



Press release

France, Czech Republic, Hungary, Italy, Netherlands, Romania, Slovakia and Spain call the European Union to preserve a strong and resilient chemical industry

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The chemical industry produces the upstream molecules that are essential to the defense, health, food, automotive, construction, green tech and other major industries. It is therefore an essential pillar of all the value chains and a key component to successfully revitalize the industry in France and Europe.

However, the survival of the European chemical industry is today at risk. The sector is facing a deep structural crisis which affects all of Europe, with a drop in production of 12% in 2023 compared to 2019, due to rising energy costs as well as an aggressive or even unfair competition from non-EU producers. Without a strong and incisive action at the European level, the production sites of basic molecules – which are used in numerous value chains, is the most at risk.

In this context, the European Commission will present a Chemicals Industry Package by the end of the year. In order to prepare this joint European work, which will be crucial for the future of the European chemistry, France and Netherlands, together with Czech Republic, Hungary, Italy, Netherlands, Romania, Slovakia and Spain have worked on common propositions.

On March 11th, the French Minister of Industry and Energy, Marc FERRACCI, has organized a video-conference with other Member-states and the European Commission to discuss these proposals in detail, prior to their formal submission to the Competitiveness Council on the 12th of March.

They agreed on the following propositions :

- Recognize the importance of chemistry as an essential industry for the European resilience, in particular by **defining as “strategic” a list of about fifteen molecules that are key for the European industry;**

- **Deploy financial leverages and appropriate support schemes to maintain their production in the EU**, notably by revising the state aid framework to enable Member states to support modernization of strategic sites;
- Support the competitiveness of the chemical industry with regards to energy prices, by considering an extension of the indirect cost compensation to certain electro-intensive and strategic molecules, notably those pertaining to organic chemistry;
- **Mobilize existing trade defence instruments** (anti-dumping, anti-subsidy, safeguard) to prevent unfair practices from third countries destabilizing the internal market and the European production of these strategic molecules;
- At the same time, engage the sector in a deep transformation and accelerate the ecologic and energetic transition of chemistry, **by recognizing as strategic the new molecules and advanced technologies** (recycling, bio-based molecules);
- **Foster innovation and stimulate R&D**, notably by supporting the development of new **technologies** and production process that favor competitiveness, or research on alternative biobased molecules.

These propositions should remain in full compliance with European chemical regulations, without prejudice to the control of risks to human health and the environment associated with the manufacture and use of substances, and without prejudice of the application of the existing REACH framework and all existing relevant regulations pertaining to health and environment protection. Regarding chemical substances, the European Commission has already made announcements mentioning a revision of the REACH framework. The signatories underline that all these evolutions should take into account the competitiveness of the European chemical industry, and avoid leaving room for unfair competition from non-EU countries. In particular, chemicals imported from third countries should abide by the similar standards in place in the EU, notably regarding the protection of the environment and human health.

The challenges that are faced by the chemical industry call for a fast and strong action and justify the opening of a strategic dialog with the sector. Hence, **Czech Republic, France, Hungary, Italy, Netherlands, Romania, Slovakia and Spain** call upon the European Commission to consider the propositions enclosed.

[Link for the joint declaration](#)

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