

**Director General**

Mrs Cecilia Malmström  
Commissioner for Trade  
European Commission  
200, rue de la Loi  
B – 1049 BRUSSELS

19 December 2014

Dear Mrs Malmström,

**Position of European Chemical Industry regarding TTIP**

I am writing to you to express the strong support of the European Chemical Industry for TTIP and in particular to clarify our position with regard to the elimination of chemical import duties. Some misunderstanding may have arisen regarding our position on that issue following a letter that four of our Central European member associations have recently written to President Juncker (see attached letter).

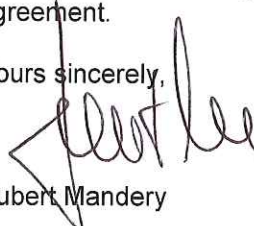
The chemical industry has called for EU – US free trade negotiations for the past twenty years and considers TTIP as an historic opportunity for the transatlantic community. Major chemical companies are active on both sides of the ocean and about one third of the €46 billion transatlantic chemicals trade concerns intra-company trade. About 20 per cent of EU chemicals exports are destined for the US, generating a trade surplus of about six billion euro (2013). Chemical import duties on both sides are low. TTIP should ultimately eliminate all chemical import duties without exceptions. The gains will be considerable. Generally, in transatlantic chemicals trade tariffs do not have a protective function any longer but rather constitute an input cost. In total, both sides pay an estimated €1.5 billion import duties on their bilateral chemicals trade. Removal of the tariff barriers will thus reduce the cost of trading. Our industry will face increasing competition from the US as a consequence of the shale gas revolution. Over 200 chemical projects are currently planned in the totaling €100 billion investment. However, maintaining tariffs is not the answer to this competitive challenge. With the exception of a limited number of tariffs for which longer phasing is appropriate given the huge energy cost differential, all chemical import duties should be eliminated on entry into force of TTIP.

The real challenge for the energy intensive segments of our industry is rather the cost of energy in Europe, and the plea from the Central European chemical federations should be seen in light of the difficult situation their member companies are facing. The continued difference in energy and feedstock costs between the EU and the US needs to be urgently addressed by EU policy makers domestically, and access to the US energy and feedstock markets can bring additional relief. We therefore would like TTIP to ensure non-discriminatory access to US energy and feedstock for European companies.

Regulatory cooperation, the focus of TTIP, provides an opportunity for our industry. Cefic and the American Chemistry Council have put forward joint proposals for enhanced regulatory cooperation. We do not propose to change legislation. High levels of protection for health and the environment must be upheld. Our proposals aim at avoiding duplicative regulatory requirements, promoting efficiencies and reducing costs both for industry and governments in areas such as chemical assessment and classification and labelling.

We look forward to good cooperation with you and your services in pursuit of an ambitious TTIP agreement.

Yours sincerely,



Hubert Mandery

**Chemistry making a world of difference**

