



European Commission

Enterprise Directorate-General

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Evaluation of testing and registration costs

Egbert Holthuis

Enterprise DG



Preparation of REACH

The three main phases of the REACH Legislation

1. White Paper: “Strategy for a Future Chemicals Policy” (February 2001)
2. Internet consultation text (May/July 2003)
3. Commission’s proposals (October 2003)

Cost structure of REACH

Nature of costs

- **Direct costs to chemicals sector** (testing & registration costs , and agency fees) - independent consultant
- **Cost to downstream users:** price increase and substitution costs - Commission services (DGs Enterprise, Environment, and ECFIN)

A cost-effective system for chemicals

Cost-effective measures lower costs by €10.6 bn

- drop preliminary Chemical Safety Reports
- use existing Safety Data Sheets rather than CSRs
- exclude polymers, pending selection criteria
- lower testing/registration requirements for 1 - 10 t
- lighter registration requirements for intermediates
- encourage development, regulatory acceptance, and use of QSARs.

Cost-efficiency savings

Measure	Saving
Major reduction in requirements for Chemical Safety Reports	- €6,450 million
Exclude Polymers, pending selection criteria	- €1,900 million
Increased use of QSARs	- €950 million
Reduced requirements for 1 to 10 tonnes	- €500 million
Lighter requirements for transported intermediates	- €600 million
Other factors	- €200 million
Cost savings	€10,600 million

Testing and Registration costs net present value

	>1t/y	>10t/y	>100t/y	>1000t/y	Total
Registration costs	€100 mn	€100 mn	€100 mn	€200 mn	€500 million
Testing costs	€150 mn	€300 mn	€350 mn	€450 mn	€1250 million
Safety data sheet costs					€250 million
Authorisation procedures					€100 million
Reduced costs for new substances below 1t etc.					(benefit of € 100 million)
Total testing and registration costs					€2, 000 million
Agency fees (paid by chemicals sector)					€300 million
Total costs (including Agency fees)					€2, 300 million

Testing and registration costs

Estimated testing and registration costs: €2.3 bn.

- use of validated computer-based methods (QSARs) should allow significant reduction in costs
- strong incentives for industry and regulators to achieve necessary breakthroughs

Alternative QSAR Scenarios

- Slower progress in validating QSARs + €0.9 bn
- Faster development of QSARs - €0.4 bn