Meeting Head of Trade Cabinet Maria Asenius with Cefic Executive Committee – 4 December 2014, 12.15-13.00

COM: Maria Asenius, Jon Nyman (CAB Malmström), (art.4.1(b))

Cefic Executive Committee: Jean-Pierre Clamadieu, Chairman of the Executive Committee and Member of the Board of Directors of the Solvay Group; Tony Bastock, Cefic Vice President and Group Managing Director Contract Chemicals, UK; Heinz Haller, Cefic Executive and Board member, Executive Vice President and Chief Commercial Officer, President Dow European Commission; Ian Hudson, Cefic Executive and Board member, President DuPont EMEA and Dupont de Nemours International SA Geneva; Patrick Pouyanné, Cefic Executive and Board member, CEO Total; Hubert Mandery, Director General Cefic

➢ By way of introduction, Mr. Clamadieu explained that Cefic represents around 29,000 chemical companies in Europe which account for direct employment of approx. 1.2 million people (and estimated indirect employment of around 4.5-5 million). The industry still achieves an annual trade surplus of around 50 billion €, but this is under threat as many companies face severe competitiveness issues. In particular, companies are re-visiting their global strategies in light of too high energy prices in Europe. Climate changes issues are gaining importance for the industry.

➢ The main topic of the discussion was TTIP and in particular the chemicals-related negotiations. Maria Asenius summarized the state of play in the areas which are most of interest for the EU chemicals industry (horizontal regulatory cooperation and specific sectoral discussions). 2015 will be a crucial year in the negotiation process, with a conclusion in early 2016 still possible. The very controversial public debate, in Germany as well as in other Member States, remains an important challenge. Cefic representatives confirmed their strong support for an ambitious agreement. Industry is well aware that REACH will not be dropped because of TTIP, but a more long-term convergence of chemicals regulations should remain an important goal. Cefic is also very concerned about the negative tone of the public debate and believes that Member States should do more to promote TTIP and counter misperceptions.

➢ Maria Asenius also gave an overview of the EU-Japan negotiations where a conclusion in 2015 is still within reach. Further important issues discussed were bio-ethanol (for which the EU chemicals industry requests a unilateral EU tariff liberalisation for chemical use), the recently launched plurilateral "green goods" negotiations (here Cefic is very sceptical and fears discrimination of chemical products) as well as the TDI modernization proposal which is currently with Member States in the Council.

➢ Finally, Cefic was interested to learn how the new system of Commission Vice Presidents would work out in practice and how trade policy would be impacted. Maria Asenius explained that the idea behind this approach was to break down the "silo mentality" of different DGs and to focus more on key priorities ("be big on big things and small on small things"). For trade policy, the coordination with Vice Presidents Timmermans, Katainen and Mogherini will be crucial. It will also be important to make sure that the need for coordination between the Vice Presidents does not become excessive. Mr. Clamadieu
welcomed the new approach, but stressed that industry is concerned that the Commission's structure and way of working could become even more complex.

➢ [Not relevant]