



ECRN Seminar

The future of bulk chemicals in Europe – a challenge for chemical regions

Timetable: 13. February 2008, 3:00 pm - 6:30 pm

Place: Representation of Lower Saxony to the European Union
Rue Montoyer 61
Brussels

Host: **Representation of Lower Saxony to the EU,
Vertretung des Landes Niedersachsen bei der EU**

Context: Facts and Figures about Bulk Chemicals

The dynamic of setting up large manufacturing capacities for bulk chemicals in China, the Middle East and Russia is moving forward. In 2005 and 2006 in China more than 6 million tons of ethylene capacity was set up. While turn over of chemical companies increased from 1995 to 2006 from 400,1 Billion Euro to 660,7 Billion Euro, the turnover in China increased from 40,6 Billion Euro to 204,6 Billion Euro¹.

A recent study shows that in 2015 China is expected to more than double its turnover compared to 2006 increasing its market share from 9 % to 14% while the EU will only increase its turnover by 35%.

In the next 10 years, the ethylene capacity of the Middle East region is expected to increase by another 300%. China is likely to increase its ethylene capacity by more than 200%. The tremendous rate of new cracker investments in Asia and the Middle East means that these regions will quickly catch up over the next decade².

This high rate of cracker investment in the Middle East and in Asean countries means that more and more ethylene derivate capacity from the Middle East will need to find markets outside Asia. Europe and Africa are obvious choices for those markets.

Increased feedstock prices and particularly energy costs make it more and more difficult to develop bulk chemistry in Europe.

That's why the following questions have to be asked: What future role will the bulk chemicals industry play in Europe? What needs to be done to keep bulk chemicals in Europe? Where will the bulk chemicals in Europe most probably be located? What effect would an out-migration of the bulk chemicals from Europe have on speciality chemicals? And in

¹ Lage und Perspektiven der internationalen Chemieindustrie, Deutsche Bank Research, September 2007

² The Petrochemical Industry – Past and Future, Fran Keeth, Executive Vice President at the 1st International GPCA Forum, 16./17.12.006 Dubai

particular: What effect does this process have on the chemical regions themselves?

These are the main elements for a joint discussion between the ECRN and other stakeholders on the future of bulk chemicals in Europe.

Agenda:

15:00 Welcome

Michael Hack, ECRN

Speaker from Representation of Lower Saxony to the EU

15:10 – 16.10 Panel 1: Future trends of the bulk chemical sector in Europe – The industry view

Moderator: Thomas Wobben, Saxony-Anhalt

Speakers: Vianney Shyns, Sabic
Cathy Demeestere, EPCA
Dr. Wolfgang Hübinger, BASF

16.20 – 17.20 Panel 2: Key factors for maintaining competitiveness of bulk chemistry in Europe

Moderator: Dirk Meyer, NRW

Speakers: Andrea Weigel, CEFIC, Demands regarding Energy policy
Andreas Fiedler, Demands regarding Logistics
David Owen, Halton Borough Council, Demands regarding skill development

17.30 – 18.30 Panel 3: The impact of changing production patterns for bulk chemicals in chemical regions

Moderator: N.N., Asturias

Speakers: Reinhard Reibsch, EMCEF, Impact on the Work Force
Dr. von der Linden, ChemCologne, Impact on Innovation
Giovanni Pieri, Novara Province, Impact on Downstream Users