



# Joint Position Paper on Re-prioritization of European industrial policy

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# PREAMBLE

Chemical and pharmaceutical Industry all over Europe is under severe pressure, thousands of jobs get lost every month and EU-politics failed in the past to deliver a deal that can secure both growth for Industries and security for their workers. The Russian aggression to the Ukraine as an external shock just after the covid pandemic with the uncertainty for energy supply and rising costs set economies in Europe under huge pressure and so its industries. While The United States have answered with big investments into green transition, that included good work while China at the same time is flooding the European market with cheap industrial products the European reaction is still too weak. With the new US Administration changing the level playing field of multilateralism the pressure is getting even higher.

In this context, the transition of our Industries is taking place. And this transition must necessarily involve the definition of fast, gradual and technologically feasible pathways in order to hit the target to reduce and zero CO2 emissions within the set timeframe, while at the same time not excluding the issue of technological neutrality. If, along with the realization of decarbonization goals, the maintenance and technological development of the European and national production, as well as a just transition of related

employment should be achieved, a pragmatic and coordinated approach is needed that also considers the changed context of global competition.

**In the transition, the European chemical-pharmaceutical industry must not disappear but transform, ensure autonomy over supplies and technologies, environmental sustainability and high-quality employment. This is what FILCTEM-CGIL, IGBCE in the chemical-pharmaceutical sector are demanding with this position paper.**

This already implies a first fundamental consideration: only a strong and integrated European Union, capable of developing its own concrete and viable industrial and technological strategies, will be able to ensure the possibility of competing in this new scenario. Chemical-pharmaceutical Industry in Europe therefore needs a path to become competitive again with a positive view to the future by delivering concrete answers. This means especially cheap and available green energy for industrial production. This security of raw materials supply and availability are key in times where Europe's strategic economy is too weak. And finally, a regulatory framework for chemicals is needed that ensures that production in Europe will be possible also in the long run.

We therefore welcome the proposals made by the European Commission on the Clean Industrial Deal as a first step that's important but still not sufficient and will work together on it to make it a sustainable and fair

deal for the future. European chemical-pharmaceutical Industry, its companies, workers and Unions, are ready for transformation to secure competitiveness, growth, stability and a just transition for the workforce.

## STRATEGIC RELEVANCE OF CHEMICALS AND PHARMACEUTICALS IN EUROPE'S INDUSTRIAL ECOSYSTEM

**THE CHEMICAL-PHARMACEUTICAL INDUSTRY is one of the main pillars of the European economy and plays a central role in innovation, employment and competitiveness.**

It is a decisive factor for prosperity, health and sustainable development throughout the EU. The chemical-pharmaceutical industry is also a key driver of the economy in Germany and Italy. The main sectors that use European chemicals are rubber, plastics, construction, consumer goods, packaging, automotive and the healthcare sector. It is also a strategic sector for the EU, accounting for about 10 percent of industrial output – with essential raw materials, intermediate products and highly specialized end products. Its innovative strength makes a decisive contribution to the development of new materials, sustainable production processes and vital medicines.

### SITUATION OF CHEMICAL INDUSTRY

The chemical industry in Europe is the world's second-largest producer of chemicals with 13 percent of sales, and a turnover of around

€600 billion a year, followed by the U.S. with 12 percent and behind China, as the top producer with 44 percent. Despite the crisis, global chemical production showed 6.1% growth in the first eight months of 2024, with strong growth in China. The European chemical industry employs 1.23 million people, and about three times as many indirect jobs.

In Italy, it is the fourth largest sector with around 183,000 employees and a turnover of around € 97 billion (2023). The **Italian chemical industry is a globally important sector**, with a leading role in Europe, it is going through a complex phase, characterized by significant challenges, but also by elements of resilience. The sector plays a strategic role as a supplier of essential components for 95 percent of manufactured goods. After a two-year period of contraction (-4.1% in 2022 and -6.7% in 2023), chemical production in Italy has stabilized in 2024 (+0.5%). Forecasts for 2025 indicate moderate growth (+0.5%). And also foreign Trade shows signs of moderate recovery (exports +1.5% in value in the first 11 months of 2024). The **competitiveness of the sector is strongly affected by energy costs**. Italy faces gas prices four times higher than those in the



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U.S. and significant differentials in electricity prices compared to other European producers (109€/MWh versus about 60€/MWh in France and Spain in 2024). An additional burden is the costs of CO<sub>2</sub> emissions under the ETS, which impose burdens of more than 600 million euros annually on the sector. Among the strengths, **Italy's specialization in specialty chemicals should be highlighted** (57 % of sector production, EU 37 %), which ensures greater resilience. The sector also maintains a strong commitment to innovation, with R&D investments exceeding 670 million euros annually and leadership in eco-sustainable technologies.

The German chemical-pharmaceutical industry is the largest in Europe in terms of turnover and ranks third worldwide behind China and the USA. The industry is also the world's leading exporter, followed by the USA and China, and the third largest importer after the USA and China. Alongside the USA, Europe is the most important sales market. Half of all exports go to EU countries. In Germany, this sector is the third-largest industry with around 568,000 employees and € 314 billion in sales (2023).

The effects of the war in Ukraine and the associated high energy prices led to a **massive decline in sales of -13.7% in 2023**, followed

by another -2% in 2024, although there were very positive developments at the beginning of the year. Production in the chemical-pharmaceutical industry was around 16% lower in 2024 than in 2018, while the chemical industry recorded a drop of 17%. Overall, capacity utilization of production facilities in both sectors averaged just 75%, which is well below the threshold for profitable operations. As a result, the first plant closures have taken place. Sales expectations for 2025 are very cautious. While the pharmaceutical industry is expected to achieve a slight increase of 0.5%, the chemical sector will stagnate.

The pharmaceutical industry is an important part of the chemical industry. Pharmaceutical products account for just under 24% of total chemical production. The sector is one of the most productive and research-intensive industries in Germany.

**With its R&D expenditure, the chemical-pharmaceutical industry ranks third after the automotive and electrical industries.**

8 percent of the world's chemical and pharmaceutical patents come from Germany. Globally, Germany is the fourth largest chemical-pharmaceutical innovation location after the USA, China and Japan.

## SITUATION OF PHARMACEUTICAL INDUSTRY

Especially the **pharmaceutical industry is part of an ecosystem with many upstream and downstream value creation stages** with basic and specialty chemicals as one of the first engines in this chain. The interaction of energy intensive sectors and industrial sites together with research and development is a competitive advantage and a reason why many companies continue to choose Europe as a pharmaceutical location. Hence, we must maintain this ecosystem.

**A strong and resilient pharmaceutical economy not only contributes to health care but is also an essential component of European security policy.** The Covid pandemic showed the need to reduce dependency on international supply chains and to strengthen our own research, development and production capacities. Due to its innovative strength, above-average labor productivity as well as export and employment strength, the industrial healthcare industry has been a key industry and an economic and social anchor of stability for Europe for many years.

**The pharmaceutical industry in Italy represents a strategic sector** for the national economy, with the value of production reaching 52 billion euros in 2023, with most of them exports that continue to grow. More than 280 companies operate in the sector to produce raw materials and specialty medicines in a very innovative field, most of them with to-

tal or predominant Italian(42 %) or European (32%) shareholders. Over the past five years, **Italy has seen an increase above the European average in the value of pharmaceutical exports**, with a positive balance of 16.7 billion euros for medicines, vaccines and other finished products, mainly driven by investments in research, production and digitalization that are constantly growing. The value added created by the sector exceeds 26 billion euros. Forecasts for the pharmaceutical sector in Italy remain positive, with the global drug market set to grow to \$2.2 trillion by 2028, at an annual rate between 6% and 9%. Italy, currently the seventh largest market in the world, could rise to sixth place in the coming years, consolidating its strategic role in Europe and the world. In addition, the **sector offers pay levels above the manufacturing average and advanced working conditions**, with a strong focus on corporate welfare and continuing education. The Italian pharmaceutical industry is also a leader in Open Innovation, with a high number of agreements between companies, universities and public research centers and about 45 percent of clinical trials in Italy involving biotech drugs and advanced therapies. **The Italian pharmaceutical industry currently employs about 70.000 workers** and a supply chain of more than 236000 workers, 90% of whom are college graduates or high school graduates. Employment has grown by 9% over the past five years, with a 19% increase among those under 35 and a 13% increase among women that account for 45% of total employment.

The **industrial healthcare sector, pharmaceutical and biotech industry in Germany in par-**



particular – is one of the few sectors with sustained high growth rates. It has also been shown that every euro invested in associated sectors multiplies. The industrial healthcare sector in Germany is largely independent of economic cycles and offers highly qualified and well-paid jobs. It also offers sustainable products and services and thus solutions for numerous socially relevant issues (ageing population, pandemics, etc.).

In 2024, the industrial healthcare sector generated gross value added of 103 billion euros and secured almost 1 million jobs in Germany. The innovative strength of the industrial healthcare sector is reflected in the fact that the companies invest an average of over 15 % of their annual turnover in research and development – in the biotechnology industry even more than 30 % – and are thus far above the average for the manufacturing industry in Germany.

Pharmaceutical companies are active in Germany at every stage of the value chain – they research, develop and produce in Germany and distribute their products from here in Germany and abroad. The pharmaceutical industry is not only one of the most research-intensive sectors in Germany, but also one of the sectors with the highest value added. Each employee in the pharmaceutical industry generated over 210,000 euros in gross value added in 2022; only in petroleum processing was this figure higher. Pharmaceutical companies have been successively expanding their investments at the site for years – new investments of around 10 billion euros in Germany have been announced for 2024 alone. In 2024, the number of employees was 130,000 and turnover was 60 billion euros.



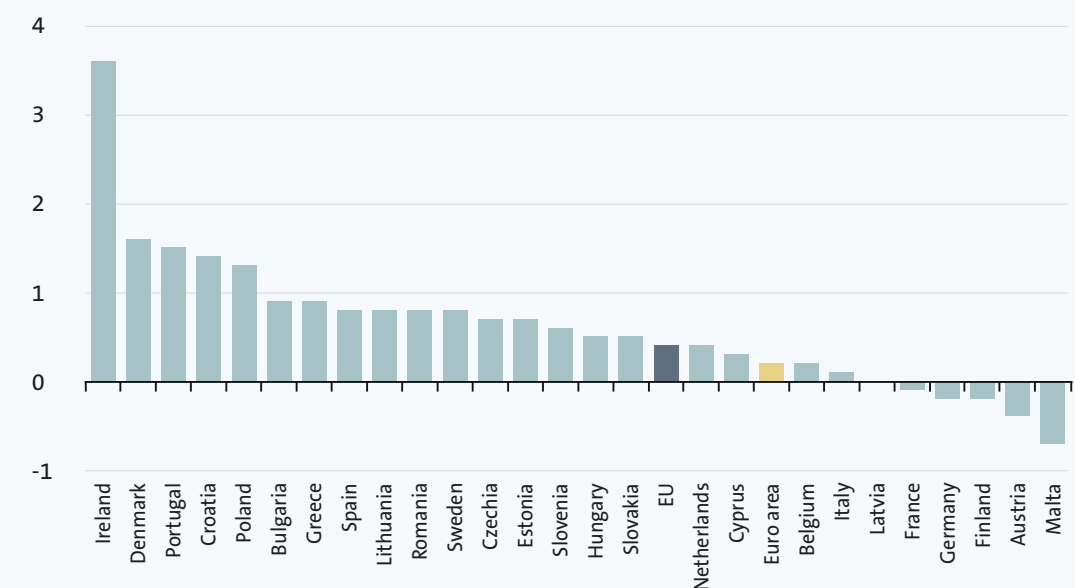
## CHALLENGES OF EUROPEAN CHEMICAL-PHARMACEUTICAL INDUSTRY

However, the European chemical-pharmaceutical industry is facing a period of **severe crisis**. The **competitiveness** of the European chemical-pharmaceutical industry is declining due to high energy prices and lack of public support and investment to meet decarbonization targets, but also to short-sightedness and errors in business decisions. This situation has led to production losses, an increased dependence on imports and severe job losses. In recent years, the **competitiveness of the European chemical-pharmaceutical industry has been chal-**

**lenged by various factors** including intensified competition from low-cost production countries such as China and the United States. In addition, upstream activities, such as extraction, refining and cracking, are currently in difficulty and require clear strategic choices. We therefore state that it is very dangerous to depend on the international market alone for the purchase of raw materials. This leads to a lack of control over the sustainability of processes and shows the need of policies aiming on minimizing dependence on non-EU markets.

### GDP growth rates in the fourth quarter of 2024

% change over the previous quarter, based on seasonally adjusted data



Luxembourg: data not available // Source: eurostat



# CENTRAL CHALLENGES FOR THE CHEMICAL AND PHARMACEUTICAL INDUSTRY

## • Green and Digital Transition:

The chemical industry faces a threefold transition towards green skills, digital skills and the production of safe and sustainable chemicals (SSbD).

## • Market changes:

The chemical sector is likely to be affected by the green transition and digital economies. Construction and automotive markets are struggling, and low production levels are expected in the auto and electric vehicle sector in 2025.

## • International competitiveness:

Global competition, particularly from China with its significant overcapacities that are often state-funded, is a challenge for the European chemical-pharmaceutical industry. Maintaining competitiveness requires a European industrial plan that promotes production in Europe.

## • inteSkills and labor shortages:

The chemical industry faces a shortage of specific skills in the green and digital sectors, but also of the skills needed to produce „safe and sustainable by design“ (SSbD) chemicals. Action is needed on training supply and opportunities for upskilling and reskilling but also to attract skilled workers from outside the EU, as envisaged by the EU Talent Pool. The EU Talent Pool aims to facilitate access to legal migration pathways for skilled workers from outside the EU

## • Security of health supply:

Ensuring fast, equal access to innovative medicinal products in Europe is a common goal that cannot be shifted to the industry alone. The framework conditions must be adapted. We need to strike the balance: A competitive industry with strong R&D portfolios and equal access to affordable medicine.



# ENERGY PRICES & ENERGY SUPPLY

Since the energy crisis at the end of 2021 occurred, **competitiveness has drastically deteriorated** in many parts of the European chemical-pharmaceutical industry due to higher procurement costs. While the diversification of gas supply sources has restored a normal level of security of supply, international competitiveness is no longer guaranteed, so that chemical value chains and integrated sites in the EU are severely threatened. This is reflected in the numerous structural declines in production and site closures – the signs of an impending structural break.

This situation **has led many companies to review their production strategies**, with an increase in relocations to countries with lower energy costs. Some European plants have been temporarily closed or reduced in production capacity due to the high cost of energy, while other companies have sought to optimize consumption through more efficient solutions.

To cope with these costs, the European **chemical-pharmaceutical industry is trying to diversify energy sources**, switching to renewable

solutions such as solar, wind and green hydrogen whose lower cost of production does not however impact the final price of energy due to current market regulation mechanisms. In addition, the transition to greater energy sustainability requires significant investment and overcoming technical and economic obstacles.

The **urgent solution of stabilizing the procurement costs** on an international competitive level will also play a critical role in assessing the bankability of the transformation of the chemical sector in Europe on the long run. Energy costs thus have a decisive leverage effect, which is why a stronger industrial policy commitment by the member states and the EU, like proposed Affordable Energy package, will be necessary. In Addition, this can be an effective tool to tackle Energy poverty all over Europe with Energy that is not only competitive for industrial production but also for the people.

# SECURING ENERGY FOR EUROPE'S INDUSTRIES

Above all, the impact of European regulations plays an important role and will have the function of concretely directing industrial policies. In this regard, special attention is needed in the verification of impacts on the production system while finding solutions that keep environmental and social sustainability in balance.

The persistently high energy costs in many member states make it clear once again: **European competition and state aid law must be fundamentally reformed** otherwise it will lead to Europe falling behind in competition. This is why we welcome the commissions initiatives for a revised framework of European state aid law as it hinders state support to high energy costs for industry by fixating on free and fair competition and the internal market.

Member States must be given significantly more opportunities to support industries in terms of regulation and financing for (new) investments but also for running costs. Therefore the **IPCEI must be simplified and provided** with sufficient funding to enable pan-European projects to establish the **low production costs with a focus on renewable energy in a new joint EU electricity market design** in order to separate the low production costs of renewable energies from the pricing on the market, which is separated from the most expensive electricity generation, which usually has the highest CO2 footprint. This can be achieved by pooling tenders across the EU into a single European industrial electricity price, or at least to ensure sectoral industrial electricity price parities at an internationally

competitive level within the EU ETS. Similarly, **gas prices must also be restored to pre-crisis, internationally competitive, levels** during the transition in order to gradually switch the supply to low-carbon and renewable hydrogen derivatives. The EU has so far failed to provide the necessary level of ambition and cost depression in the gas sector (Aggregate EU) and in the hydrogen sector (Hydrogen Bank). In combination with the high demands on the RFNBO and guarantees of origin for hydrogen, high risks remain. This means that the market pull does not occur only because of the high costs but also because of regulatory uncertainty and overregulation. It is questionable whether and to what extent the EU, as a market maker via long-term energy partnerships, can achieve the necessary price level and market pull for the ETS sectors.

As the largest gas-based industry, the chemical industry depends on economies of scale and cost reductions, which, according to all forecasts, will not be realized via the market without increased financial commitment from member states. A pragmatic approach is therefore to **ramp up the hydrogen market by successively transforming energy partnerships from fossil to green and, at least transitionally, low carbon hydrogen and its derivatives.**

To subsidize the costs of the transformation, in particular of energy infrastructure (including hydrogen) and energy generation, more strongly and more comprehensively than at present, it's necessary to mobilize ulterior European funds (transformation fund, unspent NextGenerationEU funds, new Fund for the

industrial transformation, European Bank for investments) to sustain a fair transition in all of EU. It's also necessary **a reduction of the economic and legislative risk through simplification and a revision of the current legis-**

**lation on state aid.** This will help in order to protect both industrial and private consumers from rising network charges in the transition against the background of the transformation and expansion of grid-based infrastructures.

## A COMPETITIVE REGULATORY FRAMEWORK FOR CHEMICALS AND PHARMACEUTICALS

We agree that a coherent European industrial policy is essential to master the transformation of the chemical-pharmaceutical industry - in research, development and manufacturing in Europe while recognizing its contribution to the transformation of economy with a reliable framework for investments. **Europe must join forces to take a leading role in strategic industries such as chemicals, battery technology and renewable energies.** We expect stable framework conditions for a strong internal market and competitiveness as proposed in the EU Clean Industrial Deal.

At the same time, **a coordinated foreign trade policy** is needed to counter unfair trade practices and protect the market position of European companies globally. One aspect of this is the establishment of lead markets for climate-neutral products as supported by the Clean Industrial Deal. The European chemical-pharmaceutical industry is closely integrated into international value chains. The European

single market is of crucial importance for companies. Nevertheless, numerous intermediate products are also sourced from outside Europe. Demand is also largely determined by non-European countries. **International trade is therefore an important success factor for the chemical-pharmaceutical industry.**

Where non-European competitors do not adhere to common rules and, for example, bring goods onto the market at dumping prices with the help of state subsidies, we expect **effective protection mechanisms for the European industry.** These could include anti-dumping tariffs or local content requirements. In our view, the CBAM in its current form does not offer effective protection against carbon leakage and does not contain any solutions for exporting European companies that are in global competition. The prospected changes to the CBAM regulation will probably not address these issues.

The **availability of chemicals is another basic prerequisite for maintaining and expanding technological leadership**. In view of the fact that around 95% of all products are based on chemical substances and processes and form the basis of transformation technologies, an incorrect **design of the REACH legislation** could lead to a loss of chemical and product diversity in Europe and thus to increased dependence on other regions of the world. A chemicals strategy that is proportionate, efficient and practicable and allows the use of chemicals as before while working on substitutions wherever possible is therefore of crucial importance. **The chemical-pharmaceutical industry must become more resilient to global shocks**. The pandemic and the energy crisis have exposed the vulnerability of the European economy. Supply chains are much more fragile and prone to disruption than previously assumed. And it is extremely important geopolitically, especially against the background of simmering conflicts. Therefore, **the development of regional supply chains and the diversification of raw material sources is essential as well as strengthening our domestic production** while reducing dependence on foreign suppliers for active ingredients and raw materials. Europe is well advised to launch its own supply strategy and cleverly share responsibilities. Europe also needs to forge new partnerships so that we are not dependent on just a few. At the same time, in some cases that need to be defined at European level – e.g. for supply-critical active ingredients – to bring production back to Europe in whole or in part or to rebuild it there.

We therefore **welcome the Commission's proposal for a Critical Medicines Act and emphasize that the Commission's pharmaceutical policy must include the following priorities**:

- For the pharmaceutical industry, **research, development and production capacities in Europe must be expanded** in order to reduce de-

pendency on political developments abroad. Research & Development are key parts of the pharmaceutical activities in both Germany and Italy and therefore need to be highlighted with framework conditions for higher investments.

- Companies that invest in greater delivery reliability or research, develop and produce in Europe naturally have higher manufacturing costs – and therefore are left standing in a price-driven competition. In this case **social, ecological and industrial policy criteria must play a key role** in the future. Pharmaceutical products that are researched, developed and produced at European Union locations under the good work-seal and are therefore a pillar of security of supply must be provided with fairer conditions. We demand that **these social, ecological and industrial policy criteria be linked to the data protection period** and market protection or to advantages in government procurement.

- Specifically related to production of critical medicines: **we want a new European investment plan, backed by a new state aid regulation**, to allow more public support to produce critical medicines. The regulation could be limited to a list of critical medicines and feature differentiated aid rates, supporting production capacity investment projects, including an optional innovation and greening premium. Aid regulation must also be linked to social, ecological and industrial policy criteria.

- **Sustainable healthcare in Europe requires the entire spectrum of pharmaceutical value creation**, from raw materials to research and production - this applies to both innovative and generic products. The basis for this is a reliable industrial policy and sustainable financial framework. To further strengthen sovereignty and resilience and to ensure further growth of the sector, pharmaceuticals have to be recognized as a priority sector for the economy and public health.

## HOW TO FINANCE TRANSFORMATION

Resolving the issue of **sustainable financing for the transformation in the chemical-pharmaceutical industry is more urgent than ever**. The EU has set ambitious climate protection targets, which present challenges for the chemical-pharmaceutical industry, with its carbon-based value chain. But the current tools of financing the transformation are too weak. It will be necessary to combine both national and EU-Level funds with private capital in a combined European financial facility.

A viable transformation path to climate neutrality has not yet emerged for the chemical-pharmaceutical industry due to the lack of the necessary regulatory and market conditions. The climate-neutral chemical-pharmaceutical industry of the future, if it is to be competitive, has to be green and biogenic but also has to involve negative emissions. Industrial **carbon management will be fundamental to success** and it is also a prerequisite for making natural gas at least transitionally future-proof as a cost-efficient raw material, thus ensuring the transformation of fossil carbon-based value chains and the market ramp-up for hydrogen in the transition.

That said, a **pragmatic, technology-neutral approach is more cost-efficient** at the present time and accordingly requires a smaller state role in financing. It is therefore a mat-

ter of preventive derisking. Until these can be completely replaced by synthetic or green and biogenic alternatives, renewable energies and raw materials must not only have achieved price parity but must also be available in comparable quantities to today.

The market and financing conditions, as well as the duration of research and development and the resulting costs, must not be underestimated. **Despite the EU taxonomy, bankability is openly questioned by the financial industry** due to the lack of international climate-neutral product standards (product carbon footprint) and green lead markets and quotas. Accordingly, even the size of the EU internal market could not generate the necessary pull. For the chemical-pharmaceutical industry, with its complex international value chains, this is proving to be much more difficult – also because the proportion of non-EU production has increased in the last ten years.

The growing share of production outside the EU is also associated with a growing share of investments in favor of locations in the Far East, MENA and the USA. This raises the question of **strategic resilience and autonomy for the EU as a production location and market**. Many of the intermediate and end products of the chemical-pharmaceutical industry already come from outside the EU.



# CONCLUSIONS FOR THE FUTURE OF INDUSTRY – CLEAN INDUSTRIAL DEAL

We welcome the Clean industrial deal as a first step that's important but still not sufficient which combines climate action and competitiveness under one overarching growth strategy **including high-quality Jobs for Europe**. It therefore needs concrete actions to follow:

- It is a **clear commitment to the climate Goal**: European economy should to be decarbonized by 2050. We support that the EU will stay the course, including through the intermediate 2040 target of 90% net greenhouse gas emissions reduction.

- **Europe must become a globally competitive energy supplier** which is critical for the chemical-pharmaceutical industry, which is a high energy intensity. Access to affordable energy is a key condition for the international competitiveness of industry. In this context the following measures to support PPAs and CfDs and to accelerate network expansion are fundamentally positive but largely known with regarding to strengthen the Energy Union.

- The CID remains very general regarding the conditions for lead markets – and it also leaves a lot to be desired in terms of setting the framework. The **incentives to accelerate a cleaner and more circular production still need concrete measures** to generate demand and a business case on the customer side. Immediate measures are missing.

- The CID confirms the **high additional investment needs in the context of the transformation**. These are estimated at 480 billion EU annually compared to the previous decade. It points out that private financing is key. This is regrettable, because the public sector should lead the way with its signaling effect and support and accelerate the transformation with massive public investment in infrastructure. This will not be enough to create and strengthen the infrastructure needed in Europe.

- A **strong public funding is necessary** for the chemical-pharmaceutical industry to support the transition to more sustainable production processes and low-carbon products. That's why financial instruments at a European level through the emission of dedicated bonds and a revision on the State Aid Framework, are necessary. to allow more active industrial policy in the affected sectors. This is to be welcomed in principle, as national states are being given more options and simple approvals to accelerate the transformation of their industries. It is important that competition law within the EU does not impair the position in the global competition between locations.

- It is from the **utmost importance to focus on circularity as a priority** which is key to maximizing the EU's limited resources, reducing dependencies and enhancing resilience. The chemical-pharmaceutical industry must inno-

vate and produce products that fall into these categories to remain competitive and to support EU environmental goals.

- It is to be **unreservedly welcomed that the EU is giving the circular economy greater priority** and classifying it as one of the six business drivers for the future. In the context existing raw material dependencies and the vulnerability of supply chains, the circular economy can make a major contribution to achieving the EU's goals and improving competitiveness.

- The EU wants to **conclude and implement further free trade agreements**. We support free trade agreements in principle, as they open important markets for export-oriented industries. However, we expect trade to follow certain rules and that labor, environmental and sustainability standards are a prerequisite for the conclusion of agreements.

- The **substantially simplification of CBAM**, with the reduction of administrative burdens while continuing to incentivize global carbon pricing is generally to be welcomed, as the effort for CBAM by affected companies is described as substantial.

- Even though the Clean Industrial deal reflects many of the demands from chemical-pharmaceutical industry it is not the big breakthrough we had hoped for, especially the **question of how to finance the necessary investments remains (so far) insufficiently answered**.

- We need a stronger strategic focus and a **clear framework for the chemical-pharmaceutical industry**. It therefore is to be seen if the announced Chemical Industry Package (Q4 2025) will become more of a Chemicals Package that sets a clear framework for chemical products with a risk based revision of REACH legislation.

- Beside this **Europe must exploit, enforce, revitalize and improve the single market**. This could facilitate the circulation of chemicals and pharmaceuticals throughout the EU.

- We point out that further **simplification and acceleration of procedures is essential** to simplify and speed up permitting procedures, without weakening labor protections and environmental protections

- It will also be necessary to make the **research and innovation framework smarter and more effective**. This is crucial for the chemical-pharmaceutical industries to develop new technologies and production processes.

# WE DEMAND: A JUST TRANSITION FOR ALL!

A stronger **industrial policy is essential for creating and maintaining quality jobs** in Europe. These are defined by decent wages, balance, respect for health and safety, measures to prevent exploitation through increased investment in monitoring bodies, and effective enforcement mechanisms to combat fraudulent behavior in the labor market. Jobs in energy-intensive industries can only be secured if companies have stable and competitive framework conditions in Europe. The Clean Industrial Deal aims to ensure a just transition that benefits everyone, communities, and businesses. It commits to delivering quality jobs and empowering people by building on their skills and promoting social cohesion and equity. The industry needs a skilled workforce and must offer quality jobs to attract top talent.

**The basic prerequisites are social partnership agreements and the strengthening of co-determination.** Close cooperation between governments, companies and trade unions is important in order to ensure employment guarantees and the creation of new jobs in forward-looking industries. Regions that are particularly affected by upheaval need targeted support in order to avoid social imbalances. And **wherever companies benefit from public funds, there must be binding conditions for maintaining jobs and locations** in return- Companies are also called upon to develop more sustainable business models that are economically and ecologically viable in the

long term. A particular focus must be placed on **social justice in order to take employees along with the transformation** and avoid social tensions.

## **We therefore call for:**

- Decent wages and fair working conditions: the social partners stress the need for jobs that offer adequate wages, a good work-life balance, and compliance with health and safety standards.
- Right to job training through lifelong learning.
- Countering exploitation: The social partners condemn worker exploitation and call for measures to counter fraudulent employment agencies and misconduct.
- Protective Measures for Vulnerable Workers: Specific measures need to be taken for workers from third countries, who are often in a vulnerable condition.
- Promotion collective bargaining: The social partners shall promote collective bargaining to define the rights and obligations of employees and employers and to define protections against wage dumping and exploitation.
- Information and involvement of workers' representatives: When subcontracting, companies must inform workers' representatives in advance.



## **IMPRINT**

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