

The European „Green Deal“

The Green Deal describes how the EU Commission wants to make Europe the first climate-neutral continent by 2050. Alongside far-reaching climate, environmental and energy policy goals, additional ambitious measures are planned, mainly in industrial and chemicals policy, circular economy and promoting biodiversity. The ecological transformation of the economy and society is inevitable. The chemical-pharmaceutical industry supports the goal of greenhouse gas neutrality by 2050. Whether hydrogen economy, chemical recycling, biotechnology, energy storage or digitalisation: The industry bets on innovative and sustainable processes and technologies.

Avoid burdens

The Green Deal has many starting points at once. Given the complexity and manifold interactions, it is important to pay attention to consistency and feasibility of the goals while prioritising and regularly reviewing them. Furthermore, conflicting goals must be resolved. In view of the geopolitical impacts of the war in Ukraine, new burdens from the Green Deal should be avoided as far as possible and the industrial policy should give more backing to the economy. The boost of sustainable technologies in combination with little red tape as proposed by the US Inflation Reduction Act can be a good

example of this, but it must not lead to a subsidy race. Only a strong industry can support the Green Deal and accompany it. In particular, the transformation efforts of the chemical-pharmaceutical industry require a safe energy supply and a planning basis that is stable, scientifically founded and legally sound in the long term.

The ambitious goals of the Green Deal are best achieved with a small number of well-coordinated regulations that are open to different technologies, internationally integrated and non-bureaucratic. The effective implementation of the “one-in one-out” principle can reduce unnecessary bureaucracy by compensating for new burdens through equivalent burden-easing in the same policy area. For the transformation to succeed, planning and approval procedures must be rapid.

A central element of the Green Deal is the general zero pollution goal. This includes, inter alia, the EU Chemicals Strategy for Sustainability and the Action Plan for Air, Water and Soil – each with far-reaching effects. For example: Turning away from the risk-based approach, which would result in sweeping substance bans, would put at stake the innovation ability of the chemical-pharmaceutical industry. In the worst case, production plants would have to close.

The VCI is calling for the following

- ◆ **Good framework conditions for the transformation of the chemical-pharmaceutical industry**
Innovations are key for the success of the transformation. They need to be promoted in a manner which is open to different technologies, market-based and internationally integrated. The chemistry of the future will require enormous volumes of renewable electricity, well-performing and reliable energy infrastructures, internationally competitive electricity prices, more private and public funding for research and innovation (especially in the development and market launch phase), support for digitalisation, and protection against shifts of emissions to other regions (carbon leakage).
- ◆ **Stability and reliable planning in the chemicals legislation**
The chemical-pharmaceutical industry contributes with many innovative solutions to reaching the ambitious goals of the Green Deal and to further driving forward digitalisation and supplies of high-quality medicines. For this, the industry needs stable legal framework conditions. Discussions about comprehensive amendments of legislation cause unnecessary uncertainty and thus put at risk the innovation ability.
- ◆ **Integrate all measures in the international setting**
The chemical-pharmaceutical industry is part of international value chains and strong in exports. In order to avoid European isolated solutions and trade conflicts, international approaches must have priority – not only in climate protection but also, for example, in the chemicals policy.