

TOP TRENDS IN THE EU

The chemical industry plays an important role in the EU economy, but faces many reputational and operational challenges from a range of stakeholders. From the continued implementation of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) legislation to a series of heated debates around endocrine disruptors and new technologies like nanotech, the key to improving the regulatory framework and maintaining competitiveness will be to recognise opportunities while defusing challenges. FleishmanHillard can help strike the right balance.

DEMAND FOR ZERO RISK ENVIRONMENTS

While the **EU is considered "best-in-class"** for chemicals regulations and consumer protection, politicians, consumers and NGOs are increasing pushing for the application of the precautionary principle and zero risk environments.



REACH IS HERE TO STAY AND PRESSURE FOR SUBSTITUTION IS ON THE RISE

The intensity of the regulatory agenda is coupled with growing public and political **pressure for the substitution of what are perceived as hazardous substances**. The recently adopted Roadmap on Substance of Very High Concern is an example of the EU's ambition to increase the number of substances placed on the REACH Authorisation List to push for substitution.



RISE IN MEMBER STATE BANS

A number of Member States have begun to implement **restrictions or bans on substances that are more stringent than those at the EU level**, citing the slow moving process in the EU and the need to fill perceived gaps to keep their populations safe. Brussels-based advocacy may need to be coupled, more and more, with equal advocacy efforts in key Member State markets.



SHIFT IN THE POLITICAL DEBATE FROM 'RISK' TO 'HAZARD' CONSIDERATIONS

Most evident in heated discussions around emerging issues like endocrine disruptors and nanomaterials, **many stakeholders are increasing advocating for hazard-based regulation** which translates to stricter legislation and restrictions, even when science indicates otherwise.



NEW SUBSTANCES AND TECHNOLOGIES IN THE SPOTLIGHT

With REACH up and running, the focus is shifting to issues and technologies such as **endocrine disruptors, nanotechnology and pharmaceuticals in the environment**. The increasing concern on these emerging issues can be seen in the Commission's recent proposal on the 7th Environment Action Programme where the EU executive pledged the development of "an EU strategy for a non-toxic environment" for the next seven years.



European Attitudes on Chemicals

Europe has developed a complex and rigorous regulatory framework for chemicals and consumers in the EU have a high level of awareness on chemicals. The majority of European consumers recognize the innovative importance of chemicals and believe chemical regulation is working.



- 75% of Europeans agree that new chemical substances are involved in most industrial innovations.
- 61% of Europeans say that the chemical substances on the EU market today are safer than they were 10 years ago.
- 65% of Europeans agree that in the EU products containing new chemical substances have been properly tested.

EU CHEMICALS INDUSTRY

539 € BILLION REVENUE IN 2011

23% GLOBAL CHEMICALS SALES

25% OF CHEMICALS SALES ARE EXPORTED OUTSIDE EU.

FRANCE NETHERLANDS ITALY

64% EU CHEMICALS SALES

GERMANY LARGEST CHEMICALS PRODUCER IN EU



EU TOP IMPORTER & EXPORTER OF CHEMICALS GLOBALLY

40% OF WORLD TRADE

Case studies

FORMACARE

FleishmanHillard has been working with Formacare, the formaldehyde sector group of CEFIC, for over 3 years to provide product defense from regulatory challenges in the EU. FH has assisted Formacare in both REACH and CLP legislation to directly engage with scientific and regulatory authorities across the 27 EU Member States, as well as ECHA, on safety related issues.

ISOPA

For over 10 years FH Brussels has supported the European trade association of manufacturers of diisocyanates, the main raw materials for polyurethanes (ISOPA). This longstanding relationship includes providing regular strategic support on issue management, working with the industry on direct engagement with policymakers and a fully integrated communications campaign to promote the benefits of polyurethanes.

HUNTSMAN

Faced with a regulatory process under the EU's chemicals framework law (REACH) that threatened Huntsman's world leading technology, Huntsman turned to FleishmanHillard to help it understand and shape the regulatory environment to ensure a future in Europe for its technology. FH assisted Huntsman in developing a strategy and action plan, and in preparing advocacy and communications materials. FH is currently assisting Huntsman in outreach to the European Commission as well as national government officials in capitals across Europe.

CEFIC

FH Brussels supported the European Chemical Industry Council in the preparation of a survey with Brussels-based policy-makers to gather their views on the reputation of chemicals, the chemical industry and the work of Cefic in Brussels. FH developed the concept, run the interviews and drafted the report. The outcome was presented at the Cefic General Assembly and provided interesting input to inform their communications activities.

The FH Approach

- a conversation we have with our clients

What is your goal for the year?	DEFEND	MAINTAIN	GROW
Product	I need to defend my product	I need to maintain my license to operate	I need to introduce a new product on the market
Organisation or Country	I need to defend my reputation	I need to communicate and align internally	I need to raise my profile
Marketplace	I need to defend my commercial freedom	I need to shape a business-friendly environment	I need to access new markets

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Our Brussels clients past and present:



Chemicals Practice

FH Manufacturing & Industrials Team



The chemicals sector in the EU is an important driver of innovation and can be a catalyst to unlocking economic growth and bringing essential solutions to societal challenges like climate change and resource efficiency.