

12 November 2024

## VCI POSITION

# **“New Commission, New Approach” Designing the “New Chemicals Industry Package”**

This VCI position sets out the measures that should be taken to ensure that the announced “*new chemicals industry package*” as well as the goals of “*making business easier*” and “*reducing administrative burdens and simplifying implementation*” are effective, targeted and fit-for-purpose.

Close reference is made to the requirements issued by the President of the European Commission for future European policies and procedures.

Now, these new Commission requirements must form the basis for all measures relating to the “*new chemicals industry package*”. In particular, this applies to concepts that were originally proposed as part of the initial “Chemicals Strategy for Sustainability” (CSS) from 2020. In accordance with the self-imposed premise “*new Commission, new approach*”, these initial concepts should be fundamentally questioned and their necessity reviewed.

## **Background**

The President of the European Commission, Ursula von der Leyen, describes the critical, unstable and uncertain global political situation in her [Political Guidelines “Europe’s Choice”](#) of 18 July 2024. She concludes that Europe must, inter alia, become more sustainable, innovative, competitive, resilient and independent.

To achieve this, the following is specified in the Political Guidelines under the heading “**A more circular and resilient economy**”<sup>\*</sup>:

- **“We will put forward a new chemicals industry package, aiming to simplify REACH and provide clarity on ‘forever chemicals’, or PFAS.”**
- **“We must make our economy more resilient and less dependent.”**
- **“This is notably important in the health and pharmaceutical sector. The EU has been confronted with severe shortages of medical devices and medicines, with antibiotics, insulin, painkillers and other products becoming particularly difficult to obtain.”**

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<sup>\*</sup> structure and order of the citations partially modified; emphasis added

Under the heading “**Making business easier**” the Political Guidelines state\*:

- “I believe we need a **new approach to competition policy**, better geared to our common goals and more supportive of companies scaling up in global markets [...]”
- “**We need to make business easier and faster in Europe.**”
- “I will make **speed, coherence and simplification key political priorities** in everything we do.”
- “Each Commissioner will be tasked with **focusing on reducing administrative burdens and simplifying implementation: less red tape and reporting, more trust, better enforcement, faster permitting.**”
- “They will hold **regular dialogues on implementation** with stakeholders to discuss how best to align implementation with realities on the ground.”
- “They will work with a Vice-President for Implementation, Simplification and Interinstitutional Relations to **stress-test the entire EU acquis**”.
- “On this basis, we will make proposals to **simplify, consolidate and codify legislation** to eliminate any overlaps and contradictions while maintaining high standards.”
- “**Future legislation** must also be simplified and designed with small businesses in mind and in a spirit of subsidiarity. This will notably be done through a **new SME and competitiveness check** to help avoid unnecessary administrative burdens, maintaining high standards.”

The President of the Commission specifies the new EU policy and its requirements in her [Mission Letters to each new Commissioner](#) on 17 September 2024.

Under the headings “**New Commission, New Approach**” and especially under “**Making Europe simpler and faster**”, the following is prescribed for all Commissioners\*:

**Existing Rules** [should be also valid for new rules]:

- “You will ensure that existing rules are **fit-for-purpose** and **focus on reducing administrative burdens and simplifying legislation.**”
- “You must **contribute to reducing reporting obligations by at least 25% - and for SMEs at least 35%.**”
- “You should leverage the power of **digital tools** to deliver better and faster solutions.”
- “We must **listen to all companies and stakeholders** who work on a daily basis to comply with EU legislation.”
- “You will organize at least **two Implementation Dialogues per year** with stakeholders to align implementation with realities on the ground.”
- “You will prepare an **Annual Progress Report on Enforcement and Implementation** for your respective Parliamentary committees and Council formations.”

- “You will also work to **stress test the EU acquis and table proposals to eliminate any overlaps and contradictions** and be fully digitally compatible, while maintaining high standards”

#### New Legislation:

- “New legislation must ensure that our rules **are simpler**, more accessible to citizens and **more targeted**.”
- “You will ensure the **principles of proportionality, subsidiarity and Better Regulation** are respected, including through **wide consultations, impact assessments, a review by the independent Regulatory Scrutiny Board and a new SME and competitiveness check**.”
- “**Proposals must be evidence-based** and the Joint Research Centre, our internal scientific service, can support you in that work.”

## VCI Position and Proposals

We share the Commission President’s analysis of the current global challenges and strongly welcome the Political Guidelines and the Mission Letters for the next European Commission.

Products and processes from the chemical and pharmaceutical industry are more important than ever. Our sector is at the beginning of the value chain with most of its products and therefore plays a vital and strategic role especially for Europe’s independence and resilience.

Furthermore, having a broad variety of chemicals available is key for driving innovation towards a sustainable transformation. Without them, the EU’s strategic goals cannot be achieved – and the Green Deal will not succeed.

**The work on the “new chemicals industry package” must consider the requirements from the Political Guidelines and the Mission Letters.**

Therefore, we request the following:

- **First, a comprehensive stocktaking of all chemicals-related regulation by the Commission is necessary.**

This stocktaking is urgently **needed as a basis for all further work** and in order to:

- Obtain a complete picture of all regulation in the EU concerning the safety and use of chemicals (including e.g. [regulation on occupational health and safety](#), [environment protection](#), [biocides](#), etc.). Given the broad range and complexity of pieces of legislation which explicitly or implicitly govern chemicals, the relevant EU institutions as well as European and national authorities seem to have lost track of the scope and extent of obligations that companies must comply with every day.
- Provide a comprehensive basis for the announced stress test of the entire EU acquis and derive reliable results and reasonable actions from its results.
- Effectively and reliably identify and reduce administrative burdens (e.g. [CSDDD](#), [specific requirements under CLP](#)), reporting obligations (e.g. [CSRD](#), [ESRS](#)), overlaps (e.g. [REACH/ESPR](#)), unsuitable automatism (e.g. on bans based solely on CLP), etc.

- Have a basis for evaluating and documenting progress in relation to the above-mentioned requirements from the Political Guidelines and Mission Letters, e.g. reducing reporting obligations by at least 25% - and for SMEs at least 35%.
- **The primary focus must be on the implementation and simplification of existing legislation** (including from the entire Green Deal/[CSS](#)), **not on new regulation**, e.g. additional REACH obligations, export bans.
- **All proposals for simplifications must have tangible relief and verifiable improvements for companies.**

**For the future development of chemicals legislation, in particular REACH, this means specifically:**

- **Basically, the [REACH Regulation](#) is well functioning** and sets the highest safety standards worldwide. Therefore:
  - No quick decisions on a revision are necessary. Quality must take precedence over speed; with thorough involvement of the industry concerned as well as wide impact assessments and the new SME and competitiveness check.
  - Required improvements should be made within the existing framework without changing the legal text (e.g. by modifying the annexes or appropriate guidance).
  - Overall, the proven concept of scientific risk assessment and the selection of the most suitable risk management option based on this concept must be maintained.
- **Concepts originally proposed under the [Chemical Strategy for Sustainability](#) must be fundamentally questioned** and – if further pursued by the Commission – **wide impact assessments** and the new **SME and competitiveness check** carried out as foreseen in the Political Guidelines and Mission Letters.
- **Generic and blanket approaches are no simplifications for companies.**

Quite the contrary, they undermine scientific risk assessment and are at the expense of chemical diversity, innovation, competitiveness and planning security and could unduly reduce the participation of companies, e.g. in restriction procedures.

This is especially true for the Generic Approach to Risk Management (GRA), the Mixture Assessment Factor (MAF) or the [proposed blanket ban on PFAS](#).
- **No additional administrative burdens or reporting obligations** (e.g. polymer registration, proposed notification requirement for studies under OSOA). **Instead, the prescribed reduction target of at least 25% (35% for SME) for reporting obligations must be met.**
- In line with the requirement “*to listen to all companies and stakeholders who work on a daily basis to comply with EU legislation*” **the chemical and pharmaceutical industry must be involved in all activities to draft and shape the new chemicals industry package** as well as proposals to simplify legislation and reduce administrative burdens.

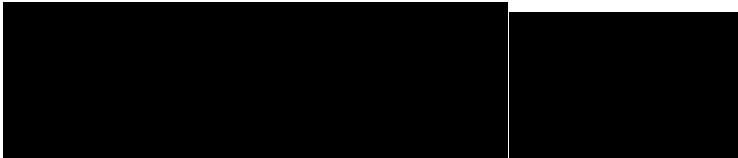
In this regard, **pilot projects involving companies, including SMEs**, are important. **The aim is to verify whether future requirements really do mean simplification and can be implemented simply and practicably in the reality for companies.** These pilot projects should be organized by the Commission before proposals go to Parliament and the Council for co-decision.

This VCI position focuses on chemicals related regulation.

However, the “new chemicals industry package” should take a horizontal approach and cover **all policy dimensions relevant to the chemical-pharmaceutical industry** to deliver on the objectives – as spelled out in the Political Guidelines – of making business easier and faster in Europe. A narrow perspective on the dimension of safety and use of chemicals only would fall short of these expectations and the needs of the industry.

**The VCI and its member companies and member associations are ready to assume an active and constructive role in designing the new policy.**

#### Contact:



#### German Chemical Industry Association

Mainzer Landstrasse 55  
60329 Frankfurt, Germany

[www.vci.de](http://www.vci.de) | [www.ihre-chemie.de](http://www.ihre-chemie.de) | [www.chemiehoch3.de](http://www.chemiehoch3.de)

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- Identification no. in the EU Transparency Register: 15423437054-40
- The VCI is registered with registration no. R000476 in the Lobbying Register for the Representation of Special Interests vis-à-vis the German Bundestag and the Federal Government.

The VCI and its sector associations represent the interests of around 2,300 companies from the chemical-pharmaceutical industry and areas related to chemistry vis-à-vis politicians, public authorities, other industries, science and media. In 2023, the VCI member companies realized sales of ca. 245 billion euros and employed over 560,000 staff.