

Ceramics

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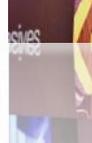
Roof Tiles & Bricks



Floor Tiles



Refractories



Glazes



Glazes



Floor Tiles



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# CEPS Cumulative Cost Assessment of the EU Ceramics Industry - Final Workshop

*Analysis of the findings related to Environment and Internal  
Market for Chemicals Policy*

*Brussels, 30 October 2017*

**Cerame-**  
**unie** The European Ceramic  
Industry Association

# Analysis of the findings

- ❖ Main regulatory costs related to these policies
- ❖ Key findings from the CCA on Environment and Internal Market Policy
- ❖ Impacts on the ceramic industry analyzed in the CCA
- ❖ Cerame-Unie policy recommendations

# Types of regulatory costs identified – internal market



Direct costs include only administrative burdens, associated with the duty to communicate information to downstream users and workers, for example on safe use and disposal placed on packaging.



No direct charges or substantive compliance costs were detected.

# Types of regulatory costs identified - Environment



The costs associated with the Industrial Emissions Directive are still largely administrative in nature, although this regulation is associated with upfront investment costs to improve the environmental performance of the installations.



Costs of compliance are also substantive namely: investment costs, such as the resources invested in the retrofitting of plants and/or in the adoption of more environmentally friendly technologies; financial costs, which are by the opportunity cost of the capital invested; and operating costs, such as the incremental expenses associated with environmental protection measures.

# Key findings from the CCA on Internal Market

The main costs related to the REACH legislation are direct, and due to the potential substitution costs.

The CLP legislation does not raise significant costs for the companies.

For the workplace legislation, the costs incurred are mostly related to compliance costs. Those costs remain relatively low.

# Key findings from the CCA on environment

The main costs associated with the regulations covering the environmental legislation are associated with paying consultants to carry out the relevant monitoring and applications for permits.

To comply with the Industrial Emissions Directive, there are some other direct financial costs associated with capital investments in the installations.

The cost of complying with environmental legislation varies across the different sectors of the ceramics industry. Relative to production costs, these are manageable and not exorbitant.

# Impact on the ceramic industry – internal market

For bricks and roof tiles, and ceramic tiles the REACH regulation represents a very minor cost.

Direct regulatory costs of the REACH Regulation for bricks and tiles are estimated to be €0.01/tonne of production output in a typical year at the EU level and is only associated with administrative burdens but not direct charges.

Direct regulatory costs associated with the REACH regulation for producers of fired refractories is €1.77/tonne of production), which still is largely made up of administrative costs, with only a very small share of direct charges paid to ECHA, which were only reported in a few cases.

The CLP regulation requires companies to classify, label and package hazardous chemicals appropriately before placing them on the market.

This regulation does not generate significant regulatory costs for the majority of ceramic producers. It is relevant for producers of fired and unfired shaped refractories.

# Impact on the ceramic industry - environment

The IED incurs specific direct costs through the administrative workload associated with obtaining and renewing permits from national or local authorities, as well as the burden of monitoring and inspection requirements.

The IED is also associated with direct compliance costs associated with preventing and controlling emissions. These include investment costs, financial costs and operating costs. Average regulatory costs generated by environmental legislation for the bricks and tiles sector were €0.73/tonne of production, with dust and fluoride filters and wastewater treatment systems reported most commonly.

Regulatory costs related to environmental regulation represents the largest share of regulatory costs for fired refractory, a sector for which this trend is growing faster since 2011.

The IED is perceived by the industry as having triggered investments in retrofitting of plants and/or in the adoption of more environmentally friendly technologies such as electrostatic precipitator, filter, kiln improvement, etc.

Only the unfired shaped refractory sector was found not to be affected by the Industrial Emissions Directive.

# Key Cerame-Unie policy recommendations

## Industry level playing field

- It must be ensured that the **European energy-intensive industries**, such as ceramics, highly sensitive to the energy and carbon prices, are provided with **an equal level playing field and not at disadvantage** when comparing with their global competitors.
- Due to the very nature of the CCA methodology which is looking only at the past and at regulatory costs, some policy areas which are key to the ceramic industry are would need further investigation.

## Internal market on chemicals

- A harmonized implementation of worker's safety and health legislation would allow a level playing field throughout the industry
- NEPSI efforts for respiratory crystalline silica lead the ceramic sector to control and prevent the risks for employees while allowing a level playing field throughout industries. NEPSi should be the technical reference while addressing employer obligation on respiratory crystalline silica in EU policy.

## Environment

- Costs related to the IED are generally administrative. It must be ensured that the overall costs do not become disproportionate by setting fair emission limit values in the upcoming revision of BAT-BREFs.
- it is important to ensure transparency in the processes as well as information sharing throughout sectors

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Thank you for your attention!

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