



“The voice of SMEs in Europe”

Press Release

IMMEDIATE ISSUE:

REACH compromise compounds costs for small firms unnecessarily

- **Data-sharing opt-outs could be carte blanche for large industry monopolisation**

Brussels, 17 November 2005 UEAPME, the European small and medium business organisation, has expressed disappointment that the European Parliament capitulated to pressure from large chemical industries and approved potentially far-reaching opt-outs to data-sharing (OSOR) in its vote on the proposed chemical registration system (REACH) on Thursday.

“Obviously, the simplified procedures for and scope of chemical registration introduce some welcome proportionality to REACH but the broad exemptions from the One Substance One Registration (OSOR) principle will compound the disadvantages faced by small businesses under REACH and represent a triumph for big chemical manufacturers. The added layers of bureaucracy in the authorisation phase are a slap in the face to small firms and undo some of the progress on registration,” said **UEAPME Secretary General Hans-Werner Müller**.

“All the evidence confirms that small businesses will be the real losers from a burdensome chemical registration process, so it is regrettable that the Parliament has chosen to support such extensive opt-outs to data-sharing. These exemptions will put small firms, particularly formulators, at a major competitive disadvantage to large manufacturers’ monopolistic whims.”

Research suggests that the costs of registration could be up to 20% of turnover for SMEs: a cost that a small firm cannot absorb, unlike large industries with long-term financial planning. Compulsory data-sharing would significantly reduce this disproportionate cost burden on small businesses and also avoid unnecessary duplication of testing. The opt-outs, approved by the Parliament, are potentially far-reaching and would seriously limit access to data.

UEAPME welcomed the amendments aimed providing assistance to SMEs to meet the obligations of REACH. Together with the risk-based approach and reduced obligations for registering low quantity chemicals, this resolves some of the administrative problems and will go some way towards helping small firms comply with REACH. Ultimately, however, this does not go far enough to offset the cost burden created by data-sharing opt-outs.

“Despite its professions of concern, the Parliament has missed an opportunity to make REACH truly manageable for small businesses. The outcome represents a setback for SMEs but we are looking to the Council to redress this,” concluded Mr Müller.

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EDITORS’ NOTE: UEAPME is the employer’s organisation representing the interests of crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 78 member organisations, which represent crafts and SMEs across the whole of Europe, covering over 11 million enterprises with nearly 50 million employees. UEAPME is a European Social Partner.

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