



REACH IMPACT ASSESSMENT ON THE INDUSTRIAL SECTOR IN ASTURIAS



Final Conference
Brussels, 15th June 2005



Context

June 1999 : Chemicals Legislation Review initiated.

February 2001: White Paper about Chemical Substances and Preparations.

May 2003: First REACH Draft. Internet consulting.

July 2003: REACH, more than 6 400 remarks.

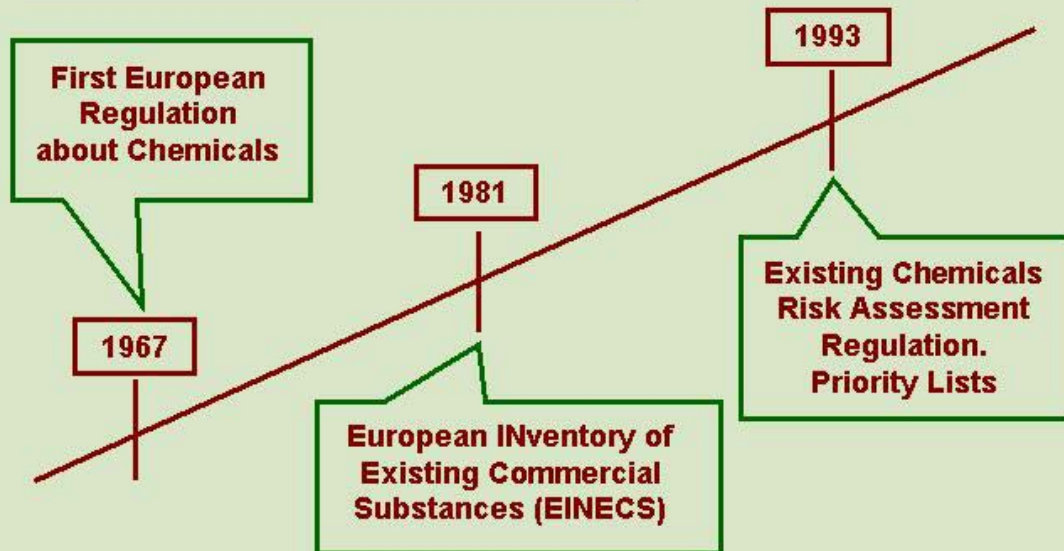
October 2003: First REACH Regulation Draft approved.



Final Conference
Brussels, 15th June 2005



Context (2)



Final Conference
Brussels, 15th June 2005



Context (3)

From 1981:

Distinction between so-called “Existing” Chemicals (EINECS – 100.000 substances – closed) and “New” Chemicals (ELINCS – 3.700 substances – open).

Troubles:

Barrier to New Chemicals Assessment, due to highly demanding analytical requirements.

Existing Chemicals Risks Assessment process excessively slow and complex.

Solution:

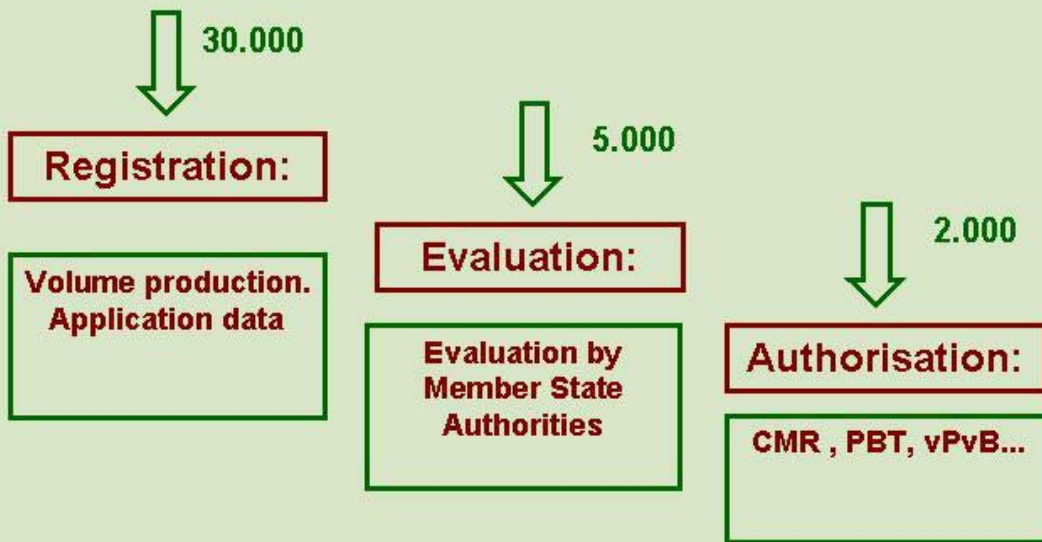
REACH



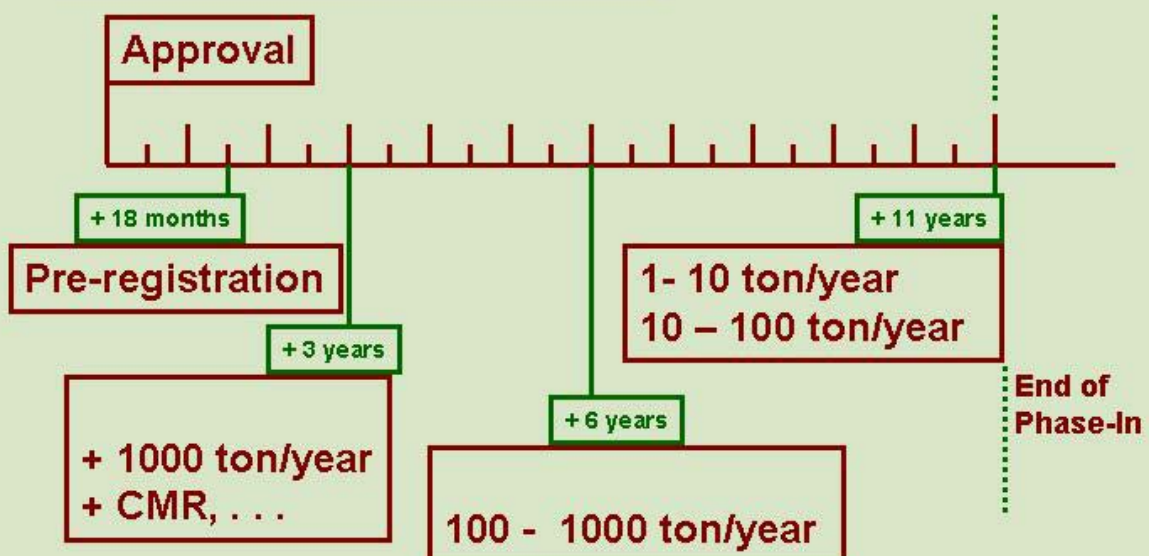
Final Conference
Brussels, 15th June 2005



Basis



Timelines





Opinions

In favour of more restrictive measures. . .

. . .NGOs, Trade Unions, Ecologists.

In favour of a significant change of approach. . .

. . . European Industry.

Major Concern: REACH application costs

Direct Costs: testing and registration.

**Indirect Costs: withdrawal of substances, loss of employment,
loss of competitiveness.**



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Methodology:

1. **329 companies - from asturian chemical industry - consulted.**
2. **Number of chemical substances and preparations produced or imported.**
3. **Application of testing and registration standard costs.**
4. **Adjustment factors, in order to set a range.**
5. **Estimation of the economic impact in Asturias**



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Direct Costs Estimation:

1. Testing and Registration Costs (76 %):

	Other reports	AIQPA report
1 - 10 ton/year	15.000 a 35.000	20.000
10- 100 ton/year	150.000 a 350.000	200.000
100-1000 ton/year	350.000 a 550.000	400.000
1000 ton/year	400.000 a 1.000.000	650.000

2. Safety Data Sheets, Evaluation, Taxes (24 %).



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Indirect Costs Estimation:

Econometric Models:

Withdrawal of substances
Effects on downstream users
Loss of employment
Loss of competitiveness

Estimated as multiplier of the direct costs:

Between (x 2,3) and (x 650)

AIQPA Report: between (x 2) and (x 5)



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Results:

Substances produced in Asturias:

1 - 10 ton/year	2
10- 100 ton/year	6
100-1000 ton/year	4
1000 ton/year	22

Substances imported to Asturias:

1 - 10 ton/year	5
10- 100 ton/year	6
100-1000 ton/year	5
1000 ton/year	9



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Results:

Substances produced in Asturias by SMEs :

1 - 10 ton/year	2
10- 100 ton/year	6
100-1000 ton/year	4
1000 ton/year	12



70,6 %

Substances imported to Asturias by SMEs:

1 - 10 ton/year	4
10- 100 ton/year	4
100-1000 ton/year	3
1000 ton/year	3



56,0 %



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Results:

Preparations produced in Asturias :

1- 10 ton/year	201
10- 100 ton/year	116
100-1000 ton/year	49
1000 ton/year	54



	Upper limit (50 %)	Lower limit (5 %)
1- 10 ton/year	100	10
10- 100 ton/year	58	6
100-1000 ton/year	24	2
1000 ton/year	27	3

Preparations imported to Asturias:

1- 10 ton/year	10
10- 100 ton/year	1
100-1000 ton/year	3
1000 ton/year	7



	Upper limit (50 %)	Lower limit (5 %)
1- 10 ton/year	5	1
10- 100 ton/year	1	0
100-1000 ton/year	2	0
1000 ton/year	4	0



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Results:

Testing and Registration Costs and Direct costs:

	Substances and preparations. Upper limit	Cost by group (Euro\$)	Testing and registration costs (thousand Euro\$)	Direct costs (thousand Euro\$)
1- 10 ton/year	112	20.000	2.240	2.947
10- 100 ton/year	71	200.000	14.200	18.684
100-1000 ton/year	35	400.000	14.000	18.421
1000 ton/year	62	650.000	40.300	53.026
CMR , PBT , vPvB	13	150.000	1.950	2.566

Consortia Formation (- 1 %) :

94.688



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Results:

Testing and Registration Costs and Direct Costs:

	Substances and preparations Lower limit	Cost by group (euros)	Testing and registration costs (thousand Euros)	Direct costs (thousand Euros)
1 - 10 ton/year	18	20.000	360	474
10- 100 ton/year	18	200.000	3.600	4.737
100-1000 ton/year	11	400.000	4.400	5.789
1000 ton/year	34	650.000	22.100	29.079
CMR, PBT, vPvB	2	150.000	300	395

Consortia Formation (- 5 %) :

38.450



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Results:

SMEs direct costs (less than 250 employees) :

81,1 %

MicroSMEs direct costs (less than 10 employees):

13,5 %



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Results:

Direct + Indirect Costs :

First scenario (upper limit)	
(pesimistic approach) (thousand Euros)	(optimistic approach) (thousand Euros)
473.441	181.725

Second scenario (lower limit)	
(pesimistic approach) (thousand Euros)	(optimistic approach) (thousand Euros)
200.345	76.901



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Economic Impact:

	(pesimistic approach) (thousand Euros)	(optimistic approach) (thousand Euros)
Direct costs	94.688	38.450
Divided by 11 years	8.608	3.495
Impact:		
On Asturian chemical industry GVA	4, 0 %	1, 6 %
On Asturian industry GVA	0, 2 %	0, 1 %
On Asturian GDP	0, 05 %	0, 02 %



Final Conference
Brussels, 15th June 2005



Economic impact in Asturias

Economic Impact (2):

	(pesimistic approach) (thousand Euros)	(optimistic approach) (thousand Euros)
Direct + Indirect costs	473.441	76.901
Impact:		
On Asturian industry GVA	13, 7 %	2, 2 %
On Asturian GDP	2, 9 %	0, 5 %

Economic impact in Asturias

Opinions of the Polled Managers:

- (71 %) Little workability of the system (unclear, cumbersome...)
- (41 %) Volume is not a risk indicator
- (32 %) Registration by manufacturer instead of by substance makes no sense
- (42 %) Concerned about the impact of registration additional costs, on products marketed outside the European Union



Economic impact in Asturias

Conclusions:

1. 38,4 million Euros (best case scenario)
2. 76,9 million Euros indirect costs (best case scenario)
3. 81,1 % of the costs are supported by SMEs
4. 13,5 % of the costs are supported by microSMEs
5. Strong impact on SMEs and microSMEs
6. ¿New opportunities?



Final Conference
Brussels, 15th June 2005



THANK YOU FOR YOUR ATTENTION



Final Conference
Brussels, 15th June 2005

