

Balanced Chemicals Regulation for EU Competitiveness: ASMoR's Position

The European Commission's 'Competitiveness Compass' recognises the EU's need to regain its competitiveness and secure its prosperity. It underlines the importance of a competitive chemicals sector as "the backbone of the European manufacturing system", producing "certain inputs vital for the whole value chains."¹ This recognises that chemicals are used in every industrial sector, which puts chemicals policy at the core of European Industry Policy. In response, the Commission plans to revise the REACH Regulation to deliver "real simplification on the ground" and "faster decision-making" on hazards, sustainability, competitiveness, security, and safety.²

Ensuring European competitiveness, while achieving security and green transition objectives, fundamentally depends on the safe and innovative use of substances. Overly restrictive substance regulation undermines Europe's competitive edge, hindering its economic and strategic ambitions. A competitive, innovation-driven chemicals sector is also key to Europe's open strategic autonomy, reducing reliance on external supply chains while enabling the green and digital transitions.

ASMoR members strongly support and have long advocated for a targeted REACH revision aimed at streamlining procedures, reducing administrative burdens and accelerating decision-making. Such an approach can enhance Europe's competitiveness - easing compliance for companies including SMEs - without compromising the existing levels of protection for human health and the environment. Our key recommendations and considerations are outlined below.

Inappropriateness of a hazard-based approach

Restrictions solely based on hazard classifications (e.g. GRA-based Art. 68(2) restrictions, applied broadly to all products used by consumers), may produce unintended negative consequences for European industries, particularly those relying heavily on specialty chemicals. Many substances classified as hazardous are crucial for producing high-performance automotive components, advanced electronics, medical devices, defence technologies, renewable energy technologies, and consumer articles. For instance, they are critical for the production of lead radiation shielding in medical diagnostics and treatment suites, lead-based batteries for e.g., military vehicles, and fragranced products that support hygiene and well-being.

Independently from their specific hazard profile, any substance can be used safely with the adequate risk management measures - which may differ for different user categories - in place. ASMoR still strongly believes that premature or unjustified restrictions will push companies to source materials from less regulated jurisdictions and can compromise product quality, sustainability, and affordability.

¹ [Competitiveness Compass](#), 10

² [Competitiveness Compass](#), 18

Moreover, such measures would force the reformulation of existing products to replace substances that are currently used safely, diverting European innovation efforts away from strategic, long-term priorities, ultimately weakening the EU's global competitive position.

A purely hazard-based regulatory approach, without adequately considering exposure, safe uses, and viability of proposed alternatives, not only technical feasibility but also wider socio-economics, often triggers "regrettable substitution" (see our paper on regrettable substitution [here](#)). Companies may be compelled by legislation to adopt substitutes that are less effective, more costly, or not fully aligned with the EU's broader policy objectives, including those under the Green Deal and Digital Strategy.

Regulatory approaches that do not consider safe use and exposure for chemicals, e.g. deemed essential for the green and digital transitions sufficiently, risk causing inconsistencies across EU policy goals by restricting or banning such chemicals. ASMoR advocates for a holistic approach that systematically incorporates economic, environmental, and social impacts into chemical regulation, prior to implementing restrictions. Targeted, precise restrictions can mitigate unintended consequences.

Investment requires regulatory certainty

Regulatory certainty is critical to incentivise investments in innovative and sustainable substance solutions. Uncertainty around substance authorization procedures under REACH could discourage investments in sustainable technologies. The current authorisation process under the REACH regulation, characterized by lengthy procedures, administrative burdens, and legal uncertainties, significantly inhibits such investments. A streamlined, transparent, and predictable authorisation system is essential to sustain Europe's innovative edge and global competitiveness.

To address the challenge of regulatory certainty, ASMoR recommends improving REACH by introducing dynamic risk management option analyses (RMOA). This system evaluates safe uses, analyses potential alternatives, takes into account essentiality considerations if necessary and appropriate, and develops risk management options systematically. By embedding a dynamic prioritization process within RMOAs, authorities can streamline resources effectively and prioritize risks, significantly reducing administrative burdens. This fosters a transparent, predictable, and efficient regulatory environment conducive to innovation. Please find our dedicated paper on this topic [here](#).

Conclusion

ASMoR members believe Europe's chemicals regulatory framework must prioritise safe chemical use while fostering innovation and maintaining competitiveness. By adopting a balanced, risk-based approach and ensuring regulatory predictability, industry in Europe can reinforce its position as an attractive hub for chemical innovation and manufacturing, supporting its strategic ambitions for a sustainable, resilient, and competitive future.

About us:

The Alliance for Sustainable Management of Chemical Risk (ASMoR) is an alliance of more than 30 organisations. It covers a wide variety of critical sectors throughout the European value chain and represents 20 million companies through the membership of its members, with a vast majority of SMEs. The common goal of ASMoR's members is to ensure that safe uses of substances remain permitted.

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