

# EUROPEAN COMMISSION CUMULATIVE COST ASSESSMENT FOR THE EU CHEMICAL INDUSTRY

## A.I.S.E. FACT SHEET

### Findings for the detergents and maintenance products industry

The European Commission Cumulative Cost Assessment for the EU Chemical Industry, published in 2016, confirms a number of key findings with regards to the cost of implementation of EU legislation. In particular:

1. The overall cost of compliance with legislation represents an important share of the industry's value-added and profits
2. The fundamental legislation that frames the industry is also the most costly
3. Administrative costs disproportionately affect the industry

A.I.S.E. therefore calls on policy-makers to address these findings and take action to ensure that administrative costs are reduced. This is fundamental, in particular for SMEs, because the costs to comply with legislation (including additional requirements) tend to be proportionately more impactful and cannot be amortised on large volumes of chemicals.

The higher cost of implementing legislation also has implications for innovation within our sector. Resources dedicated to legislative compliance are not available for research and development.

## 1. THE COST OF LEGISLATION TO THE INDUSTRY

The overall legislation cost for the detergents and maintenance products industry amounts to approximately

**€670 million**, corresponding to **11.3%** of the sector's value added, and is equal to **33.4%** of its profits.

Cost of legislation to the industry	% Value Added	% Gross Operating Surplus	% Turnover
Chemicals legislation	6.2	18.2	1.4
Energy legislation	0.0	0.0	0.0
Emissions and processes legislation	1.3	3.9	0.3
Workers safety and health legislation	2.4	7.1	0.6
Product specific legislation	0.3	0.9	0.1
Customs and trade legislation	0.0	0.0	0.0
Transport legislation	1.1	3.3	0.3
<b>Total</b>	<b>11.3</b>	<b>33.4</b>	<b>2.7</b>

## 2. MOST COSTLY LEGISLATION

The most significant costs for our industry result from three fundamental pieces of legislations:

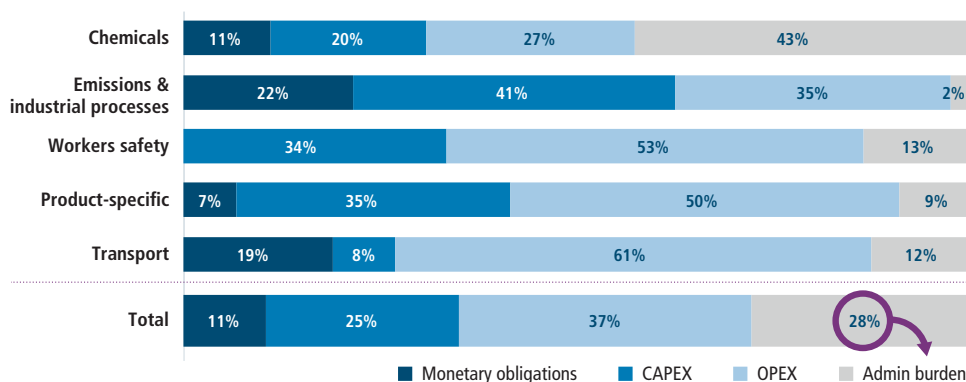
1. **CLP Regulation** (Reg. 1272/2008 on the classification, labelling and packaging of substances and mixtures);
2. **BPR Regulation** (Regulation 528/2012 on the availability on the market and use of biocidal products);
3. **REACH** (Reg. 1907/2006 on the Registration, Evaluation, Authorisation and Restriction of Chemicals).

The report finds that the cost of implementing legislation over the period 2004-2014 has risen steadily. However, although the costs for “CLP and REACH are expected to decrease after 2017 and 2018 respectively, **the cost of compliance with biocides will continue to increase**” (Cumulative Cost Assessment for the EU Chemical Industry - Final Report, 2016, p.142).

## 3. ADMINISTRATIVE COSTS DISPROPORTIONATELY AFFECT OUR INDUSTRY

The administrative burden represents **28%** of overall costs:

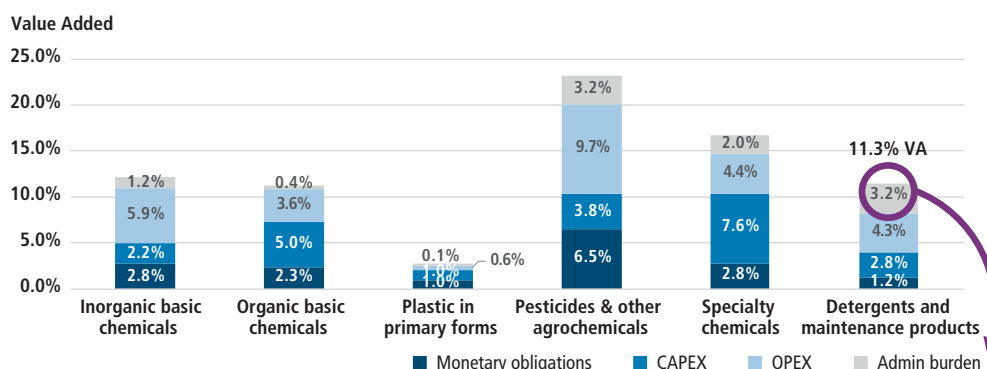
**Figure 1 - Significance of cost categories per legislation package – share of package cost, annual average 2004-2014**



### By comparison

It costs the industry 11.3% of its value added to comply with legislation: across different subsectors of the chemicals industry, administrative costs are proportionately highest in the detergents and maintenance products industry in relation to value added.

**Figure 2 - Cumulative cost per subsector and by cost category – share of value added, annual average 2004-2014**



For further information, please read [A.I.S.E. Manifesto for Economic Growth & Competitiveness in Europe](#)

