

3. R&D spending of chemicals industry⁵: €8 bn/year
annual direct REACH costs = 2,6 % of annual R&D of chemicals industry

Would it not be a good and very wise investment for the chemical industry to spend 2,6% of its annual R&D budget into researching the properties and uses of the very chemicals they want to sell?

4. Exxon profits in 2004⁶: €19.4 bn
annual direct REACH costs = ca. 1 % of Exxon profits in 2004

The 2004 profits of Exxon alone could cover the direct REACH costs of one year 100 times.

Benefits in perspective – some figures

5. Benefits of REACH

Benefits to worker's health due to REACH⁷: to €3.5 billion over 10 years

This represents the savings from future occupational skin and non-malignant respiratory diseases avoided by REACH. This is close to the average total costs of implementing the regulation for industry as a whole.

Benefits to health: €50 bn over 30 years

According to the Commission's Extended Impact Assessment, the benefits of REACH to public health amount to ca. €50 bn over 30 years. As such, the cost-benefit ratio compared to the maximum of total costs is around 1:10 for health alone.

Benefits to the environment: No estimates available

To get an idea of the environmental impact of chemicals, it is interesting to look at figures for clean-up. A study by the Nordic Council of Ministers estimated the clean-up costs for PCBs alone to be at €15 billion in the EU 25 (from 1971-2018)⁸. According to the study, if REACH can avoid one medium or five smaller chemical misstep, but similar to the PCB-misstep, society would save at least €7 billion, apart from savings from avoiding health damages and irreversible effects on biodiversity and ecosystems.

The direct costs of REACH are minor when compared to annual turn-over, profits or R&D spending. The total costs (direct and indirect) are even less significant, when compared to total industry figures. At the same time, health benefits alone far outweigh the costs of REACH.

⁵ CEFIC Horizon 2015: R&D spending in 2002: 1,9% of sales

⁶ BBC 31 January 2005, <http://news.bbc.co.uk/2/hi/business/4223573.stm>

⁷ Further assessment of the impact of REACH on occupational health, University of Sheffield, 2005, Summary on <http://hesa.etui-rehs.org/uk/newsletter/files/NWSL-28-EN-sheffield.pdf>

⁸ Nordic Council of Ministers: Cost of late action - the case of PCB, 2004; <http://www.sweden.gov.se/content/1/c6/03/09/11/771d062f.pdf>