New member states can manage new EU chemicals legislation

Despite fears that new chemicals legislation might affect competitiveness among EU chemicals companies, new EU-funded research suggests that the majority of the industry will easily cope with the changes, including the EU’s New Member States.

The Registration, Evaluation and Authorization of Chemicals (REACḥ) legislation\(^1\) came into force in June 2007. Under REACh, manufacturers must register each chemical substance either produced in or imported into the EU. An estimated 30,000 substances are affected. The benefits of REACh include improved knowledge and communication of the properties and risks of chemicals, throughout the chemicals supply chain. This not only reduces commercial risks for companies, but also could save an estimated 50 billion Euros over 30 years in terms of occupational and public health protection.

Researchers from across Europe assessed the impact of REACh on businesses in the new member states. They also looked at legislative, administrative and economic frameworks in these countries, particularly in the specialty chemicals sector. Specialty chemicals are chemicals produced for a specialised use, such as pigments, adhesives, and additives. The sector is thought to be particularly vulnerable to higher costs under REACh because it produces a large number of small-volume chemicals.

The researchers assessed businesses in the Czech Republic, Poland and Estonia. Of the three, specialty chemicals make up a larger percentage of the Estonian chemicals industry. This gives it a higher burden under REACh than the other two nations.

New member states were required to bring their chemicals legislation up to the European standards (the chemical Acquis Communautaire) as part of entry into the EU in 2004. For new member state companies, this was very good preparation for REACh. However, to date much of the management capacity of chemicals companies has been spent on privatisation, restructuring, modernising, complying with the Acquis and competing with EU15 companies.

Additional efforts are needed to implement REACh regulation in the new member states; however, companies in new member states typically have the advantage of employing more health, safety and environment (HSE) staff than comparable companies in the EU15. Wages in new member states are still generally lower, and in most cases the costs of REACh implementation can be passed down the supply chain.

The chemicals industry as a whole should not expect any appreciable impact from REACh, the researchers conclude. The exceptions are importers who previously benefited from cheap raw material imports from non-EU countries.

\(^1\) For more information on REACh, see: http://ec.europa.eu/environment/chemicals/reach/reach_intro.htm


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