

BASA Bulletin

For Members of the British Adhesives and Sealants Association

Issue 61 February 2011

FIVE STAR SWINFEN FOR AGM AND INDUSTRY LUNCH

We look forward to seeing you at our 2011 Annual Industry Lunch and 28th Annual General Meeting of the Association on Tuesday 8th March. This year we return to the five star Swinfen Hall Hotel, Swinfen, Nr. Lichfield, Staffordshire.

The AGM will start at 10.15am (Registration with coffee from 9.30am) and will be followed by the presentation of the Max Kochmann Award for services to BASA. Following the award there will be three pre-lunch speakers including:

OAMPS UK Ltd will introduce a new BASA service aimed at cutting members corporate insurance costs. Leading insurers want more business from our sector and Andrew Dear will explain how his company, as a BASA member, plans to develop a sector scheme that will deliver the right product at the right price.

Paul Burr of WYG Environmental will tell us more about the benefits of ISO 14001 and the BASA sector scheme (see also page 3).

And Bank of England Agent Graeme Chaplin will provide an overview of the role of the Bank. He will explain how the Monetary Policy



Committee sets interest rates to control inflation and the vital role that regional intelligence plays in that process. Along the way, he will describe the Bank's latest forecast for the UK Economy and the risks around that outlook.

Following the meeting there will be our popular Annual Industry Lunch with guest speaker Roger Martin-Fagg. Those who have heard him before at our 2008 Industry Lunch or at last year's European Adhesives Conference will know he is not only

informative but also highly entertaining. Always provocative as well as thought provoking Roger's theme this year is "The economic outlook: slumpflation, stagflation or business as usual?"

Tickets for the three-course lunch with wine are £78. For more details call the BASA office Tel 01909 480888.

Roger Martin-Fagg column – see page 11. □



euofins - Test Discounts for Members

One of Europe's leading testing consultancies, new BASA member Eurofins Product Testing A/S, is offering a special BASA discount to all members requiring testing services in 2011. The saving will apply to the first order placed. For more information contact Reinhard Oppl email ReinhardOppl@euofins.com or see the BASA website.

The growing interest among regulators in EU member states about the impact of construction products on indoor air quality is one of a number of areas where member companies find themselves faced with additional costs to bring products to market. Testing for a wide range of emission or migration values is becoming an essential requirement of supplying to an increasing number of sectors.

In construction most attention is being given to controlling VOC (volatile organic compounds) and formaldehyde emissions. But, while progress is being made on harmonisation of test methods, agreement is still some way off for evaluation and limit values.

VOC emission tests include: Indoor Air Comfort and Indoor Air Comfort GOLD testing and certification; Compliance testing for EMICODE, AgBB/DIBt, Blue

Angel, French regulations, AFSSET, M1, ecolabels, Decopaint Directive; German Ü mark certification; Compliance testing for LEED, BREEAM, HQE, CA Section 1350, FloorScore, BIFMA, SCAQMD rules 1113 and 1168 and in line with CRI Green Label Plus.

Elsewhere, there is a growth in testing for chemical migration: into food (from packaging), drinking water, skin; for toys and other consumer products there is EU Directive / EN 71 parts 9 – 11 and CPSIA; for MDI containing products there is the requirement for the chemical of protective gloves (Permeation) and there is a growing requirement for chemical trouble shooting and problem identification.

Meanwhile, REACH is becoming a new regulatory minefield for downstream users, manufacturers and importers of products ("articles") and retailers. Areas of concern include SVHC testing in articles; Safety Data Sheets; GHS/CLP; the MAL code and the Danish Product Register.

For more information, visit: <http://www.product-testing.euofins.com/galten.aspx> □

AGM produces R&D Tax Credit



We always try to offer members useful, as well as interesting, speakers at our premier business event. One of the speakers at last year's AGM and Industry Lunch gave a presentation about tax credits for research and development. The 15-minute talk covered the legislation and how to go about claiming for a tax credit.

It was certainly food for thought - following the event Hodgson Sealants made a successful claim going back for three years using their own resources and a little help from their accountants. The total amount of tax credit reclaimed was in excess of £15,000.

Charles Hodgson, Director of Hodgson Sealants, commented: "I always seem to learn something new and important at the BASA AGM and Industry lunch – and this year was no exception. This saving alone has covered the annual cost of membership many times over! We look forward making a claim for an R&D tax credit every year from now on". □

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JAMES IGOE

Your Chairman Writes

Now more than a month into the New Year further price increases continue to be announced by the raw material suppliers and a force majeure declared, so there appears to be no change from the position in 2010. I spoke about the steep rise in raw material prices and supply/allocation issues back in May 2010 and it appears that these will continue to challenge us for some time ahead.

Every time you pick up a newspaper or switch on the television the news about Government cut-backs, the increase in VAT, inflation figures, to name but a few, all jump out at you. Recently we also had

the unemployment figures showing that UK unemployment rose by 49,000 to almost 2.5 million. The most worrying aspect of this to me is the youth unemployment where one in five 16 to 24 year-olds is now out of work. This should be a major concern for all of us.

If we are all not careful we will talk ourselves into a further recession, never mind a personal depression.

There is some good news, though, if you look hard enough. The CBI's latest quarterly industrial trends survey revealed an increase in both output and orders for the last quarter. The CBI report was positive about a recovering manufacturing sector that has been boosted by orders from overseas. It also reported that the number of firms that were working below capacity had fallen

and manufacturers' investment intentions have strengthened. Even in the most difficult of times there are opportunities to be found and it is the successful businesses that are continually looking forward and not dwelling on the negatives.

Further good news is that you have the benefit of belonging to an active trade association in BASA that is continually providing initiatives to help the members, and you will find some of these covered in this edition of the Bulletin. Through BASA it is now possible to obtain ISO 14001 accreditation for about half the usual cost. The BASA Handbook continues to be a mine of information for members. Our Technical Working Groups are doing great work on your behalf (but we still need more volunteers to serve on them!). Through its excellent contacts with Government departments and FEICA, BASA has a strong voice when legislative changes are being planned. We also provide you with economic updates and forecasts and excellent networking opportunities.

Our AGM will have more good news about how BASA is working on your behalf. Alongside excellent speakers from the Bank of England and our favourite economic advisor, Roger Martin-Fagg, we will be announcing a major initiative designed to help you cut your company insurance bills and perhaps cut your subscription to BASA – now that is value for money!

I am looking forward to a busy year with the AGM, sports day, technical forums and the Dinner and Dance. I hope to see as many of you as possible in 2011 during the course of these events. ■



Secretary's Notes John Murdoch

e-mail: secretary@basaonline.org

Raw Shocker

These are not the easiest of times to be a manager in industry, with reports and forecasts about the economy coming out virtually every week, and often offering conflicting information.

There is the possibility of a double-dip recession (forecast by Roger Martin-Fagg in this bulletin as long ago as 2009) set against recent positive growth figures for manufacturers. Roger's latest report on the economy in this issue makes interesting reading, as does that from Glenda Thisdell concerning raw materials (Page 10).

Cefic's own forecast is that expansion in the European chemical industry will moderate in 2011 (+2.5%) after double-digit year-on-year growth in 2010. But chemicals output levels forecast for the end of 2011 will remain well below the peak levels reached in 2007. Perhaps a contributing factor to the current price spiral.

BASA has issued a number of news releases to the end-users trade press about the unprecedented spate of price rises and raised our sector concerns with

Government. At a meeting last December with representatives of BIS, I outlined the strong concerns especially about the lack of production capacity in the European market for a number of key raw materials. The sentiment is shared by a majority of the chemical user associations in the UK.

Come Dine with Us

You can get the very latest economic insights at our AGM and our Industry Lunch on 8th March with both the Bank of England and Roger Martin-Fagg speaking. We have a five star venue and ticket prices are significantly cheaper than last year. I hope to see you there.

REACH Fears

It is early days but I am already receiving reports of some raw material suppliers choosing not to register our use for some speciality chemicals. It's a lesson not to be complacent – see Lisa Allen's excellent REACH Update on page 4.

An End to Gold Plating

In December the Secretary of State for Business, and Chair of the Reducing

Regulation Committee, Vince Cable set out a series of new principles that the Government will use when introducing European measures into UK law. These will end so-called "gold-plating" so that British businesses are not put at a disadvantage relative to their European competitors.

The key to the new measures will be the principle of copying out the text of European directives directly into UK law. The direct 'copy out' principle will mean that British interpretations of European law are not unfairly restricting British companies.

The new measures are part of a wider Government policy to tackle EU regulations at the source. Government will be talking with business organisations about the European Commission's plan for future legislation, working closely with other European countries to make sure that regulations work well on the ground and improving how evidence is used by the European Parliament and Council.

BASA welcomes this move and with your help we will be making our voice heard with the appropriate government authorities. "We need our industry to be part of the powerhouse for economic growth and among the most competitive in the world. The way we implement our EU obligations must foster, not hinder, UK growth by helping British businesses compete with their European neighbours" so says the government spin – we shall see. ■

ISO 14001 programme starts in May

As headlined in our October issue, BASA has teamed up with leading environmental consultancy WYG to develop our own sector scheme to enable members to cut costs and become certified to the most widely accepted environmental standard: ISO 14001. The scheme will utilise the popular BS 8555/Acorn phased approach to Environmental Management System (EMS) implementation, thereby providing a clear route map to ISO 14001 for BASA members.

We ideally need 10 companies to start the pilot project. So far seven companies are close to signing up, and following requests from more members, we will be starting the pilot programme in May 2011.

The 12-month programme will allow each participant to implement an EMS and then become certified to ISO 14001. The project includes attendance at a series of six training workshops together with a number of site support visits and provision of detailed sector-specific guidance notes and templates.

By summer 2012, the 10 participants will be certified to ISO 14001 and BASA will have its own sector-specific EMS support programme that later members can buy into. The cost for participation in the pilot project is £3,000 (+VAT) per company. The same package of support offered on a single company basis would cost approximately £6,000, so the BASA project represents a 50% saving for members.

Interest in sustainability and the adoption of an EMS has never been greater. Members with ISO 14001 report significant cost reductions in their operations feeding directly into the bottom line while the enhanced rating given to a company's environmental credentials contributes to improved sales performance. To sign up for more information or to reserve a place, please contact:

Paul Burr on 07771 807873
paul.burr@wyg.com or
Heather Gallagher on
07795 646338
heather.gallagher@wyg.com,
or go through the BASA office
or website. □

COMPANIES & PEOPLE

BASA welcomes new members:

Full member **BRITANNIA ADHESIVES LTD**, Brentwood, Essex, manufacturers of water based adhesives.

Full member: **GORILLA GLUE (EUROPE)**, Chorley, Lancashire, manufacturers of PU, epoxy, cyanoacrylate and PVA adhesives.

Full (Supplier) Member: **EUROFINS PRODUCT TESTING A/S**, Galtorn, Denmark, Chemical testing services including VOC emissions, substance migration and forensic testing

Full (Supplier) Member: **PARAGON MATERIALS**, Bardon Hill, Leicestershire. Suppliers of white cement, GGBS and PFA.

BASF CONSTRUCTION CHEMICALS

Has changed the company name to BASF plc Construction Chemicals. □

BOSTIK LIMITED

Geoff Jackson has been promoted to the new position of General Sales Manager for the Construction Division. □



CRODA

Kirsty Schofield has been appointed Sales Manager for Croda, Coatings & Polymers, UK and Ireland and is based at Croda's headquarters in Cowick. Kirsty was previously the Adhesives Sales Manager for Vinamul Ltd in the UK and an active BASA member. □



NEW POLYOL

Croda has introduced its fully bio-based Priplast polyester polyol building blocks for polyurethane applications. The new 100% bio-based Priplast range has been developed to meet the industry trend towards bio-based materials without compromising on performance.

For more information visit www.croda.coatingsandpolymers.com. □

DKSH

DKSH's Business Unit Performance Materials, a leading distributor of specialty chemicals and ingredients, has appointed Dr. Natale Capri as global Head of its Business Line Specialty Chemicals Industry. □



DOW

Mark Bradford has joined Dow Packaging & Converting (formerly Rohm and Haas Adhesives) as Account Manager, covering UK, Ireland and Scandinavia.



The Dow Chemical Company has become a Worldwide Olympic Partner and is the official "Chemistry Company" of the Olympic Movement through to 2020. □

EASTMAN CHEMICAL UK LTD

Has completed an expansion of its Benzoflex™ plasticizer line at Kohtla-Järve, Estonia. The expansion increases Benzoflex capacity by 11,000 metric tons at the site. □

EUROFINS PRODUCT TESTING A/S

Is offering testing discounts to members. The company provides VOC emission chamber testing

with largest capacity worldwide, ISO 17025 accredited. Eurofins Product Testing A/S is the only laboratory for VOC emission testing of construction products and furniture that is approved by many organizations on both sides of the Atlantic. See main story pages 7 and 8. □

F. BALL AND CO. LTD.

The company's new manufacturing facility and training centre were officially opened by His Royal Highness The Duke of Kent when he visited the company's Staffordshire headquarters in October. The visit also marked the beginning of the company's 125th year. □



HEXION SPECIALTY CHEMICALS UK LTD.

Has changed its name to Momentive Specialty Chemicals UK Ltd. □

INSTARMAC GROUP

Has installed a £180,000+ high density storage investment, to assist in increasing the company's productivity efficiency and volumes. □

IPS/HOLDTITE

IPS Structural Adhesives Corporation, of Durham, NC, USA, maker of Weld-On® branded products, has acquired Holdtite Adhesives, Ltd. of Newcastle, UK. □



ITW

Matthew Savage has joined ITW Performance Polymers Europe as an R&D Chemist. Matt previously worked for Alchemie. □



NEWPORT INDUSTRIES

Has launched a new tackifier resin; H-Rez 4100. This is a modified aromatic hydrocarbon resin and may be thought of as an alternative to Norsolene M1090. □

PERSTORP

Steve Woods is now the Strategy & Development Director, Caprolactones, at Perstorp UK Ltd., following the departure of Stewart Derbyshire. □

YULE CATTO & CO PLC

Has agreed to acquire Polymerlate from Tower Brook Capital Partners. The transaction is expected to be complete during Q 2, 2011. See Adhesives on the Move page 10. □





REACH UPDATE



2300 Dossiers

60% CMR's Registered

Candidate List

Reach & LAPC

RR £258.75

Seminars

Candidate List

ECHA added eight substances to the Candidate List for Authorisation on 15th December 2010, including two solvents: 2-Methoxyethanol and 2-Ethoxyethanol.

Chromium Trioxide is to go on the SVHC list, which could be a problem for the aerospace industry and adhesive bonding. It also confirmed that DiBP (already notified as a SVHC) will be subject to authorisation under REACH.

Eurostat has, in collaboration with the services responsible for environment and for industry of the European Commission, published a baseline study, providing a set of indicators that will monitor the effectiveness of REACH. Visit: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Chemicals_-_Monitoring_REACH_with_indicators □

REACH + LAPC

Guidance has been issued by DEFRA about the very limited implications for Local Air Pollution Control regulation under REACH. It will appear in the next revision of the General Guidance Manual. The guidance has been cleared with the Environment Agency.

The DEFRA LAPC contact details are at <http://www.DEFRA.gov.uk/environment/quality/pollution/ppc/index.htm>

Full guidance is available on the BASA website. □

The first registration deadline is over and it's now time to communicate

says Lisa Allen, REACHReady Technical Manager



December 1st 2010 was perhaps the most important date in this year's calendar for the many thousands of companies supplying chemicals in the EU. Not only was it the day after the first REACH registration deadline, but it also saw changes to safety data sheets under REACH and a host of new duties under the Classification, Labelling and Packaging ("CLP") Regulation.

Under the REACH regulation, companies must submit registration dossiers covering each use of the chemicals they sell in the EU. This month's deadline was for high tonnage and hazardous chemicals and saw more than 23,000 registration dossiers submitted covering more than 3,000 substances. With this significant milestone came a huge amount of work and those that have passed this first hurdle deserve to be congratulated.

Many people have asked us at REACHReady why the numbers fell some way short of the 4,700 substances that were expected to be registered in 2010. At the moment the best we can do is to make some assumptions as to why the numbers don't add up. A quick inspection of ECHA's public list of what has been registered compared with what was expected to be registered in 2010, reveals that:

- Several of the missing substances have been swept up under other EU numbers as a result of the sameness discussions within the SIEFs or may well now be judged as exempt. These include many sugars, petroleum and coal distillates, natural extracts as well as many residual substances listed as slags and slops.
- Of the 1,000 known CMRs on ECHA's list (and listed in Annex VI to the CLP regulation) that could have been registered this year, it looks as though only 60% were actually registered. Presumably the remaining 400 were either out of the scope of registration (either less than 1 tpa or used in an application outside of the scope of registration), have subsequently been withdrawn from the market as a result of REACH, or have failed to be registered in time.

We are eagerly awaiting the release of final registration numbers once the submitted dossiers have been processed by ECHA. Only then will we know the extent of the disruption that any failures to register may cause, just at the time when many of you are experiencing escalating costs and shortage of supply.

Missing the deadline means further manufacture or import of the substance by that company is illegal – "No Data, No Market" – until a complete registration is in place. A question REACHReady was asked by formulators quite frequently in the run up to the deadline is "*what happens if my supplier missed the deadline?*". Coming from a background as a formulator myself, I empathise with these concerns but can offer some reassurance: a missed registration deadline does not mean a formulator's business must stop on 1st December. Things might not be "business as usual", but existing stocks of the substance held by the formulator before the

registration deadline can be used and supplied legally. In addition, although the supplier of the unregistered substance is not allowed to manufacture or import it after the deadline they are still able to supply stocks to their downstream customers. So whilst this provision does not solve longer-term concerns of product continuity, it at least buys some time for formulators to work out their best option – which might include anything from gently(!) encouraging their supplier to register, sourcing from an alternative supplier, replacing the substance with a registered alternative, or even importing it and registering themselves.

For companies who did register in time the celebrations have been short-lived as they turn their attention to communicating the output of all the hard work by updating company Safety Data Sheets. Safety Data Sheets (SDSs) are an essential part of the communication process under REACH; as the first registrations are completed any new information about the properties of the substances may also need to be added to the SDS, and exposure scenarios covering the uses of the substance included in an annex.

But that's not all. From 1st December the new Annex II to REACH also came into force which revises the format of the SDS not only for those substances registered this year, but for ALL circumstances where there is an obligation to provide a SDS – hazardous substances and mixtures alike.

The new safety data sheet is very different – some estimate it will grow to 20-30 pages (*excluding* the Annex). Perhaps the most difficult part is understanding the complex transitional arrangements as REACH replaces the older SDS legislation.

Specifically to help formulators get to grips with these changes, REACHReady is running a SDS workshop in Manchester on 1st March (http://www.reachready.co.uk/NewsEvents.php#sds_mixture) exploring the requirements and how to meet your obligations, with a discount available for REACHReady Gold subscribers.

Many members have signed to the BASA-REACHReady service but all are entitled to the discount available for the REACHReady Gold subscription – One year's subscription to this valuable help and advice line is just £258.75 plus VAT.

It is easy to sign up simply visit www.reachready.co.uk and register for the Gold Service. For more information visit the BASA website or contact the Secretary. □

• TECHNICAL WORKING GROUP REPORTS



TECHNICAL STEERING COMMITTEE

Chairman: Trevor Clarke

Council has reviewed the report presented last October regarding the number of posts remaining unfilled in the technical working groups reporting to the Steering Committee. Council agreed that the need to fill certain positions with knowledgeable members is becoming critical if we are to maintain and continue to develop the service we offer members. A notice with details of the exact requirements needed will be circulated this Spring and I urge all senior managers to give the request their fullest support – supporting a working group brings benefits to BASA, the individual and the company.

The demands from European organisations and national government bodies continues to increase as they strive to try, often parochially, to meet what they interpret as the implementation of EC regulations as they continue to expand. This country-by-country approach is over-complicating the local regulation(s) and a 'level playing field' is increasingly difficult to maintain. The example given last time was the need to create a new FEICA Task Force to recommend the industry's position in 'Eco-labeling' to assist European builders' merchants, DIY chains and supermarkets to agree a common position before this develops further, without co-ordination! This WG has now been established with little representation from BASA due to the shortage of manpower.

REACH became a reality in law from 1st December 2010 with little help for downstream users from ECHA but with a significant threat of legal consequences from the UK's HSE (the overseeing body) should they find any company operating outside the regulation after that date. BASA is still participating in UK discussions to try and clarify what this means in reality and how members can comply before upstream suppliers of raw materials complete the next stage of the process! The Secretary is to attend a government seminar on the subject in March. Subject to

members' interest, BASA will hold a 'REACH - What Next?' seminar in late spring 2011.

Three or four members have signed sign-up and more are ready to join the BASA initiative to assist in the acquirement of ISO 14001 Environmental Standard. It is believed many members already have this standard or are about to achieve it under other initiatives. BASA is therefore well on the way to leading the membership towards the professional standard that was set as a future condition of membership by Council two years ago.

The dissemination of the FEICA 'Migresives' study, following the two successful training sessions held in the UK in 2010, remains clouded with uncertainty as to whether or not users stay with industry-developed software or purchase commercial software, which will continue to be 'supported' in the future by issue of new versions as required. The debate continues and we expect clarity from FEICA in a few weeks time.

The UK Food Retailers remain unimpressed with the industry's slow response to the very adverse UK press information following the publication of the Saragossa University data. At this time, there is still no clear plan as to how the industry body defends itself quickly, accurately and thoroughly in the event of such adverse publicity in the future. BASA's Paper & Packaging Working Group is in the process of addressing the issue. BASA's Secretary met with The Food & Drink Federation late last year to establish industry-to-industry discussions about future developments in migration modelling and what is likely to be a growing media interest in this area. Meanwhile FEICA has been prompted by BASA to hold an update in February.

The continuing task to meet the requirement to provide UK responses and input to FEICA, to meet the European Commission on matters of regulation of the use of chemicals involved in the production and use of adhesives & sealants, continues. (See also FEICA Reports page 9). □



BASA TECHNICAL OFFICER

Chairman: Jim Palmer

The BASA technical community has provided UK industry views and positions on a wide range of issues to UK Government and, through FEICA, to the European Commission. Among the more significant issues were:

REACH Implementation

Concern still exists within our industry about the on-going availability of raw materials and the adequate provision of information up and down the supply chain. However, the December deadline has now passed and we await the arrival of the first substance registration numbers and accompanying exposure scenario data.

Substances of Very High Concern (SVHC)

The Danish Environment Protection Agency (Danish EPA) has registered its intentions to prepare a dossier to identify Di (heptyl, nonyl, undecyl)-phthalate (DHNUP), CAS No 68515-42-4, as an SVHC under the REACH Regulation.

BASA members' primary concern is that DHNUP CAS No 68515-42-4 is a UVCB (Unknown or Variable Composition, Complex Reaction Products, or Biological Materials), a mixture of phthalates containing six types of phthalate. Although our sector does not use any DHNUP we do use some of the included phthalates and our concern would be expansion of any restrictions to these substances.

The Danish EPA has commissioned the collection of data about volumes, uses, and releases of DHNUP and potential alternatives to the substance(s). The situation is being closely monitored by the FEICA HAZPRO group.

Organotins

The European Chemical Agency has commissioned an investigation to review the uses of organotins with particular regard to the possible presence of tri-substituted tin impurities in di-substituted tin substances as part of ECHA's work on identifying potential SVHCs. BASA has collated data supplied by members for this investigation.

Biocidal Products Regulation

BASA submitted comments to HSE about the proposals to review and replace the Biocidal Products Directive (BPD) with a Regulation (BPR) raising particular concern about the apparent intention to require the labelling of all biocides in a mixture irrespective of addition level, i.e. no cut off level. FEICA also published its opinion for the Commission, which incorporated the UK views.

There has been no response to the UK or FEICA comments and the draft Regulation has progressed to the first reading stage at the European Parliament. Our current understanding is that our concerns have not been heeded, but we await the publication of the agreed amendments from this first reading. The situation is being closely monitored by the FEICA HAZPRO group.

Indoor Air Quality

Towards the end of 2009 the French authorities notified the EU Commission of a draft regulation for the mandatory labelling, with their emission classes, of all construction products and decorative products installed indoors, based on emission testing. This regulation foresees that from 1st September 2011 any such product newly placed on the market, and from 1st September 2013 all such products will be labelled with emission classes based on their emissions after 28 days, tested with ISO 16000 and calculated for the European reference room.

BASA, along with many other European trade organisations, wrote objecting to these unilateral proposals and in favour of Europe-wide regulation. The French authorities have responded to these objections, but their official response has not yet been published, however, it appears that they are determined to proceed with this national regulation regardless, and it is possible that infringement proceedings will be taken against France by the Commission as a result.

Toxivigilance

The French authorities have also given notice of a national Regulation that will oblige industry to notify information that goes beyond what is demanded by

Article 45 of CLP and does not respect the confidentiality that is granted by CLP. Furthermore, no impact study has been carried out to prove the cost-benefits balance of this proposal. The UK government, prompted by BASA, has submitted comments to the Commission and as a result the standstill period has been extended for the Commission to prepare a dossier.

Ecolabel

As a result of the foregoing and other pressures there are increasing calls for an ecolabel for some, if not all, of our industry products, and in response FEICA has established a working group.

Construction Products Regulation

On 13th September 2010 the European Council of Ministers reached a Common Position (formal agreement between all Member State Governments) on the text of the Construction Products Regulation. This was considered by the IMCO European Parliamentary committee who proposed a further set of amendments in November.

The Belgian Council Presidency team, the Commission and representatives from the Parliament then held informal discussions in December and reached an informal agreement on a further version of the text that all three sides could accept. The European Parliament voted in favour of the new text on 18th January 2011.

This text, incorporating the new Parliament amendments, is available from: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0004+0+DOC+XML+VO//EN&language=EN>

This text has now been passed to the Council and the Commission. The Commission will deliver an opinion and the Council has three months (from now) in which to try and adopt the proposal. Assuming all goes smoothly with this process, then we expect the Regulation to be adopted this spring. Some enabling provisions (see Article 68) would come into force shortly after (so potentially mid-2011) with the

continued on page 6

• TECHNICAL WORKING GROUP REPORTS

Jim Palmer continued

remaining articles (including the key provisions on the requirements to CE mark) coming into force around two years later (perhaps mid 2013).

DEFRA Industry Forum

As previously reported, BASA was invited to become a member, and I attended the first meeting in January, of what may become a reformed Chemical Stakeholders Forum (CSF). At these meetings DEFRA seeks industry views concerning regulatory activity, to discuss a variety of relevant issues, to keep up-to-date industry concerns and to outline current progress and future developments in policy. Meetings will be held at six monthly intervals.

The Forum's focus is predominantly towards Local Authority (LA) enforcement activities, often referred to as Part A2 and Part B processes, as the Environment Agency (EA) is responsible for Part A processes, although, the division of responsibilities between central and local government agencies is under review, driven in part by the coalition government's 'Big Society' and better regulation initiatives. There are mixed views among industry representatives about devolution of enforcement to LAs; some would prefer to deal with LAs because of the close working relationships that can be developed. Others prefer to deal with central government agencies, where the possibility of multi-agency inspections, e.g. EA with HSE, industry specialists, with relevant expert knowledge, and consistency of approach exist. Indeed any suggestions from industry where multi-agency approaches may be beneficial would be welcomed.

DEFRA is responsible for the largest number of regulations among government departments, but claim to have the smallest financial impact on industry, with the majority of these regulations (ca. 80%) driven by EU policies, perhaps stressing the importance of industry consultations like this Forum, where UK government opinions are formed for European consultation processes.

In the 2011/12 review of fees, DEFRA is proposing a 0% increase in LA subsistence charges, focusing on recovering cost, and predicted income from fees. However, it was felt that industry had now achieved as much as is possible in fee reduction by reducing process risk.

A greater emphasis is being placed on regulatory impact assessment accuracy and reduction in the number of regulations as part of the better regulation initiative. There is a trend towards non-regulatory approaches and several industry sectors have been taken out of the scope of the environmental permit regulations by adopting voluntary codes of practice.



BUILDING

Chairman: Neil Sanders

CEN Issues

CEN have recently appointed Mr Fabio Chiozza as the new Convenor of WG12 of CEN/TC 193/SC1, who is responsible for adhesives for wood and derived timber products. He will oversee the work currently underway, including standards such as the maximum open times of wood adhesives by tensile shear strength.

Following the release by the Commission of amendments to mandates mentioned in the last bulletin, Mandate M/136 rev2 'Revised mandate M/136 CEN/CENELEC concerning the execution of standards on construction products in contact with water intended for human consumption has been accepted by the CEN technical board. Although the majority of the work continues to be overseen by

CEN/TC164 WG3, this will be opened up at some point to other technical committees including CEN/TC193 'Adhesives' for their input.

B539 Committee for Tiling has now completed drafting of BS8000 Part 11 Workmanship on Building Sites. BSI will now issue the draft for public comment.

The recent meeting of the BASA building adhesives working group, produced a number of points about Ceramic Tile Adhesives, including the long running issue of the availability, consistency and cost of concrete slabs used for factory production control purposes when testing to EN12004. It was agreed to look into conducting an exercise to evaluate the suitability of locally sourced slabs and will propose this at the next TC67 WG3 meeting.

If anyone is interested in getting more involved in this then they should contact David Longwell for more information. The issue of CE marking and the proposal to harmonise EN14891, Liquid Applied Membranes, was also discussed. This would be preferable to the ETAG Q22, as the cost of testing would be considerably reduced.

For more information on this subject and others, please view the minutes of the BAWG meeting which can be found on the BASA website.

BS8201, COP for the installation of timber and wood flooring, has been subject to a long awaited review after more than 20 years. BSI will be releasing this for public comment within the next couple of months. Revisions have included an update to the terminology as well as the inclusion of new methods and adhesives now being specified. Codes of practice are so important to our industry in ensuring applications are carried out correctly and also help in resolving conflict should it arise and this revision is long overdue.

Stuart Whiteley has recently joined the British mirror committee on screeds and in situ flooring B/507/06. I'm sure his experience in this field will help continue the success of this committee as well as helping to keep us all more informed of developments and activities in an area of interest to a number of BASA members. □



ENVIRONMENT WG

Chairman: Mike Langdon

Packaging Waste Recycling and Regulations

BASA is developing a scheme for the recycling of plastic containers to be operated by Countrywide Waste Management (CWM). Other sector associations including Ferfa and the CFA are pursuing similar ideas and we hope to develop a co-ordinated response for the benefit of all. The aim is to have the scheme up and running before the summer. It involves the collection of containers from sites and contractors' premises by CWM.

Adhesive and other residues are removed in a closed process; the waste is incinerated to provide energy and the plastic is recycled. No waste goes to Landfill. Future schemes are being looked at for metal and paper/plastic mixed packaging. CWM made a presentation at the last OTF and generated considerable interest.

DEFRA has launched a waste review following those in Scotland and Wales, to look at local and national initiatives in addition to EC regulation requirements.

Construction Product Regulation

It is evident that European harmonised standards will eventually require classification covering both emissions of regulated substances, and reaction to fire performance. Options to classify without further

testing may be included, but these will seriously disadvantage a product in the market place and testing will be required to achieve good classification. This will be a significant burden for manufacturers and a barrier to entry for new products.

Indoor Air Quality

Eurofins is offering multiple certification options connected with one chamber test that should be an advantage for companies operating in several countries. (See also Eurofins Test discounts, page 1 and Testing at a glance pages 7 and 8).

TC 351 has produced a working document from the draft standard for indoor air emission testing. However this has not been validated and it is unlikely that this will become a harmonised standard without this testing. With continuing pressure for an Eco labelling scheme, it is hoped that the FEICA working group will be able to produce an acceptable industry scheme based on VOC emissions.

TC 351 have circulated for comment a number of work items including N0329 - Activation of WI 00351006 Construction products - Assessment of emissions of regulated dangerous substances - Determination of emissions into indoor air.

ISO 14001

The BASA scheme and invitations to participate were presented at the October OTF.

The invitation has been approved and the project will begin in May. □



HEALTH & SAFETY

Chairman: Paul Barney

The WG uses the services of a consultant in the supply and transport of dangerous goods. Below are extracts from our Consultant Desmond Waight's latest report, which is available in full on the BASA website.

Special 'Packaging' Systems

Some years ago the Health and Safety Executive (HSE) contacted BASA after it transpired that some adhesive and sealant suppliers were supplying products in pressured containers of around 25 litres in contravention of the Transport of Dangerous Goods (TDG) provisions in the UK and elsewhere in Europe. Desmond's report provides updates about the legal situation.

REACH Annex XVII (RMU)

This was amended by Regulation (EU) No 276/2010. This affects the use of dichloromethane in paints, strippers, lamp oils and organostannic compounds. Desmond's report discusses expected further amendments.

Annex II SDSs

All new or significantly revised Safety Data Sheets (SDSs) created must NOW conform to the new SDS format including mandatory subsections. Compliant SDSs existing prior to 1.12.2010 can continue to be supplied to any recipients but must be replaced by the reformatted version by 1.12.2012 at the latest. ECHA guidance on SDS completion is however not expected until mid 2011 at the earliest. See REACH Update page 4.

2nd ATP to CLP

This was agreed by the Competent Authorities for REACH and CLP (in short CARACAL) and is currently undergoing scrutiny by the European Parliament and Council, before final adoption by the commission and publication probably in late February. The text as agreed by CARACAL (and thus expected in the final ATP) will clarify the issue of pictogram size relative to label size, by clearly specifying that the pictograms

• TECHNICAL WORKIN

minimum size should be 1/15th of the minimum label size of the capacity package. The ATP will however not clarify whether empty red-framed diamonds are permitted, or not. The ATP will make other changes to reflect the 3rd GHS revised Edition. Transition periods for changes are 1/12/2014 for substances and 1/6/2017 for mixtures.

Reporting to Poison Centre

Desmond's report discusses developments regarding poison centres which is expected to add pressure on the United Kingdom to implement these poison centre provisions; which will affect all BASA members, including those operating solely in the UK market.

CLP Notification issues

The requirements for the reporting of substance classifications for the CLP Classification and Labelling Inventory (CLI) started on 1st December 2010. The publication of the CLI itself is scheduled for 'some time' in 2011.

REACH & CLP Test Methods

Regulation (EU) No 1152/2010 was adopted and published in December 2010 adopting new OECD in vitro test methods for ocular irritation.

Transport of Dangerous Goods

ADR 2009

ADR 2009 changes relating to Environmentally Hazardous Substances (EHS) had to be implemented by 31.12.2010. BASA members should be applying the mark as appropriate to goods of Classes 1 to 8, as well as to UN3077 and UN 3082 goods of Class 9.

BASA members should now be advising the carrier of the total gross mass of LQ packages in each consignment. The DfT issued a briefing about this (which reflected the significant help from our BASA consultant). Available at <http://www.dft.gov.uk/adobepdf/165226/460089/ehsmark>.

'2011' Editions

The new Editions (ADR/RID/ADN, ICAO/IATA 2011, and the IMDG Code 2010) can be used from 1st January this year and must be used at the latest by the end of the applicable transitional periods. The ADR 2011 text is now available electronically free of charge on the UN ECE website at <http://www.unece.org/trans/danger/publi/adr/adr2011/11ContentsE.html>. This may save the need to purchase the books (price £100), which have a 2-year life. The online version has the added advantage of electronic searching. There are significant changes to the LQ provisions, with extended transitional provisions. See the May Report on the BASA website.

Explosive precursors regulation

The Commission has proposed a regulation for the marketing and use of explosives precursors that, if adopted, will inter alia require BASA members to report to the Competent Authority (CA) "suspicious transactions" and "significant thefts" involving inter alia acetone, inclusive of when present in a mixture, and also non-scheduled substances that will appear, on a yet to be developed, Commission list. □



SEALANTS Chairman: Lorna Williams

CEN TC 349:

TC349 is currently preparing a reply to the mandate, to deal with a couple of remaining issues (why strips will not be covered (i.e. non-paste products) and also the position regarding sealants for partition walls). The recent Convenors meeting in Paris with the new CEN Consultant was very positive, and the Annex ZA proposals leading to CE marking are almost complete. The Commission decision regarding the attestation of Conformity for the harmonised standards was published in the official journal on 14th January 2011 confirming the previously advised level 3 for most applications (external testing required for initial type tests), apart from indoor applications for walls and partitions which are level 4. As yet we have no standard for sealants for partition walls (which will cover decorator's caulks) however there is an expectation in the mandate that this will be covered at some point. This will need to be closely monitored to avoid expensive testing in a low margin market that is little more than flexible filler in many cases.

VOC Emissions:

With the introduction of a harmonised standard, VOC emissions (and other regulated dangerous substances) will need to be dealt with in annex ZA of each standard. Full compliance with this essential requirement may be delayed whilst the current proposed method under TC351 is validated. There is a risk that this may allow national 'voluntary' labels to drive the process, so it would be better if it was possible to establish generic classes that can be claimed on the basis of composition, and only require emissions testing if manufacturers wish to declare a higher class. Members of the working group still feel that a calculation method should be available (similar to the decorative paints directive) with chamber testing only required if manufacturers want to declare a lower emission (calculation is likely to give an overestimation of TVOC).

Packaging Waste

It is the intention to look at this aspect in 2011, as the responsibilities for dealing with things like used cartridges and the increased pressure to reduce landfill and to move to a recycling approach continue to build. A joint approach with the build adhesives working party is planned. BASA member companies who are not currently members of the Sealants working group, but have an interest in this subject are encouraged to make contact with me and join the task group that will be set up. See the Environment WG Report.

Fire rated sealants

There are still no commercial paste sealants CE marked under ETAG026, despite the indications from a variety of sources that this was/would be required. It is likely that without a harmonised standard there will not be a wholesale move to CE marking, and it is also likely that elastic sealants will not be able to meet the more expensive dynamic test requirements. We hope that the situation can be clarified in 2011. □

NATIONAL REGULATION UPDATE



By Reinhard Oppl, Eurofins Testing S/A

German AgBB requirements and DIBt approval system ("Ü mark")

German DIBt approval according to AgBB VOC emissions testing and evaluation is increasingly required for construction products, including all kinds of floor covering, parquet adhesives and parquet coatings; all floorings adhesives from 2012; resin floor coatings; sport floors; wall coverings.

Without approval, which is shown by the "Ü" mark on the product, these products can be sold in Germany, but they must not be installed in any room meant for long-term human use, irrespective of whether such rooms are located in public, commercial or private buildings.

Evaluation for compliance with AgBB VOC requirements involves three and 28 day tests in a ventilated test chamber. This includes limit values for TVOC, TSVOC, carcinogenic compounds, individual VOC LCI values, and the sum of both VOCs without assigned LCI and not-identified VOCs. Testing is performed using the DIBt test method which is similar to ISO 16000 parts 3, 6, 9 and 11. Results are calculated to the European Reference Room as specified by CEN TC 351 WG 2.

Along with the test report, companies must deliver a precise formulation to the DIBt approval body, and have a five year contract for auditing and certification.

French regulations

Emissions of four CMR compounds have been limited for construction products and decorative products used indoors since 2010: Benzene, trichloroethylene, dibutylphthalate (DBP) and diethylhexylphthalate (DEHP). Emissions must not be higher than 1 g/m³ if tested in accordance with ISO 16000 parts 3, 6, 9, 10 and 11. Results are calculated to the European Reference Room as specified by CEN Technical Committee (TC) 351 Working Group (WG) 2. Testing is needed only if you do not have any other information available supporting absence of these substances. No labelling is required.

Compulsory labelling is planned for all construction products and decorative products with VOC emissions used indoors. This regulation has just been signed and will be published in spring 2011. The regulation will require that all products must be sold in France with a label. There is a 1 year transitional period for existing products and three years for all other products. Products with high emissions will not be banned; but they must be labelled as such. Labelling will be by self-declaration by the manufacturer. Testing is only required if the manufacturer does not have information demonstrating absence or if the products have sufficiently low emissions of the limited substances including TVOC.

The classification involves two sets of emissions classes - one containing a list of 10 individual VOCs, of which formaldehyde is the most important challenge, and one for Total VOCs (TVOC). The highest ("worst") of the individual emissions classes determines the overall emissions class. All this relies on emissions after 28 days in a ventilated test chamber. Again, any testing is performed in accordance with ISO 16000 parts 3, 6, 9, 10 and 11, and results are calculated to the European Reference Room.

AFSSET guideline has been discussed for a while, but this has not received any legal status and remains just an opinion, even though it is sometimes required for public buildings and for sustainable building projects (HQE).

continued on page 8

News in Brief

SEVESO 11 REVISION

The European Commission presented draft legislation on 21 December to strengthen rules for the control of major accident hazards involving chemicals. The revision of the so-called Seveso II Directive will align the legislation to changes in EU chemicals law and will clarify and update other provisions. This includes introducing stricter inspection standards and improving the level and quality of information available to the public in the event of an accident. The new Directive should apply from 1 June 2015. For further information, visit : <http://ec.europa.eu/environment/seveso/review.htm> □

UPDATE OF THE MANUAL OF DECISION FOR THE BUILDING PRODUCTS DIRECTIVE

See http://circa.europa.eu/Public/irc/env/bio_reports/library?l=/manual_decisions/mod_06_01_1_1pdf/_EN_1.O_&a=d

Among the new items are mould-proof sealant and preservatives for building materials (ceramic tiles adhesives; silicone sealing compounds.) □

GREEN CONSTRUCTION CODE

The International Code Council (ICC) has released a draft update to its International Green Construction Code which it expects to finalise by November 2011. The document can be viewed at <http://media.iccsafe.org/IGCC/docs/IGCC-PV2.doc>. □

BIOCIDAL PRODUCTS

Political agreement was reached by the EU Council in December concerning the placing on the market and use of biocidal products. Full details can be found at <http://register.consilium.europa.eu/pdf/en/10/st17/st17474-ad01.en10.pdf> □

UK H&S REPORT

The Lord Young review of health and safety, 'Common Sense - Common Safety' makes recommendations for improving the way health and safety is applied and tackling the compensation culture. Visit: <http://www.hse.gov.uk/> □

GHS REPORT

The report of the Sub-Committee of Experts on the Globally Harmonized System of Classification and Labelling of Chemicals, on its twentieth session in December 2010, can be viewed at: <http://www.unece.org/trans/doc/2010/ac10c4/ST-SG-AC10-C4-40e.pdf> □

FOOD CONTACT - FACET

A useful paper entitled FACET: providing an integrated and holistic approach to the exposure assessment of food chemicals has been published in the British Nutrition Foundation *Nutrition Bulletin*, 35, 340-347 by Á. Hearty, UCD Institute of Food & Health, University College Dublin, Dublin, Ireland. □

BISPHENOL A

The Commission Directive 2011/8/EU amending Directive 2002/72/EC as regards the restriction of use of Bisphenol A in plastic infant feeding bottles has been adopted and was published on 29 January 2011 in the Official Journal. Go to Eur-lex: <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2011:026:SOM:EN:HTML>. □

Food Contact – Plastics Implementation Measure (PIM)

31/12/2012:

Directive 85/572/EEC is amended so that its Annex is replaced by a reference to the Regulation for the list of food simulants.

1/1/2013:

Products on the market before 1/5/2011 now also need to comply with the Regulation. For existing and new products alike, for compliance testing there is a choice to use either the old testing regime (from 2002/72/EC) or the new one (from the Regulation) for a transition period of three years.

1/1/2016:

All compliance testing now needs to follow the new testing regime. The supporting documentation and the resultant statements in the DoC can no longer be based on the old testing regime (except of course when nothing has changed).

The regulation was published in the Official Journal of the EU on 15 January. When it comes into force on 1st May 2011 the following three Directives will be repealed - 80/766/EEC, 81/432/EEC, 2002/72/EC. □

The European Commission has been updating and consolidating regulations related to plastics in contact with foodstuffs (known as the Plastics Implementation Measure or PIM).

PIM is expected to be one of the biggest changes to EU food contact legislation since the 1990s. The Measure has now reached the final stages before becoming a European Regulation. One big advantage of the PIM is that it consolidates all the food contact legislation for plastics into one document.

The Regulation applies from 1 May 2011, but not all provisions become effective at that time. The timetable is as follows:

1/5/2011:

The Regulation starts to apply to 'new products' (new on the market from that date) insofar as the positive list drives their composition, and the Regulation needs to be mentioned on the Declaration of Compliance (DoC). The new compliance-testing regime does not yet apply.

National Regulation Update *continued from page 7*

Other countries

Some other countries are considering establishing their own requirements for low VOC emissions, e.g. Belgium, but nothing had been published by the end of 2010.

Harmonisation

There is no real activity to harmonise legal limit values for VOC emissions at the European level, even though some industries have lobbied for having the same requirements throughout Europe. There is an informal task force trying to harmonize LCI limit values of individual VOCs for Europe, but this work has proved difficult and time-consuming.

Harmonisation is about to take place on testing methods, however. While ISO 16000 parts 3, 6, 9 and 11 were taken as the basic method, CEN TC 351 has put a number of additional specifications and precisions together. The present draft European VOC emissions test method will undergo robust validation during 2011, with an investigation of how a change of some critical testing parameters will influence the test result. Publication as a CEN Technical Specification is foreseen for 2012/2013. Final publication as an EN norm requires some round-robin

tests and will not occur before 2016. A number of CEN product TCs are already waiting for this technical specification for inclusion of VOC testing into their proper performance standards for CE marking.

Future CE marking

The EU Commission granted mandates to several CEN product standardisation committees for establishing tests and performance classes covering the different requirements in EU member states under the Construction Products Directive. The CE mark means that a product conforms to such a norm. In the near future the EU Commission will require that several of these norms also cover VOC emissions into the air. As national requirements are different, and will remain different, most probably there will be defined performance classes under the CE mark that allow sales in the different countries - e.g. one class for Germany, another one for France, etc. The old idea that a CE mark will allow unrestricted sales in the whole EU will no longer hold true under the Construction Products Directive.

<http://www.eurofins.co.uk/media/447459/voc%20product%20emission%20testing%20lead%20-%20en.pdf>



FEICA NEWS

FEICA European Adhesives & Sealants Conference 2011

September 15 - 16 | Valencia | Spain | www.feica-conference.com



Denmark and Holland reorganise

The Danish Adhesives and Sealants Association has merged with the Danish Paint Makers Association to form the Danish Coatings and Adhesives Association (DFL).

The VLK joined the Paint and Ink Dutch Association (VWF) of which the Director is Martin Terpstra and the Regulatory Affairs Manager is Gerrit Jonkers. Cees Lansbergen remains President of the Adhesive and Sealant Dutch Association. □

New BASA Rep for FEICA HAZPRO

Gary Meyrick (Bostik) will represent BASA on the HAZPRO (Hazardous Products and the Environment) Working Group. Gary is also deputy chairman of the BASA Health and Safety WG. □

Migresives Workshop

FEICA has organized a Workshop concerning Migration Modelling for Food Contact Packaging Adhesives on Tuesday 22nd February 2011 from 9:00 to 17:00 at the CEFIC Headquarters, in Brussels.

This workshop will focus upon a troubleshooting exercise to explain the use and the benefits of the MIGRESIVES findings and the specially developed software through real life examples.

The MIGRESIVES research programme examined the potential for using computer modelling to calculate the migration of substances used in adhesive formulations for food labels and packaging materials. It was designed to meet the requirements of European Legislation and standardisation for food contact materials.

After more than three years research, the final results of this project were presented and discussed during a Conference held in Ljubljana (Slovenia) in April 2010 with participants from Europe, USA, Japan and the Middle East.

BASA held its own well-attended seminars last May.

FEICA is continuing to support the implementation and the development of the MIGRESIVES project. The Working Group Paper and Packaging will discuss and develop a strategy to achieve commonly agreed objectives of the project. A significant challenge for mathematic modelling is the lack of sufficient data for certain packaging combinations. □

Biocides

FEICA has been campaigning strongly on this issue with help from BASA and the other national associations as it has been going through the European Parliament. Working with the NAs and other partner associations, the aim has been to change the original article 47 and introduce the idea that only substances that were added with the intention to be released under foreseeable conditions should be labelled. (see <http://register.consilium.europa.eu/pdf/en/10/st17/st17474-ad01.en10.pdf>)

This is not the final adopted text, but rather states the political agreement which determines the Council's position at first reading. The European Parliament voted on its first-reading position on 22nd September. Negotiations between the two co-legislators to finalise the new act are expected to take place after the linguistic revision with formal adoption of the text to be agreed in December.

FEICA WG Minutes

The minutes for all FEICA working groups may be viewed in the members area of the FEICA website. These can be accessed via the link in the Members' Area of the BASA website. □

Eco-labelling – consumer adhesives and sealants – volunteer wanted

The first meeting of the new Environment Criteria Labelling Task Force which aims to advise the ETB/FEICA about how to try and achieve harmonisation of the eco-labelling of consumer adhesives and sealants across Europe met last December. BASA is indirectly represented through the ETB but would like to place a volunteer on the TG. Interested members should call the BASA Secretary. □

WASTE MATTERS



By PHIL CONRAN

www.360environmental.co.uk

Say 'Zero Waste' to someone and it's a bit like saying 'Big Society'. It sounds great, but when you think about it, it is completely meaningless. At the end of the day, whatever process waste goes through to recover value, there will always be some residue. But it is a great catchphrase and is now a firm favourite of the politicians. DEFRA is due to publish the Review of Waste in May. This will be an opportunity to fundamentally change the way that waste is treated to bring it into an integrated low-carbon economy. Whether that will happen or whether once again, it will be tinkering around the edges remains to be seen, but for those in Scotland, radical change is already on the way.

The Scottish Government is currently consulting on new Regulations to deliver their Zero Waste Plan. No longer will businesses be able to go for the 'single bin fits all' approach, but it will force comprehensive change onto waste management. Businesses will, by law, be required to separate paper, plastics, metals, glass, textiles and food waste for recycling. Collection operators will be forced to provide segregated collection services. And there will be severe restrictions on the types of waste that can go to landfill and incineration to ensure that recycling is maximised. Is this a model that we are likely to see forming the basis for England? Is it workable? Regulations can only be effective if they can be enforced and we all know what is happening to Agency budgets. Hopefully, we will be able to summarise the proposals in the next newsletter, but over the next five years all businesses will see perhaps the most radical change we have seen for the last 50 years in the way they must manage their waste.

We have talked before about the new Civil Sanctions powers available to the Environment Agency. These are now effective and the Agency is ready to use them against initially, hazardous waste, packaging Regulations and water resources offences with Environmental Permitting being added in April. Fixed £300 penalties and variable monetary penalties up to £250k are some of the options the EA can consider for offences that don't warrant court action. With reduced resources, it is likely the Agency will look for more self-regulation and reduced visit frequencies with spot checks and their Civil Sanctions powers making up the difference.

Finally, the Packaging Regulations. Many of you will be relieved to know that contrary to proposals put forward in the consultation, the targets set for 2011 and 2012 remain pretty much as they were in 2010 with only steel and plastic rising. There is a suggestion that the Review may see this being revisited for 2012, but with the surpluses we saw in 2010, it is likely that 2011 will see very low PRN prices across the board. If anyone needs a refresher on these Regulations and the complex data requirements, we are running training courses in February on this and Hazardous Waste.

360 Training Events

Packaging Regulations – 9th/23rd February
Hazardous Waste – 16th February
All held at our offices in Sibley, Leicestershire.
Details on www.360environmental.co.uk □



ADHESIVES - ON THE MOVE

by Dr Glenda Thisdell, Editor, Comet g.thisdell@pra-world.com

RAW MATERIAL PRICE INFLATION CONTINUES INTO 2011

Raw material price inflation looks set to continue in 2011, with tight supply and shortages still a problem for the industry.

Suppliers and formulators are reporting shortages of hydrocarbon resins, epoxies, gum rosin and titanium dioxide (TiO₂), while vinyl acetate monomer (VAM), acrylates and styrene remain tight. The shortage of resin in the market means many customers are still on allocation, restricting the amount available to any single buyer.

According to buyers, supply of very light colour, hydrogenated hydrocarbon resins have become very short in the last few months, forcing a 20-30% price increase. Also in the last few months, the feedstock for C5 type hydrocarbon resin, piperylene, has become a particular problem. Prices have climbed around 15% in the last few months to reach a year-over-year increase of around 70%.

Of the three major monomers used in water-based adhesives and sealants, the most important is VAM. Some suppliers expect the price to ramp up another

10% by the end of the first quarter this year. This is on top of hikes at the back end of last year.

The second most important monomer is butyl acrylate (BA), which escalated by around 75% last year, driven by supply side shortage on the back of various force majeure. Suppliers expect the highs of last year to hold or even nudge upward. The third monomer, styrene, could rise another 15% in the first quarter, suggest some suppliers, on top of the sharp increases of last year.

Solvent prices are expected to stay near or at all time highs due to strong demand and limited refinery capacity. Prices could rise by another 7-12% in 2011, says one formulator.

TiO₂ volumes are extremely low and remain difficult to source and nitrocellulose is short due to recent plant closures. Acrylic acid and acrylated materials are under pressure from strong demand in Asia.

Part of the explanation for the current situation is that chemical feedstock producers began 2010 with

depleted inventories and reduced capacities. Falling demand during the late 2008 recession caused many feedstock producers to shut down capacity. The quicker than expected recovery in 2009 and strong demand from Asia has meant supply/demand has become tight to balanced. So any unplanned outages or supply shocks are felt very quickly, resulting in price volatility. For example, when global demand for acrylic monomers and styrene rose last year, demand exceeded production capacity in Europe. This comes on top of moves by ethylene producers away from dependence on oil-based heavy feedstocks. Since it is the oil-based heavy feedstocks that produce the large amounts of by-products (propylene, butadiene, isoprene and resin oils) used as raw materials for adhesives, this also restricts supply.

And, with manufacturers of products such as TV screens and mobile phones scrambling for some of the same raw materials, it looks like competition is going to remain fierce until more capacity comes on line. □

INDUSTRY NEWS

H.B. Fuller: Adhesives sales volume rose in 2010

Despite growth in sales and volume in 2010 at H.B. Fuller, net income was pulled down by one-off charges. The US adhesives maker revealed a fall to just under \$71 million last year, compared to \$83.7 million in 2009. However, the number includes \$8.4 million in one-off charges versus a net one-off gain in 2009 from the settlement of a lawsuit. Without special items, income for the year would have been up 9.5%.

Revenue for the year rose almost 10% to \$1.36 billion, driven mainly by volume gains.

Jim Owen, the company's incoming chief executive who replaces Michele Volpi as the company's president and chief executive, said Fuller achieved volume growth in essentially every market segment and in regions of the world. Revenue was up in North America, EIMEA (Europe, India, Middle East and Africa), Latin America and Asia Pacific, while operating income improved in all regions except EIMEA, which suffered a 39% decline.

Adhesives sales in North America benefited from higher pricing, but sales of construction products declined because of the ongoing weakness in the US residential construction market.

Owen, who previously headed-up Fuller's Americas region, said he expects operating income to improve by about 20% in 2011, as Fuller's own pricing "gets in line" with raw material price inflation. Owen also anticipates that raw material costs will be significantly higher in 2011, at "about 10% higher relative to 2010, or about 4% higher than the exit rate for the fourth quarter (last year)."

RPM warns of fiscal third quarter loss

RPM, the US speciality coatings and sealants manufacturer, reported modest gains in its fiscal second quarter as businesses in the maintenance, repair and infrastructure area helped to offset depressed commercial construction markets. Pre-tax profit in the quarter ended 30 November 2010 was up 2.7% to \$89.4 million, as sales rose 5.3% to \$826.3 million. Comparisons exclude the Specialty Products Holding Corp. and subsidiaries, which were deconsolidated, eliminating approximately \$300 million in annual revenues from 1st June 2010. The company expects to make a loss in the seasonally weak fiscal third quarter ending 28th February 2011, but anticipates a strong fiscal fourth quarter. Higher raw material costs remain challenging mainly due to capacity reductions by suppliers.

Separately, RPM's Performance Coatings Group has acquired Pipeline & Drainage Systems, a supplier of curb, bridge and channel drainage products for construction and infrastructure markets, primarily in the UK and Ireland. Based in Wakefield, England, PDS has annual sales of approximately \$8 million. The business will operate as a stand-alone business of Universal Sealants, an RPM subsidiary that supplies coatings and construction products for bridges and large infrastructure projects.

"We intend to leverage RPM's established sales and distribution network to take the PDS product line deeper into the European marketplace," said RPM's chairman and chief executive, Frank Sullivan.

OMNOVA Solutions buys Eliokem for €227.5m

Omnova Solutions has acquired French resins specialist Eliokem from AXA Private Equity for €227.5 million (approx. \$302m) including debt, giving the US firm entry into several new higher growth markets and turning it into a \$1bn-sales company with a broad global manufacturing footprint.

The combination "creates a significantly enhanced, more diversified performance chemicals business that is well positioned to serve customers on a global basis," says Kevin McMullen, Omnova's chairman and chief executive.

About 75% of Eliokem's sales are in product markets that Omnova has not previously served. However, McMullen insists that Eliokem's business model, including manufacturing process and key raw materials, are very similar to Omnova's.

Momentive Specialty Chemicals sells Ink & Adhesive Resins business

Momentive Specialty Chemicals has agreed to sell its global Ink & Adhesive Resins (IAR) business to a Japanese producer of pine-based products called Harima Chemicals. The sale will create one of the world's largest pine chemical companies with broad access to key raw materials and technology, according to IAR's general manager, Brad Crocker.

The IAR business had revenues in 2009 of \$278 million. According to Momentive, it is one of the world's leading suppliers of resins and additives to the graphics arts, adhesives, aroma chemical, synthetic rubber and specialty coating

industries. Harima will purchase the complete business, including 11 manufacturing facilities on five continents and the IAR global product portfolio.

Yule Catto to acquire PolymerLatex

Yule Catto is to pay €443 million for German latex maker PolymerLatex, combining two significant suppliers of emulsion polymers.

Together, the businesses will have a combined turnover of more than €1.2 billion and employ more than 2000 people. Emulsion polymers are used in everyday products such as paints and coatings, adhesives and synthetic latex gloves.

Of the price paid, €286 million will be used to settle existing debt at PolymerLatex. Yule Catto will also take on PolymerLatex's existing pensions liabilities of €31 million. The deal is expected to close in the second quarter of 2011.

Head quartered in Essex in the UK, Yule Catto is owner of the Synthomer polymers business and Revertex group of companies that operate manufacturing plants across Europe, the Pacific Rim, Middle East and South Africa, producing approximately 800,000 tonnes of polymers each year.

PolymerLatex is Europe's third largest producer of latex, according to owners TowerBrook Capital Partners, who acquired the business in 2003. For the six months to 30th June 2010, underlying profit at PolymerLatex was €33.8 million, with sales of €279.6 million. In the year ended 31st December 2009, PolymerLatex achieved an underlying profit of €54.6 million on sales of €386.7 million. □



Economic Update - January 2011

by Roger Martin-Fagg, Behavioural Economist
Rmfagg@aol.com

I am almost a lone voice forecasting another mild recession in 2011 (Q2 and Q3). Here is a summary of my argument. To get the fuller picture see the BASA website or better still why not join me at the BASA Annual Industry Lunch on March 8th.

2010 was a better year than most expected, including me. The out-turn was stronger because households decided to live beyond their means (yet again). The savings ratio fell sharply as households decided that, according to the press, their house was rising in price, things were on the up, and there was no need to reduce debt further. Households with no debt, I think basically said "sod it, why keep it in a bank earning virtually nothing, when it can be spent on all the bargains offered by retailers". The velocity of money grew at its fastest rate since 1993.

The price of oil is now \$100 a barrel. This will really squeeze discretionary incomes if it stays close to this level. Anyone who has filled their heating oil tank (2.5k litres) in the past few weeks will have noticed they are paying £1000 more than in March 2010. And the price of wheat has doubled in 2010 that will add to food price inflation that is running at 6%. RPI is 4.7% due to the cost of imports.

Average Weekly Earnings are growing at 2.2%, the public sector has a wage freeze, and RPI is nearly 5%. Of course if you are on the board of a FT100 company, your earnings will be up 55% (mostly triggered by share price increases).

Consumption spending is 80% of total spending. The OBR are assuming that private investment spending will be stronger than I think it will be. Although in my forecast investment spending prevents 2011 as a whole being a negative year.

WHY IS THE FOOTsie AT 6000?

You may recall that a year ago I forecast 5300. So what has changed? Answer - the inflationary expectations of the investing community.

By September 2010, the sentiment was that bond yields could go no lower (ie that over the next year bond prices would likely fall). And the inflation forecasts added fuel to this view. So the switch from bonds to equities began and FT100 Boards that accumulated cash began to buy back shares, thus increasing earnings per share, thus triggering bonus payments.

It also true that 70% of the earnings are from overseas, and increasingly from the East (take a look at Diageo, or Tesco for evidence of this). If you are a fund manager you have to go with the herd, or you drop places in the rankings. What will happen to the index this year? I guess it will go on up as an equity hedge against inflation, it will not be much based on fundamentals, more on sentiment, and it is impossible to predict the level and its timing.

INFLATION

Economists distinguish between two types of inflation, cost-push and demand-pull.

In cost-push inflation, prices rise because of things outside the control of either the company or the government. Today in the UK, we are experiencing cost push inflation, caused by: a 25% drop in the value of sterling, wheat prices up 70%, oil up nearly 100% and ex China goods up about 20%. If the base rate were to rise by say 1% this year, sterling might gain about 5%, but the impact on cost-push inflation would be minimal.

Demand-pull inflation is caused by too much money chasing too few goods. So UK property prices from 2000 onwards were driven up by excessive credit creation by deregulated banks.

We emphatically do not have excess credit in the West today (but there is excess credit in the BRIC's which is why interest rates are rising). This means that the Bank of England will NOT raise interest rates this year; they are savvy enough to recognise that a rate rise would not reduce inflation but it would guarantee my two-quarter recession would run to two years. To find out why see my full report on your website.

I expect inflation for 2011 to be between 3% and 4%, and it will all be cost-push. I also expect wage awards to be 2.5% or less on average. The journalists will begin talking about stagflation. If the Bank raise interest rates we will have slumpflation. This will be the topic at my after lunch speech at your Industry Lunch on March 8th.

EUROPE

Germany is holding the system together, and the data suggests that after 10 years, the locals are at last opening their wallets. Retail sales after years of decline show slight growth for October. This slight improvement in domestic consumption is needed to offset the slowing in export volumes to the rest of Euro land, as austerity measures begin to bite.

The big issue is the undercapitalised French and German banks, with large exposures to PIG debt. It is worth noting that the famous stress test of April 2010, which was passed by all the major banks in Europe, identified a Euro land capital shortfall of just 3.5Bn Euros. And yet six months later Irish banks needed 10 times that amount.

The euro system will not fall apart yet, only time will tell, but I still think in the future we can envisage a two tier system.

CHINA

From 2005 to 2010, total output in China was up 70%, in India it was 55%, in the West it was 5% The great recession has been a blip for India and China, and a major calamity for the West.

The Western world (including Australia and NZ) has 11% of the global population, India and China have 37%. The ratio of Chinese output per head to that of the USA has risen from 6% in 1980 to 22% in 2008, and for India the figures are 3% to 7%

This tells us that the average American is still 5x more productive than the average Chinese, but the speed at which the gap is closing is staggering.

COMING UP

ExpoCoating

22nd - 24th March 2011,
Moscow, Russia
Visit: <http://expocoating.prime xpo.com/>

European Coatings Show

Including Adhesives, Sealants,
Construction Chemicals
29th - 31st March 2011
Nuremberg, Germany
Visit: www.european-coatings-show.com/en/

Adhesives in Extreme Environments

7th April 2011,
SCI, London

Organized by the Society for
Adhesion and Adhesives

Visit: <http://www.iom3.org/saa>

Fastener Fair

16th - 17th April 2011
Mumbai, India

Visit: www.fastenerfair.com

IASE (Industrial Adhesives, Sealants & Encapsulants) Exhibition

12th May 2011
Hayes International Motor
Museum, Sparkford, Yeovil
Organisers NewbyCom Ltd

The event is being supported by
BASA and members booking a
stand will receive a discount.

Visit: www.adhesives-show.com

Adhesion 11

11th Triennial International
Conference on the Science and
Technology of Adhesion and
Adhesives

7th - 9th September 2011,
National Science & Learning
Centre, University of York,
York, UK

Organised by IOM
Communications and the Society
for Adhesion and Adhesives

Visit: <http://www.iom3.org/saa>

**Listen to Roger Martin-Fagg at
the Annual Industry Lunch. Tickets £78
Call the BASA Office on 01909 480888**

BIRMINGHAM IN PICTURES



With more than 120 guests at our annual Black Tie event, the 2010 dinner and dance at the Hyatt Regency Hotel was voted one of our best in recent years.



During the evening £1026 was raised for the Chairman's Charity, the Family Care Trust. Thank you to all for their generosity.



For 2012 we are returning after a break of six years to the always popular Midland Hotel Manchester - Saturday November 26th.



MAKE THAT DATE

8th March 2011
AGM & Industry Lunch
Swinfen Hall Hotel

21st June 2011
Sports Day
Hawkstone Park and WMSG

20th October 2011
The Autumn Open
Technical Forum
National Motorcycle Museum
Junction 6, M42

20th April 2011
The Spring Open
Technical Forum

15th-16th September 2011
FEICA European Adhesives
& Sealants Conference
Valencia, Spain

8th December 2011
Joint Seminar with SAA
'Sustainability'
Society of Chemical Industry,
London

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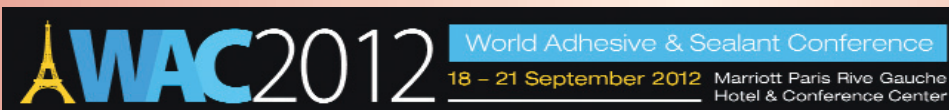
The British Adhesives and Sealants Association,
5 Alderson Road, Worksop,
Notts S80 1UZ

Tel: 01909 480888
Fax: 01909 473834

E-mail: secretary@basaonline.org
website: www.basaonline.org

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Send your news and views to the Secretary before 15th April 2011



News of these and other BASA events are available on the website

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