

GARCIA LOPEZ BERGES Victor (TRADE)

Subject: Meeting KDG with LANXESS CEO Axel Heitmann, 6 November 2013 - summary report

From: MUSALL Benjamin (TRADE)

Sent: Friday, November 08, 2013 5:17 PM

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Summary report of KDG meeting with LANXESS CEO Axel Heitmann, 6 November 2013, 15.30-16.30

Industry participants: Dr. Axel Heitmann, CEO Lanxess [ART. 4.1b], LANXESS; [ART. 4.1b], LANXESS; [ART. 4.1b], LANXESS; [ART. 4.1b], German Business Representation BDI/BDA, Brussels; [ART. 4.1b], Federation of German Industries, BDI, Berlin.

Commission: KDG; Dr. Frank Hoffmeister, Deputy Head of Cabinet KDG; Benjamin Musall, DG TRADE G.3.

Interesting and fruitful meeting with representatives from LANXESS, a leading German company in the field of plastics, rubber, intermediates and specialty chemicals. The discussion was mainly focused on the ongoing EU-US TTIP negotiations and possible benefits for the EU chemical industry, notably with regard to access to US (shale) gas. The industry representatives also outlined key concerns regarding their global competitiveness against the backdrop of (too) high EU energy prices. [NOT RELEVANT]

Key points:

- [ART. 4.1b] reassured COM that LANXESS fully supports the TTIP negotiations which are of utmost importance for the EU chemicals sector. In particular, unrestricted access to US shale gas imports is of great importance to the industry. Moreover, LANXESS hopes that the TTIP Agreement will lead to a full removal of tariffs and will enable better access to the US market. The negotiations should also be viewed as an opportunity for the US and the EU to set global standards, to harmonize their respective regulatory frameworks to the extent possible and [NOT RELEASABLE].
- LANXESS is very concerned about the fact that the price for ethylene, which is derived from gas, is only ¼ in the US compared to the price in the EU. This constitutes a major competitive disadvantage for the EU chemicals industry, notably for those parts of the industry which are operating more upstream in the ethylene-based production process. [NOT RELEASABLE]. On the other hand, LANXESS and other major German chemical manufacturers are increasing their investments in the US.
- KDG noted that the TTIP Agreement should ensure unrestricted EU access to US shale gas. However, in parallel the necessary infrastructure on both sides of the Atlantic needs to be developed, i.e. LNG export terminals and liquefaction facilities in the US as well as gasification installations in the EU.
- [NOT RELEVANT]
- [NOT RELEVANT]

➤ [NOT RELEVANT]

➤ [NOT RELEVANT]