

EEB remarks

First and foremost, I would like to convey greetings from Commissioner Wallström who regrets that she with short notice had to decline participation today.

When she commented REACH at an event at the European Parliament last week, she jokingly stated that if you only listened to some of the arguments in the chemicals debate, you could easily ask the question whether the proposal is a dark conspiracy to produce:

- mass unemployment in Germany
- kill millions of animals to test substances that are already safer than cotton
- stop innovation
- and with incredible dexterity slash the competitiveness of both the domestic industry *and* its foreign trade partners?

We all know that the reality is of course quite different. The new chemicals legislation is the most important environmental proposal currently on the table. It has a huge potential to improve public health and reduce the stress on the environment while the competitiveness of the EU chemicals industry is safeguarded. REACH will promote development of new and safer substances and processes.

But, it seems as if the underlying reasons for the reform have disappeared in the debate. Maybe this is because the political and economic climate is different today compared to when the chemicals reform initiative was launched at the informal environment council meeting in Chester in 1998.

Therefore, we are all obliged to remind stakeholders, decision makers and the general public about the primary reasons for the reform. The environmental and consumer NGOs have certainly taken this challenge very seriously.

At the same time, all of us agree that the use of chemicals is an absolute prerequisite of modern society. We cannot, and would not want to, stop using chemicals. On the other hand, we all want to lead long and happy lives in a healthy environment. The message to convey is – of course – that the one should not exclude the other.

What is missing in the present debate is the costs of non-action. You are certainly well aware of them.

The risks of chemicals are *real* problems. The costs of not dealing properly with the risks are *real* costs. As an example, getting rid of the asbestos in the Berlaymont building is estimated to cost 125 million € - for one building! We are already paying in numerous ways a very high price for the casual way in which we have used chemicals in the past.

Our joint challenge is still to highlight and get across that there are costs for:

The chemical burden in our bodies. The anxiety this causes. Subsequent allergies, asthma, other respiratory diseases and cancers; decline in sperm counts, reproductive and fertility problems threats to biodiversity. Environmental accidents involving chemicals (Bhopal, Hallandsåsen, Baia Mare, Sandoz).

In addition, chemicals do not necessarily have to be particularly dangerous to cause some very unpleasant problems. According to the European Agency for Safety and Health at Work, occupational skin diseases result in the loss of three million working days each year (which is estimated to cost € 600 million). These eczemas and other skin problems, which can often be directly related to chemicals, are found in most industries and force many of the workers affected to change jobs.

Europe's citizens are indeed concerned about the chemical burden. You, the environmental NGOs can certainly confirm this.

Commissioner Wallström had her own blood screened for chemical substances in a WWF biomonitoring survey of three groups of man-made substances – PBDEs, PCBs and organo chlorine pesticides. Of the 77 looked for in this screening, she had 28, including DDT, which has been banned in Europe for several decades.

Very interestingly, this blood screening result is something that people have noticed. It clearly reflects their own worries about the chemicals we are exposed to. Still today, four months after going public with the results, she gets letters and questions about the test.

People are concerned. It is clear that Europe has failed to provide its citizens with the high level of chemicals safety that they have a right to expect. This is simply the basic reason for reform.

The failings of the current regulatory system

The starting point for REACH is the awareness that we lack essential information about most of the chemicals on the market today, up to 100 000. The increase in production during the last 70 years has been explosive – from 1 million tonnes in 1930 to 400 million tonnes today.

The increased awareness and concern about the potential risks of chemical substances is leading to an ever escalating pressure for information about them, safe alternatives and safe handling, which is what REACH is all about.

These are not only concerns among citizens or specific interest groups, but also within progressive and forward looking companies, which are well aware that ignoring this demand for more and better information and not selecting safer alternatives will risk business failure.

Let me recapitulate the major flaws of today's chemicals regime (20 years old):

- It is inefficient, slow and does not guarantee enough protection.
- There is an artificial divide between old and new chemicals. The tens of thousands of substances on the market in 1981 can be used without any testing.
- The requirements for getting a new substance introduced is very high (testing already at 10 kg) and the whole responsibility for assessment lie on public authorities.
- It is thus easier to keep using an old and untested and potentially harmful substance, rather than trying to develop or introduce a new and safer alternative. This stifles innovation.

The proposal, which is now under co-decision discussion, addresses these shortcomings and prescribes how industry is to provide the necessary information allowing them and their downstream users to deal with chemicals products in safe ways and look for safer alternatives.

It is clear that the regulatory system has to stop penalising responsible businesses - by requiring responsible action from all producers. To shift the responsibility for chemical safety to the chemicals industry itself is in accordance with standard practice in many other parts of industry. The chemical industry is best placed to assess its own products and to design protective measures that are suitable for the different uses of their substances.

The measures and scope of the proposed new legislation have been detailed in several extensive consultations with stakeholders. Many of you here today have contributed in this process. Both Commissioners in charge of the proposal (Wallström and Liikanen) and their services have discussed various issues in detail with stakeholders – how to promote substitution, requirements for the various tonnage bands, how to deal with substances in articles for instance.

And, this conference here today is another testimony to the fact that you wish to make your voices heard in the debate and continuous discussion during the co-decision process.

The new chemicals policy has been and remains a test case for the principle of sustainable development. To be sustainable, any policy has to reconcile economic, social and environmental concerns. Achieving this balance is particularly important in the case of chemicals, where the stakes are so high on all three sides.

This is why the Commission thoroughly reviewed and revised the draft texts after the Internet consultation last summer with the aim of cutting costs and minimising bureaucracy (particularly for SMEs), but without losing sight of the need to protect human health and the environment.

The final proposal is in line with – and in some aspects go further than – what we announced in the White Paper on chemicals reform two years ago. The cost estimates are roughly the same as then. The proposal is underpinned by the precautionary principle and is indeed designed so as to promote substitution.

Current activities of the Commission

At the time of the adoption, the Commission committed itself to monitor and follow up the impact as the proposal evolves and invited stakeholders to participate in this exercise.

That said, we believe that the extended impact assessment presented alongside with the legislative text is a state of the art piece of work and remains as reference for discussions on impact. What we want to do now is to focus on complementary work and target key concerns on specific sectors. The detailed areas for investigation will cover:

- The potential impact of REACH on business throughout the supply chain; (the likely effects of withdrawal of substances especially for downstream users, and also material streams)
- The potential impacts on innovation
- The potential impacts in the new Member States.
- And we also intend to look more closely at the benefits of the proposal.

This work will be concluded before the end of the year and will include full participation by stakeholders, including industry, environment and consumer NGOs, worker representatives as well as the Commission services. The Council and Parliament will also be closely involved.

We are also launching so called Strategic Partnerships to prepare for REACH

These will for instance examine how various elements of the system will work in practice. A pilot project by North-Rhein Westphalia has already proved useful in identifying areas where guidance would help the workability of the system. Industry is currently developing concrete proposals for further trials. The results will help to identify where guidance and other measures are needed to ensure that the system is workable in practice.

We are also making progress in other areas of the 'interim strategy', such as technical guidance, developing the IT infrastructure that will be needed. We are also in close touch with the Finnish authorities about the practical arrangements to ensure the smooth establishment of the new Chemicals Agency in Helsinki.

Costs

The extended impact assessment that shows that the benefits of REACH will clearly outweigh the costs. The direct costs of the proposal are estimated at €2.3 billion over the 11 years that it will take to register all chemicals. These are the costs that the chemicals industry will incur for testing and registration. Most of these costs, 60 percent, are directly related to testing, which indicates how massive the lack of knowledge about chemicals is today.

The total costs of the proposal – including the costs for the chemicals industry as well as those for its downstream users – are estimated at between €2.8 billion and €5.2 billion over 11 years. The uncertainty relates to the potential changes in the supply chains and the number of substances that may be withdrawn because future production would not be profitable.

The health benefits are estimated at €50 billion over 30 years. And these are very conservative estimates based on the assumption that due to REACH there would be only a 0.1 % reduction in chemicals-related diseases.

Conclusion

To conclude, I would like to mention that Commissioner Wallström repeatedly stresses that REACH is not asking for anything exotic or new. It simply asks for the information that chemicals manufacturers need to ensure safety at their production sites and the safety of their products - the information that downstream users need to protect their workers' health and to ensure that their products are safe for their customers and the environment.

She also maintains that REACH is a sign of the times: the concerns that led to the development of this proposal are the concerns of our time.

- We need to know that the products we use are safe.
- We need to know that the load of chemicals accumulating in the environment will become lighter over time, not heavier.
- And we need to know that the chemicals industry, whose products have brought so many benefits to our society, will continue to prosper. REACH has been designed to meet these needs.

Thank you for your attention.