

Press release

EU policy may result in loss of hundred thousands of jobs

Upcoming decision on Chromium VI authorization may lead to revenue loss and companies relocating outside EU

Nieuwegein, 21 July 2016 - FME (the largest employers organization in the Dutch technology industry), Koninklijke Metaalunie (the largest Dutch employers organization for SMEs in the metal industry) and Vereniging ION (the largest organization for Dutch surface treatment companies) are deeply concerned about the position of the surface treatment industry, and the technology companies that depend on it. A recent economic survey conducted by research and consultancy firm Panteia shows that there is a strong likelihood that hundreds of Dutch and thousands European companies will be forced to cease operations, resulting in the possible loss of hundred thousands of jobs.

Before the end of this year, the European Commission is expected to take a decision on the length of the so-called 'authorization period' of certain chemical substances used in various industries. The European Chemical Agency (ECHA) has recommended granting authorization periods of four and seven years for various applications of Chromium VI (hexavalent chromium).

The treatment of metals with Chromium VI is a step in the production process that can be carried out without authorization outside the EU. EU legislation allows for the unrestricted import of finished products like chrome-plated water taps, bicycle bells and treated aluminium. Component repairs and maintenance work on products previously treated with Chromium VI can be outsourced to non-EU countries. Submitting an application for Chromium VI authorization takes 2 years, and the subsequent ECHA assessment takes another 18 months. In addition to the extremely high authorization costs incurred by the applicant, customers may decide not to await a possible negative outcome of the procedure and may opt for suppliers not based in the EU. The EU is also in danger of missing out on investments by internationally operating companies, that need to decide if they want to invest millions of euros in factories in the EU or elsewhere. These companies want assurances that their factory will not suddenly lose its licence after four or seven years.

FME, Koninklijke Metaalunie and Vereniging ION have sent an urgent letter requesting the European Commission not to adopt the ECHA recommendation, and to instead grant authorization periods of at least seven or twelve years. This may prevent the imminent loss of revenue for businesses in the Netherlands and other European countries.

Panteia has also calculated the economic impact of the Chromium VI authorization decision on all 28 EU member states. A seven-year authorization period may lead to the loss of approx. 95,000 jobs in the EU, rising to approx. 305,000 jobs if authorization is granted for a period of only four years. The industries involved do not expect that the European Commission will decide not to grant any Chromium VI authorization.

Although Chromium VI is a carcinogen, no alternatives are available for many applications. The industries involved are of the opinion that companies should replace Chromium VI if possible, but that authorization must be granted where necessary. Thanks to the current level of in-company expertise and close monitoring by government authorities, it is currently possible to work safely with Chromium VI compounds. The industry has learned from the mistakes of the past. However, the provisions of the existing REACH Regulation are causing companies to relocate these activities from the EU to countries with lower standards of awareness and monitoring. Koninklijke Metaalunie, Vereniging ION and FME are therefore advocating a change in policy. The REACH Regulation and occupational health and safety legislation should reward companies who wish to carry out these activities inside the EU. We need to prevent a situation where EU jobs and economic opportunities are lost, and EU environmental and occupational health and safety problems are 'exported' to other countries.

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