

How initiatives such as the European Green Deal affects the chemical industry

-

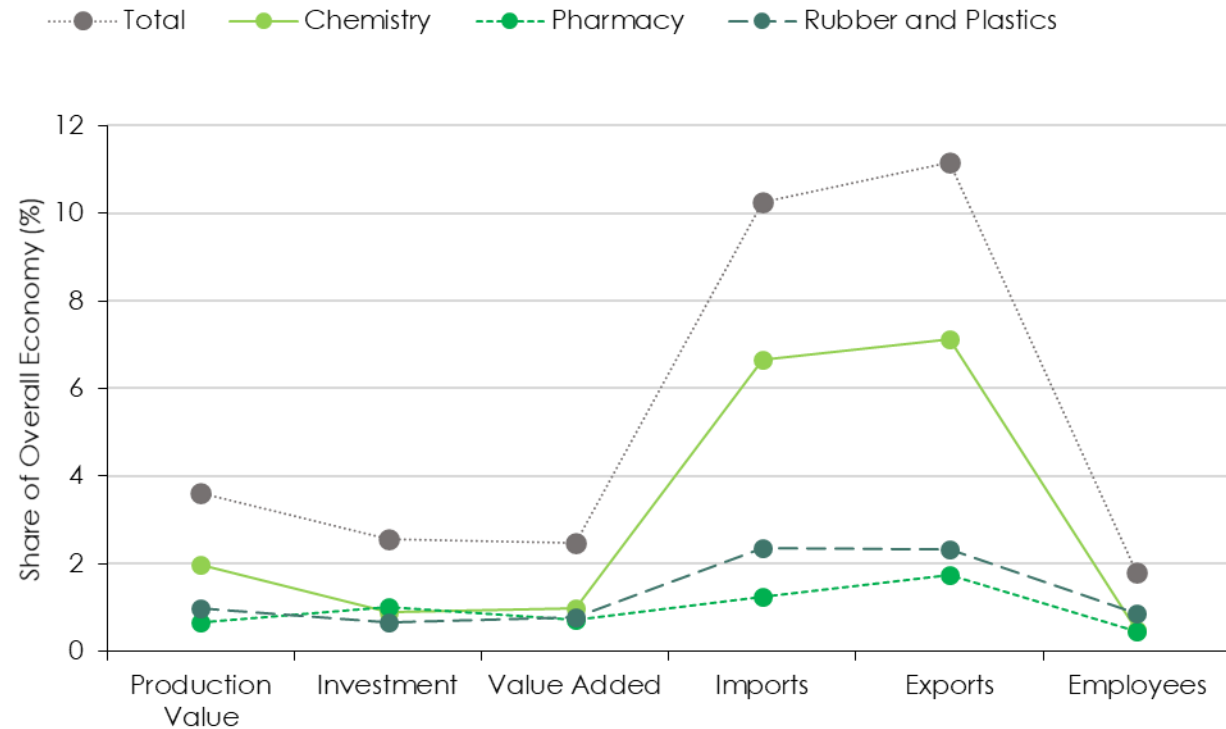
Gerald Feichtinger

Vienna/AT & Brussels/BE

15.07.2021

Economical Fact Sheet

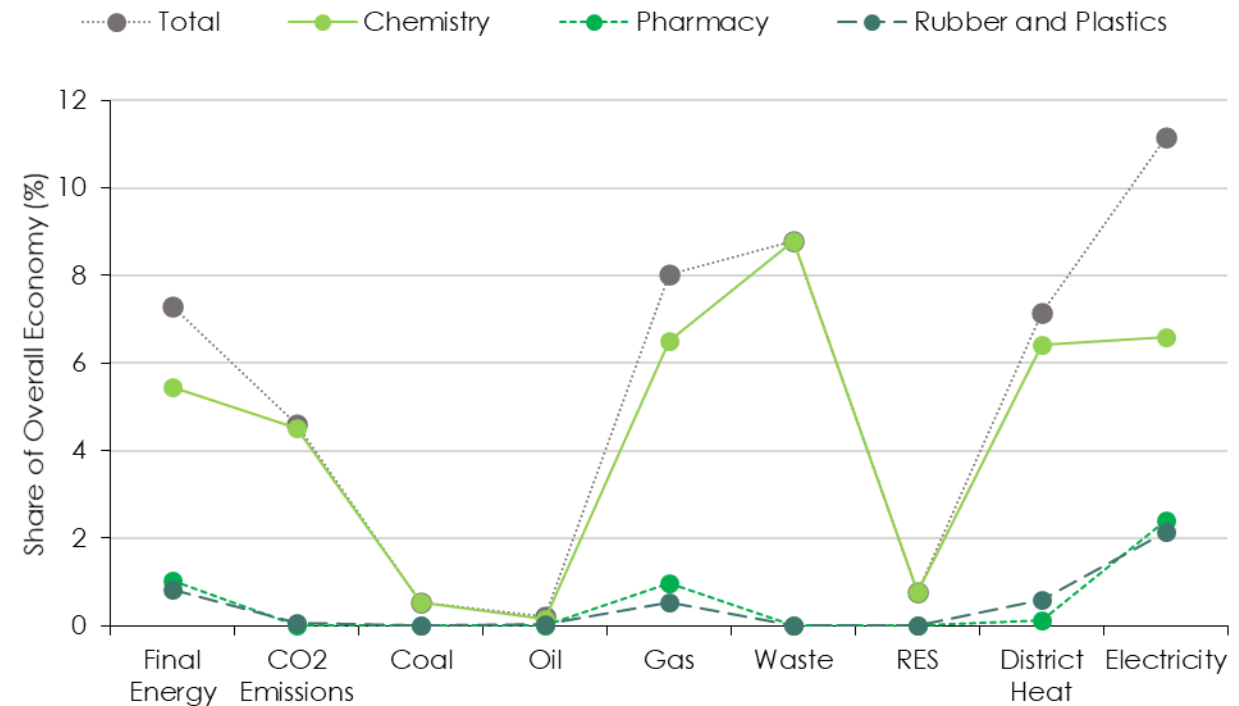
- Chemistry is a central economic sector in Austria
- Chemical industry (NACE-20) differs from pharmacy (NACE-21) and rubber/plastics (NACE-22)
 - higher import/export shares
- Rubber/Plastics (NACE-22) has a slightly higher employment share



Source: Statistics Austria, WIFO

Environmental Fact Sheet

- Chemical industry a significant player in terms of
 - Energy consumption
 - CO2 emissions
- Chemical production technologies with a high demand for
 - Natural gas & Waste
 - Heat & Electricity
- ... mainly driven by chemistry (NACE-20)



Source: Statistics Austria, WIFO

EU Green Deal – Regulations

- Potential EU Green Deal regulations are ...
 - European Climate Pact (e.g. targets), Circular Economy Action Plan, Regulation on single-use-plastics, Chemical Strategy for Sustainability, Farm-to-Fork & Biodiversity Strategy, Zero-Pollution Action Plan, ...
 - But which regulations do affect a single company? (work-in-progress)
 - ... individual impact of already adopted regulations on companies still unclear
 - ... visibility of EU Green Deal regulations may not be given despite media presence
 - EU Green Deal expected to hit the chemical industry in Austria enormously
 - ... economic effects of this process of transformation are still unclear
- ➔ Support by public authorities may be helpful (e.g. formation of working groups)

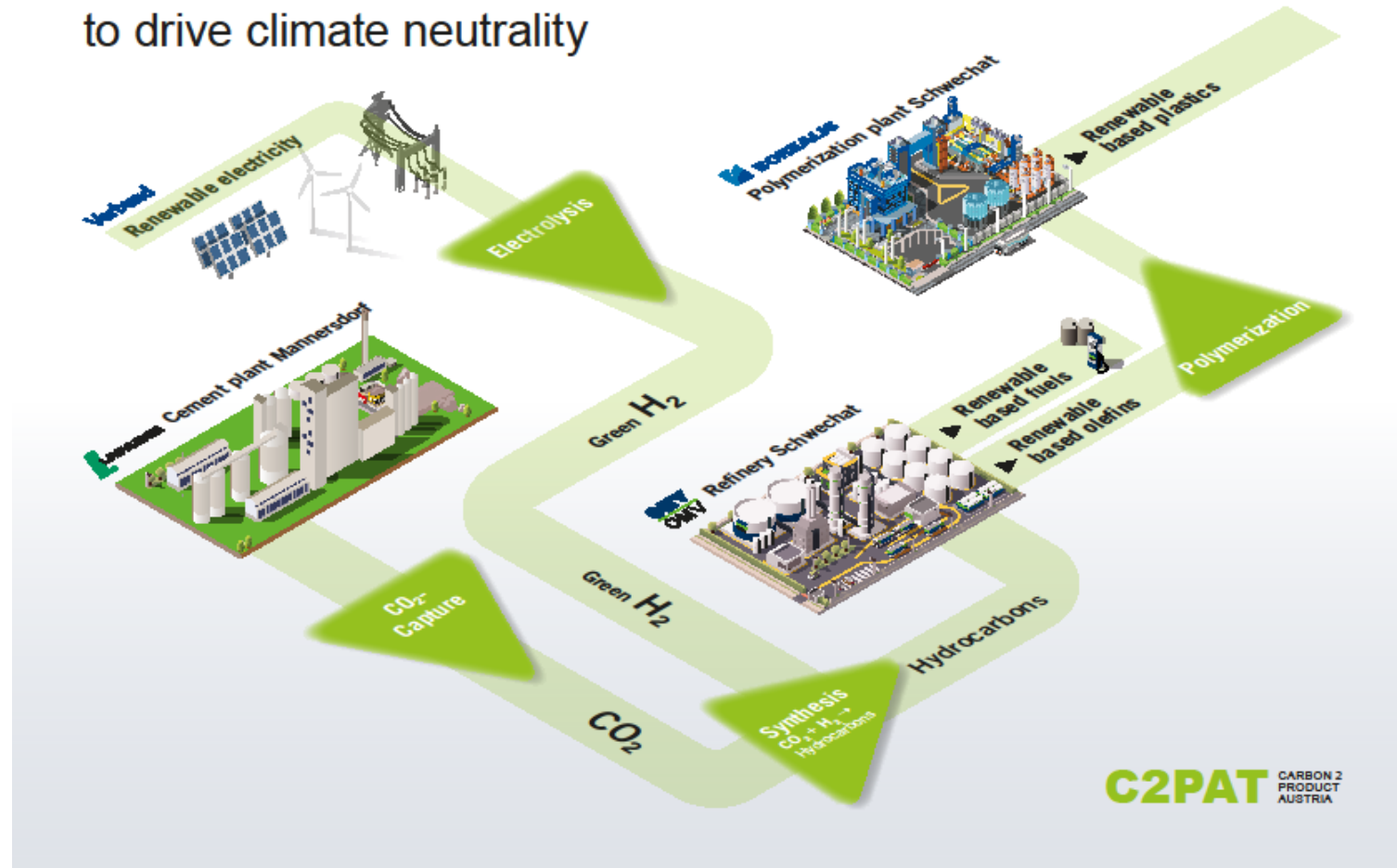
Ongoing field study

- The study follows a multi-stage approach [and] evaluates the potential effects of the EUGreenDeal on the Chemical Industry by
 - ... using a Input-Output-Analysis extended by environmental and trade analysis
 - ... considering an evidence-based approach in terms of a survey
- Design process of that survey involved several parties such as (potential affected) companies, representation of interests & experts (WIFO)
 - Exploratory initial talks to choose topics for questionnaire, pre-testing, ...
- Result is a comprehensive questionnaire that
 - ... focuses on the EUGreenDeal but also on Digitalization [strategies]
 - ... consists of a „Main Survey“ with 60+ questions categorized into three sections
 - ... considers also „In-depth“ interviews with approx. 10 partners

Topics addressed & expected results

- Visibility of
 - ... EU Green Deal and adoption of EU Green Deal strategies
 - ... instruments supporting/securing EU Green Deal investments and R&D activities (e.g. investments funds, contracts for difference, EU-ETS incomes, CBAM)
- Insights to
 - ... availability of resources/commodities as substitutes and to establish a circular economy (e.g. toxic chemicals or building insulations)
 - ... reduction potential of CO₂ emissions & consumption of fossil energy sources
 - ... expected time frames for break-through technologies (e.g. circular economy)
 - ... other barriers (competitiveness) and opportunities (green products)
- Opportunities for new cross-sectoral value chains
 - e.g. cement & petroleum industries as supplier (C2PAT) → new players (e.g. OMV)

Cross sectoral value chain to drive climate neutrality



Source: C2PAT

Lessons learned until today...

- Adoption of EU Green Deal strategy/roadmap only given in some cases
 - e.g. „Sustainability-by-Design“ strategies
 - „Decarbonisation“-schedule is perceived differently on a company-level
 - 2030 goals are more or less „on the radar“
 - 2040 (2050) goals are not perceived at all („too early to make any statements“)
 - Huge investment(s) expected & support required to achieve 2030 & 2040 goals
- ... results of ongoing field study expected this fall (10/2021)

WIFO

 ÖSTERREICHISCHES INSTITUT FÜR
WIRTSCHAFTSFORSCHUNG

Dr. Gerald Feichtinger

gerald.feichtinger@wifo.ac.at

+43 1 798 26 01 - 273

www.wifo.ac.at/gerald_feichtinger