

Impact of the European Restriction of Chemicals Measure (REACH) on the Thai Tanning Industry

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ABSTRACT

The focus of this study was to investigate the opinions of Thai tanners on the impact of the European restriction of chemicals measure (REACH) in order to find out the actual position of the Thai Tanning Industry on this matter. The research was a cross-sectional survey intended to describe the opinions of Thai tanners on the legislation and the impact of REACH on product, production, process, sales, and marketing. The total number of subjects was 100 respondents from two Tanning Industrial Zones in Samutprakarn province. The Statistical Package for Social Sciences (SPSS) program for Windows was used to analyze the data and descriptive statistics were applied to analyze the frequency, percentage, mean, and standard deviation.

The results revealed that REACH adaptation caused changes in the production process. New techniques were required for developing new chemical formulas according to REACH's requirements. The manufacturers had to switch to new suppliers for materials supports. REACH also increased production process, lead time and production costs, which affected product price. Moreover, it did not improve product quality or enhance sales and marketing. On the other hand, it increased the burden for the industry, both in terms of cost and time, which affected production and operation efficiency. Thus, the advantageous factors of the industry decreased, which affected competitiveness. Small factories appeared to suffer more from REACH adaptation due to lack of capital investment. In that respect, REACH was viewed as an inappropriate regulation, both in content and the imposing time. On the positive side, REACH forced manufacturers to improve their products and techniques, which will enhance their competitiveness and benefit them in the future.

...2.3 Related Reports and Opinions

EU Industry Commissioner Gunter Verheugen (2006) expressed some concerns that REACH will affect Europe's international competitiveness and harm the global environment by redirecting production to other countries where there are lower environmental standards (as cited in Kogan, 2006). Furthermore, the American Chemical Council (2002) pointed out that REACH legislation may violate many international agreements, such as the Agreement on Technical Barriers to Trade (TBT Agreement), Agreement on Trade-Related Aspects of Intellectual Property

Rights (TRIPS Agreement), Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) and GATT (as cited in)

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