

Opinion of the European Economic and Social Committee on Chemicals legislation — REACH

(2005/C 294/08)

On 14 December 2004 the Bureau of the European Economic and Social Committee, acting under the implementing provision for Rule 29 of the Rules of Procedure, decided to draw up an opinion on 'Chemicals legislation — REACH'.

The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 16 June 2005. The rapporteur was Mr Braghin.

At its 419th plenary session, held on 13 and 14 July 2005 (meeting of 13 July), the European Economic and Social Committee adopted the following opinion by 52 votes to two with two abstentions.

1. Background

1.1 Since the publication of the proposal for a regulation establishing a European Chemicals Agency and a procedure for the registration, evaluation, authorisation and restriction of chemicals (REACH) ⁽¹⁾, there has been a wide-ranging debate involving the EU institutions, national authorities, the chemical industry, other industrial sectors, trade union organisations, and numerous NGOs.

1.2 A number of suggestions which the Committee made in its earlier opinion ⁽²⁾ have received interesting follow-up in the ongoing debate, particularly as regards:

- the need for a series of further studies to assess the following: the proposal's impact on certain sectors; the scale and consequences of any withdrawal of critical substances from the market; the establishment of strategic partnerships for pilot implementation projects; and the impact on the new Member States;
- the need to simplify the obligations placed on companies, and to reduce costs in order to avoid loss of competitiveness or company relocations, whilst safeguarding the priority objective of safeguarding health and the environment;
- the case for fine-tuning and strengthening the role of the Agency, and ensuring adequate representation of all the interested players.

1.3 Two studies undertaken in the context of the Memorandum of Understanding between the Commission and UNICE-CEFIC have given a clearer picture of the problems faced by particular industrial sectors. These further impact studies showed that although some of the fears voiced initially were excessive, concerns still remain and further efforts are needed to make the system more effective and coherent.

1.3.1 The main findings of the Business Impact Case Study undertaken by KPMG Business Advisory Services ⁽³⁾ are as follows:

- There is limited evidence that higher volume substances are vulnerable to withdrawal following the REACH registration requirements. Lower volume substances (under 100 tonnes) are most vulnerable to being made less or non-profitable by the REACH requirements. Out of the 152 substances assessed in detail, only 10 substances were found to be vulnerable to commercial withdrawal as they became less or non-profitable.
- There is limited evidence that downstream users will be faced with a withdrawal of substances of greatest technical importance to them. These substances will be registered, sometimes in spite of commercial vulnerability.
- The one-off costs of registration for chemicals suppliers can in some cases be significant and may result in the rationalisation of portfolios by chemicals suppliers. This effect would mainly relate to substances which are not considered by chemical suppliers to be technically critical to their customers.
- If a substantial withdrawal of substances occurred, the extent and costs of reformulation and re-engineering could be significant (not least because of the need for studies, tests and user validation).
- The costs will mainly be absorbed or passed on, but may be more difficult for SMEs.
- The impact of REACH on innovation is uncertain. There is no evidence, for the cases investigated in the study, that research and development (R&D) resources will automatically be diverted due to REACH, nor are increases in R&D expected.

⁽¹⁾ COM(2003) 644 final of 29.10.2003.

⁽²⁾ OJ C 112 of 30.4.2004.

⁽³⁾ KPMG, *Business Impact Case Study REACH*, presented on 28 April 2005.

- Companies have recognised some business benefits from REACH which include: better information about substance properties and dangerous components in preparations, easier risk management and rationalisation of substance portfolio.
- Concerns were expressed about specific workability and confidentiality problems. Some concerns were expressed by formulators and downstream users that chemical producers might not want to include certain uses in their registration dossier.
- Users of inorganic substances (and of raw materials in particular) need further clarifications about the REACH registration provisions.

1.3.2 The study on new Member States ⁽⁴⁾ shows that awareness of REACH remains limited and identifies the following key points:

- Substantial increases in costs are only anticipated in a few cases.
- The direct costs to be borne in specific cases could be high in relation to turnover or in terms of erosion of profit margins.
- A few substances are felt to be vulnerable as they already have limited profit margins.
- Companies depending on non-EU eastern markets will be the hardest hit.

1.4 The findings of these studies and the ongoing debate have highlighted various aspects which the economic operators involved feel are of critical importance. The Committee wishes to make a further contribution to this debate, in close coordination with the work being done at the Council and the European Parliament.

2. Registration criteria and timeframes

2.1 The proposed regulation removes the current artificial distinction between 'existing substances' (those already declared to be on the market in September 1981) and 'new substances' (those put on the market after that date). Article 5 establishes an obligation to register substances on their own or in preparations which are manufactured or imported in quantities of one tonne or more per year (second paragraph of Article 5(1)). The regulation also establishes the principle that substances may not be manufactured in the Community or imported unless they have been registered (Article 19(1)).

2.2 Transitional provisions are laid down for the 30 000 or so substances currently manufactured or put on the internal market, which are to be phased in to the registration system according to the quantities produced or imported by the individual company (Article 21). The transitional provisions establish a three-year phase-in period for the registration of substances manufactured or imported in larger volumes (1 000 tonnes or

more per year) and for substances currently classified as CMR ⁽⁵⁾ category 1 or 2; a six-year phase-in period for substances manufactured or imported in quantities of 100 tonnes or more; and an 11-year phase-in period for those manufactured or imported in quantities of one tonne or more.

2.3 This volume-based approach has been questioned on a number of grounds, first and foremost that registrations cannot be distributed over time according to the actual risks of the individual substance concerned. A risk-based priority would be more justified in scientific and economic terms, but defining the priority substances would require an iterative procedure to identify the intrinsic hazard and the risks related to exposure in order to arrive at an assessment and thus to manage the risk.

2.4 The Committee therefore considers that although a prioritisation system based on volume is rather rough (as noted in its earlier opinion ⁽⁶⁾), it provides the most practical way of attaining the desired objectives and replacing the present system, which is universally agreed to be inefficient. The proposed system also covers substances of very high concern such as CMR category 1 and 2. The approach adopted by the Commission, which is based on volume (a rough indicator of potential exposure) but which also considers intrinsic hazard, should thus prove easier to apply, more transparent and better able to guarantee operators sufficient legal certainty.

3. Regulatory simplification

3.1 The Committee thinks that the concerns (if not fears) of many operators stem at least partly from the highly complex and rather opaque structure of the proposed regulation. This comment applies particularly to operators in sectors which do not produce chemicals in the strict sense of the term, and to importers, SMEs and downstream users who sometimes lack the technical facilities and expertise to describe, when required to do so, their particular uses and the management of the related risks. The length of the technical annexes is a further barrier to a full understanding and application of the REACH system.

3.2 The Committee therefore hopes that, in the light of the opinions and amendments taken on board during the first reading, the Commission will also strive to make the regulation more reader-friendly and consider reordering its chapters and articles. Firstly, more precise definitions are needed in order to clarify the scope of the regulation and the category exemptions, as well as the registration deadlines and the different requirements for different tonnages.

3.3 Once the obligations incumbent on manufacturers and importers according to production volume and processes have been clarified, other more complex aspects will also become clearer (e.g. mechanisms for data sharing, information responsibilities and arrangements along the supply chain, and the commitments and responsibilities of downstream users).

⁽⁴⁾ JRC-IPTS, Contribution to the analysis of the impact of REACH in the new European Member States, presented on 28 April 2005.

⁽⁵⁾ Carcinogenic, mutagenic or toxic for reproduction.

⁽⁶⁾ OJ C 112 of 30.4.2004, point 3.3.2

3.4 The Committee also suggests that a distinction should be made regarding those annexes which by their very nature do not form part of the legislative provisions (e.g. Annex X). These annexes should still receive explicit mention and thus provide a practical point of reference, but should be drawn up jointly by authorities and experts from the sectors concerned, using the model of the BAT and BREF (7) systems under the IPPC directive. Making this daunting body of technical information simpler and clearer will help to secure an accurate evaluation of the efforts and costs facing companies. Such a distinction would also speed up adaptations to technical and scientific progress and simplify procedures.

3.5 The Committee appreciates the Commission's effort to draw up practical guidelines in its REACH Implementation Projects (RIPs). It believes that such instruments are crucial for the practical feasibility of the proposal, as they will enable operators and authorities to become fully conversant with the mechanisms of the system.

3.6 The Committee asks for a further effort to involve industrial associations, trade unions and other sectoral organisations with a view to securing effective cooperation on the ground between authorities, businesses, professional organisations and trade unions. This should help to ensure effective implementation of the system. In this context, the Committee advocates the development of support structures such as the national help desks which the Commission is considering at present.

4. Pre-registration

4.1 Article 26 establishes a duty to pre-register: each potential registrant of a substance coming under the REACH system must submit the specified information to the Agency at least 18 months before (a) the three-year deadline set for quantities of 1 000 tonnes or more, or (b) the six-year deadline for quantities of one tonne or more. Downstream users and manufacturers/importers of quantities of less than one tonne may contribute to the sharing of data if they so wish.

4.2 The information required under Article 26(1) provides a sufficient basis for encouraging the sharing of data about individual substances, and thus possible agreements for the joint submission of data and of the tests to be carried out (thereby reducing costs). However, the Committee considers that this information is not sufficient for assessing the potential risk of a substance and hence for devising new prioritisation criteria for registration purposes. This would require a more complicated set of data involving more time, more costs and more red tape, which could prove too much for small producers and importers, and for the Agency that would have to deal with them.

(7) BAT (Best Available Techniques) and BREF (BAT reference documents): these are documents drawn up by the EU office in Seville which is responsible for implementing Directive 96/61/EEC on integrated pollution prevention and control (IPPC). The documents are drawn up jointly by Community experts and stakeholders.

4.3 When considering the various proposals under discussion, the Committee thinks that preference should be given to those which safeguard the basic objectives and the currently proposed deadlines (thereby avoiding uncertainty and confusion among the operators involved) and those which the case studies suggest will be less burdensome for the most vulnerable operators.

5. Recommendations for an effective, manageable REACH system

In order to work effectively, the registration mechanism must specify clearly:

1. the substances covered by the proposed system;
2. its scope, in particular by specifying the criteria and the categories to be exempted (at present these are mentioned in several different articles of the regulation);
3. the obligations regarding the flow of information between manufacturers, importers and downstream users (both industrial and professional) of the same substance;
4. the mechanisms and incentives for forming consortia.

5.1 *Definition of the term 'substance'*. The case studies have confirmed that there is considerable uncertainty about the substances (especially inorganics) covered by REACH.

The Committee is pleased that a specific REACH Implementation Project (RIP) is being conducted to clarify for authorities and businesses the substances which will in fact come under the REACH system.

5.2 *Scope*. It would be useful to draw up a summary in table form to provide operators with precise details of the exempted categories, particularly of those which are already regulated by existing Community legislation; this would help to guarantee attainment of REACH's health and environmental protection objectives. The Committee agrees that overlaps and duplication of obligations must be avoided, and trusts that precise indications will remove any lingering doubts on this matter.

5.3 *Flow of information*. The REACH system can only work effectively if there is an adequate flow of information between upstream and downstream operators. Without this two-way flow, which should also take place between different manufacturing sectors, it would be impossible to take the right measures to manage risk and protect workers, consumers and the environment. The Committee agrees that the manufacturer/importer should assess the exposure scenarios and risks for 'identified uses', when required, acting in good faith and with 'due diligence'; these are clear concepts that are firmly established in legislation and case law.

5.3.1 The Committee stresses that the Agency's data on the substances registered, and later on those that have been assessed, should be made available to economic operators in general (currently they are only to be provided for manufacturers, importers and users of a specific substance, for that substance alone), and to workers' representatives and other categories who might find them useful (medical, security, emergency services, etc.). Any confidential or commercially sensitive information should be removed before these data are passed on.

5.4 *Data sharing.* The proposal states that a substance information exchange forum (SIEF) may be set up for manufacturers and importers of the same phase-in substance, to enable them to pool their information. The Committee supports this, and the underlying objective of minimising duplication of tests, including non-animal testing.

5.5 The Committee stresses the need to avoid duplication of tests, not only in the case of experiments on animals. A concerted effort should be made to develop QSAR-type (Quantitative Structure-Activity Relationship) screening and assessment models, and alternative methods and tests that do not involve animals, devising procedures for speeding up their validation and, if possible, enabling them to be used before the competent bodies give definitive formal approval.

5.6 *Cost effectiveness.* The application of the system must expressly strive to reduce the costs borne by companies, so as to be consistent with the objectives of the Lisbon strategy and sustainable development, which the Committee has always supported. The fundamental challenge of REACH is to marry the goal of competitiveness with that of health and environmental protection. In particular, care must be taken to ensure that registration costs do not weigh excessively on particular segments of the supply chain or on sectors that face particularly stiff competition or are structurally weak.

5.7 It has been calculated that 60 % of the direct costs of registration relate to the tests. The Committee therefore stresses the great importance of mechanisms to encourage companies, on a voluntary basis, to conduct tests jointly and share their results. A fair, harmonised system to ensure that those who use previously or jointly collected data bear their share of the costs is also very important.

5.8 The Committee therefore suggests that some of the guidelines on costs should be amended, as they do not appear sufficient or fair, particularly as regards:

- the reduction of the registration fee; this fee is modest in the case of small volumes but becomes considerable for larger ones. Article 10(2) currently proposes that the fee be reduced to one-third when the same set of data is submitted

by several firms belonging to a consortium. A more significant reduction would be desirable;

- the sharing of the costs of animal testing between forum members (second paragraph of Article 28(1), and Article 50(1)). It does not seem fair to share the costs equally, without considering their respective production volume. The Committee thinks that it would be fairer to use criteria related to turnover of the substance concerned or the volumes sold over the preceding three years;
- the 50 % share of the animal-testing costs sustained by previous registrants (Article 25(5) and (6)) seems even more unjust. For a late registrant, such a threshold could prove an insurmountable barrier to market entry.

6. Comments on the proposals being discussed at the Council

6.1 Among the proposals under discussion, the OSOR system ('one substance, one registration') proposed by the UK and Hungary has received some backing and has been widely debated within the Council. The principle can be supported, as such a system would radically reduce the number of tests needed and avoid a lot of duplicate studies, but doubts remain about the scope for its practical application.

6.1.1 The Committee notes some weaknesses and unsolved problems in this system as regards:

- safeguarding of confidentiality (which is difficult to guarantee without assigning the task to third parties working on behalf of a pool of companies), given the proposed obligation to share data (it is the sharing that is obligatory, not the establishment of consortia);
- the intrinsic complexity of a system that seeks to cover all operators who handle a given substance, if only because it would include operators in all Member States and would thus inevitably pose language problems;
- the number of companies taking part in several SIEF, even if this difficulty is allayed by the scheduling of three pre-registration phases based on tonnage;
- the long time that it will presumably take for the designated experts to reach an agreement on what data are to be passed on from the various sets of shared 'core data', not least because the inclusion of one test rather than another could have significant economic consequences for the company by virtue of the cost-sharing mechanism;
- the joint submission of the dossier (or the reference to a joint dossier), which could lead to a shedding of responsibility on the part of the individual operators involved.

6.1.2 Moreover, the OSOR system makes no provision for (and offers no guarantee of the possibility of) the sharing of work to ascertain exposure and risk characterisation and management, when required, as this would be difficult if not impossible for different types of operator to agree on. This would suggest a need for partly separate registrations, which runs counter to the principle underpinning OSOR.

6.2 The recent proposal by Malta and Slovenia regarding substances in the 1 to 10 tonne category is designed to simplify the system and reduce costs for firms (often SMEs) concerned with this tonnage band. It does not alter basic features of the regulation such as the tonnage brackets and deadlines, and proposes operating arrangements that appear simple and flexible.

6.2.1 The main proposals are:

- simplification of the registration requirement, based on the information available on the substance and its use, with a simple basic set of essential information (including physico-chemical and (eco)toxicological data);
- simple mechanisms for describing exposure:
 - main categories of use (industrial/professional/consumers),
 - main conditions of exposure;
 - nature of exposure (accidental/infrequent; occasional; continuous/frequent);
- prioritisation criteria (defined by the Agency) to apply automatically if two or more of the conditions listed in the relevant annex occur together;
- regular (five-yearly) flexible review, to take account of experience acquired with previous applications.

6.2.2 The Committee is pleased that this proposal retains the same volume-based deadlines as the Commission proposal, and that supplementation of the information provided and/or of that on the tests scheduled under Annex V is only required when the Agency suggests that this is advisable. The presence of the prioritisation criteria triggers a check which may lead the Agency to ask for further information and tests about specific aspects or, if there are serious concerns about the risks posed by the substance, to begin the evaluation procedure.

6.3 The Swedish proposal on substances contained in articles deserves particular attention, if only because of the widespread concern about the practical application of Article 6. It highlights a number of important points:

- the definition of the term 'article' is too vague to allow a distinction between different types of article;

- the quantities of dangerous substances released, even unintentionally, may be very high, and their release may vary significantly depending on how the articles are processed or used, or when they are discarded;
- identifying which substances released may 'adversely affect human health or the environment' (Article 6(2)) would be difficult in the absence of a specific risk assessment;
- the presence of CMR, PBT or vPvB substances (listed in Annex XIII) is not necessarily reported to the authority or subject to registration;
- EU manufacturers of articles who are subject to the REACH system throughout the supply chain will be at a disadvantage vis-à-vis their direct competitors outside the EU, who will only be subject to it as regards dangerous substances released in articles;
- information on the content of dangerous substances in articles is important in the purchase and marketing of the articles themselves, not least for consumers, but the proposed regulation makes no provision for this.

6.3.1 With a view to securing the health and environmental objectives of the system without unduly increasing red tape and costs, the Committee endorses the following proposed measures:

- obligation to provide information downstream in the supply chain, to professional users and users/consumers of articles;
- registration of substances of particular concern, independently of the quantities included in articles, and registration of dangerous substances if they are present in quantities of more than one tonne, if they are added intentionally and are identifiable as such in the article;
- obligation for the Agency to provide structured information on the use of substances in articles, and its right to ask for further information to manufacturers/importers of articles regarding unregistered substances or those covered by Article 54(f);
- a right to know the dangerous chemicals contained in an article, also for professional users;
- a 'guiding list' for dangerous substances which can be released unintentionally, identifying the types of article under observation.

6.3.2 The Committee also supports the proposal to bring forward the application of Article 6 if a series of phases and voluntary agreements are respected which demonstrate its practical applicability, as suggested by the sector's stakeholders.

6.4 Lastly, the Committee reiterates the need to strengthen the role of the Agency, as noted in its earlier opinion⁽⁸⁾. It therefore endorses the French proposal (*Shape the Agency for Evaluation — SAFE*), and particularly the idea of making the Agency responsible for the three types of evaluation (of the testing proposals, of the dossiers submitted, and of the substances themselves) envisaged in the draft regulation, and giving it direct responsibility for the 'rolling plan' covering substances that need priority evaluation.

7. Impact on the supply chain

7.1 The Committee thinks that further study is needed of the supply chain and of the differing consequences for its various parts. The substances covered by the regulation are used cross-sectorally, and the same firm may be both a manufacturer and downstream user. In other words, a firm may have more than one REACH role, as manufacturers/importers and downstream users.

7.1.1 Chemical substances and preparations are used in all production processes. However, the registration burden rests with the direct supplier, or is transferred up the supply chain, unless the downstream user puts the substance to an unenvisioned use and has not given the supplier prior notification of this.

7.2 In order to try to pinpoint the different kinds of difficulty facing operators, it is helpful to single out six main types of operator, with different roles in the supply chain:

- manufacturers/importers of basic chemicals;
- large non-chemical manufacturers;
- SMEs that manufacture chemicals requiring registration;
- formulators;
- non-chemical manufacturing SMEs;
- importers of chemicals or articles.

7.3 Manufacturers/importers of basic chemicals (e.g. ethylene and butadiene) are relatively few in number and handle large volumes. They are thus likely to come under the first registration deadline, but the costs will have a relatively minor impact on their turnover.

7.4 Large non-chemical firms (particularly the iron and steel, paper and cement industries) are both downstream users — using a host of substances and preparations in the manufacturing process — and manufacturers/importers, according to the current definition of substances. In the absence of a more precise definition of exempted substances (which would be desirable), they will mainly be involved in registrations for the first deadline.

7.5 During the drafting of the present opinion, the Committee has obtained new data regarding SMEs which manufacture chemicals and compounds requiring registration. Despite this, available data do not give a full or detailed picture of the situation. It is clear that several thousand SMEs will face

a registration obligation, but it is not known which substances will be involved and in what volumes, or, therefore, the related registration commitments and deadlines. The most recent impact studies show that the registration costs could significantly affect these firms' competitiveness and the continued market presence of some substances. The Committee hopes that this aspect will be carefully monitored, not least bearing in mind the likely adverse impact downstream.

7.6 Formulators (i.e. the firms that blend the individual substances) use a number of substances to make a single preparation, and are involved in the registration of substances that have not been purchased on the internal market. The studies conducted have confirmed that formulators are particularly concerned about the disclosure of data and information that could reveal manufacturing secrets; more particularly, indication of the code for each substance used in a preparation would reveal its formulation, jeopardising competitiveness. The Committee suggests that this requirement should only apply to substances that are classified as dangerous.

7.6.1 Formulators are therefore likely to be the main downstream users concerned by Article 34(4), which requires downstream users to prepare a chemical safety report (Annex XI) for any use not envisaged in the exposure scenario communicated to them in the safety data sheet provided by the supplier of the raw materials used in their preparations. Formulators will also have to meet the obligation (contained in the existing legislation) to prepare a safety data sheet for the preparations they market, when these are classified as dangerous under Directive 99/45/EC.

7.7 Non-chemical manufacturing SMEs are mainly downstream users, likely to make only minor use of substances (the registration burden for which in any case lies with the manufacturer/importer) but more frequently of preparations. They will be able to refer to the safety data sheet or chemical safety report if required, which will enable them to make more controlled use of the substances and manage the risk more effectively. The economic burdens for this category of business will mainly be indirect, involving substantially new administrative and bureaucratic obligations.

7.8 As stated in point 3.6, the Committee hopes that industrial associations, trade unions and other sectoral organisations will be able to play an active part in monitoring and simplifying the implementation processes. They can carry out an information role that will help to ensure full compliance with the regulation and encourage operators to join specific consortia.

8. Health and safety

8.1 The impact assessments conducted so far have concentrated mainly on the costs and feasibility of the REACH system. There have been fewer, if any, quantitative assessments of the benefits for health and safety in the workplace, and for health

⁽⁸⁾ OJ C 112 of 30.4.2004, point 3.2.

and the environment in general. Many operators have complained that REACH will be excessively onerous, and have called for substantial changes. However, some sectors and large commercial chains have welcomed the proposal, despite the costs and the administrative work it will demand.

8.2 The Committee's earlier opinion mentioned the added value of the system in terms of the quality and safety of production processes and products. It recommends that these aspects be pursued further, not least in relation to the *Environment and health* action plan⁽⁹⁾. The Committee is pleased that some specific studies have been scheduled on this, such as the Trade Union Technical Bureau for Health and Safety's study on the impact of REACH on occupational health (skin diseases, respiratory diseases).

8.3 The directive on the safety of workers already contains provisions for establishing exposure scenarios and the safe handling of substances. However, its practical application is sometimes less than satisfactory. In extending the information available, REACH marks a step forward for protecting the health and safety of workers in all production sectors. The availability of more detailed and better documented safety data sheets and chemical safety reports for dangerous substances will certainly help to improve the situation, bearing in mind that they will cover a larger number of substances and will be more widely disseminated among economic operators.

8.4 Another neglected aspect which deserves serious attention concerns the training and skills needs of the various members of the supply chain (operators and workers), and the implications in terms of transparency and information for consumers. The Committee calls for an active policy on this, with training schemes for workers and mechanisms for making non-confidential information available, as suggested above. Implementation of REACH will undoubtedly lead to developments on these fronts, but specific measures should be planned with a view to ensuring maximum effectiveness.

9. Innovation

9.1 One of the aims of the REACH system is to stimulate innovation. The Committee welcomes the equal treatment given to new substances, and especially the five-year (renewable) exemption from registration for substances in the research stage and the increase in the volumes for notification

purposes. However, it would like to see the development of further instruments and measures. In particular, it suggests that chemical research be explicitly included in the 7th framework programme, on which discussions are now starting, and that specific incentives for innovation and technology transfer be considered, with a view to encouraging the development of substances that pose fewer potential risks.

9.2 The two recent case studies do not anticipate a dramatic diversion or reduction of R&D resources. However, some impact will certainly be felt, in the absence of an increase in research investment. This, in tandem with the increase in costs, could lead to a drop in innovation capacity and hence in competitiveness. As this could be particularly severe for SMEs, the Member States too should support research in these companies, taking advantage of the new rules on state aid for SMEs. The fact that the companies questioned did not appreciate the anticipated opportunities suggests that an information campaign is needed on REACH's potential benefits, which could at least partially offset the inevitable burdens.

9.3 REACH's impact on the production system is likely to bring new opportunities for those companies that are most attentive to market developments, giving the more flexible and efficient businesses the possibility to win new shares of the market and offer new solutions for the most critical substances whose replacement would be desirable. The experience acquired will also create a competitive advantage when other areas of the world have to adjust to production standards that are more respectful of human health and the environment. Nor should one overlook REACH's impact on research associated with the need for new knowledge (analytical chemistry, computer modelling, toxicology, new testing methods, sampling and measuring techniques, new application software).

9.4 Lawmakers and political decision-makers must be mindful of these processes so as to ensure that all Community policies are consistent with, and facilitate achievement of, both the competitiveness/ innovation and environmental protection objectives required under the Lisbon strategy. The Committee hopes that a thorough, ongoing debate between the competent authorities and stakeholders will help to frame effective policies and instruments that will work alongside market mechanisms to promote an innovative chemicals industry that is also attentive to protection of health and the environment.

Brussels, 13 July 2005.

The President
of the European Economic and Social Committee
Anne-Marie SIGMUND

⁽⁹⁾ OJ C 157 of 28.6.2005.