

EU Chemicals Policy and the colorants industry

ETAD along with the European chemical industry fully supports the political objectives of REACH, namely the protection of human health and environment and maintaining the competitiveness of the industry. However the original legislation would appear too burdensome and complex and ETAD as well as its member companies has been working actively within the CEFIC organization to bring forward proposals for a new and efficient legislation for the safe management of chemicals.

The development of the legislation is now in a critical stage as it enters the first reading of the European Parliament - a number of modifications and proposals having been introduced compared to the original documents, while at the same time maintaining the objectives of the original.

Testing costs for registration have been estimated at Euro 7 billion for the chemical industry. But this cost burden falls mainly on the speciality chemical sector with its multitude of small-volume products. As much as Euro 2 billion could be required for the colorants sector if the current palette of products is to be maintained. Many will not support the testing costs and it is likely that up to 30% could be withdrawn from the EU market. In addition to the testing costs there are the costs associated with the concomitant administrative aspects of consortia formation and report writing.

There appears to be little appreciation of the complexity of the chemical industry and its interdependencies, both internally and with its customer industries. Many colorants have niche applications outside the major sectors of textile, paper and leather (for dyes) and printing inks, paints and plastics (for pigments). Only exceptionally are articles likely to be restricted but their manufacture nevertheless involves many chemical substances, usually as preparations, which will be subject to REACH.

The reduced choice, the uncertainty about availability of essential chemicals in the EU market and the bureaucracy involved in checking registration status will certainly not encourage investment in the EU as a manufacturing base.

ETAD supports the stated objectives of the New Chemicals Policy, so why is our evaluation still pessimistic? Undoubtedly, regulatory pressures have contributed to the reduction of occupational exposures and environmental releases. More data are available to evaluate toxicological and ecological properties, but there are certainly still many data gaps. Industry's interests lie in having cost-effective regulations, so that resources are not wasted. Regulations need to be practicable and enforceable. Environmental protection is a global issue and too often excessive product restrictions in one region merely encourage manufacture elsewhere under lower standards of operation. An objective of the Chemicals Policy is "integration with international efforts" but the expected scope and requirements go far beyond that of any significant trading partner.

There is some degree of irony in the fact that just as several Eastern European countries have joined the EU, they may find it more difficult to attract the investment necessary to meet the new requirements.

Colorants are an indispensable component of a multitude of products which contribute to the high standard of living in the EU. How the new Chemical Policy is implemented will determine the extent to which their chain of manufacture remains in the EU and contributes to the EU economy.