

Results of questionnaire on Japanese companies' response to REACH



Chemicals Management Office,
Ministry of the Environment, Japan

2 July 2007



Background of survey

- ✓ EU adopts REACH regulation December 2007
- Impacts on Japanese manufacturers and distributors
 - How much do Japanese companies know about REACH?
 - How are they responding?
 - What issues do they face?
 - What are their information needs?



Purpose of survey

To gather input to guide the Ministry of the Environment's information provision activities, by

- better understanding corporate responses to REACH
- identifying what issues they face in responding to REACH



How survey was implemented

Period

- ◆ From 25 January to 31 March 2007

Target respondents

- ◆ Random sampling of manufacturers from each industrial sector (total 688 companies)
- ◆ Distributors that are members of industry associations (total 84 companies)
- ◆ Voluntary responses also possible by Internet (total 5 companies)



Content of questionnaire

The questionnaire consists of four parts

Part I Company information

Part II Level of knowledge about EU REACH

Part III Responses to REACH and related issues

→ Different questionnaire depending on stage of supply chain

- Manufacturers of substances or preparations
- Manufacturers of articles
- Manufacturers who are not sure if their products will be supplied to EU, or supply products unchanged or incorporated into another products
- Distributors

Part IV Overall evaluation of REACH, and
identification of needs



Result 1: Response situation and companies' attribute

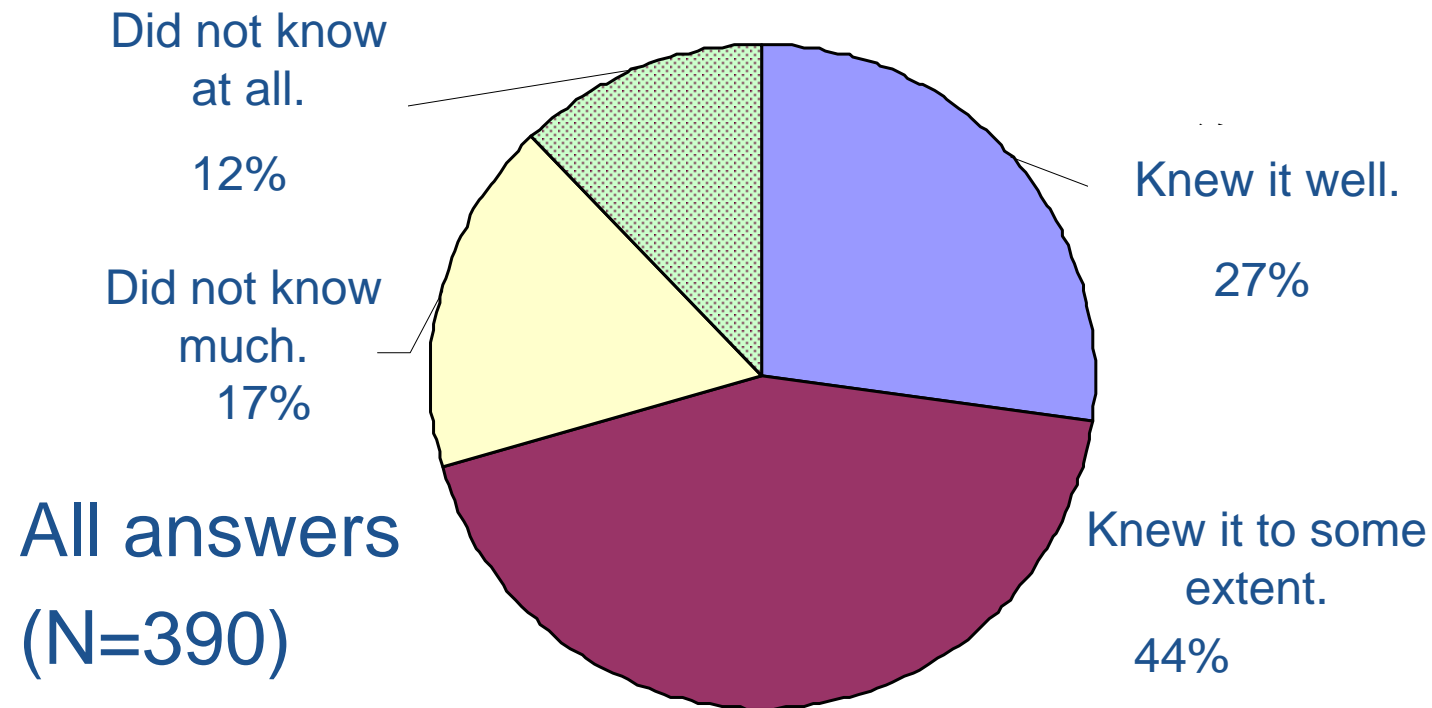
| Send & response | Send | Response | Response rate |
|------------------------------|------|------------|---------------|
| Send total | 772 | 390 | 50.5% |
| <i>Of them, manufacturer</i> | 683 | 346 | 50.7% |
| <i>Of them, distributor</i> | 89 | 44 | 49.4 % |
| Voluntary (manufacturer) | --- | 6 | --- |
| Total | | 396 | |

| Companies' attribute | Total | Large Enterprise | SME |
|-----------------------------|------------|------------------|------------|
| Upstream supplier | 103 | 44 | 59 |
| Mid-stream user | 132 | 71 | 61 |
| Downstream user | 114 | 73 | 41 |
| Out of the survey | 3 | 1 | 2 |
| Distributor | 44 | 21 | 23 |
| Total | 396 | 210 | 186 |

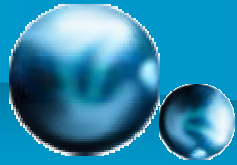


Result 2-1 Understanding EU REACH

QII-1. Did you know that REACH will be introduced in Europe?



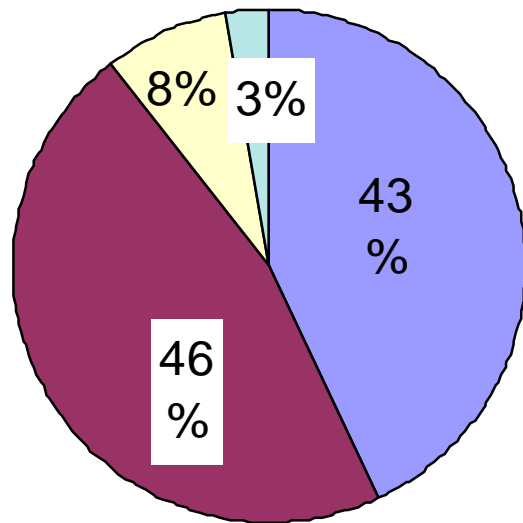
More than 70% knew REACH
(knew it well + knew it to some extent)



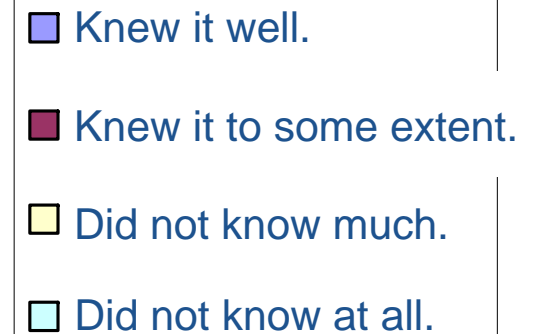
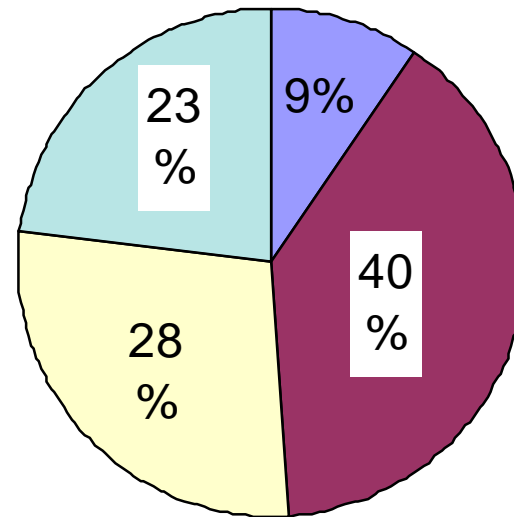
Result 2-2 Understanding EU REACH

QII-1. Did you know that REACH will be introduced in Europe?

Large (N=208)



SME (N=182)



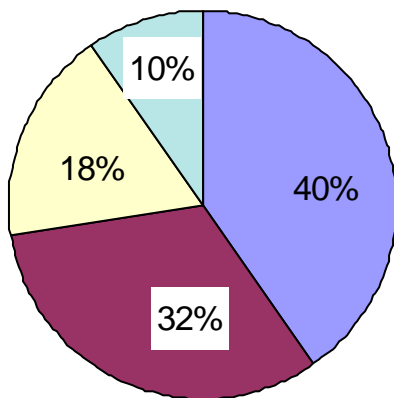
Almost 90% of large companies recognize REACH, while almost 50% of SMEs



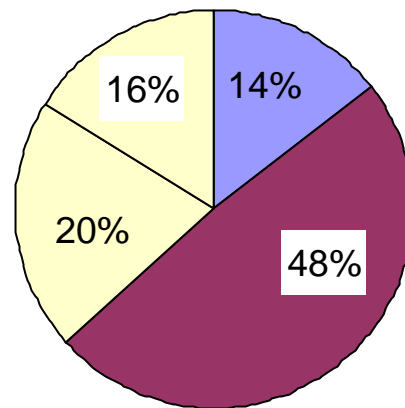
Result 2-3 Understanding EU REACH

QII-1. Did you know that REACH will be introduced in Europe?

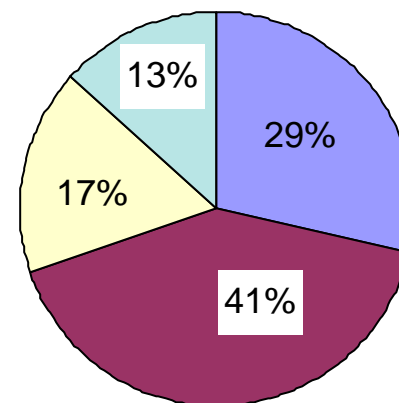
Upstream
supplier (N=102)



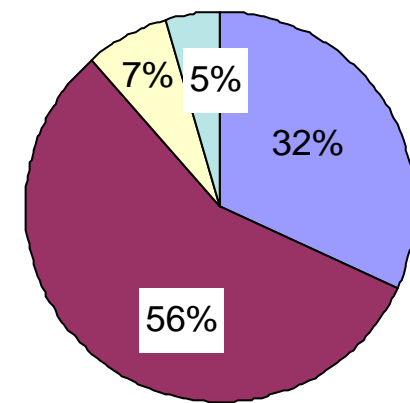
Mid-stream
user (N=132)



Downstream
user (N=112)



Distributor
(N=44)



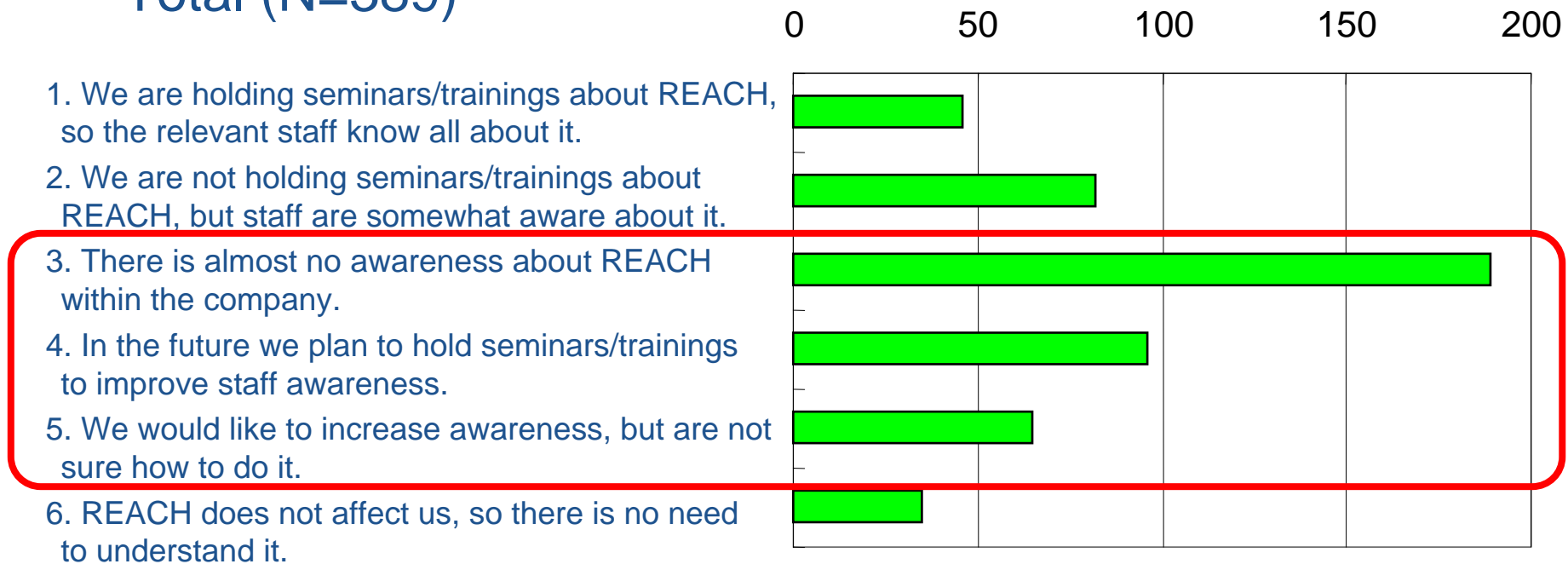
- Knew it well.
- Knew it to some extent.
- Did not know much.
- Did not know at all.



Result 2-4 Understanding EU REACH

QII-2. To what extent is REACH understood within your company? [Multiple choices accepted.]

Total (N=389)

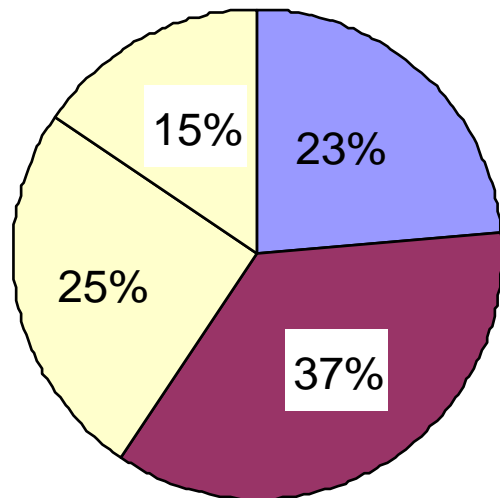




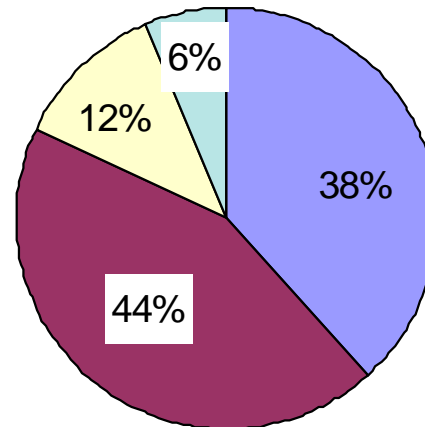
Result 2-5 Understanding EU REACH

QII-3. Under REACH, existing substances and new substances will be controlled by the same system, so existing substances that until now did not require notification will require registration by each business from now on. Were you aware of that?

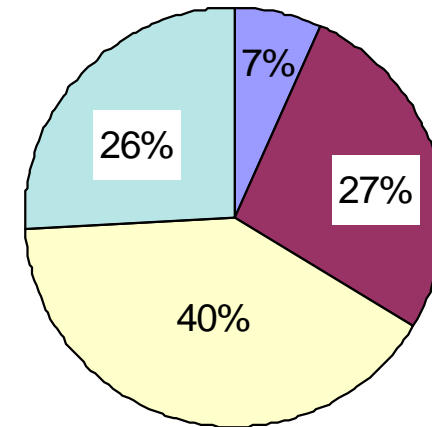
Total (N=388)



Upstream (N=207)



Distributor (N=181)



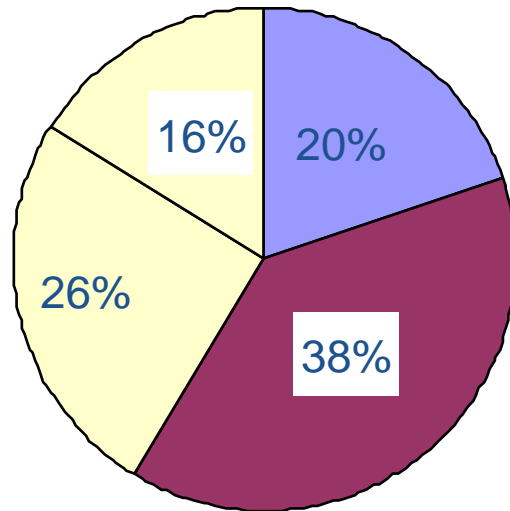
- Knew it well.
- Knew it to some extent.
- Did not know much.
- Did not know at all.



Result 2-6 Understanding EU REACH

QII-4. Under REACH, manufacturers and importers will be required to gather substance data, conduct risk assessments, and propose appropriate risk management methodologies. Were you aware of that?

Total (N=389)



Large companies >> SMEs
Distributor > Up > Down > Mid

<Reference>

knew it well + knew it to some extent

- Large 79% (N=207)
- SME 35% (N=181)

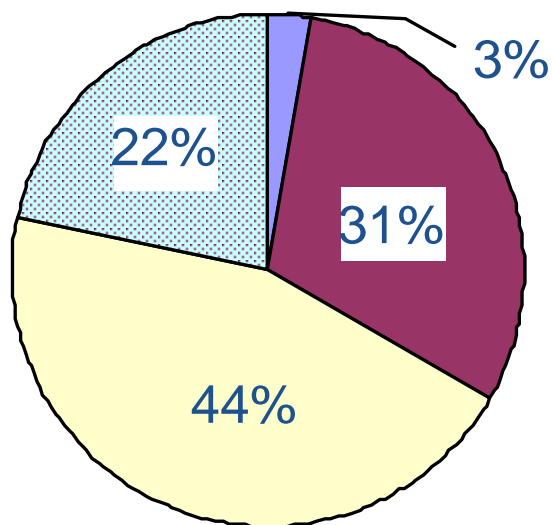
- Upstream supplier 61% (N=102)
- Mid-stream user 50% (N=131)
- Downstream user 58% (N=111)
- Distributor 77% (N= 44)

- Knew it well.
- Knew it to some extent.
- Did not know much.
- Did not know at all.



Result 3-1: Response and issues -Substance/preparation manufacturer

QIII-A-1. Regarding chemical substances and preparations manufactured by your company, have you already completed discussions as to whether or not you will conduct registration with ECHA. Total (N=111)



1. Have completed review of all substances/preparations.
2. Review is ongoing.
3. Have not yet begun, but are currently considering how to proceed.
4. Have not yet begun, and have no plans at the moment.

(Some of them have decided to give up business opportunities in Europe.)



Result 3-2: Response and issues -Substance/preparation manufacturer

QIII-A-3. How do you plan to register substances?



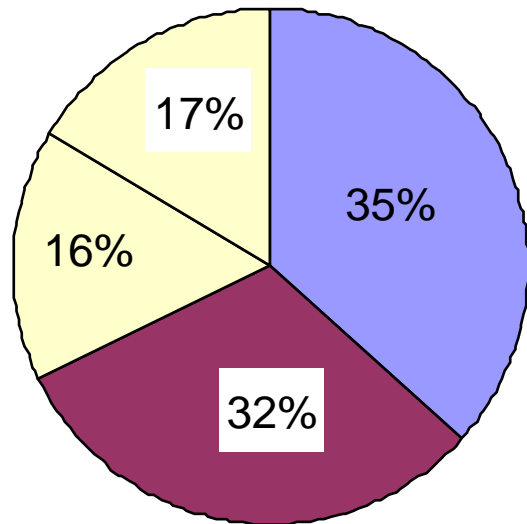


Result 3-3: Response and issues

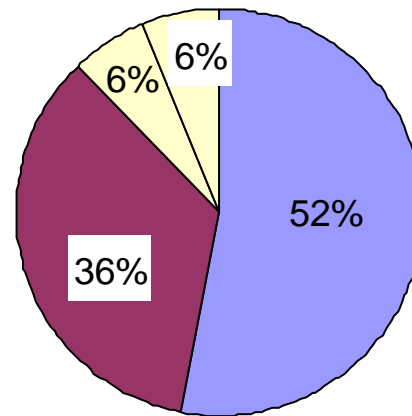
-Substance/preparation manufacturer

QIII-A-6. Do you know that, in principle, multiple companies are expected to conduct data gathering in collaboration (cost sharing, etc.)?

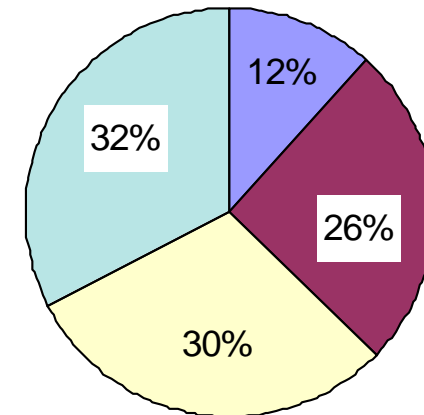
Total (N=109)



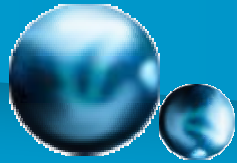
Large (N=66)



SME (N=43)

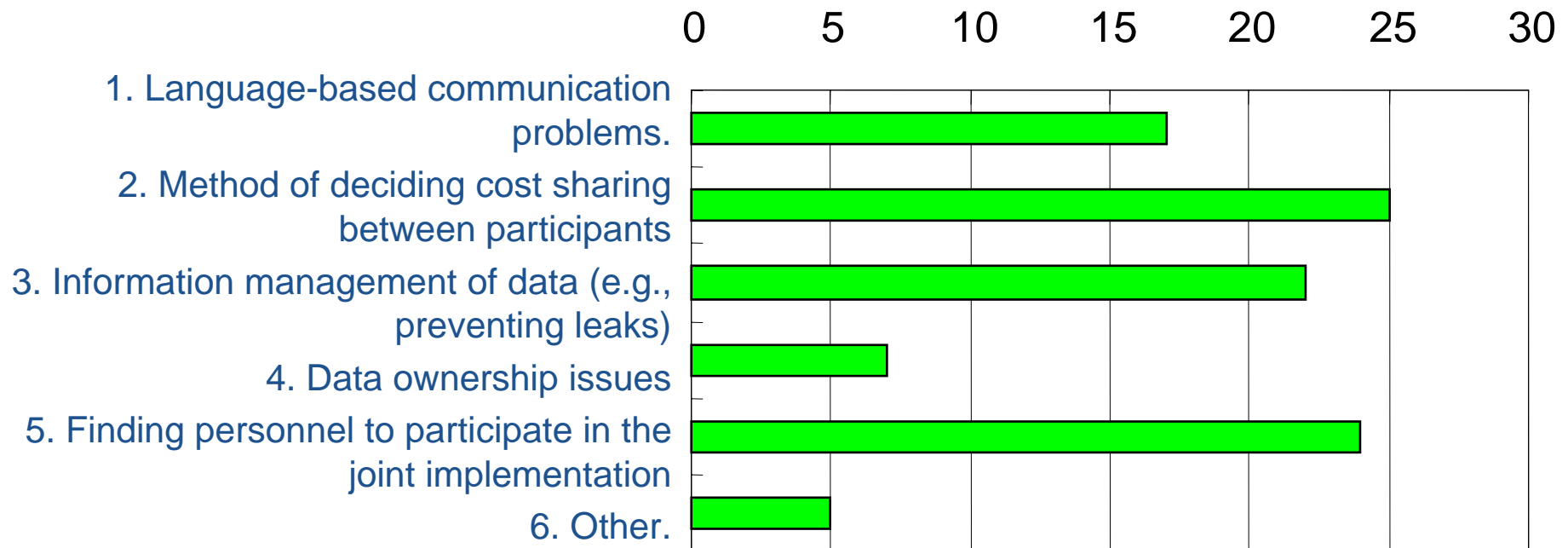


- Knew it well.
- Knew it to some extent.
- Did not know much.
- Did not know at all.

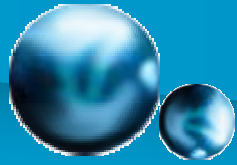


Result 3-4: Response and issues -Substance/preparation manufacturer

QIII-A-7. If your company were to participate in joint data gathering, what types of problems might you encounter most?



Total (N=100)

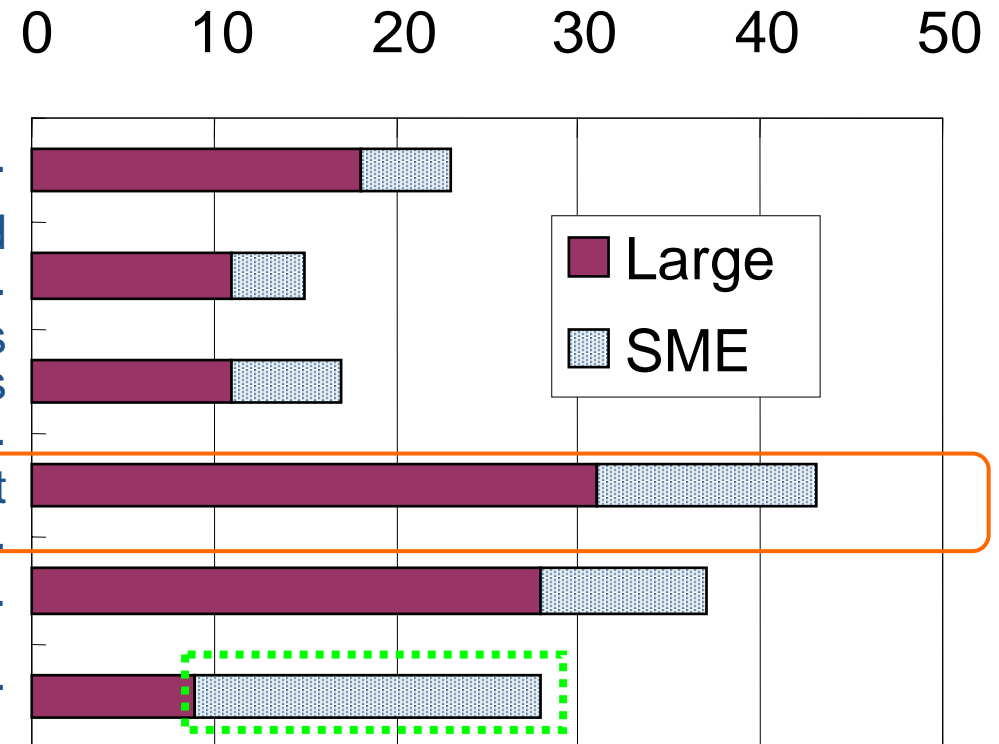


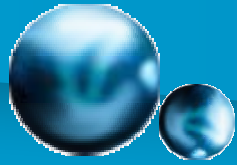
Result 3-5: Response and issues -Substance/preparation manufacturer

QIII-A-8. If the substances handled by your company become subject to authorisation, what would you plan to do?
[Multiple choices accepted.]

Large: N=65, SME: N=42

1. Apply for authorisation.
2. Abandon authorisation due to time and cost required for application.
3. Abandon authorisation because it is hard to search for alternative substances and design alternative plans.
4. Search for alternative substances that do not require authorisation.
5. We plan to consider this further.
6. We have not yet considered this.

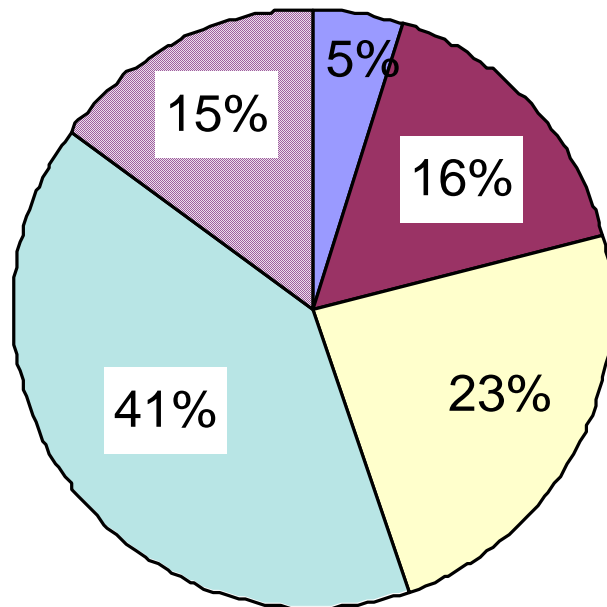




Result 4-1: Response and issues -Article manufacturer

QIII-B-1. Where an article is associated with a final product or a part that is manufactured in the EU or exported to the EU, when a chemical substance is released intentionally from the article, registration may become necessary. Is your company making an effort to determine cases in which chemical substances are released intentionally from articles?

Total (N=180)

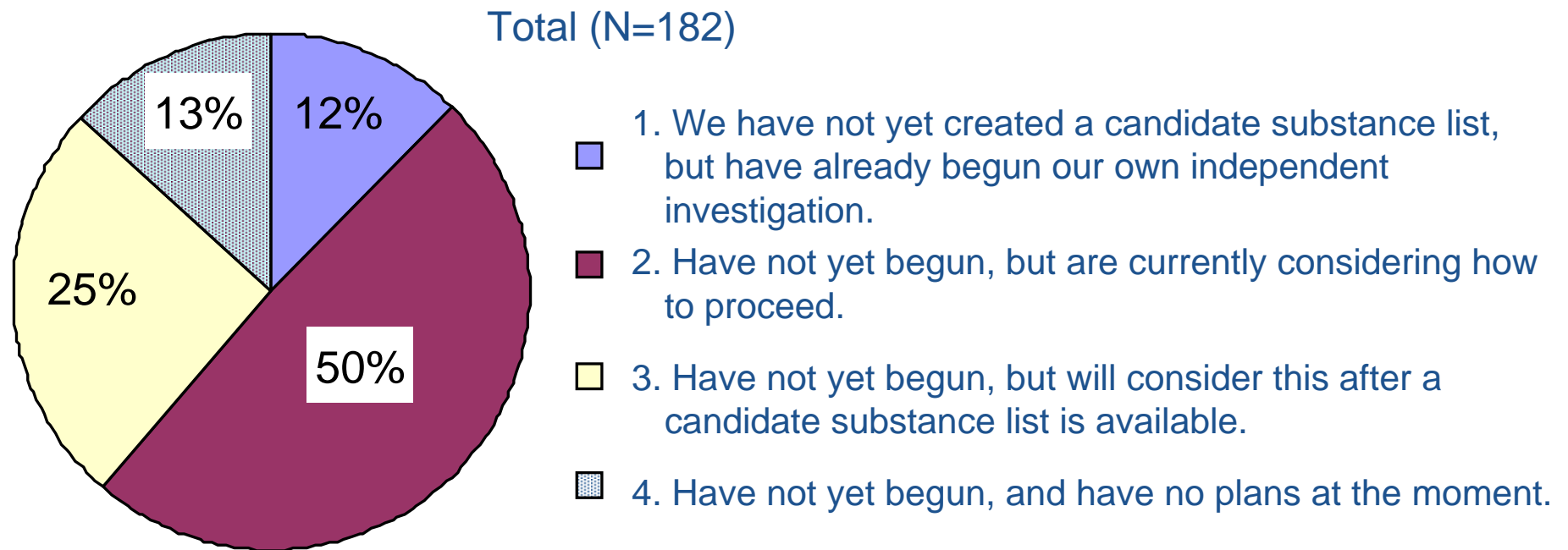


- 1. Have completed review of all articles.
- 2. Review is ongoing.
- 3. Have not yet begun, but are currently considering how to proceed.
- 4. Have not yet begun, but will consider after a clear definition of intentional release has been made.
- 5. Have not yet begun, and have no plans at the moment.



Result 4-2: Response and issues -Article manufacturer

QIII-B-2. Where SVHC are contained in articles at levels exceeding certain criteria, besides notification to the ECHA being required, it is also necessary to provide the substance name and other information to the downstream user of the article. What is your company's current approach to deal with SVHC in articles?

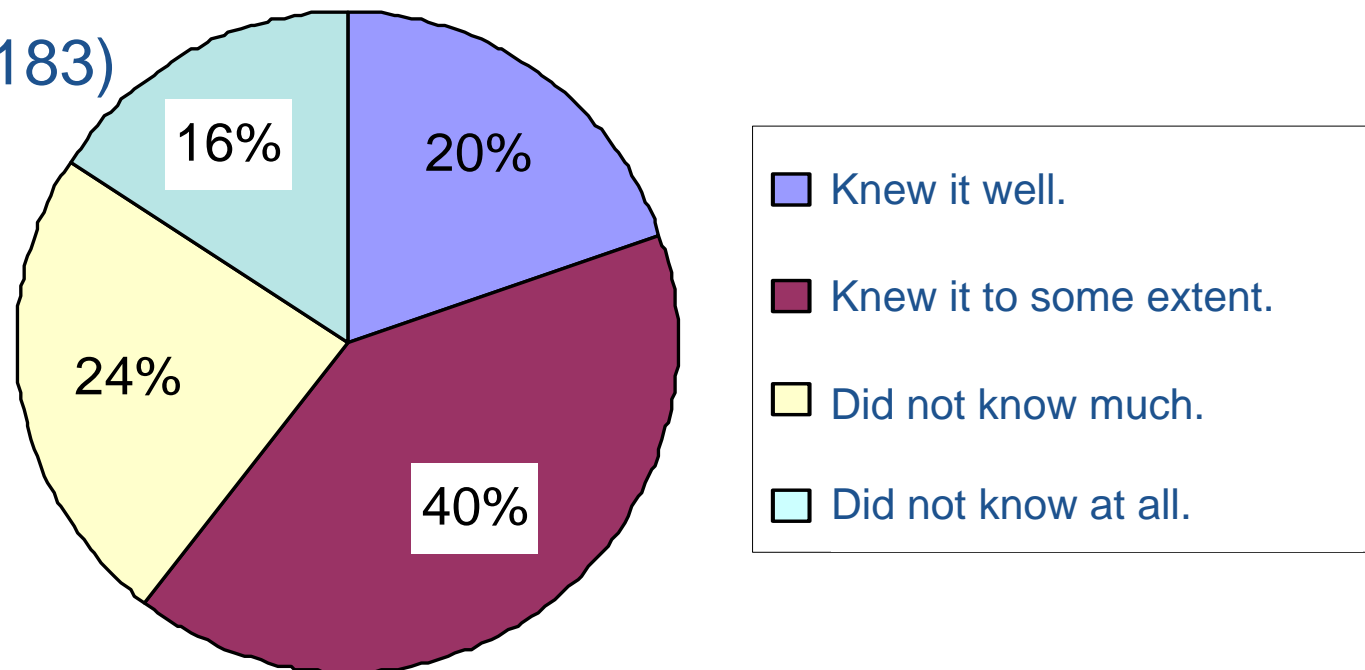




Result 4-3: Response and issues -Article manufacturer

QIII-B-4. As for information relating to chemical substances and preparations, companies are required to provide information (at least the substance name) to downstream users about SVHCs contained above certain criteria in articles. Were you aware of that?

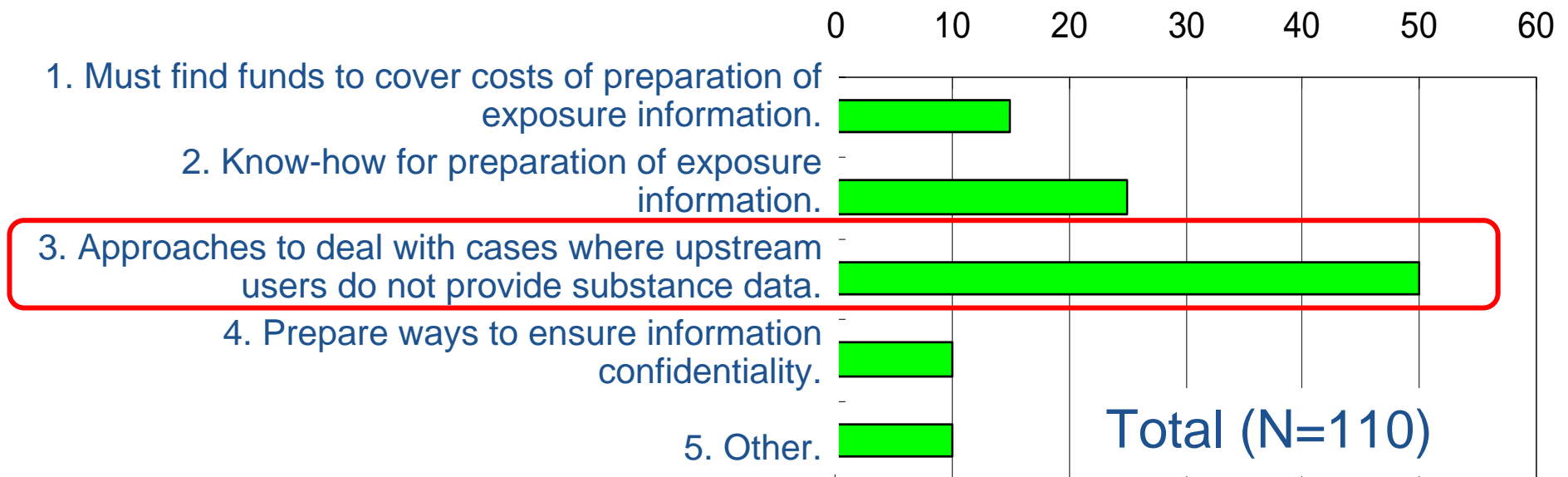
Total (N=183)





Result 4-4: Response and issues -Article manufacturer

QIII-B-5. Regarding risk assessment results to downstream users, what type of preparation do you think is necessary most?

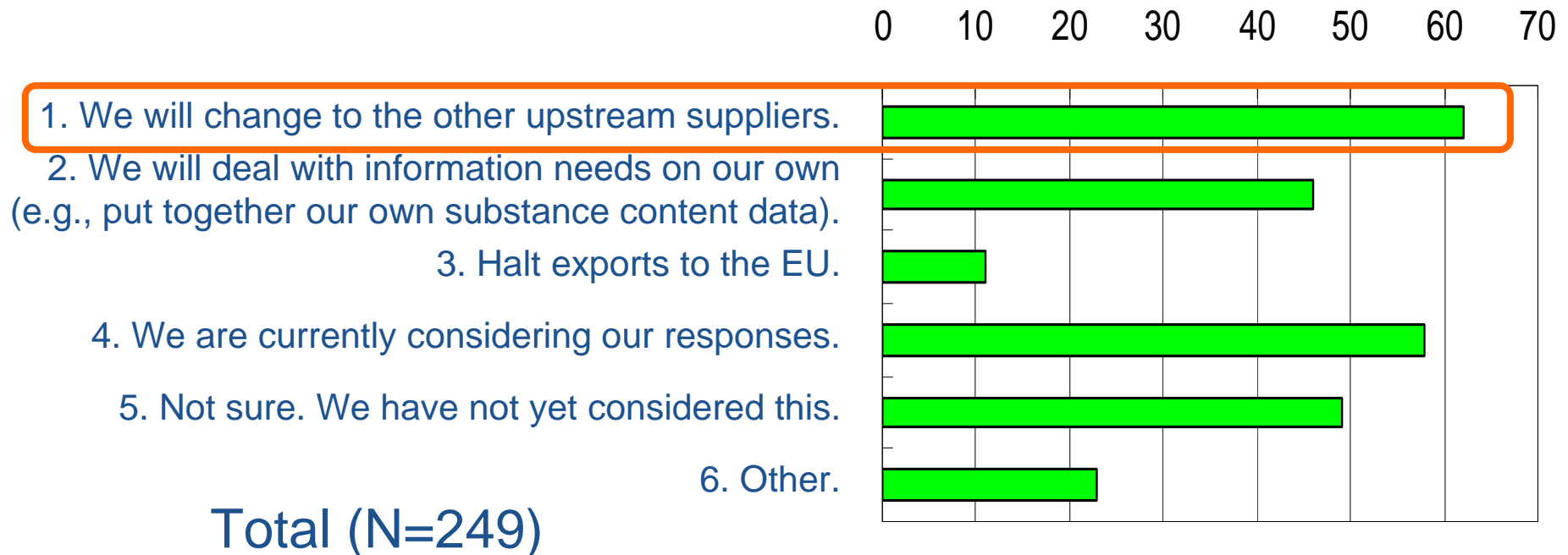


How to deal with when data is not available...



Result 4-5: Response and issues -Article manufacturer

QIII-B-6. In cases where upstream users (raw material suppliers) do not provide substance data (presence of a substance, concentrations, usage information), how is your company planning to collect substance data?
[Multiple choices accepted.]





Result 4-6: Response and issues -Article manufacturer

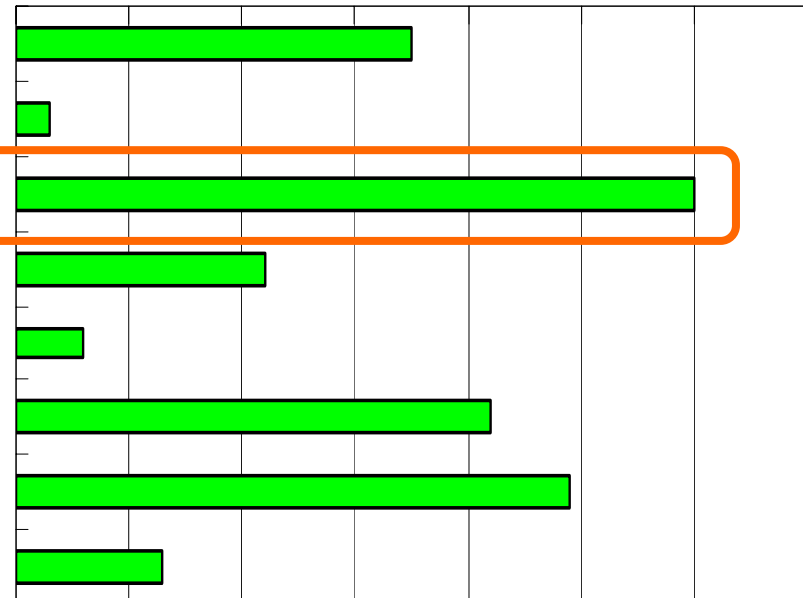
QIII-B-7. In some cases it is difficult to collect data about substances contained in recycled materials, but how is your company planning to address this issue?

[Multiple choices accepted.]

Total (N=178)

0 10 20 30 40 50 60 70

1. To date we have not procured recycled materials.
2. In the past we did procure recycled materials, but will not do so in the future.
3. We will only procure recycled materials for which we are able to obtain substance content data.
4. We will deal with information needs on our own (e.g., put together our own substance content data).
5. Halt exports to the EU.
6. We are currently considering our responses.
7. Not sure. We have not yet considered this.
8. Other.

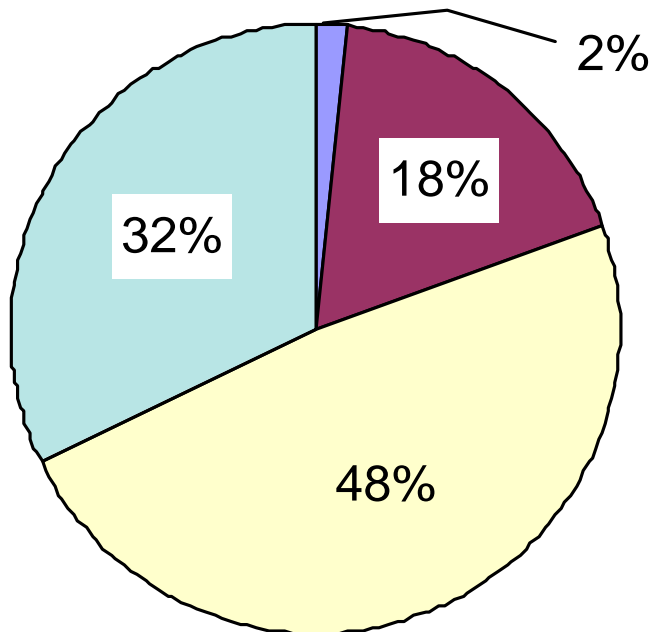




Result 5-1: Response and issues

-Manufacturer, not clear whether supply to EU or not

QIII-C-1. Do you have a good idea of what responses will be expected of businesses that are supplying products to Europe after the implementation of REACH?



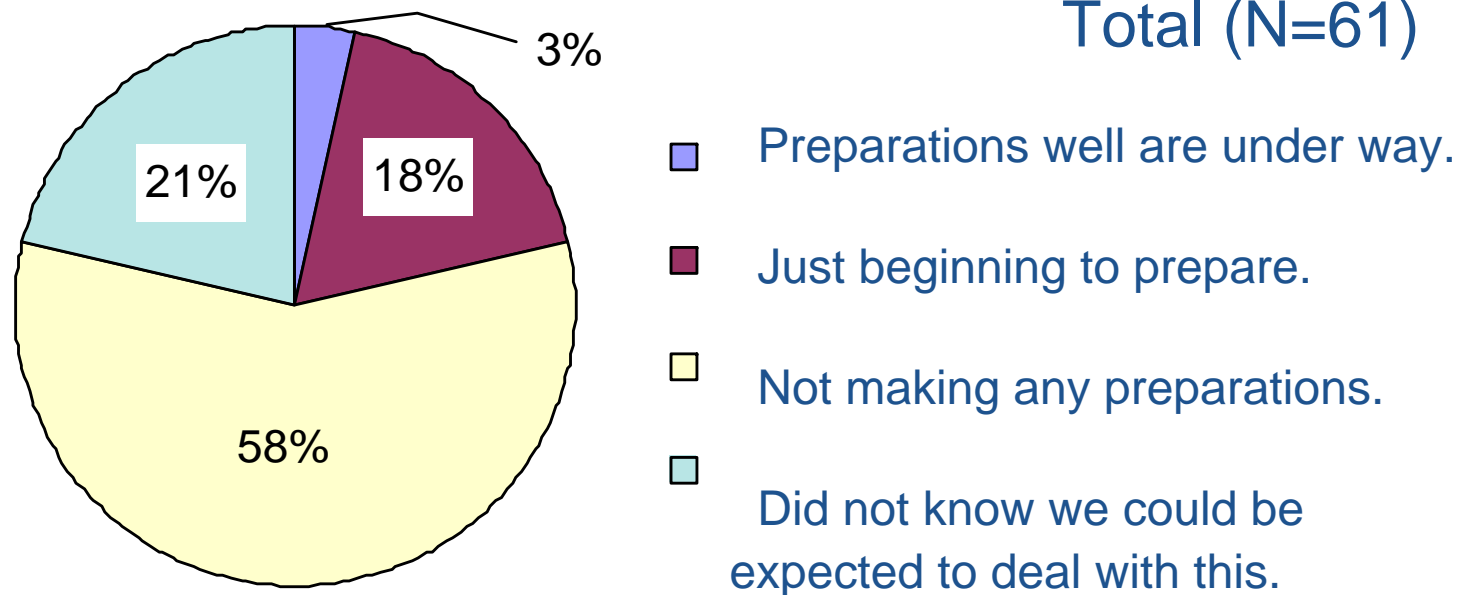
Total (N=62)

- We know very well.
- Have a pretty good idea.
- We are not really clear on this.
- We have no idea.



Result 5-2: Response and issues -Manufacturer, not clear whether supply to EU or not

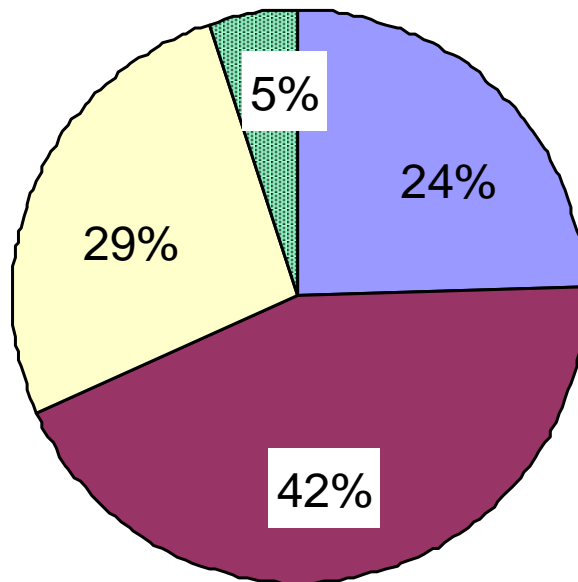
QIII-C-2. Are you making preparations in the event that you will be required to provide your customers substance data (presence of certain substances, etc.), after the implementation of REACH?









Result 6-1: Response and issues -Distributor

QIII-D-2. Are you aware that they will be required to take action regarding REACH?



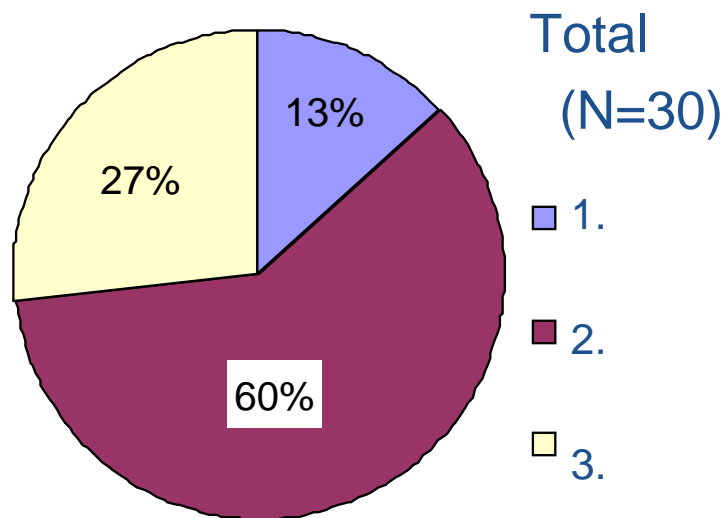
Total (N=41)

-  We are fully aware of this.
-  We are somewhat aware of this.
-  We are not really aware of this.
-  We do not think we will be expected to take action.



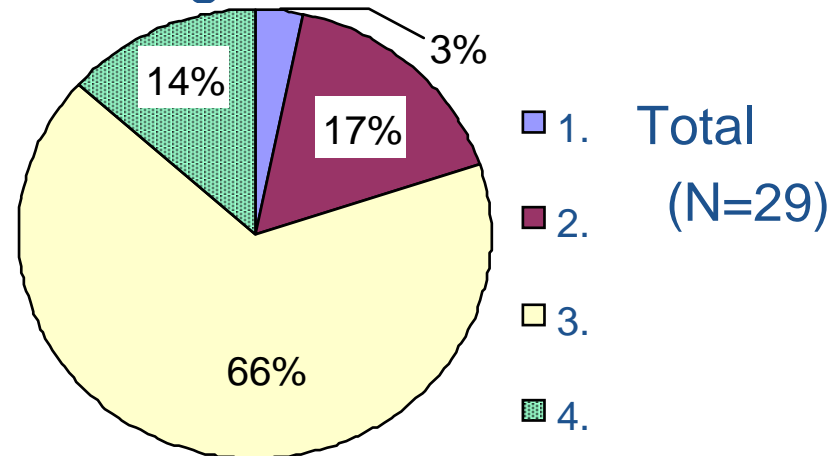
Result 6-2: Response and issues -Distributor

QIII-D-3. Have you already prepared a list of products being supplied to the EU?



1. We are preparing a list of products that we supply to the EU.
2. We are planning to make these lists.
3. We are not planning to make any lists.

QIII-D-4. How are you planning to proceed with registration with ECHA?

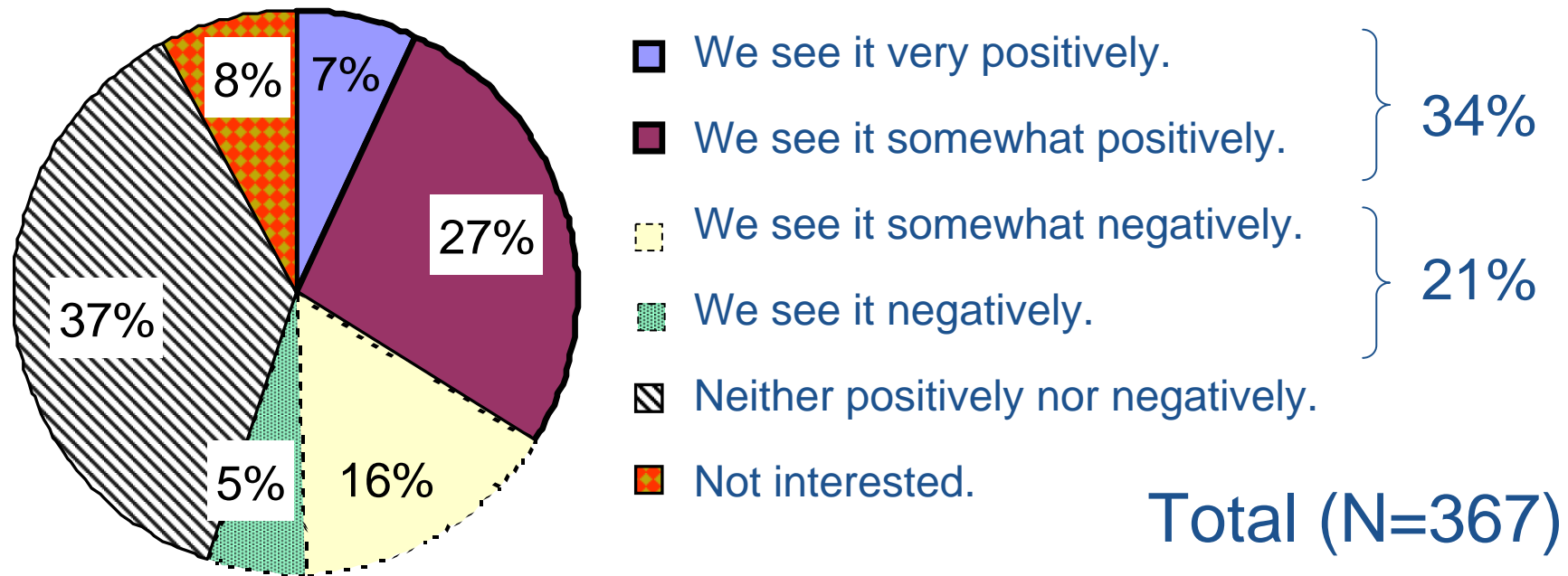


1. We are in the process of confirming which products require registration, and who must register them.
2. We are confirming right now
3. We are planning to confirm which products require registration, and who must register them.
4. We have no plans to confirm these points.



Result 7-1: Overall evaluation of REACH

QIV-1. How does your company see REACH?



Positive answers exceed negative answers in all positions of supply-chain and all size of companies



Result 7-2: Overall evaluation of REACH

QIV-1. How does your company see REACH?

| | Positive | Negative | Answer |
|-------------------|----------|----------|--------|
| Total | 34% | 21% | 367 |
| Large | 34% | 25% | 203 |
| SME | 32% | 16% | 164 |
| Upstream supplier | 37% | 33% | 95 |
| Mid-stream user | 29% | 18% | 124 |
| Downstream user | 34% | 15% | 105 |
| Distributor | 39% | 21% | 43 |

- We see it very positively.
- We see it somewhat positively.

Positive

- We see it somewhat negatively.
- We see it negatively.

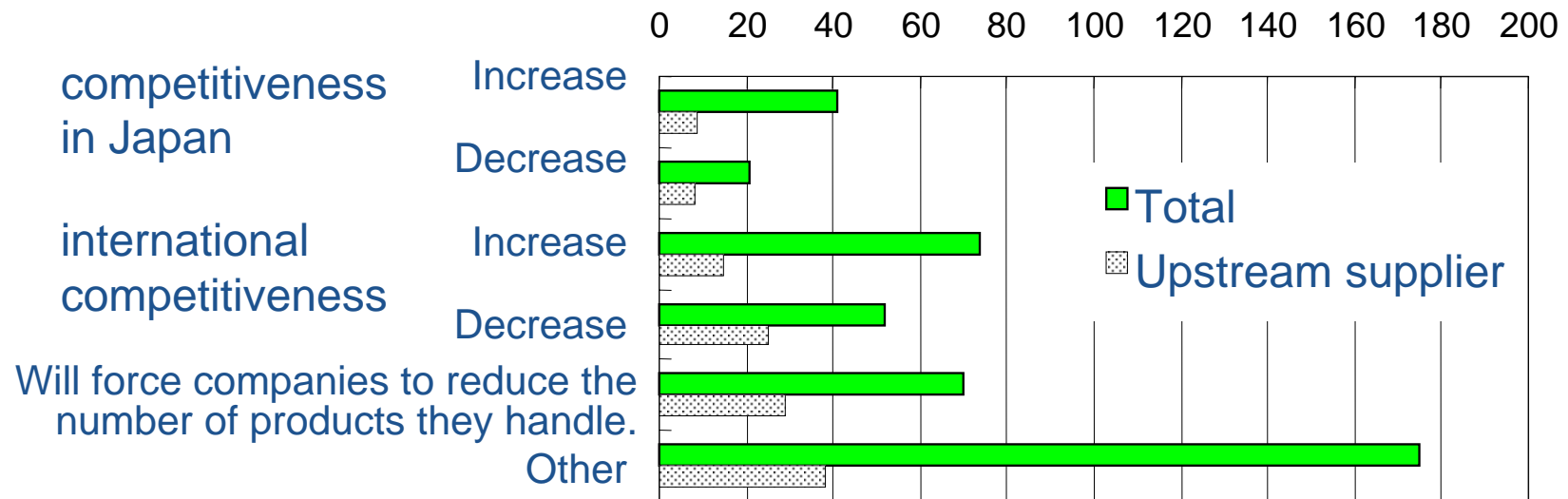
Negative

- Neither positively nor negatively.
- Not interested.



Result 7-3: Overall evaluation of REACH

QIV-2. What changes to you think the implementation of REACH will cause in your industry? [Multiple choices accepted.]



Total; N=350 (Upstream supplier; N=91)

It is expected that both domestic and international competitiveness will increase except for upstream suppliers.