



# Impact of REACH on the supply chains - where have all my chemicals in the supply chain gone?

Prague Chemicals Management Cruise

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# Impact of regulation on the availability of resources

- Registration
- Non-REACH
- Authorisation



- Availability of substances after 2018?
  - 26 Million companies in EU are downstream users
  - x0.000 companies are dependent on each registration
- 3rd registration deadline - why are the numbers for Phase-in substances so low?
  - ECHA publication of results
- Registrations Overview

Deadline	Substance Registrations
2010	~ 3.400
2013	~ 3.000
2018	~ 11.000
TOTAL 2010 - 2018	~ 17.500
ECHA Estimates 2013-2018	~ 25.000



# Example: Pigment Sector

Colour	LOA for 1- 10 Tons	# Registrants	Total Price
Acid Black 210	4.595 €	37	~ 170.000
Acid Black 025	21.424 €	8	~ 170.000
Acid Red 249	37.349 €	7	~ 260.000

- Overpriced LoAs
  - 30.000 - 50.000 € usual for data package of 1 - 10 tons = **Medium price: 40.000 €**
  - Pigments LOA: **Medium price 200.000 €**
- large portfolio of 30-50 or even more pigments
  - Portfolio costs ~ 1 Mio Euro - 5 fold more than usual costs
- production decreasing in China and India in parallel due to environmental costs
- production in EU cannot be established quickly
  - due to lack of capacities and know-how



## non-REACH: F-Gas legislation

- F-Gases need to be REACH registered
- but also need to respect EU F-Gas Regulation
- one of the elements is a quota-system for the reduction of f-gases

Year	Percentage of F-Gases
2015	100
2016 - 2017	93
2018-2020	63
2021-2023	45
2024-2026	31
2027-2029	24
2030	21



- Consequences in particular for the supply chain and downstream users.
- For example cooling-agents:
  - 1) bottleneck in quantities;
  - 2) prices grew for common cooling-agents significantly, e.g. in AT and DE:

(rounded)	1 <sup>st</sup> Q 2017	2 <sup>nd</sup> Q 2017	3 <sup>rd</sup> Q 2017	4 <sup>th</sup> Q 2017	1 <sup>st</sup> Q 2018	2 <sup>nd</sup> Q 2018	Total price increase
R-134a	10%	45%	82%	50%	25%	20%	654%
R-404A	15%	111%	200%	20%	25%	20%	1.312%
R-507A	15%	111%	200%	20%	25%	20%	1.312%
R-407C	10%	45%	82%	50%	60%	20%	837%
R-410A	10%	58%	110%	50%	30%	20%	856%

(Table 1: Price development in Germany. Since 2<sup>nd</sup> quarter 2018, further price increases are observed.)

- 3) illegal imports of cooling-agents
  - even smuggling routes were established, e.g. in Greece



- Per se an instrument to get rid of substances
- Consequences for supply-chain are not avoidable
- Problem are small applications, which can be still highly important
- Substances in Annex XIV without Afa
  - Sunset date expired for 27 substances
  - AfA for 25 substances

	Received notifications to submit	Pre-submission information sessions held (link to details)	Received <sup>1</sup> applications (applicants)	Number of uses	RAC and SEAC opinions per use <sup>2</sup>	RAC and SEAC opinions per use and per applicant <sup>3</sup>	Commission decisions per use and per applicant <sup>4</sup>
2012	5	1	0 (0)	0	0	0	0
2013	11	9	8 (10)	17	1	1	0
2014	170	14	19 (33)	38	30	34	2
2015	72	29	7 (20)	13	25	51	10
2016	17	10	77 (132)	112	63	177	52
2017	6	6	10 (13)	16	58	74	47
2018*	63	18	5(7)	5	21	25	61
<b>Total</b>	<b>344</b>	<b>87</b>	<b>126 (215)</b>	<b>201</b>	<b>198</b>	<b>362</b>	<b>172</b>



- Chromates
  - used in small quantities by SME
  - uses are highly important for many sectors, including aircraft, space, military
- Cobalt-compounds
  - used as essential nutrition in fermentation-processes for production of medicals
  - very small amounts, again Afa costly
- Lead and lead-compounds
  - lead and some leadoxides used for production of lead-batteries
  - important for all kind of sectors including e-mobility, hospitals etc.





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