

# BASA Bulletin

For Members of the British Adhesives and Sealants Association

Issue 58 February 2010



## Join us for Lunch

### March 9th: BASA AGM & Industry Lunch

Join us for the 27th AGM and Industry Lunch at The Menzies Welcombe Hotel Spa and Golf Club, Warwick Road, Stratford Upon Avon on Tuesday March 9th.

Building upon the success of previous years we have expanded the external speaker programme to include four experts under the Theme: Building your Business in 2010/11. There will be plenty of opportunity to meet old and new industry friends too.

The morning event is free and includes the AGM (Registration from 09.30, meeting starts 10.15), the presentation of the Max Kochmann Award for service to the industry and the association, and presentations from three guest speakers;



Graeme Chaplin

Graeme Chaplin, Bank of England West Midlands Agent, will discuss the role of the Bank and, in particular, how the Monetary Policy Committee process works. He will provide an insight into the MPC's view of the current economic outlook and the challenges that lie ahead.

Keith Stockdale of UK Trade & Investment will speak about the very wide ranging government support for exporters and John Moxon of Howarth Lynch will explain the

changed landscape for R&D tax reliefs as one of the most under claimed tax incentives currently available and how to maximise your company R&D tax credits.

The afternoon is for our Annual Industry Lunch, which includes an excellent three-course lunch with wine followed by an entertaining and informative speaker. This year we have leading business economist, speaker and consultant Dominic Swords. Dominic is a regular commentator on TV and Radio and has authored 26 articles and books including 'Strategy from the Inside Out' a strategic handbook for business leaders. He is in great demand as a speaker at business conferences talking about the impact of economic change and has a reputation for delivering entertaining, challenging but inspiring presentations to a diverse audience of business leaders across the globe.

Tickets are £90 pp - see the website or contact the Secretary for more details and a booking form. □



Dominic Swords

## REACH to date

### Join the BASA discussion online

With REACH Registration now underway we are receiving worrying comments from members about the patchy or even non-existent support coming from substance registrants. (See REACH – A Progress Report pages 8 & 9).

In spite of the legal requirements many members are expressing concerns about the paucity of information and the difficulty in discovering the registration status of essential raw materials. There appears to be at best a reluctance on the part of some registrants to meet the particular needs of our industry.

Is this just a little localized difficulty or do members face the real prospect of critical raw materials being unavailable for future use because of a failure to properly register our uses?

BASA is surveying its members to discover the extent of the problem and decide how we as an industry should respond. Have your say and tell us about your concerns. Go to the Members' Area of the BASA website and select REACH Consultation. □

## Paint Products Directive Nears Conclusion

As we reported in the last Bulletin (P1 October 2009), the European Commission is nearing completion of its review of Directive 2004/42/CE – the so-called "DecoPaints Directive". Its report, commissioned from German consultants Ökopol and risk assessed by UK consultants RPA, was published last November and is now being discussed by the Commission and the member states.

Ökopol's report includes proposals for widening the scope of the existing directive for paints and coatings and for bringing into scope new market sectors including adhesives as part of an overall aim of cutting the emissions of VOCs from industry's use of organic solvents.

BASA's VOC task group has submitted comments and reports directly to Ökopol and RPA, the UK authorities and into the FEICA submissions to the

Commission. Although our submissions were largely accepted by the report it has included one proposal - Option 11 which, if implemented would effectively ban solvent based adhesives systems for floors and floor coverings.

The Commission has already deliberated upon the options for widening the scope of the existing directive and will meet again with the member state representatives on 15 February to discuss the remaining options for extending the scope into new product sectors including Option 11.

BASA has made further submissions to the UK authorities to ensure that their representatives at the Member State/Commission meeting are fully briefed about the UK position. To review our submission and for the latest updates please check the BASA website. □

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CHARLES HODGSON

# Your Chairman Writes

This is the final time that I will be addressing members in the Newsletter as my tenure as Chairman comes to an end at the AGM in March. I have very much enjoyed leading BASA Council over the last two and a half years despite it being a challenging time for the industry as a whole.

Following many discussions within the industry it seems that 2009 ended more strongly than it started and we can be cautiously optimistic about the prospects for 2010. The caution seems to stem from a number of factors. One is the volume reduction arising from the lack of activity in customer markets, especially in the construction and automotive sectors.

The price and availability of raw materials is another. Here the picture remains uncertain because, for no logical reason, it seems raw material prices are continuing to rise – an adverse situation made worse by the threat of shortages. The pound remains fairly weak compared to the Euro, despite the best efforts of Greece, which puts pressure on Euroland imports. And finally there is that ever-present threat of bad debts as the economy slowly moves out of recession.

So what role you may ask is your association playing in these uncertain times? BASA has not been immune from the impact of the recession and 2009 was another difficult year financially; we will be reporting a loss for the second consecutive year. Associations can only deliver within their means, but we have been fortunate that reserves built in better times have enabled us to continue to strengthen and develop membership benefits.

As an example I would like to touch on the issue of regulation, or should I say over-regulation! Even though manufacturing has been in recession the politicians and civil servants have continued to enjoy a boom in drafting regulations, which are having a particular impact on the chemical using sectors. We are all familiar with REACH and GHS/CLP, but the debates about climate change, carbon footprints, sustainability, migration into food, indoor air, cutting waste and recycling are bringing forth a raft of new regulations that will severely affect our industry.

Thanks to the tireless efforts of the pool of members involved in our technical work we have continued to voice your concerns, with some considerable success, to government both in the UK and via FEICA in Brussels. You can read about the current activities elsewhere in the Bulletin or on the website. You can also attend the next OTF in April, but perhaps best of all you can give your input to our work programmes online via our website. There is an important fact-finding mission on-line right now about the early impact of REACH – please add your information.

For many, though, the real value of BASA lies in the opportunity for networking that it provides. This could take place during a technical forum, industry lunch or sports day – whoever you are, there is an opportunity to share views about the future of our industry.

BASA is fortunate to have an excellent candidate for new Chairman in James Igoe of F.Ball and Co., who I know is committed to continuing the good work that BASA is achieving. I'm sure you will join with me in wishing James every success in this role and I hope you will come along to our next AGM and Industry Lunch at the Menzies Welcombe Hotel, Stratford Upon Avon on 9th March to support him.



## Secretary's Notes John Murdoch

e-mail: [secretary@basaonline.org](mailto:secretary@basaonline.org)

### The UK government on trade associations

"Trade Associations have a crucial role to play in promoting best practice, helping companies become more competitive and formulating effective public policy and delivery. They have great potential to act as a co-ordinated voice for business when talking to government, and great value in terms of quickly disseminating messages about government policy to their members. Productive engagement between associations and government is very important for the policy making process." - Not my words but those of the UK government minister for business Ian Lucas MP speaking last November.

Thanks to the technical input from so many members, and in particular to the volunteers who freely give of their time sitting on our working parties, BASA is able to "punch above its weight" with government, standards bodies and other organisations in the UK, Ireland and throughout Europe. BASA's strength resides in the fact that the technical work is done by the members for the members, equipping us to act and speak as the voice of all industry from the smallest SME to the largest multi-national.

Throughout the Bulletin you can read about our latest constructive discussions with

government; it's one of the reasons why for the eighth successive year of my term as your Secretary BASA has increased its membership, and I am delighted to welcome two of the most well-known names in our industry – HB Fuller and Croda – back into membership. We are receiving unprecedented levels of interest in companies enquiring about membership and I hope to be welcoming more newcomers in the months ahead.

### It's Online

I have commented previously about our moves to enable more members to contribute to BASA policy towards future legislation. On pages 8 and 9 we return to REACH, and some disturbing reports about the reality of registration. It is essential we reflect a balanced view back to ECHA, government and the chemical producers and we need your experiences. It is vital that we seek to reflect all members' views and not simply those who sit directly upon working parties. Please go online and login to the Members' Forums today to add your views.

### Recession

Are we emerging from the worst recession since the 1930's or not? From my experience of the manufacturing sector the 1980s were at least as bad. Anecdotally

the statistics suggest that matters may be very slowly improving for our industry and quite a few members are looking to recruit in 2010 but are also reporting difficulties in finding the experience and expertise they require. Our joint scientific meetings with the SAA (page 3) offer a part solution as you have the opportunity to meet and network with the academic community.

Meanwhile our contributing economist Roger Martin-Fagg warns of the potential for more gloom ahead (page 11), but in today's climate of conflicting views from the experts you can also hear the views of other experts at our AGM and Industry Lunch. Interest is high so please book today.

### And thank you

I would like to record my personal thanks to our retiring Chairman, Charles Hodgson, for his guidance in leading and steering the future course of the Association. He has made a number of significant contributions to BASA's development including introducing the Code of Conduct, devising the Mission and placing the association upon the route towards a sustainable future.

I would also like to thank on your behalf three more 'unsung heroes' who are retiring in the next few months. They have been working diligently in our working parties over many years – Tony Bingham (TSC, Packaging WP, H&S WP and the FEICA Hazrpro group), Alan Hanbury (TSC and the Engineering WP) and Brian Huxted (Sealants, Tiles and Building WPs). Their contributions, experience and wisdom will be missed.

# New dates for BASA Seminar: Food Packaging - Calculating Migressives

5th and 12th May 2010, Sketchley Grange Hotel, Hinkley, Leicestershire

**B**ASA has arranged two new dates for its special seminar for adhesives suppliers and their customers and others with an interest in food contact and substance migration. The seminar explains the background to the existing and potential legislation; the theory behind the Migressives shareware, how to use the software and how to interpret the data.

Our seminar includes a free copy of the Migressives shareware for their own and customers' use. Already more than 15 people have booked onto the course but please note numbers for each event are limited to no more than 30 because of the complex nature of the subject.

The prices for BASA members' is £250 plus VAT (non-members = £300 plus VAT) inclusive of refreshments, a full day training, notes and a copy of the shareware. For more information see the BASA website or contact the BASA Office.

## BACKGROUND:

The European Commission is moving towards new, tighter regulations for materials in contact with food. Plastics are already regulated but packaging adhesives, which draw upon a palette of approx. 4000 substances with a typical formulation composed of up to 15 components, have no formal method for determining migrates into foodstuffs. This seminar meets these requirements.

The adhesives industry has completed a three-year project ('Migressives'), part funded by the EU, to demonstrate that self-calculation is viable and develop software for the Packaging Converter to use.

In practical terms the results have produced a computer modelling tool that will calculate the level of any migrates from the adhesives and provide our industry and our customers, especially converters and adhesive small and medium sized enterprises, with a tool to ensure that migration from adhesives is in compliance with regulatory requirements.

Like all components of food contact materials, adhesives must be compliant to Article 3 of EU Regulation 1935/2004, which means: No transfer of substances on/into the food in amounts which could endanger human health. But no specific regulation in EU or member states defines how to implement this requirement. As a result many of the estimated 30,000 European converters are finding it difficult to comply with the EU requirements.

At present converters ask adhesive suppliers for a certificate of composition. The supplier lists the substances in the formulation and which ones are approved under the plastics directive or national law. (BASA members use a template certificate).

The 'Migressives' study is part of a larger longer-term food industry study into chemical exposure in foodstuffs (FACET = Flavourings, Additives and Food Contact materials Exposure Task), which is expected to form the backbone for future regulation.

# Joint BASA-SAA meetings

**T**he fourth joint SAA-BASA scientific meeting was held at the Society of Chemical Industry on 10th December 2009. Entitled 'Future Directions for Adhesives and Sealants Technology', the meeting was a great success with 57 delegates attending and bringing together like-minded people from industry, research institutes and academia.

The seven papers presented at the meeting dealt with subjects from advanced applications to improvements in materials and progress in design. The meeting illustrated the continuing benefits of a closer association between researchers and practitioners.

As a result we are jointly organizing two events for 2010. The first, The Fundamentals of Adhesion and Adhesives, is planned for 15th April at the Society of the Chemical Industry, 15 Belgrave Square, London. It offers an introduction to the fundamentals and is ideal for those new to the industry or looking to increase their understanding about the chemistry behind adhesion.

There will be presentations from: Barrie Hayes, Henkel Loctite; Derek Brewis, Loughborough University; Jim Palmer, J P Consultancy; Steve Shaw, Dstl; Marie-Laure Abel, University of Surrey; John Bishopp, Star Adhesion; Tony Kinloch, Imperial College; Bob Adams, University of Oxford. This seminar is also accepted by the Institute of Materials Mining and Minerals IOM3 for Continuing Professional Development (CPD) purposes.

The price to BASA members is £176.25, inclusive of VAT offering a saving of 25% on the standard price.

More details including the full programme and booking form are available on our website.



# COMPANIES & PEOPLE

## BASA welcomes

**HB Fuller (UK) Ltd, Duckinfield (Full Member)** - a leading worldwide formulator and marketer of adhesives, sealants, paints and other specialty chemical products

**Croda Industrial Specialities Europe, Goole. (Associate Member).** - suppliers of building block chain extenders and specialty surfactants.

### BASF

Tony Heslop, formerly of Ciba's Business Line Adhesives & Sealants, has assumed responsibility for sales of additives and polymer dispersions for adhesives in UK and Ireland. David Ruddock retains responsibility for resins and dispersions for construction products.



### BEARDOW and ADAMS

Continues to expand its international sales team. Guy Davis has joined the company assuming responsibility for international corporate accounts.

Ian McCaddon has been appointed Area Manager for Wales, the West Midlands and the North West of England.



Beardow Adams also won the 2009 Business of the Year above £5m turnover and International Trade - Consistent Performance made by Milton Keynes and North Bucks Chamber of Commerce.

### DKSH

DKSH Specialty Chemicals have appointed Neil Gardener as Sales Manager for the Polymers and Adhesives Industry.

### DOPAG

DOPAG (UK) Ltd has relocated to the Ryelands Business Centre, Ryelands Lane, Elmley Lovett, Droitwich, WR9 0PT

### FOSROC

New appointments: Kim Hampson, General Manager UK / Ireland and Denmark; Andrew Taylor-Smith, Operations Manager; Tracy Hartshorn, Financial Manager.

### GEOCEL

Has appointed Cormac Frawley as a Territory Manager for the Irish market.



### HENKEL

Julian Brown (formerly with National Starch) has joined Henkel as Technical Sales Representative for the Packaging industry.



### INSTARMAC

INSTARMAC GROUP plc has announced an enhanced 3mm cold lay macadam for the permanent repair of potholes from Ultracrete.

### KLEIBERIT

The company's new Technical Center opened on 20 November 2009 in Weingarten, Germany.

### PAFRA

Congratulations to Pafra Adhesives who were 50 years old in December 2009.

### SULZER/METIX

Metix UK Ltd has been renamed Sulzer Mixpac UK as part of the integration process into the Sulzer Chemtech UK Ltd parent company.

# News in Brief

## SPOOF E-MAILS

Following a large number of spoof e-mails purporting to have come from HM Revenue and Customs, HMRC have pointed out that they do not send e-mails requesting payment/personal information or notify customers of eligibility to a repayment of tax via e-mail.

The fake e-mail address appears remarkably close to HMRC's own address. If you have any concerns that after receiving an HMRC-related scam email you have

- disclosed personal information (such as passwords/online ID numbers)
- disclosed payment information
- reason to believe your PC has been exposed to malicious content

please forward a report to [domains@hmrc.gsi.gov.uk](mailto:domains@hmrc.gsi.gov.uk) so that the HMRC can conduct further investigations.

You should also report the matter immediately to your bank/card issuer.

HMRC publicise details of current scams in circulation on their website - <http://www.hmrc.gov.uk/security/index.htm>. ■

## SAVE UP TO 10% ON FUEL COSTS

SAFED (Safe and Fuel Efficient Driving), a complementary one-day driver development course for commercial vehicle drivers, aims to help organisations reduce fuel and maintenance costs, reduce CO<sub>2</sub> emissions and improve safety through the enhancement of driving techniques. Visit [www.safed.org.uk](http://www.safed.org.uk) or call 0870 190 8440. ■

## SUSTAINABLE BUILDINGS

The third edition of the Sustainable Buildings Research Newsletter from Communities and Local Government has been published. The publication aims to provide useful, up-to-date information to stakeholders on research projects within the Sustainable Buildings and Climate Change Directorate, particularly those research projects surrounding the Building Regulations. The newsletter can be downloaded from:

<http://www.communities.gov.uk/newsletters/sustainablebuildings/sustainablebuildings3> ■

## SEVESO DIRECTIVE

The European Commission is starting to draft proposals to amend the Seveso Directive which is implemented in the UK through the Control of Major Accident Hazards Regulations (COMAH). To follow progress and provide you with free, regular updates of news and information from the UK COMAH Competent Authority.

visit: <http://www.hse.gov.uk/seveso/index.htm> ■

## FLOORING TILES STANDARD

BASA Notice no. 7809 – Technical standard for recommendations for flooring tiles – has been issued. Details are available on the BASA website. ■

## BUSINESS IN RUSSIA

Business Monitor International has published The Russia Business Forecast Report. This assesses the impact of BMI's forecast of a 2.0% contraction in the global economy in 2009 on Russia's political stability, growth and trade prospects in 2009-10, and then forecasts Russia's longer-term prospects for investment and consumption over five years to end-2014.

Email: [terence.alexander@businessmonitor.com](mailto:terence.alexander@businessmonitor.com)  
[www.businessmonitor.com](http://www.businessmonitor.com) ■

## Environmental Permitting Regulations 2010 – Advanced Notice

If supported by Parliament, the new Environmental Permitting Regulations 2010 are due to come into force on 6 April replacing the 2007 Regulations. The main aim is to extend the scope of the Regulations to cover groundwater activities, water discharge activities, and radioactive substances activities, and bring within a single set of regulations existing provisions relating to mining waste operations, exempt waste operations, and transposition of the Batteries Directive.

The likely provisions for the Local Authority Pollution Control regimes are largely the same, although there is additional text in many of the individual regulations in order to accommodate the broader scope of the Regulations:

- there will be no requirement to re-apply for any LAPC permits as a result of the 2010 Regulations
- LAPC applications in the pipeline will automatically be treated as applications under the 2010 Regulations
- local authorities will not be given any responsibilities over the types of activity and operation newly brought within the scope of the Regulations, except for exempt waste operations that are a Part B activity
- it will be possible to serve a suspension notice for non-payment of subsistence charges
- each local authority will have to include in their public register any

information on the Environment Agency's register for regulated facilities in their area, apart from mobile plant, stand-alone water discharge activities, or stand-alone groundwater activities.

- gas odourising plants are removed altogether from LAPC regulation
- the global harmonized system for chemicals classification will apply to the Solvent Emissions Directive in line with Directive 2008/112/EC
- the numbering of regulations 1-66 and Schedules 1-18 will be unchanged.

It is anticipated that a further revision of the General Guidance Manual for LAPC will be issued in early March which will include all relevant guidance relating to the 2010 Regulations, including issues arising from the new waste exemption arrangements and amendments to the specimen forms and notices. □

## ASTM D6866: Determining the Biobased Content of Adhesives and Sealants

For those members looking to declare the renewable/natural/ bio content of their adhesives/sealants, the following article on the US approach may be helpful.

ASTM D6866 is the only standard available that can accurately measure the biobased content of solid or liquid raw materials, intermediates, or finished products. The method was developed at the request of the U.S. Department of Agriculture for its BioPreferred Program, which promotes biobased products to federal agencies and the public.

The method has been used to determine the biobased content of many bioplastics and biopolymers. The method has also been incorporated in several eco-labelling schemes like Vincotte's OK Biobased program (Belgium) and EcoLogo (Canada).

ASTM D6866 uses radiocarbon dating techniques to measure the carbon 14 content of a product. Carbon 14 or radiocarbon is a naturally occurring, weakly radioactive isotope of carbon present in biomass (plant and animal

derivatives) in known levels. Fossil materials have virtually no carbon 14. This difference makes it easy to correlate the carbon 14 content to a product's biobased content defined as the amount of carbon derived from biobased materials relative to the total amount of carbon in the entire product as per ASTM D6866.

Adhesives that are 100% biomass are 100% biobased. Sealants that are 100% made of petroleum derivatives are 0% biobased. An adhesive or sealant that has both biomass and fossil components has a biobased content greater than 0% but less than 100%.

ISO 17025-accredited Beta Analytic, Inc., in Miami, Florida, provides ASTM D6866 testing worldwide. With facilities in London (UK), Beijing (China), and Nagoya (Japan), Beta Analytic helps companies determine the exact biobased content of their products for research and development, regulatory, eco-labelling, and other purposes.

<http://www.betalabservices.com/biobased.html> □

# • TECHNICAL WORKING PARTY REPORTS



## TECHNICAL STEERING COMMITTEE

Chairman: Trevor Clarke

**B**ASA continues to strive to maintain and improve the technical services it provides to its members, particularly in the new era of EC regulation and legislation, following the start of REACH implementation, climate change and sustainability of future products. This offers opportunities to our younger members to become more involved with BASA activities.

The TSC needs the continued goodwill of companies that offer their employees and the time, skill and experience of these employees to man the expert committees and to chair the Working Groups. In these stringent times, companies need more than ever to continue their support and their members must continue to come forward to train as the experts of tomorrow by offering their time. Some of the WG Chairmen are starting to retire and their successors need to gain experience as members of WGs. BASA – the fastest-growing adhesives association in Europe – needs your support. If members are unable to participate in the Working Groups, please make full use of the Forums on the BASA website.

But that is only part of the story of providing technical excellence to members. The Association is spending beyond its income in order to provide the technical advice our industry needs. Please continue to support these WGs with manpower and financial resources or the result will be a severely curtailed form of advice; not just now, but next year and into the future.

Of course, we continue to get on with the job of advising members about regulatory developments. Europe is now at the start of a new Presidency and a new Commission and they are addressing the issues our industry and the wider chemical industry must face in the light of the global concerns about safety, health and sustainability of the world, its people, and resources. BASA continues to work closely with FEICA providing input as part of the lobbying to regulators in Europe. A new priority for the coming year is to intensify our lobbying to the UK and Irish authorities who are responsible both in terms of the UK and Irish government positions towards EU regulations and their implementation into national law. There are often different perspectives this side of the channel,

reflecting our different business environment as we have seen during recent months over the 'Decopaint' issue, VOC emissions and the potential to affect the impact on global climate. Briefing UK authorities puts further pressure on our resources but can repay much in terms of making sure our industry's voice is heard, before/while regulation is being formulated rather than fighting a rearguard action after the event.

BASA/TSC has also been working to bring about change in the way that the European Technical Board (ETB) achieves its work in the same way that we have reformed TSC's working practices over the last 18 months. A small task force, chaired by BASA/TSC, will finalise its recommendations to FEICA/ETB during the next few months.

An update on the work currently in hand is as follows:

Further work on the impact of adhesive materials in the recycle paper-making process, where there is concern about the potential role of so-called 'stickies' resulting from packaging materials entering the recycle stream. A study is in hand and is being managed by the Paper & Packaging Working Group;

Dissemination of the completed work of the European 'Migresives' project, to members of our industry and their down-stream users;

Involvement, via ETB, in the European 'FACET' project to meet EC concerns about all chemical entities that can enter the food chain through processing and packaging;

The continuing implementation of the REACH programme as we proceed towards full implementation in 2018.

Revision of the Construction Products Directive (Construction Products Regulation - CPR), which was originally due to be enforced in 2011 but is now delayed. BASA is participating in the newly formed FEICA Construction working group which had its first meeting in October and BASA has also participated in the FEICA Sustainability Working Group, which was formed to meet the challenges offered to our industry.

The autumn OTF was held at the Building Research Establishment, Watford and was very successful. The year was rounded-off with the now, traditional and seasonal, joint meeting with the Society of Adhesion and Adhesives in London in December. Links with the Society will continue to be encouraged as this is a further way of adding benefit to our members via the exchange of information and experience. □



## BASA TECHNICAL OFFICER

Jim Palmer

**B**ASA has been active in its discussions with UK government and, through FEICA, in Europe, providing UK views and positions on a wide range of issues. Alongside the work of our technical working parties BASA is strongly represented on the FEICA working groups including Packaging, Hazardous Products, Construction, Sustainability and the European Technical Board.

Among the more significant issues were:

REACH – see separate article Pages 8 & 9.

## Classification & Labelling

The meeting of the competent authorities for REACH and CLP (CARACAL) has published an opinion on the classification and labelling of nanomaterials. The opinion highlights the need to consider the forms or physical states in which the substance or mixture is placed on the market and in which it can reasonably be expected to be used.

The new labelling and marketing and use restrictions for MDI officially bought in by the 1st ATP to the CLP regulations, has resulted in some discussion about the quality of the gloves that are now required to be supplied (but had been supplied for many years). The concern is that the current PE gloves have welded seams which may not be leak proof.

## Biocidal Products Directive

BASA submitted comments to HSE on the proposals to review and replace the Biocidal Products Directive (BPD) with a Regulation (BPR), along the lines previously indicated. There has been no response on the official UK position to date, but FEICA has also published its opinion for the Commission, which incorporates the UK views. The FEICA position is available on their website at: [http://www.feica.eu/index.php?option=com\\_content&view=article&id=109&Itemid=200](http://www.feica.eu/index.php?option=com_content&view=article&id=109&Itemid=200)

## The Decorative Paint Directive Review

(See separate story page 1)

*continued on page 6*



## Bonder Course

5% Discount for BASA members

**T**WI is repeating its adhesive bonder course this year. The course is divided into two parts - a practical section and a theory section both of which will be two and a half days long. The idea is that it will enable busy people to schedule in two bite-sized chunks over the year rather than taking a full week out of work to do the course as it was originally. TWI has offered a 5% discount to BASA members.

The course dates are:

14 – 16 September:  
Theory Workshop

27 – 29 April and 16 – 18  
November: Practical Workshop

7 – 11 June: Combined Theory  
and Practical Workshop

The modular course is based upon the Adhesive Bonder syllabus developed through the European Welding Federation. When booking please quote your BASA membership. Further details are available from: [www.twitraining.com](http://www.twitraining.com) □

## COMING UP

**Indo BCM 2010 - 1st International Building & Construction Trade Show**

28 - 30 July 2010, Grand City Expo, Surabaya, Indonesia:

Contact: MEREBO Messe Marketing in Hamburg/Germany, Phone +49-40-3999905-0, Fax +49-40-3999905-25, [www.merebo.com](http://www.merebo.com)

**CamBuild 2010,**

21 - 23 October 2010.

Diamond Island Convention & Exhibition Center, Phnom Penh, Cambodia

Contact: MEREBO Messe Marketing in Hamburg/Germany, Phone +49-40-3999905-0, Fax +49-40-3999905-25, [www.merebo.com](http://www.merebo.com)

# • TECHNICAL WORKING PARTY REPORTS

Jim Palmer continued.....

## Indoor Air Quality

Not to be confused with the 'Decopaints Directive', indoor air quality continues to be a topic of discussion within Europe. Hygiene, health and the environment is commonly referred to as ER3 (essential tile requirement 3), and has to be considered for any product covered under a harmonised standard under the CPD to allow the possibility of CE marking.

When the directive becomes a regulation (CPR see below) then the UK must CE mark products covered by harmonised standards (e.g. admixtures, ceramic tile adhesives). There are also additional standards, like the sealants standards, that are being progressed currently with the aim of harmonisation.

In addition the CPR has stated that the aim is for all construction products to be covered by harmonised standards, so this may mean that products such as flooring adhesives and wood adhesives may be included. Already countries like Germany have Elicodes and there are Eco labels that are going further than just VOC's, looking at content of various adhesive systems.

The Joint Research Council (JRC) of the Commission has published a draft report on the harmonisation framework of indoor material labelling schemes in EU. If members are supplying adhesive or sealant products to be used indoors and are interested in marking their products as having met certain standards for low impact on the indoor air environment then the report is available on the BASA website in the Environment – Products working party documents.

ER3 is being reviewed by CEN TC351, and the first draft standard for the assessment of emissions of regulated dangerous substances from construction products into indoor air has been circulated within CEN. These methods are expected to be included in harmonised product standards, but they will not stipulate levels for compliance and there is increasing concern about the trend towards 'negative' testing to prove the absence of substances.

## Construction Products Directive Revision

The original timetable was that the CPR (which was first published in May 2008) would come into force in 2011, but this will not be met. The CPR is subject to co-decision by the European Parliament (EP) and Council of Ministers. Following the First Reading, the onus is now on the Council to reach a 'Political Agreement' (i.e. a consensus view) on the text and then restart negotiations with the Parliament on this basis. The Council working party is still working towards this political agreement and the new Spanish presidency has agreed to continue to treat this as a priority dossier. See the Building wp report.

## Sustainability

The FEICA Sustainability Task force has held several telephone conferences and met in December. They have been focusing on collating a list of relevant legislation and policies around Europe and will be trying to develop guidance for industry generic life cycle inventories (LCIs) which can lead to environmental product declarations.

The London Organising Committee of the Olympic Games and Paralympic Games (LOCOG) has published its Sustainable Sourcing Code and

members who are interested in supplying into construction projects for the games may wish to visit:

<http://www.london2012.com/documents/locog-publications/sustainable-sourcing-code.pdf>



## BUILDING CHAIRMAN: Neil Sanders

### Ceramic tile adhesives

Concern has been expressed by BASA members following reports that an adhesive manufacturer (not a BASA member) has been advising customers to use a WBP Plywood overlay below the thickness recommended in BS5385-3. Codes of Practice are compiled to promote best practice and have been published based on research and data to support these views. Stepping outside these guidelines will inevitably result in site problems and potential damage to the image of the profession.

On the subject of CE marking, a recent meeting was held in Brussels between TC67/WG3 and the commission to clarify a number of points including clarification that the digit date on the CE mark refers to the year the mark was first fixed and not the year the product was first manufactured. Clarification was also sought on the use of website CE marking, to reduce the amount of information required on the label. As there is no current agreement on this between the Member States this is not currently permitted. A request made by TC67/WG3 to convert EN14891 (liquid applied waterproof membranes for use beneath ceramic tiles) to a hEN, has received no principal objection pending a written submission to the EC covering the background history along with the justification.

Following the 30th meeting of CEN/TC67 in December, WG3 have decided not to develop a test method to evaluate the 'drop effect' for grouts. The consensus of those present at the meeting was also against the conversion of EN13888 into a candidate harmonised standard. Other issues discussed during the meeting included not to include Urethane ceramic tile adhesives within EN12004, along with not developing a test method for dispersion grouts for tiles. However, these two areas are currently being looked into by the international mirror committee ISOTC189/WG3.

Please refer to the BASA website for further details on these issues.

### Construction Products Directive revision (The Construction Products Regulation (CPR))

The Commission has recently published its response to the latest European Parliament approved amendments on the CPR. Although the Commission has raised some key points it doesn't include any comments on the proposed amendments relating to the scope of the CE marking. Some of the Key points raised by the Commission include:

- The Commission has agreed to limit the use of European Technical Assessments (ETA's) to only those where no applicable harmonised standard is available.
- It has rejected the proposed obligation to declare dangerous substances in construction products as part of CE marking.
- Raised concerns over the possibility that the proposed wording may potentially allow for the retention of national marks alongside CE marking.

It is our understanding that the next step will see these points discussed between the Commission, Parliament Rapporteur and Presidency and form part of an agreed text to take forward at a second reading later this year. Providing this happens, we could still see the main provisions of the CPR coming into force in 2012.

## VOC – Hong Kong

The 1st January this year saw the compulsory introduction of the need to label the majority of adhesives manufactured or exported into Hong Kong with the VOC content, potentially leading the way for other countries to follow suit. Alongside registering your adhesives, you will also be required to submit volumes sold in the country on an annual basis.

## EPI Adhesives

A new work item has been submitted by CEN/TC193 SC1, to create a standard on Emulsion Polymerized Isocyanates (EPI) Adhesives in Load Bearing Timber Structures – Classification and Performance. Work items have also been approved by CEN TC193 to review a number of structural adhesive standards. These include EN828 dealing with wettability and the determination by measurement of contact angle and surface free energy of solid surfaces. EN1965 parts 1 and 2 covering the area of corrosion, EN14869 parts 1 and 2 that looks into the determination of shear behaviour of structural bonds. If any of you would like to know more about these reviews or wishes to become more involved on the structural timber adhesives front, then John Jennings would like to hear from you. ([john.jennings@hexion.com](mailto:john.jennings@hexion.com)).

## BS8201

The Code of Practice for Flooring of Timber, Timber Products and Wood based panel products is receiving a much needed review. If any of you with an interest in this area would like to input into this then please contact Stephen Boulton ([sboulton@f-ball.co.uk](mailto:sboulton@f-ball.co.uk))

## And finally

We need volunteer experts to become more involved within the BAWP to oversee Flooring Adhesives and Screeds. If you wish to get involved please contact the secretary or myself.



## ENVIRONMENTAL PRODUCTS Chairman: Mike Langdon

Despite the recession the regulatory juggernaut rolls on apace. In many areas it has taken a life of its own and committees, consultants and some member states are proposing restrictions way beyond the original intentions. The proposals could be devastating for producers of internally used construction products. Fortunately even the Commission appears to be becoming aware of this and is starting to look critically at proposals that would extend regulation too far. For example, the proposed inclusion of dangerous material content as part of the revised Construction Products Regulation, has been removed by the Commission because it exceeds the requirements of REACH.

Current key issues include:

## Waste Regulations

DEFRA has announced new Waste Control Regulations to come into force between April and

## • TECHNICAL WORKING PARTY REPORTS

June this year. <http://www.grdp.org/netregs/legislation/future/97620.aspx>

Essentially all organisations arranging waste transfer on behalf of others are considered waste brokers and will now have to register with the Environment Agency. Organisations who do this without being licensed will be subject to significantly increased fines and penalties. There are additional powers to stop, search, seize and dispose of vehicles involved.

This affects producers of site use preparations because most product packaging is classified as waste if it is opened, broken or damaged (including wet cement based products), or if they are out of shelf life. There is pressure from subcontractors and distributors for manufacturers to remove this waste, sometimes unknowingly in breach of the regulations, from site, to save disposal costs, putting manufacturers and carriers at increased risk of prosecution.

The change in regulation supports the efforts of DEFRA and the HSE to leave responsibility for waste firmly at the door of the generators, in this case the contractors. See also Waste Matters page 7.

### Indoor Air Quality

The meeting of CEN TC 351 WG2 TG21 (Emissions to indoor air task group) on 25th November 2009 in Paris was attended only by delegates from UK, Germany, France and Netherlands. There was general disappointment at the slow progress of the standardisation process including obtaining funding for validation. There has been no progress on the draft test method accepted in April 2009.

It has been decided that JRC Ispra will administer the validation programme and a meeting will be held in February to discuss. The robustness validation will consist of two phases; assessment of available data on the influence of key test parameters (such as the allowed range of temperature, humidity, loading etc.) and an experimental phase to address remaining issues. Mr Vicard (convenor) understands that the work will be the subject of a call for tenders.

Both EC1 classification and BREEAM approval of flooring adhesives for emissions are carried out in accordance with EN 13999, and both require the same test certificate and compliance statement. However the interpretation of the detection results is slightly different, so although the test should be interchangeable it appears not to be at present. A view from BRE is being sought without response so far. Documentary evidence of compliance is now increasingly being required for inclusion in public funded specifications. The test cost for either from Eurofins is £1500 per product.

### Materials

Another 14 materials have been added to the list of candidate SVHCs under REACH. Refer to: [http://echa.europa.eu/doc/press/pr\\_10\\_01\\_candidate\\_list\\_20100113.pdf](http://echa.europa.eu/doc/press/pr_10_01_candidate_list_20100113.pdf)

Articles and test reports condemning Bisphenol A continue to be published despite all the official testing demonstrating little risk.

### FEICA

Contributions to various FEICA submissions on a variety of topics continue. □



### SEALANTS

Chairman: Lorna Williams

#### CEN TC 349

The voluntary standards covering Facades, Glazing, Sanitary and Pedestrian Walkways have been approved and will be formally published in March 2010. The mandate to allow CE marking of these sealants has been approved, but is still not available, so CE marking is not applicable to the sealants covered under EN15651 until the Mandate is published and an Annex ZA added to each part.

#### ISO TC 59SC8 (Building construction – Jointing products)

Pedestrian Walkways – there is an active project with participation by the US, Japan, France and Germany. The aim is to develop a set of classes for pedestrian walkways under ISO 11600. There is a probability that this will not be identical to EN15651-4, which may cause some confusion. Round robin testing is currently being undertaken.

SC8 have requested that the sub-committee name be changes from 'Jointing Products' to 'Sealants' to more accurately reflect the work.

#### Fire Stopping Sealants

The Commission preference is to have harmonised product standards rather than ETAGS for CE marking moving forward. Unfortunately this would involve setting up a technical committee, and it is unclear how much participation might be forthcoming. It would allow a less complicated (and therefore hopefully less expensive) route for sealants, providing sealants manufacturers actively participate.

We now have representation on FSH22, the BSI committee for Fire Resistance Tests, but the volume of notifications is very high which is a problem. Some minor amendments have been applied to EN 1366-4 2006, which BASA members have not objected to.

The Firestop Forum continues; however no joint meeting with BASA/ASFP/IFSA has been arranged which leaves things like the legal status of the Forum up in the air. Chris Johnson of Warrington gave his update of the current situation with regard to CE marking of construction products in the UK at the last Forum meeting. This seemed to be that the European Construction Products Directive will only possibly introduce the requirement for all construction-related sealants to be CE marked in 2012 – use of the existing British fire test standards will therefore continue until at least then.

Some forum members have suggested that only EN1366-3 should be used rather than BS496-20, and that test houses could force this by refusing to carry out BS476 testing. This was not seen as sustainable due to sales to countries outside the EU where only the BS476 is recognised and it was also pointed out that since manufacturers are able to carry out BS476 testing internally this actually allows more assessment and can be specific to particular situations.

#### VOC Emissions and Ecolabels

At some point in the future EN15651 is likely to have to consider this aspect and use the harmonised standard for measuring VOCs, when it is available. Until then the situation is not straightforward. Technical Committees are being encouraged to establish classes of products so that products can be classified without testing (or further testing). To accomplish this, test data would have to be presented to the SCC, so it may involve additional work at some point in the future. Many eco labels require that no risk labelled ingredients are used, so it is unclear how this will be dealt with by the technical committees. □

# WASTE MATTERS

By PHIL CONRAN

[www.360environmental.co.uk](http://www.360environmental.co.uk)

The concept of administrative penalties has always been part of daily life - parking fines, for instance. They enable authorities to penalise misdemeanours without having to resort to the expensive and lengthy process of the courts.



Environmental enforcement bodies have not had this luxury. If an obligated company doesn't register under the Packaging Regulations, for example, the EA has no option but to prosecute if it wants to take action, an often completely disproportionate reaction to the environmental damage caused.

All this is set to change under the Regulatory Enforcement and Sanctions Act 2008. A consultation was issued by DEFRA last July on a range of sanctions designed to give regulators 'better tools to protect the environment and communities, and to level the playing field for compliant business.' For the first time, the Environment Agency will have the ability to take immediate punitive action, a prospect that might not be met with universal enthusiasm. The proposed sanctions are as follows:

A range of enforcement notices: a Compliance Notice; Restoration Notice; and Stop Notice

Fixed Monetary Penalties - for lesser examples of non-compliance

Enforcement Undertakings - by which an operator could offer voluntary commitments to comply which the regulator may decide to accept instead of imposing other sanctions.

Variable Monetary Penalties - enabling regulators to impose a proportionate financial penalty for moderately serious non-compliance, including removal of financial benefit from non-compliance.

It is this last sanction that is the cause of the most angst as it will give the EA the powers to determine the level of penalties under guidance that is considered less than clear. Due to come into force some time in 2010, the impact of these powers should not be underestimated and businesses would do well to ensure they are fully compliant across all areas of environmental regulation. □

# REACH – The formulators' perspective

## PROGRESS REPORT

We are now into the first registration phase of REACH for substances produced in volumes greater than 1,000 tonnes, or 100 tonnes for R51 – R53 substances, or 1 tonne for CMRs. Many of our raw materials will fall into this band and, with the deadline for registration December 2010, the race is on to meet it.

We asked some of our formulators to anonymously provide a progress report. The report raises serious concerns and all members, formulators and suppliers, are asked to review the article and share their experiences through our consultation on line in the Members' Area at [www.basaonline.org](http://www.basaonline.org)

All formulators/ downstream users (F/DUs) should have, by now, been in regular contact with their suppliers and provided details about F/DU end uses by the deadline of 30 November 2009. End use descriptions should have included both the formulator's and their customers' uses in order to ensure the ultimate substance producers have the information about uses needed as part of the appropriate registrations.

Many F/DUs will have their raw materials databases and REACH records up to date, and will have completed their communication obligations. So, having completed the task the F/DU may relax knowing that the chemical industry and the suppliers in particular have it all in hand....or can they?

Discussions with various formulators are revealing a number of difficulties. Firstly, many suppliers have simply not replied, we are hearing estimates as low as 50% response. As seriously there is anecdotal evidence that too few suppliers are taking sufficient notice of the information provided by the F/DUs and are failing to clearly state that they are adding the use descriptors supplied to their registration dossiers.

Then many respondents are declaring that the substance is a mineral and therefore exempt under REACH. But the picture is not quite that simple. For example, if gypsum is supplied as natural gypsum then it is classified as a mineral under REACH, but if it is supplied as calcium sulphate then it could be classified as a substance requiring registration. This is already causing complications for cementitious products.

Next many suppliers are issuing standard statements that uses will be communicated up the chain without any explanation as to when and how. Members are expressing concerns about the confidence of these statements.

Then there are the unexpected answers. Some helpful in resolving issues, most are not. Examples:

*In November the head of ECHA in Helsinki, Geert Dancet, expressed concern about lack of sufficient resource in the agency to meet its obligations under the REACH regulation. This was not a surprise with 20% more pre-registrations than expected being made.*



got time for this. We will decide your uses and you will have to accept them.

- We make bulk base chemicals and your uses are far too small to consider. These are the uses we are registering, any others you will have to contact ECHA.

*Geert Dancet will be addressing the FEICA European Adhesives Conference in Helsinki this September as part of a day-long networking opportunity for ECHA to meet our industry. Watch for Conference details on our website in early summer.*



- However, as we have repeatedly pointed out the FEICA use descriptors are intended as generic and not necessarily fully comprehensive.

- We have decided our products are not covered by REACH so we don't have to do anything.

- We are too large to cope with this manually. You are required to enter your uses on our website. Attempts to use the system then reveal that multiple use entries do not work and no other option is available.
- We are a large multinational and haven't got time for this. We will decide your uses and you will have to accept them.

- We have included uses in accordance with FEICA use descriptors. We do not have to include any others.

- Our Asian supplier has got all this covered and registered 18 months ago! You can buy off us.

Other major concerns surround raw materials purchased in small quantities, through distributors. The responses received indicate that the distributors are often uncertain of their duties under REACH. Typical responses are: "The General Use criteria of your association are known to the suppliers of the goods you buy from us" or "we have passed the responsibility to our supplier" with little assurance that they are making sure our uses are covered.

### REACH Use Descriptors – Site visits to formulators from 2011

The collaborative forum of REACH enforcement agencies has decided to target downstream users in its next joint REACH enforcement project, with site visits beginning in 2011, and will evaluate compliance levels.

The descriptor code combinations will be used by IT companies in the design of their updates to SDS software to generate exposure scenario annexes, and are already included with default values in the first level targeted risk assessment web based tool (ECETOC TRA) being developed by ECHA.

It is envisaged that members will be able to use these descriptor code combinations as part of their purchasing specifications to ensure and demonstrate compliance in future.

*continued on page 9*

Looking downstream, communication from customers is also very limited with too many end users simply ignoring communications explaining REACH and their obligations. Although most formulators will have a good understanding of how the adhesives and sealants are used in the marketplace this does demonstrate the continuing high level of apathy towards the REACH regulation.

There is a slowly growing list of registered substances appearing on the ECHA website but this is of little direct help when as a downstream user you may not actually know the full composition of the raw materials supplied.

Three key questions remain unanswered:

1. Can the formulator expect a communication from all suppliers stating what substances are in the raw materials, their registration status and whether the F/DU uses are included?
2. Will formulators receive a revised Safety Data Sheet including all this information by the due date?
3. Will orders made after 1st December 2010 be declined because the raw material is no longer available for the F/DU use?

Throughout this process F/DUs have been advised to plan and control raw materials. With less than 10 months to go before the first milestone deadline, the reality is that no one appears to know whether raw materials supplies are secure and probably won't know until after the deadline when it is too late and/or too expensive to do anything about it!

The majority of people involved in REACH registration appear to be bureaucrats, regulatory affairs specialists and occasionally technical or even IT people. The commercial involvement or awareness appears universally lamentable. From the suppliers' point of view there appears to be no understanding of the commercial consequences of their actions on F/DUs. From the formulators point of view there appears to be too little comprehension of the potential commercial effects on the business, of the REACH process.

Finally, ECHAs announcement that it will start enforcement action against formulators in 2011 (see text box left) will presumably mean that F/DUs will all be expected to know the status of every substance they use, including preparations, and have the records to prove it.

Some years ago a speaker at a BASA REACH seminar suggested that REACH would reduce the size of the chemical industry in Europe by 20%. Perhaps a year from now we will find out and see how prophetic that statement was.

**Have your say and help us determine what message BASA should report to the competent authority for our sector. Log in to the Members Area of our website and go to the REACH Consultation.**

*On 13 January 2010 The European Chemicals Agency added 14 chemical substances to the Candidate List of Substances of Very High Concern (SVHC) for authorisation, bringing the current total to 29 substances for inclusion in Annex XIV and 7 of these 29 substances have been identified as priority substances for Authorisation under REACH. Companies manufacturing or importing these substances need to check their potential obligations that result from the listing. Visit: [http://echa.europa.eu/doc/press/pr\\_10\\_01\\_candidate\\_list\\_20100113.pdf](http://echa.europa.eu/doc/press/pr_10_01_candidate_list_20100113.pdf)*

*Note: acrylamide; present in the draft circulated in November 2009, is not in the final list.*



## FEICA Use Descriptors Explained

Key to the implementation process for the REACH regulation is the inclusion of all relevant uses in the substance registration dossiers. The Commission and ECHA were aware that this required an enormous communication effort on the part of industry to meet the first registration deadlines in 2010, and developed a descriptor system and published guidance documents to assist this process.

The descriptor system, which is a uniform system for all downstream user manufacturing processes, irrespective of industry, has grouped together uses and applications into Sector Use Codes (SU) Process Codes (PROC) Product Categories (PC) and assigned Environmental Release Categories (ERC), and can then be developed into more industry specific customer uses.

Through FEICA a uses matrix for our industry, which includes customer uses of adhesives and sealants, was developed starting at the individual product and technology level and subsequently consolidated for communication to suppliers. The matrix has been thoroughly checked and is believed to include all relevant uses within the industry. (If key uses are missing please contact the BASA Office).

The matrix is available for suppliers to use on the FEICA website. Members have been referring suppliers to these use descriptors for registration purposes, and have also used them to remind any suppliers who have not been requesting information about uses to check the FEICA tables for information.

However, there remains some confusion in the supply chain about the obligations of each party, with respect to registration of uses and what the use descriptors themselves signify.

Suppliers are obliged to include all notified uses in their substance registration dossiers, and carry out chemical safety assessments (CSAs) and issue chemical safety reports (CSRs), which include those uses. However, these use descriptor code combinations carry with them default values for exposure and release, which are used in the first level targeted risk assessment web based tool (ECETOC TRA) developed by ECHA. Suppliers, in some cases, for reasons of simplification, have opted to use the most generic use descriptor code combinations notified, reasoning that the default values for exposure and release of these more generic code combinations will encompass those of the more specific code combinations and therefore the risk assessment, and safe use conditions, will be appropriate and relevant for all the encompassed uses.

For example, Product Category (PC) 10 (Building and construction preparations not covered elsewhere), which some members may have quoted for some construction products has been deleted from the use descriptor matrix. Instead downstream users should use PC 1 (Adhesives, sealants and coatings), which will adequately describe the exposure and release conditions.

In the event that the ECETOC TRA does not give acceptable safe use conditions, downstream users are still able to use their own exposure and release data, along with the risk management measures employed in any specific uses, to conduct their own CSA and CSR. ■

# News in Brief

## US specialty adhesives trends

US demand for specialty adhesives is projected to expand 4.4 percent annually to \$3.0 billion in 2013, with volume reaching 705 million pounds. Overall demand will benefit from real (inflation-adjusted) growth in durable goods output following a period of decline between 1998 and 2008. Specialty adhesives are a small component of the overall adhesive industry, representing about five percent of US adhesive demand in 2008. However, specialty adhesives are more significant with respect to market value, accounting for 28 percent of overall adhesive demand due to their relatively high prices. Cyanoacrylates are expected to achieve the fastest gains in market value through 2013. These and other trends are presented in Specialty Adhesives, a new study from The Freedonia Group, Inc., a Cleveland-based industry research firm.

[www.freedoniagroup.com](http://www.freedoniagroup.com) ■

## Help For Smaller Firms To Bid For Government Contracts

A free online public procurement course designed to help smaller firms bid for the £220 billion of public sector contracts awarded each year has been launched by the Government.

The course, 'Winning the Contract', shows participants how to identify business opportunities to supply goods and services to the public sector, explains the public procurement process, and demonstrates how to submit tenders. It has helpful hints and tips to guide and inform businesses on the bidding process, and where to find public sector contract opportunities.

'Winning the Contract' is a nationally available online training course which all businesses, regardless of size and sector, can access free of charge. It is part of a series of joint initiatives by the Office of Government Commerce and Department for Business, Innovation and Skills aimed at making the procurement market clearer and simpler.

Businesses can register to access the 'Winning the Contract' course by clicking through to learn direct on the Business Link website at [www.businesslink.gov.uk/procurement](http://www.businesslink.gov.uk/procurement). ■

## Dutch Public Procurement

For those members interested in supplying the Dutch authorities, details about their Sustainable Procurement Policies may be found here:

<http://www.senternovem.nl/sustainablprocurement/index.asp> ■



## ADHESIVES - ON THE MOVE

by Dr Glenda Thisdell, Editor, Comet

[g.thisdell@pra-world.com](mailto:g.thisdell@pra-world.com)

### Eastman acquires speciality polymers manufacturing facility in China

Eastman Chemical has completed the acquisition of Tongxiang Xinglong Fine Chemical Company, a cellulose-based speciality polymers manufacturing facility located near Shanghai, China.

The acquisition will support Eastman's Coatings, Adhesives, Specialty Polymers and Inks segment, specifically its Ensure product line, by providing additional capacity to meet growing demand in China.

Similar to Eastman's other cellulose esters, Ensure has approximately 60% bio-renewable content and is used in a variety of end-market applications such as coatings for packaging and consumables.

Terms of the transaction were not disclosed.

### Cost cuts and lower raw material prices lead RPM to record Q2

RPM International reported net income growth of 34% for the 2010 fiscal second quarter compared to a year ago. Income grew to a record \$55.9 million, despite a 3.5% decline in year-over-year sales. The Ohio-based speciality coatings and sealants producer said the improvement was due to cost reductions and a modest growth in sales in the consumer segment.

Chairman and chief executive, Frank Sullivan, said RPM had also benefited from more stable raw material costs, which had declined from "last year's extraordinary levels."

RPM's industrial segment, which represents just over 71% of total sales, saw sales decline 6% in the three months to 30 November compared to the same period a year ago. Second quarter sales slipped to \$613.5 million, while earnings before interest and tax (EBIT) improved by 4.5% to \$74.2 million. For the half-year, sales were 10% down compared to the first half of fiscal 2009 at \$1.24 billion, while EBIT was 3.6% down at \$159.1 million.

### RPM acquires Universal Sealants and targets global infrastructure spending

RPM International has sealed a deal to buy the UK's Universal Sealants group of companies, which supplies coatings and construction products and services for bridges and large infrastructure projects. The move places RPM in a strong position to capitalise on projected growth in global infrastructure spending.

Headquartered near Newcastle, and with sales of approximately \$55 million, Universal Sealants is a market leader in the UK and Ireland, and has a growing presence in the Middle East.

Terms of the transaction were not disclosed.

### New acrylic adhesive from Lord

Lord Corporation has developed a new acrylic adhesive specifically to bond a wide variety of substrates in a process-friendly way that will work on unprepared metals. Launched at the end of last year, Maxlok is tack-free. It is available in three cure speeds to allow for more flexible processing with seasonal temperatures and better dispensing capability. It is grey in colour to match with most metals and performs at temperatures ranging from -40 to 300°F. It is intended for applications in the transportation, wind and solar energy and speciality construction industries.

### Huntsman expands Russian polyurethane business

Huntsman's polyurethanes business in Russia is opening a new Systems House in Obninsk, near Moscow, to operate alongside its HNMG joint venture, which has been manufacturing and selling polyurethane systems to the adhesives, coatings and elastomers markets in Russia and other areas in eastern Europe since 2007.

The new facility will produce a wide range of polyurethane products to support the growth ambitions of Huntsman customers in the region.

The HNMG joint venture employs over 150 employees and has state of the art manufacturing and distribution facilities in Obninsk and a network of branch offices across the region, including in Belarus and the Ukraine. □



# Economic Update - January 2010

by Roger Martin-Fagg, Behavioural Economist

Rmfagg@aol.com

## Exchange Rates

The consensus view is that sterling will strengthen in 2010; I think most of the movement will be against the euro. The long run rate of interest in the UK is likely to rise significantly in 2010. I expect certainly a 1%, possibly a 2% increase, by end of 2010 – so as high as 6%. The short rate will still be under 1%. Six percent will attract a lot of Asian savings to London, instead of Paris and Frankfurt. The US long rate will also rise to around 5%. I guess that sterling will be between 1.60 and 1.70 to the dollar and 1.22 to the euro.

## The Property Market

There has been an upturn in commercial property and a slight upturn in residential. The commercial property market is reviving now that yields have moved closer to normal i.e. for quality, long let stuff, between 5% and 7%. It is likely that there will be some big fire sales in 2010 as the banks seek to cut their exposure, and cash buyers hoover up. But looking beyond 2010 is not very encouraging, particularly for average to poor retail sites. And landlords will still be under pressure to reduce rents.

The advice is quite straightforward; money – if you can get it – will not be this cheap for a long time, so obtain as much

as you can but do not expect to make a significant return on residential property for seven years.

## Interest Rates

Long run interest rates will rise through 2010 – my guess is to at least 5%, possibly 6% by year end.

**Outlook for 2010:** a slight recovery before another downturn in 2011

**UK** I expect cash GDP i.e. actual income and expenditure, to grow by 2%. This is then adjusted for inflation, which will produce an average real GDP growth of 0.5% for the year.

**Euroland** Much the same, but with actual income growing by 2.7%, and real GDP at 1.3%. The best performer will be France; the worst Ireland, Spain, Greece.

**The USA** Cash GDP which has been shrinking for a year, grew at 3.3% in the third quarter of 2009. I expect to see 2.5% for 2010, which translates into real GDP growth of 1.5%

**China** will continue to expand driven by investment spending; expect real GDP at 8%.

## On inflation

UK consumer prices, between 1.5% and 2%, Retail prices 0.5%.

Euroland consumer prices 1.5%  
USA 1%.

## Interest Rates

UK short rates under 1%, long rates up by 1% to 5%, possibly to 6%  
USA short rates under 1%, long up by 1% to 4%  
Euroland short rates 1.25% long up by 0.75% to 3.5%

## Conclusion

The world didn't end in 2009. In real terms global added value fell around 1%, the West suffered more than the East. We are experiencing the hangover and at best, we are half way through it. As each individual adapts to survive, our system will continue to change. This will provide many opportunities for business and individuals to grow and prosper; there will be a wave of creative destruction as the new and different drives out the same and old. The debt the private sector piled on for seven years has not been eradicated; it has just been transferred to Government i.e. socialised. To make any real progress, the old Western Economies must raise their productivity and the East must begin to spend the reserves they have built up by intervening to keep their currencies cheap.

[A full version of this edited report is available on the BASA website].

## How YOU could influence upcoming EU rules

It is vital that the voice of UK businesses in our sector is heard in Brussels, says DEFRA. One way to do this is to ensure that we are well represented on the European Business Test Panel.

The European Commission has set up the Panel in order to receive views directly from companies. Put simply, it is a list of businesses that are happy to receive invitations seven or eight times a year to participate in short online surveys (around 15 minutes) about different business activities being reviewed by the EU. Membership represents an opportunity to influence the business environment and around 300 British companies are already members. There's no obligation once you've signed up: if a topic is not relevant or of interest, panel members can simply answer "No" to the question "Do you wish to participate in this survey?".

Recent surveys have included access to finance, collective redress and employment law. The Commission provides feedback on the surveys via its website and newsletters – a useful way of keeping on top of what changes in legislation may be coming out of the EU.

For more information or to sign up, visit the Commission's European Business Test Panel (EBTP) website: [http://ec.europa.eu/yourvoice/ebtp/index\\_en.htm](http://ec.europa.eu/yourvoice/ebtp/index_en.htm) Alternatively, get in touch with Dulcie Lawrence in the EU Market Access Unit of the Department for Business at [Dulcie.Lawrence@bis.gsi.gov.uk](mailto:Dulcie.Lawrence@bis.gsi.gov.uk). For other services from the EU Market Access Unit aimed at helping companies overcome trade barriers in Europe see: [www.bis.gov.uk/EUMarketAccessUnit](http://www.bis.gov.uk/EUMarketAccessUnit).

## FEICA

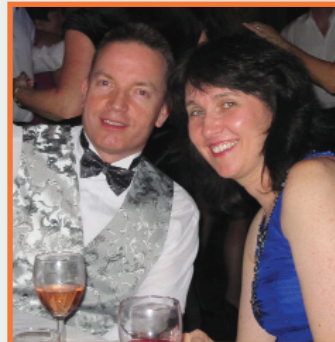
The latest NewsFlash (no 10) has been published on the FEICA extranet. For an update of FEICA activities login to the BASA Members area, select FEICA and when logged in use this link: <http://www.feica.eu/images/stories/nf10.pdf>



The latest newsflash includes an update about the Commission Regulation amending REACH Annex II, FEICA's One Component Foam (OCF) and FACET Projects and a question and answer feature about CLP.

# We Danced All Night

We are pleased to report that £827 was raised for the charity, FiND, at our Annual Dinner last November.



## MAKE THAT DATE

April 15	BASA/SAA Scientific Conf.	Soc of Chemical Industry, London Fundamentals of Adhesion and Adhesives
April 21	OTF	Loughborough University Theme: Sustainability
May 5&12	Seminars	Sketchley Grange Hotel Food Contact & Calculating Substance Migrates
June 22	Sports Day	Hawkstone/WMSG
Sept 15/17	FEICA EAC	Helsinki
October 21	OTF	venue tbc
Nov 20 or 28	Dinner Dance	venue tbc
Dec 9	BASA/SAA Scientific Conf	Soc of Chemical Industry, London

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

*Affiliated to FEICA • Trade Association Forum • Alliance of Industry Associations • Association Sealant Applicators • Society of Adhesion & Adhesives • BSI*

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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](mailto:secretary@basaonline.org)  
website: [www.basaonline.org](http://www.basaonline.org)

The next issue of the Bulletin will be May 2010

Send your news and views to the Secretary before April 23rd 2010