



CHEMRAWN XVI Conference

The way from pure to applied chemistry

Paper No 3.5 - Policy measures to speed up innovation promotion in EU

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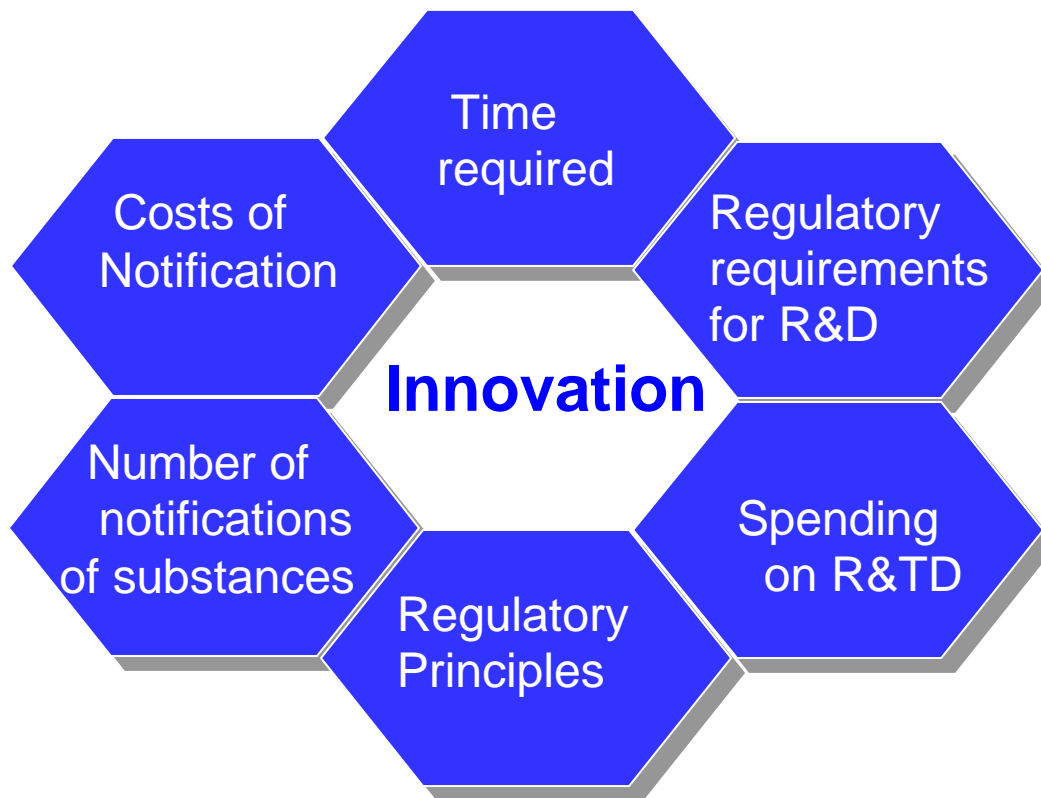
Regulation & Innovation – in conflict or complementary?



Two Areas of Policy:

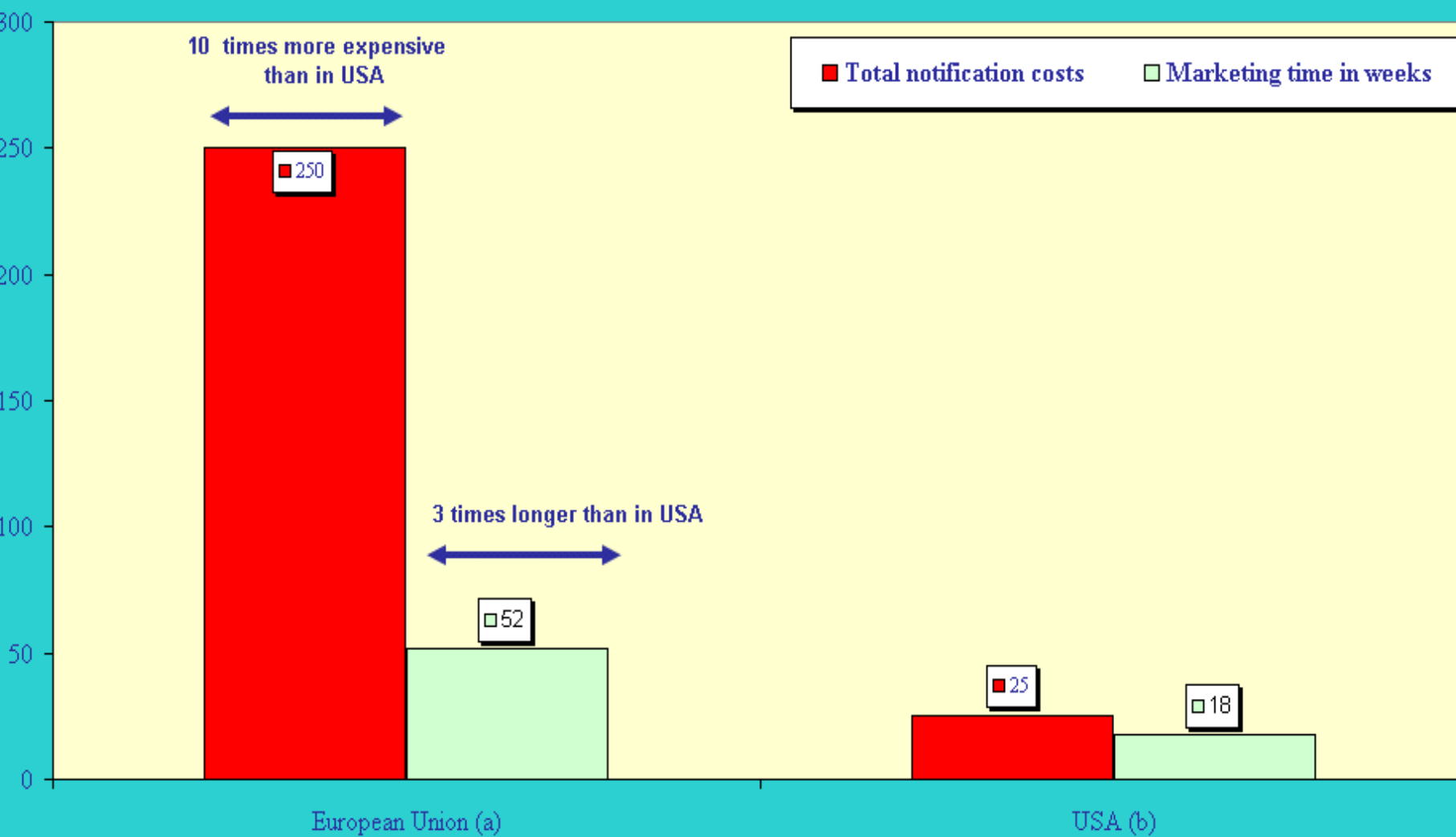
- **Regulation**
- **Stimulating Innovation**

Factors Penalising Innovation in the EU Chemicals industry



Less Innovation reduces growth, competitiveness & profitability

Chart 3: The costs of notifying a new chemical (1-10 t.p.a.) and the time involved



Note: (a) stands for Typical Base Set (1-10 metric t.p.a.), (b): Typical US PMN Notification

Source: CEFIC-ITC(Trade & Economic Affairs) Analysis

There is a Comparative Regulatory Impact in EU



Existing EU Regulation

- preset testing/ volume triggered

- 143 notifications/annum*

US/ Japan

- risk contingent

- 425/154 notification/annum*

REACH (2003)

- unknown quantity

- new & existing chemicals

- Volume triggered + proof

SCALE (2004)

- Mixtures/ low dose/ long term

- Precautionary Principle

- Action Plan 2004

- fit with WHO & UNEP / SAICM

Divergent Rules / Precautionary Approach = Uncertainty

* Manfred Fleischer Social Science Research Centre Berlin (WZB)



Cefic Position

Support regulation that:

- **Protects Health & Environment**
- **Supports the competitiveness of the industry**

REACH Consultation

- **Proposed Legislation does not meet the two objectives (see Barometer 2001/2002)**
- **Tiered Risk Assessment essential**
- **Focus in areas of high concern**

SCALE

- **Engaged into Consultative Forum and Technical Working Groups**



UK – Chemicals Innovation & Growth Team

Multi-stakeholder Forum

Objectives:

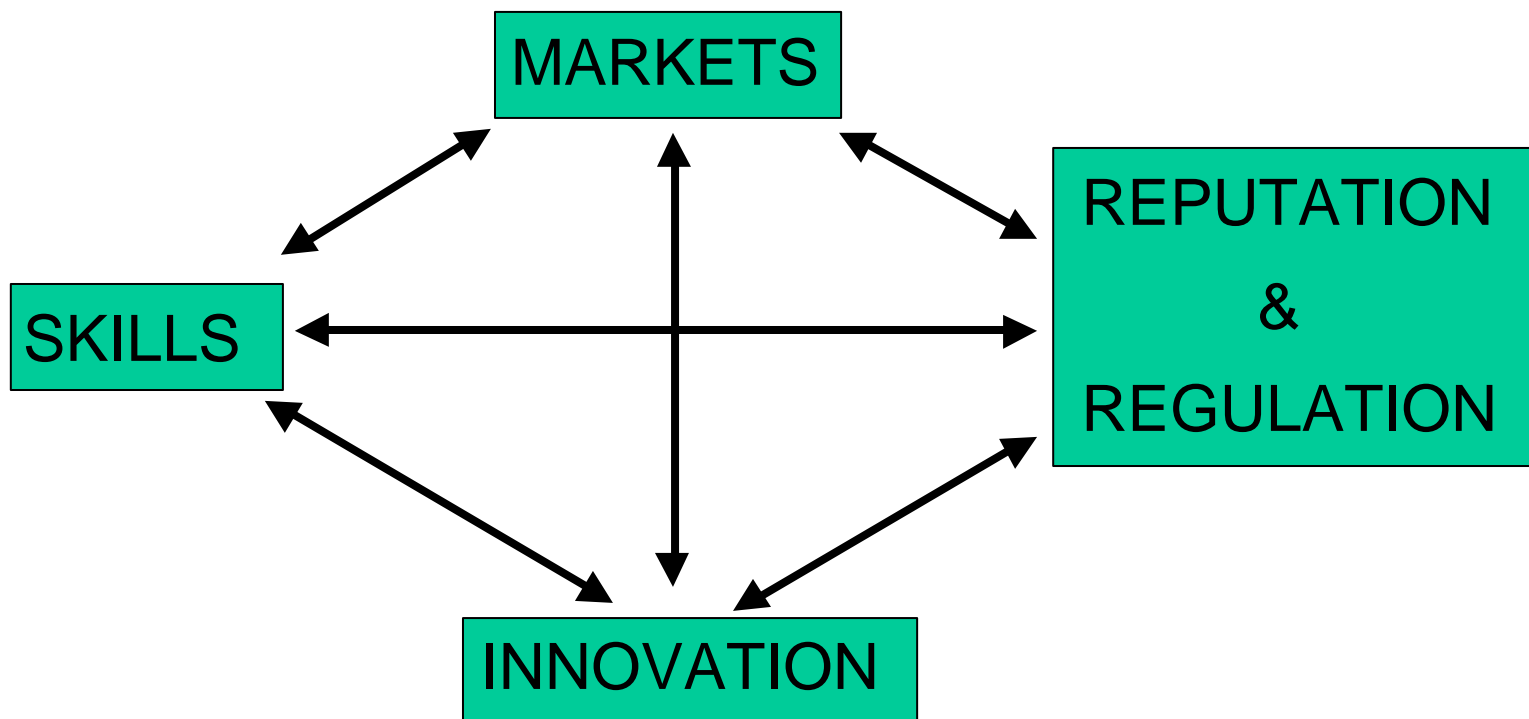
New thinking about the future growth of the UK Industry

Responsibilities of Industry

What supportive Government would look like

Report December 2002 www.dti.gov.uk/cigt/reports.htm

Chemicals Innovation & Growth Team – Inter-related Drivers





CIGT Innovation Findings

Good Things

**Innovation a priority
“Knowledge Transfer”**

Foresight activities

Some Excellent Schemes

- Faraday
- Link

National and Regional Focus

Could be Improved

Alignment:

- Science
- Innovation
- Industry

**Knowledge Transfer relatively
under-funded**

Too many schemes

Costs of Engagement

Proof of concept



Actions to speed innovation

UK

Formation of Chemicals Innovation Centre

Establish Forum for Science/ Innovation/ Industry

- **Key Question – Industry Priorities?**
 - **Strategic Themes**
 - **Appropriate approaches to support**

EU

Cefic Research & Science defining Industry priorities

- **Fit with 2015 scenarios for the industry**
- **Generic and specific (competitive) themes**

Engagement with Commission “Technology Platforms”

- **Animal Alternatives**
- **White Biotechnology**
- **Water**



Conclusions

- **Regulation in Europe demonstrably penalises innovation and things could get worse**
- **The role of a representative body such as Cefic is to work to influence thinking to provide for protection for Health and the Environment whilst also protecting enterprise**
- **More can be done to stimulate innovation with Governments and industry working constructively together**
- **The key is for the industry to be clear where its priorities lie – easy for a company; much more complex for an industry**



Strategic Options

UNCERTAINTY

Is it possible?

Science – don't know the odds

Is it attractive?

Strategic Options

Is it practicable?

Is it desirable?

Industrial
Development

How to do it?

COST

