Closing comments for G Squinzi for meeting with Vice President Tajani

ECHA, 18 September 2012

I wish to express my thanks to ECHA for organising today's event and for engaging in such an open discussion of topics that are close to heart of our industry.

Indeed it is reassuring to learn that the close collaboration between industry, the European Commission, and ECHA, resulted in the successful completion of the first regulation phase for REACH. It is also encouraging to know that the second phase is progressing according to expectations. But let's remain vigilant over the coming months to the needs of smaller organisations entering the process for the first time. We must ensure that they do not find themselves in difficulties. We must do all that we can to maintain the productivity of these smaller organisations which represent the vast majority of chemicals companies in Europe.

Let me know turn to the topic of competitiveness and innovation. There, I have to say the learning under REACH is less encouraging, especially given the environment in which Europe is operating within the global chemical industry.

The Commission's survey on the impact of REACH on Innovation says it all. 63% of respondents indicated that REACH could lead to the diversion of resources from truly innovative research. This is something that our industry cannot afford. And while REACH increases interactions at the interfaces of industries, it is in the context of data sharing through vehicles such as Safety Data Sheets. It remains to be seen whether this type of activity really drives concepts such as open innovation with its "cast the net" approach to problem sharing and solution finding across industrial sectors. Indeed only 26% of respondents found Safety Data Sheets valuable in this sense. In any event, the simplification of Safety Data Sheets is something we need to work on; and we must avoid pushing complexity along the supply chain.

Turning to competitiveness, I'd like to stress the impact of the costs associated with REACH. The Commission's study indicates that REACH has cost over 2 billion Euros to date. This is within the initial cost range for the whole of REACH, yet we have only passed through the first registration deadline. This points to two things. Firstly, the costs are high. And secondly, as smaller organisations enter the REACH processes, we must find ways to eliminate all unnecessary costs. This can range from highlighting the big cost items and amending the legislation to simplify the procedures at the implementation phase. Here, we look to the Agency to review any activities which we are not explicitly required by the legal text.

Lastly on competitiveness, I think it goes without saying that we need to respect CBI. But in our desire to be transparent on chemical safety and usage, we must handle dissemination appropriately so as not to provide competitors outside Europe with an easy way in.

I am delighted that you have brought SMEs into the discussion today. In addition to the burden of direct costs and diversion of innovation resources to compliance matters that I have mentioned before, I have one other point that I wish to mention. It concerns intermediates under Strictly Controlled Conditions (SCC). I am pleased by the progress that the Agency has made on flexibility in the interpretation of SCC. It is important that this is acted upon in a consistent way by enforcement authorities. As you know many of our smaller companies provide an invaluable role in producing intermediates for use in highly valuable end products.

They are acting in a very responsible way; but feel threatened by the narrow interpretation of Strictly Controlled Conditions which can lead to significant additional costs. We request that the Agency builds on the recent progress in this area, and formally amends the Guidance to reflect the current best practice as soon as possible after the June 2013 registration deadline is passed.

Lastly, I want to touch on nanomaterials. I think we all agree on the need for disruptive innovation in Europe. And nanomaterials are a key enabling technology for which our industry is central. We must ensure that nanomaterials fit efficiently within REACH and other existing legislation and not penalise the technology or the pioneering companies who want to provide a better future for us all through the development of these innovative materials. All we ask for is proportionate regulation which is in line with that for other substances. This brings me to a point on stakeholders, and in particular, NGOs. The focus on hazard based assessments and substitution as the only risk management instrument coupled to the disclosure of market sensitive information needs to be counterbalanced by the need for broad scale risk assessments and non-disclosure of CBI. In this regard, we rely on the Agency to retain its independence and sense of proportionality towards safe chemicals management.

Thank you