



EUROPEAN COMMISSION

Directorate-General for Trade

Directorate E - Neighbouring countries, USA and Canada
USA and Canada

Brussels,
USA and Canada

Meeting with chemicals industry on bio-ethanol - 16 April 2015 – report

Meeting of Head of CAB Maria Åsenius with Cefic and consultant on bio-ethanol – 16 April 2015, 16.30-17.00

COM: Maria Åsenius, Head of CAB of Commissioner Cecilia Malmström; [Art. 4.1(b)]
[redacted] CAB Malmström; [Art. 4.1(b)] [redacted] (DG TRADE)

Industry: René van Sloten, Executive Director Industrial Policy, Cefic; [Art. 4.1(b)]
[redacted] (Consultancy)

- Useful follow-up meeting with the chemical industry on the long-standing issue of access of the EU chemicals industry to bio-ethanol for chemical use where industry has been lobbying for a unilateral EU tariff suspension for quite some time. DG TRADE had meetings with Cefic, Prime and the Swedish bio-chemicals producer SEKAB on 21 January 2014 and 23 October 2014 (see meeting reports enclosed). We also have met with the EU association e-pure (representing EU bio-ethanol producers) in December 2014 to learn more about their views (see attached). On 31 March 2015, Commissioner Malmström answered to a recent letter of Cefic on this topic (reply and original letter enclosed as well).

- Cefic (René van Sloten) stressed the urgency of improving the EU chemical industry's access to renewable feedstock, and notably bio-ethanol for chemical use. Further inaction on the EU side risks a more long-term loss of important investment in the EU.

[Art. 4.2 first indent]

Another example is *Tetrapak* who wants to become completely bio-based and therefore needs better access to renewable feedstock. Industry needs investment security which cannot be ensured by temporary duty relief as currently provided by "processing under customs control" (PCC) which is generally limited to three years (though extendable). Bilateral (notably TTIP) and plurilateral (in particular green goods) negotiations are also of importance but will be insufficient and will come too late.

- COM (Maria Åsenius) explained that DG TAXUD is Chef de File for EU tariff suspension proposals within the COM, but both TRADE and AGRI have an important role as well. Coordination among the different DGs involved will be important to move this file forward. The new system of COM Vice-Presidents might help in this context, with Vice-President Katainen (Jobs, Growth, Investment and Competitiveness) in the best position for working towards a consensus among Commissioners. Industry should keep in touch with both Malmström and Katainen CABs as well as with Member States who have to adopt a tariff suspension with qualified majority (while *de facto* a consensus is usually needed).