CTEO virtual meeting with CEFIC Director General - 22 October 2020

Participants:

CEFIC: (Director General, Cefic).

• COM: DDG/CTEO,

The meeting took place at the request of the CTEO to have a first exchange on enforcement and implementation agenda.

Cefic underlined the importance of free trade and open markets for the EU chemicals industry and expressed support to the EU free trade agenda (supported CETA, MERCOSUR, as well as TTIP in the past). It indicated that most markets tend to be open for chemicals with quite low level of duties overall. Cefic underlined that most barriers in the sector are not "classical" trade barriers with flagrant discrimination taking place but rather diverging chemical regulations, i.e. regulatory obstacles in various jurisdictions that make access to third markets more difficult and costly for EU companies. Therefore, Cefic strongly supports regulatory cooperation being included in trade agreements.

In the context of COVID-19, Cefic underlined that compared to other sectors, chemicals and pharmaceuticals had the least people on temporary unemployment. It noted that concerning sub-sectors: pharmaceutical suppliers as well as for instance supermarket packaging sector doing relatively well (restaurants being in lockdown). By contrast, automotive demand is not doing well and situation in construction sector varies among EU MS.



Cefic outlined the importance of **enforcement of EU chemicals legislation** in general and F-gas Regulation in particular to achieve a level-playing field on imports into the EU. Cefic underlined that it is working closely with OLAF and customs enforcement on this matter.

Cefic expressed support for Green Deal measures that safeguard the competitiveness of EU industry and ensures a level playing field. Concerning Border Adjustment Measures, Cefic informed about its divided membership on the matter (some against, some in favor) stressing that their key question is how CBAM will help EU exports, mentioning that one shall not assume that EU technology is less carbon intensive than EU competitors.