

CUMULATIVE COST ASSESSMENT FOR THE EU CHEMICAL INDUSTRY

24 October 2016

A.I.S.E. statement

A.I.S.E. confirms the conclusions of the 2016 European Commission Cumulative Cost Assessment (CCA) for the EU Chemical Industry¹. The association calls onto EU policy-makers to ensure that the cost of regulations remains proportionate to the legislative aims and that any new provisions are balanced by an explicit consideration of the competitiveness of the sector, while continuing to guarantee the safety of end-users and the environment.

The recent CCA report published by the European Commission (DG Internal Market, Industry, Entrepreneurship and SMEs) finds that the overall legislation cost for the detergents and maintenance products industry amounts to approximately €670 million, corresponding to 11% of the sector's value added, and is equal to 33% of its profits².

A.I.S.E. member companies are committed to making the appropriate investments to comply with EU legislation and ensure the safety of all products placed on the market. Companies also recognise the clear benefits provided by EU chemicals legislation. However, the existing framework places significant pressure on detergents and maintenance product companies by adding superfluous layers of complexity. In addition, it deviates incremental resources away from R&D and innovation towards compliance.

A.I.S.E. President Arndt Scheidgen commented: *"Our industry is committed to working constructively with all relevant parties to ensure that existing costs can be optimised. Competitiveness must be an explicit consideration of future policy actions. An increase of resources committed to legislative compliance corresponds to a reduction in the resources available for innovation, which are necessary to guarantee mid- and long-term competitiveness."*

Mr. Scheidgen continued: *"Unfortunately, in practice, we note a trend towards increased complexity which translates to administrative costs and red tape, as demonstrated - for example - by the recently adopted Commission draft on CLP requirements and the notification to poison control centers. These proposals go against the objectives of the EU Better Regulation Agenda, and add further administrative burdens to our industry, without providing significant enhancements for end-users."*

¹ <http://ec.europa.eu/DocsRoom/documents/17784/attachments/1/translations/en/renditions/native>

² Annual average 2004 - 2014