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[Art 4(1)b] (TRADE)

From: [ ] (TRADE)
Sent: 06 February 2014 11:02
To: AGUIAR MACHADO Joao (MARE); BALAS Peter (SGUA); GARCIA BERCERO Ignacio (TRADE); RATSO Signe (TRADE); PETRICCIONE Mauro Raffaele (TRADE); [ ] NYMAN Jon (CAB-MALMSTROM); LOBILLO BORRERO Cristina (CAB-ARIAS CAÑETE); TRADE TTIP TRANSPARENCY
Cc: DEMARTY Jean-Luc (TRADE)
Subject: Meeting JLD-Cefic 4 February 2014 - summary report

Meeting JLD-Cefic, 4 February 2014, 11.00-12.00

Cefic: [ ]
DG TRADE: JLD, [ ]

- [ ] provided a quick overview of the **current economic situation of the EU chemicals industry**. After a 1.5% y-o-y production decrease in 2013, the industry expects a 1.5% increase for 2014. Cefic is worried that the overall share of the EU chemicals industry in world chemicals production has dropped from around 30% 15-20 years ago to now only around 17-18%. 2/3 of EU chemicals production is energy-intensive, but the share of energy costs in the overall production costs varies significantly depending on the sub-sector: e.g. 20-40% for plastics, 50-80% for petrochemicals and 60-80% for fertilizers.

- On **TTIP**, [ ] stressed the importance of continued industry support. Business should be more vocal in defending TTIP publicly and in passing the message that TTIP is not about dismantling existing EU chemicals regulation. On **tariffs**, [ ] confirmed that the chemicals sector is in principle for full liberalisation, but some sensitivities exist for a limited number of tariff lines covering energy-intensive products. On **regulatory cooperation**, JLD thanked Cefic for the joint contribution with the American Chemistry Council (ACC) which has provided useful input to the negotiations. On **energy and raw materials**, [ ] and [ ] agreed that existing US export restrictions on gas and oil should be lifted. However, even a very successful outcome on energy and raw materials in TTIP will not lead to a complete alignment of EU and US gas prices – but the gap could at least be narrowed. Liquefaction and transport costs also have to be taken into account. [ ] added that a large part of US gas could finally be exported to Asia (notably Japan) rather than the EU, given that the US gas price differential is even higher with Asia.

- [outside scope of request]

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