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

<table>
<thead>
<tr>
<th>Send &amp; response</th>
<th>Send</th>
<th>Response</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Send total</td>
<td>772</td>
<td>390</td>
<td>50.5%</td>
</tr>
<tr>
<td>Of them, manufacturer</td>
<td>683</td>
<td>346</td>
<td>50.7%</td>
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<tr>
<td>Of them, distributor</td>
<td>89</td>
<td>44</td>
<td>49.4%</td>
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<tr>
<td>Voluntary (manufacturer)</td>
<td>---</td>
<td>6</td>
<td>---</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>396</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Companies’ attribute</th>
<th>Total</th>
<th>Large Enterprise</th>
<th>SME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upstream supplier</td>
<td>103</td>
<td>44</td>
<td>59</td>
</tr>
<tr>
<td>Mid-stream user</td>
<td>132</td>
<td>71</td>
<td>61</td>
</tr>
<tr>
<td>Downstream user</td>
<td>114</td>
<td>73</td>
<td>41</td>
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<tr>
<td>Out of the survey</td>
<td>3</td>
<td>1</td>
<td>2</td>
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<tr>
<td>Distributor</td>
<td>44</td>
<td>21</td>
<td>23</td>
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<tr>
<td>Total</td>
<td>396</td>
<td>210</td>
<td>186</td>
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</table>
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)

- Knew it well: 27%
- Knew it to some extent: 44%
- Did not know at all: 12%
- Did not know much: 17%

All answers (N=390)
QII-1. Did you know that REACH will be introduced in Europe?

Almost 90% of large companies recognize REACH, while almost 50% of SMEs.
QII-1. Did you know that REACH will be introduced in Europe?

Upstream supplier (N=102)
- Knew it well: 18%
- Knew it to some extent: 32%
- Did not know much: 40%
- Did not know at all: 10%

Mid-stream user (N=132)
- Knew it well: 16%
- Knew it to some extent: 20%
- Did not know much: 48%
- Did not know at all: 14%

Downstream user (N=112)
- Knew it well: 13%
- Knew it to some extent: 17%
- Did not know much: 41%
- Did not know at all: 29%

Distributor (N=44)
- Knew it well: 7%
- Knew it to some extent: 5%
- Did not know much: 32%
- Did not know at all: 56%
QII-2. To what extent is REACH understood within your company? [Multiple choices accepted.]

Total (N=389)

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<td>50</td>
<td>100</td>
<td>150</td>
<td>200</td>
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</table>

1. We are holding seminars/trainings about REACH, so the relevant staff know all about it.
2. We are not holding seminars/trainings about REACH, but staff are somewhat aware about it.
3. There is almost no awareness about REACH within the company.
4. In the future we plan to hold seminars/trainings to improve staff awareness.
5. We would like to increase awareness, but are not sure how to do it.
6. REACH does not affect us, so there is no need to understand it.
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)

- Knew it well: 37%
- Knew it to some extent: 23%
- Did not know much: 25%
- Did not know at all: 15%

Upstream (N=207)

- Knew it well: 38%
- Knew it to some extent: 44%
- Did not know much: 12%
- Did not know at all: 6%

Distributor (N=181)

- Knew it well: 27%
- Knew it to some extent: 26%
- Did not know much: 40%
- Did not know at all: 7%
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)

- 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)

Large companies >> SMEs
Distributor > Up > Down > Mid
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.)
QIII-A-3. How do you plan to register substances?

- My company will do it alone
- Through an affiliate in the EU
- Through an exclusive agent
- Will request an upstream company
- Not sure. Have not yet considered
- Other
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)

- Knew it well: 35%
- Knew it to some extent: 16%
- Did not know much: 17%
- Did not know at all: 32%

Large (N=66)

- Knew it well: 52%
- Knew it to some extent: 36%
- Did not know much: 6%
- Did not know at all: 6%

SME (N=43)

- Knew it well: 32%
- Knew it to some extent: 30%
- Did not know much: 6%
- Did not know at all: 12%
QIII-A-7. If your company were to participate in joint data gathering, what types of problems might you encounter most?

1. Language-based communication problems.
2. Method of deciding cost sharing between participants.
3. Information management of data (e.g., preventing leaks).
4. Data ownership issues.
5. Finding personnel to participate in the joint implementation.
6. Other.

Total (N=100)
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.
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)

- 15% have completed review of all articles.
- 16% have not yet begun, but are currently considering how to proceed.
- 23% have not yet begun, but will consider after a clear definition of intentional release has been made.
- 41% have not yet begun, and have no plans at the moment.
- 5% review is ongoing.
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?

- 13% have not yet created a candidate substance list, but have already begun our own independent investigation.
- 12% have not yet begun, but are currently considering how to proceed.
- 25% have not yet begun, but will consider this after a candidate substance list is available.
- 50% have not yet begun, and have no plans at the moment.
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)

- 16% Knew it well.
- 20% Knew it to some extent.
- 24% Did not know much.
- 40% Did not know at all.
QIII-B-5. Regarding risk assessment results to downstream users, what type of preparation do you think is necessary most?

1. Must find funds to cover costs of preparation of exposure information.
2. Know-how for preparation of exposure information.
3. Approaches to deal with cases where upstream users do not provide substance data.
4. Prepare ways to ensure information confidentiality.
5. Other.

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

1. We will change to the other upstream suppliers.
2. We will deal with information needs on our own (e.g., put together our own substance content data).
3. Halt exports to the EU.
4. We are currently considering our responses.
5. Not sure. We have not yet considered this.
6. Other.

Total (N=249)
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.]

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<tr>
<th>Total (N=178)</th>
<th>0</th>
<th>10</th>
<th>20</th>
<th>30</th>
<th>40</th>
<th>50</th>
<th>60</th>
<th>70</th>
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<tbody>
<tr>
<td>1. To date we have not procured recycled materials.</td>
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<td>2. In the past we did procure recycled materials, but will not do so in the future.</td>
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<td>3. We will only procure recycled materials for which we are able to obtain substance content data.</td>
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<tr>
<td>4. We will deal with information needs on our own (e.g., put together our own substance content data).</td>
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<tr>
<td>5. Halt exports to the EU.</td>
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<tr>
<td>6. We are currently considering our responses.</td>
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<tr>
<td>7. Not sure. We have not yet considered this.</td>
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<tr>
<td>8. Other.</td>
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</table>
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)

- 48% We know very well.
- 32% Have a pretty good idea.
- 18% We are not really clear on this.
- 2% We have no idea.
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?

Total (N=61)

- 58% Preparations well are under way.
- 18% Just beginning to prepare.
- 21% Not making any preparations.
- 3% Did not know we could be expected to deal with this.
QIII-D-2. Are you aware that they will be required to take action regarding REACH?

Total (N=41)

- 29%: We are fully aware of this.
- 24%: We are somewhat aware of this.
- 5%: We are not really aware of this.
- 42%: We do not think we will be expected to take action.
QIII-D-3. Have you already prepared a list of products being supplied to the EU?

- 13%: We are preparing a list of products that we supply to the EU.
- 27%: We are planning to make these lists.
- 60%: We are not planning to make any lists.

Total (N=30)

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

- 14%: We are in the process of confirming which products require registration, and who must register them.
- 17%: We are confirming right now.
- 66%: We are planning to confirm which products require registration, and who must register them.
- 3%: We have no plans to confirm these points.

Total (N=29)
Result 7-1: Overall evaluation of REACH

QIV-1. How does your company see REACH?

- We see it very positively: 34%
- We see it somewhat positively: 21%
- We see it somewhat negatively: 7%
- We see it negatively: 8%
- Neither positively nor negatively: 16%
- Not interested: 5%

Total (N=367)

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?

<table>
<thead>
<tr>
<th>Category</th>
<th>Positive</th>
<th>Negative</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>34%</td>
<td>21%</td>
<td>367</td>
</tr>
<tr>
<td>Large</td>
<td>34%</td>
<td>25%</td>
<td>203</td>
</tr>
<tr>
<td>SME</td>
<td>32%</td>
<td>16%</td>
<td>164</td>
</tr>
<tr>
<td>Upstream supplier</td>
<td>37%</td>
<td>33%</td>
<td>95</td>
</tr>
<tr>
<td>Mid-stream user</td>
<td>29%</td>
<td>18%</td>
<td>124</td>
</tr>
<tr>
<td>Downstream user</td>
<td>34%</td>
<td>15%</td>
<td>105</td>
</tr>
<tr>
<td>Distributor</td>
<td>39%</td>
<td>21%</td>
<td>43</td>
</tr>
</tbody>
</table>

- **Positive**
  - We see it very positively.
  - We see it somewhat positively.
- **Negative**
  - We see it somewhat negatively.
  - We see it negatively.
- **Neither positively nor negatively**
  - Neither positively nor negatively.
- **Not interested**
  - Not interested.
QIV-2. What changes do you think the implementation of REACH will cause in your industry? [Multiple choices accepted.]

- Competitiveness in Japan: 
  - Increase
  - Decrease

- International competitiveness: 
  - Increase
  - Decrease

- Will force companies to reduce the number of products they handle.
- Other

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