to enormous success. The general openness towards innovation from the very beginning, which was expressed among other things by the very early initiative to cooperate with universities and regional authorities and which became also visible in the fact that it was regarded important from the very beginning to increase the number of engineers and researches among the company's staff has led to Vandeputte S.A. becoming an internationally operating company with 300 staff, as Mr. Vandeputte made clear. He continued by explaining some of the company's current projects and plans for a successful future and finalized his presentation by calling upon all entrepreneurs to dare to be innovative.

After Mr. Collet had thanked Mr. Vandeputte for this perfect "success story", Mr. Schierenbeck shortly stepped in and warmly invited all chemical clusters to register themselves on the European Cluster Observatory Platform in order to help each other to foster innovation.

As there were no more questions from the audience, ECRN President Dr. Haseloff thanked again the Walloon region and the ECRN Network Secretariat for the organization of the event and pointed out that positive examples as the one just heard from Mr. Vandeputte should be regarded as trendsetting and also as a positive sign that for the European chemical industry, a bright future lies ahead and that the current crisis will be overcome soon. Dr. Haseloff finalized by mentioning that the ECRN will continue to act as a service-provider for regional needs and interests, thanked all participants for their contributions and presence and wished everyone a safe journey back home.