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COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT

AD HOC GROUP OF EXPERTS ON THE CHEMICAL INDUSTRY

Second session, 28-30 April 1999

REPORT

INTRODUCTION

1. The ad hoc Group of Experts on the Chemical Industry held its second session from 28-30 April 1999.
2. Representatives of the following countries participated in the session: Czech Republic, France, Hungary, Poland, Portugal, Russian Federation, Slovakia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland. Representatives of the following organizations also attended: United Nations Environment Programme (UNEP), International Labour Organization (ILO); Organisation for the Prohibition of Chemical Weapons (OPCW); International Rubber Study Group (IRSG); European Chemical Industry Council (CEFIC).

ADOPTION OF THE AGENDA

3. The ad hoc Group of Experts adopted its provisional agenda (TRADE/CHEM/GE.1/1999/1).
4. Mr. J. Coupek (Czech Republic) and Ms. J. Ory (France), were elected Chairman and Vice-Chairman, respectively. The Chairman thanked the delegates for their confidence in the bureau and hoped they would fulfil their obligations to the satisfaction of the Group of Experts.

MATTERS ARISING FROM THE SECOND SESSION OF THE COMMITTEE FOR TRADE, INDUSTRY AND ENTERPRISE DEVELOPMENT HAVING A BEARING ON THE WORK OF THE GROUP OF EXPERTS

Documentation: TRADE/CHEM/GE.1/1999/2 and TRADE/CHEM/GE.1/1999/5

5. The Director of the Trade Division, Ms. C. Cosgrove-Sacks, addressed the session, informing the delegates of the Matters Arising from the Second Session of the Committee for Trade, Industry and Enterprise Development (and the Fifty-fourth session of the Economic Commission for Europe) having a bearing on the work of the Group of Experts. She described the goals of the Enterprise Development Programme and stressed that the great majority of activities in the chemical programme fit perfectly into the framework set by the Committee for Trade, Industry and Enterprise Development, namely, sustainable development; privatization and restructuring; and statistics and market information. Competitiveness was stressed as an overall principle, which she felt would be acceptable to industrial and private sector interests. She also confirmed that the mandate for the activities of the ad hoc Group of Experts would continue to mid-2000, and that the Committee Meeting in June would review the Programme of Work and might make comments or suggestions regarding the bodies competent to supervise the programme.

6. The Chairman then emphasized that although the official status of chemical activities within ECE had been continually downgraded from a Committee to a Working Party and now to an ad hoc Group of Experts, it was treated by the Committee for Trade Industry and Enterprise Development at the same priority level as a Working Party. The Vice-Chairman wished to emphasize that the high quality of work produced by the ad hoc Group of Experts and its secretariat should be reported to the Committee.

EXCHANGE OF VIEWS ON POLICY-ORIENTED ISSUES CURRENTLY FACING THE CHEMICAL INDUSTRY: NATIONAL STATEMENTS

Documentation: TRADE/CHEM/GE.1/1999/3

7. Under this item, detailed information was provided orally by the delegations of Turkey, Hungary and France. Written versions of these oral reports would be published shortly as an addendum to the above document. Written statements were provided by Albania, Azerbaijan, Croatia, Czech Republic, Germany, Italy, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Turkey and the United States of America.

PROMOTION OF SUSTAINABLE DEVELOPMENT (CHEMISEED)

(a) Pilot Project Demonstrating the Environmental Clean-up of Selected Sites Polluted by Chemicals

Documentation: TRADE/CHEM/AC.1/2

8. The Group of Experts heard an oral report on the sixth ad hoc Meeting for the Pilot Project which had been held on 27 April 1999. Two further sites had now been completely remediated (one each in Poland and in Hungary); Poland had already submitted a complete report on the remediation and Hungary would do so in the near future. These two countries had also submitted one additional site each, and were requested to provide full information on them. The composition of the Task Force had been slightly changed and mandates of individual members modified to take account of the new developments. The seventh Meeting for the Pilot Project was planned to be held in May 2000.

9. Details of progress at various sites would be provided in the formal report of the Meeting mentioned in paragraph 8. A major conceptual issue was again described, in which site owners (i.e. private sector and/or government funds) were expected to furnish roughly 50% of the clean-up costs, so that donors would see this as a true commitment to the clean-up. Examples were provided from the Czech Republic and Slovakia.

10. The Compendium on soil clean-up technologies was considered a great success. A second edition is planned for publication by the end of 1999, which will be a co-publication with the United Nations Industrial Development Organization (UNIDO). That organization will provide funding for a consultant, as well as other substantive input. The Meeting agreed to retain high priority for this project, and gave its approval for the joint publication.

(b) Comparative Databank on Chemical Legislation in the Countries of the UN/ECE Region (CHEMLEX)

Documentation: TRADE/CHEM/AC.4/3, TRADE/CHEM/AC.4/4

11. The Group of Experts had before them a report on the seventh ad hoc Meeting for CHEMLEX. and a Note by the secretariat. A second edition of the CD-ROM would be relatively easy to produce, as user-friendly software has been developed. The software could be translated into Russian at no cost, and a second edition could contain English, French and Russian versions on the same CD-ROM. Resources for the updating would require extra-budgetary contributions of ca. \$US 40,000, including CD-ROM production. These funds are required to cover the costs of an external specialist consultant (who must be both a lawyer and a chemist) whose competence and availability for the project have been identified and confirmed by the secretariat. These funds are not available in ECE and must be contributed by external sources.

12. The delegation of the Russian Federation stressed the need for Russian language materials in this area, and complimented the secretariat on its attempts to have this accomplished. At this point the Director of the Trade Division reiterated the intention of ECE to issue all its publications in the three languages of ECE, but budgetary restriction made by New York headquarters prevented that in most cases.

13. The Group insisted on maintaining this project as a high priority and to make it a continuing project by regularly updating the databank.

(c) Seminar on Analysis, Methodology of Treatment and Remediation of Contaminated Soils, Paris, April 1999

Documentation: TRADE/CHEM/SEM.1/1

14. The delegation of France, as project leader, gave an oral report on the Seminar which was held on 13-15 April 1999 in Paris, stating that over 650 participants from 33 countries had taken part, compared to 300 participants from 18 countries at the first seminar held in December 1995. At this second seminar 79 papers from 16 countries were presented. It was considered useful to have sessions which covered Risk Assessment, Investigation Strategies, Methodology of Treatment with a View to Remediation, Measures to Minimize Exposure, Decontamination Strategies, and (particularly) Legal, Financial and Communications Aspects. The Organizers wished to express their thanks to the Government of France and to UN/ECE for the assistance provided, and to emphasize their satisfaction with all aspects of the organization of the Seminar. The delegation of France then formally proposed to the present Meeting that a third seminar be

held in 2001, probably in April, and that a preparatory meeting for that Seminar be held in conjunction with third session of the ad hoc Group of Experts on the Chemical Industry in May 2000.

(d) Regional Environmental Management Centre for the Chemical Industry, Warsaw

Documentation: TRADE/CHEM/AC.7/1

15. The Group of Experts had before it a Note by the secretariat describing the activities of the Centre. The delegation of Poland added further details and emphasized that although the Centre was designed to be regional, in fact most of the activities had been national in character. The Centre had put most of its efforts into Responsible Care in the chemical industry.

PRIVATIZATION, RESTRUCTURING AND ENTERPRISE DEVELOPMENT: STUDY TOURS IN AREAS UNDERGOING RESTRUCTURING OF THEIR CHEMICAL INDUSTRY

Study tour in Portugal

Documentation: TRADE/CHEM/AC.2/2

16. The Group of Experts had before it a Report on the study tour which took place from 11 to 17 July 1998. The delegation of Portugal also provided an oral report on the study tour, and stated its satisfaction with the quality of the participants. In particular, it noted the wide geographical distribution of participants, as well as the significant advantage of having journalists taking part. The evidence was a 4-page article in a major European chemical news magazine about the chemical industry in Portugal.

17. Delegations expressed their pleasure in participating in the study tour and their impressions about the high quality of the chemical industry in Portugal. The Chairman also expressed satisfaction with the study tour, and requested delegations to propose further tours. He felt that, in addition to the technical aspects of such tours, there was considerable value in these trips which generated personal contacts both in the countries visited and between the participants. It was suggested that a separate call be sent for delegations to express their wishes for target countries and sectors of the chemical industry to be visited.

INFORMATION, STATISTICAL DATA AND MARKET PROSPECTS

(a) Task Force on Chemical Statistics

Documentation: TRADE/CHEM/AC.3/4

18. The ad hoc Group of Experts had before it a Note by the secretariat and took note that all of the recommendations of the Task Force had been implemented in the current Annual Review, which was issued in time for the present meeting. Several delegations requested that the Annual Bulletin of Trade in Chemical Products be re-instated, as they felt this to be an important source of information for development of export markets, particularly for countries in transition to a market economy. The secretariat reinforced the opinion of those delegations by stating that it had received numerous requests for the publication. An electronic format would be preferable. This would require considerable statistical and programming resources. It was suggested that the Statistical Division of ECE should provide such assistance for this important project.

19. The secretariat informed the Group of Experts that the Year 2000 general computer problem might play a serious role in the near future for the chemical statistics database, and would put a further serious strain on the limited resource base.

20. The Meeting expressed its satisfaction with the inclusion of the Harmonized System (HS) nomenclature. It also stated that member countries should provide resource assistance.

(b) The Chemical Industry in 1998 - Annual Review

Documentation: ECE/TRADE/228

21. The Group of Experts expressed the need for and usefulness of this publication and strongly recommended that it be maintained as a continuing high-priority element in its programme of work.

22. The Group of Experts expressed its satisfaction with the secretariat for the preparation and release of the Annual Review in time for this Meeting.

23. The Group of Experts was also pleased to note that a Russian edition of last year's Annual Review had been published. This was the first time since 1990 that a Russian edition had been issued.

(c) Directory of Chemical Producers and Products

Documentation: TRADE/CHEM/AC.6/3, TRADE/CHEM/AC.6/4

24. The Group of Experts was informed that the very positive response to the questionnaire which had been circulated to obtain information to up-date the Directory meant that data entry was taking longer than expected. More than 200 companies from each of several countries, plus comprehensive responses from many CIS and eastern European countries will assure a high quality publication. This is expected to be ready by June or July 1999. The Directory will be in two volumes and be a co-publication with the external publisher, as described in the report of the first session of the ad hoc Group of Experts (TRADE/CHEM/GE.1/1998/6, para. 21).

25. In response to a request by the Director of the Trade Division, an order of priority for the publications was made: (1) The Chemical Industry - Annual Review; (2) Directory of Chemical Producers and Products; (3) Annual Bulletin of Trade in Chemical Products. This order was unanimously accepted and will be used for the allocation of resources, if necessary.

ACTIVITIES OF OTHER UNITED NATIONS AND OTHER INTERNATIONAL BODIES CONCERNED WITH THE CHEMICAL INDUSTRY, AND OTHER SUBSIDIARY BODIES OF THE COMMISSION AND OF THE EXECUTIVE BODY FOR THE CONVENTION ON LONG-RANGE TRANSBOUNDARY AIR POLLUTION

Documentation: TRADE/CHEM/GE.1/1999/4, TRADE/CHEM/GE.1/1999/4/Add.1

26. The Group of Experts took note of the document regarding the activities of other bodies having an effect on the chemical industry. Written reports were provided by nine bodies. A description of activities in other Divisions of ECE was also included. In addition, oral presentations were provided by UNEP, ILO, OPCW and IRSG.

(a) Workshop on Applications of ISO 14000 Environmental Management Systems in the Chemical Industry

27. The suggestion by the Working Party on Technical Harmonization and Standardization of the Committee for Trade, Industry and Enterprise Development to hold a joint workshop this autumn in either Budapest or Warsaw, was presented by the secretariat. The delegations were favourable to this suggestion, which is expected to be proposed formally during the annual session of that Working Party (WP.6) to be held

in May 1999. As the Regional Environmental Management Centre for the Chemical Industry already exists in Warsaw, the ad hoc Group of Experts requested the delegation of Poland to be prepared to be contacted by the Polish delegation to the Standardization Working Party with a view to cooperating on this project. However, the delegation of Poland stated that its Government was not prepared to host this Workshop. Since the original suggestion to WP.6 had been made by the Hungarian delegation of that body, the Hungarian delegation to the Group of Experts was also requested to be so prepared.

(b) Development of medium-sized enterprises in the chemical industry

Documentation: TRADE/CHEM/AC.8/1

28. This item was not officially included in the programme of work, but interest was shown by delegations in pursuit of a study on this subject. The lack of resources precluded the work being done in-house, but the secretariat would be able to guide a consultant to carry out the study. The potential use of the study for cross-sectoral issues was mentioned. The study could also initially be restricted to parts of the chemical industry, such as plastics, fertilizers or pharmaceuticals.

ANY OTHER BUSINESS

29. The Group of Experts asked the secretariat to compose a letter to be sent to heads of delegations, requesting their evaluation of the quality and pertinence of the work done by the secretariat for the chemical programme. The same letter should request an explanation as to why absent delegations did not attend the session, and what could be done to improve the attendance and attractiveness of the session.

30. The Group of Experts was advised that Mrs. J. Nahon would be leaving the United Nations at the end of 1999, and thus would not be servicing any further meetings of the Group. The Group recognized her long and devoted attention to its needs and those of the professional staff of the Chemical Programme of ECE, and noted that she had more experience in this area than anyone associated with the chemical industry in ECE. The Group expressed its thanks for this service and wished her well for her future.

ROUND TABLE ON ENGINEERING THERMOPLASTICS

31. A Round Table Discussion was held on Competitiveness and Best Practices in Developing Engineering Plastics Applications. Panellists from BP/Amoco, BASF, Dow Europe, and Dupont made presentations. The Panel was chaired by the Association of Plastics Manufacturers in Europe (APME), a member body of the European Chemical Industry Council (CEFIC). Delegations expressed their thanks to the secretariat for the high level of competence of this Round Table. Publication of the presentations made at the Round Table will be arranged by the secretariat. A visit to DuPont Engineering Plastics Technical Centre was arranged, and was highly appreciated by delegations. As engineering plastics were considered to be very important, it was suggested that this subject be retained as a recurring theme in future chemical industry programmes.

ADOPTION OF THE REPORT

32. The ad hoc Group of Experts adopted the Report of its second session on the basis of a draft prepared by the secretariat.

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Annex

PROPOSED PROGRAMME OF WORK FOR 1999-2000

The proposed Programme of Work takes into account the various changes that have occurred during the past 18 months within the secretariat, particularly as regards resources and re-orientation of the Trade Division and the Enterprise Development Programme. The structure of the activities outlined is in accordance with the Enterprise Development Programme to be proposed to the Committee for Trade, Industry and Enterprise Development, which will discuss the programme during its annual session in June 1999. The numbering of the activities correspond to that in the proposal; gaps in the sequence are for activities not in the chemical area.

B.1 Sustainable Development**B.1.1 Pilot project demonstrating the environmental clean-up of selected sites polluted by chemicals**

Description: The Pilot Project has been under way since March 1994. It is planned that at least one chemically polluted site will be cleaned up in each submitting country, as a teaching/training/information model for other sites within the country. Forty-seven sites from 17 countries have so far been proposed for clean-up; a further three sites were added as a result of the sixth Meeting of Experts of 27 April 1999.

Work to be undertaken: The seventh Meeting will be held in early 2000 to evaluate the information received from the Pilot Project Task Force and plan further implementation of clean-up actions. The secretariat will prepare a document summarizing the experience so far achieved, including case histories. The Compendium on Soil Clean-up Technologies and Soil Remediation Companies is to be updated.

Duration: 1999-2000.

B.1.2 Comparative data bank on chemical legislation in the countries of the UN/ECE region

Description: The Comparative study of chemical legislation in UN/ECE member countries was converted to a continuing database entitled CHEMLEX, whose purpose is to assist countries in transition in modelling their chemical legislation on a uniform basis with western European legislation. This will facilitate trade and promote environmental standardization and statistical harmonization. The project had received very substantial financial and technical support from the European Commission. A CD-ROM containing the CHEMLEX Database was issued in September 1998 covering 600 texts and 25 countries plus the directives of the European Union.

Work to be undertaken: An updated and expanded version of the CD-ROM would be a very useful product, considering the efforts already spent in creating the first edition. UN/ECE can continue collection of data and up-date the data bank on the basis of comments received from initial users provided extrabudgetary resources can be generated. A consultant has been identified and availability confirmed, but financial resources are not yet available. Should resources not be made available the project will be terminated.

Duration: 1999-2000.

B.1.3 Seminars and workshops on sustainable development in the chemical industry

Description: UN/ECE, in the course of seminars and workshops, examines issues of sustainable development in the chemical industry. A Seminar on Analysis, Methodology of Treatment and Remediation of Contaminated Soils took place in April 1999 in Paris as a follow-up to the International Workshop on Soil Decontamination and Remediation Technology held in Paris in December 1995.

Work to be undertaken: A proposal was made by the Government of France to host a third seminar in the area of soil decontamination to be held in April 2001. Acceptance of this proposal is subject to approval by the Committee for Trade, Industry and Enterprise Development. A preparatory meeting for this seminar would be held in May 2000 in conjunction with the third session of the ad hoc Group of Experts on the Chemical Industry. A Workshop on the Experience of Using ISO 14000 Standards in the Chemical Industry in ECE Member States may be organized in conjunction with the Working Party on Technical Harmonization and Standardization Policies of the Committee for Trade, Industry and Enterprise Development.

Duration: 1999-2000.

B.1.4 Regional Environmental Management Centre for the Chemical Industry

Description: The establishment of a Regional Environmental Management Centre for the Chemical Industry was proposed officially by the Government of Poland at the High-Level Meeting on Cooperation and Sustainable Development in the Chemical Industry (March 1992). The aim of the Centre is to improve the environmental management, safety and quality performance of chemical producers in central and eastern Europe. The Centre is currently in operation, in part under the auspices of UN/ECE, and works together with the European Chemical Industry Council (CEFIC) and the European Commission.

Work to be undertaken: Several workshops have been organized by the Centre with the participation of experts from countries in transition. A further three events are planned by the staff of the Centre for 1999. The ad hoc Group of Experts will be regularly informed about the activities of the Centre and at its annual sessions will provide advice regarding the future work of the Centre.

Duration: 1999-2000.

B.2. Restructuring and privatization

B.2.2 Restructuring and Modernization of the Chemical Industry of Countries in Transition

Description: At the invitation of the Government of Ukraine a Workshop was organized and successfully conducted in Cherkassy (Ukraine) in 1996 on the above subject. The chemical industry in many countries in transition has suffered serious decreasing production in recent years and modernization through joint ventures, foreign investment, technology transfer and the up-dating of existing technologies is required; examples and possibilities of these were exhibited and discussed during the Workshop.

Work to be undertaken: As the Workshop has been completed, no further work on this subject is required. However, the approach used for this restructuring and modernization can be applied to other countries in transition, both in the chemical industry and for other industries, and delegations felt that such workshops could beneficially be held in other countries.

B.2.4 Directory of Chemical Producers and Products

Description: A Directory of chemical producer companies and chemical products covering the European ECE region will be issued, as it is an important tool in promoting international contact between enterprises. A new structure and timetable for production of the Directory has been agreed with an external publisher. Input from focal points is necessary to make the work useful and provide visibility of local chemical enterprises on the world market; a large number of inputs have been received.

Work to be undertaken: The co-publication of a two-volume Directory for all of Europe is planned for mid-1999. Electronic versions of the Directory should be made available in the medium term.

Duration: 1999-2000.

B.2.5 Study tours in areas undergoing restructuring of their chemical industry

Description: Study tours are organized on a regular basis. A study tour of the chemical industry took place in Portugal in July 1998.

Work to be undertaken: No further study tours have been proposed, but the secretariat is in a position to support the organization of such a tour should a proposal be forthcoming.

B.3 Statistics and Information Services

B.3.1 The Chemical Industry - Annual Review

Description: The ad hoc Group of Experts closely follows and analyses developments in the chemical industry. The Chemical Industry - Annual Review is prepared by the secretariat based on information collected by questionnaires distributed by UN/ECE to statistical offices and other chemical focal points throughout all 55 member States of UN/ECE. It also uses other resources within the secretariat, and other material covering all major chemical product areas. The Annual Review has been issued regularly since 1971. The Task Force on Chemical Statistics has examined the structure and content of the statistical part of the Annual Review and changes have been made to it and the associated questionnaires. The final Meeting of Experts on the Periodic Survey, held in 1998, suggested that the National Statements (Part 1) of the Advance Version be retained.

Work to be undertaken: The Chemical Industry in 1999 - Annual Review will be issued in mid-2000 and preparations made for the following annual edition. The two-part simplified questionnaire will be sent to delegations or focal points to collect statistical information for the Annual Review, and National Statements for both the Annual Review and the third session of the Group of Experts.

Duration: 1999-2000.

B.3.5 Round Table Discussions on the Chemical Industry

Description: The secretariat will organize round table discussions (RTD) on specific issues of relevance to the ad hoc Group of Experts on the Chemical Industry. The proceedings of these RTDs will be published by the secretariat. Four RTDs have already been organized and published under the auspices of the former Working Party on the Chemical Industry. For the present session of the ad hoc Group of Experts an RTD on Engineering Thermoplastics has been organized, as well as a plant visit to an engineering thermoplastics technical service laboratory in the Geneva area.

Work to be undertaken: No further RTDs are to be arranged unless a specific requirement is made and supported by one or more delegations.

Duration: 1999.

PART TWO

PROJECTS TO BE COMPLETED AS RESOURCES BECOME AVAILABLE

2.3 Structural and Ownership Changes in the Chemical Industries of the Economies in Transition

Description: A Study on Structural and Ownership Changes in the Chemical Industry of the Economies in Transition was produced by the secretariat in cooperation with focal points in the countries in transition.

Work to be undertaken: As the study is complete, no further work is planned at this time. However, a study of the restructuring of western chemical enterprises was suggested, particularly as these two studies could be used as models for cross-sectoral use in examining other industries. Additionally, the evolution of enterprises in the 200 - 5,000 employee range deserves further analysis, and appears to differ greatly, both between different parts of Europe and between different industries. A study of this evolution in the chemical industry context, which might subsequently be expanded to other industries, could be carried out. This is a new area where the experience of the chemical industry could be used for cross-sectorial analysis. To date no work has been done on this in the Division, nor, as is presently known, within the United Nations system. Initially a study could be proposed to define the key issues and propose options for further work.

CALENDAR OF MEETINGS

2000

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| 8 May (a.m.) | Preparatory Meeting for a third Seminar on Soil Decontamination |
| 8 May (p.m.) | Seventh Meeting of Experts for the Pilot Project Demonstrating the Environmental Clean-up of Selected Sites Polluted by Chemicals |
| 9-10 May | Third session of the Ad hoc Group of Experts on the Chemical Industry |

2001

(Following dates subject to mandate of Group of Experts being extended by the Committee for Trade, Industry and Enterprise Development)

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| April | Third Seminar on Soil Decontamination, Paris |
| May | Eighth Meeting of Experts for the Pilot Project Demonstrating the Environmental Clean-up of Selected Sites Polluted by Chemicals |
| May | Fourth session of the Ad hoc Group of Experts on the Chemical Industry |
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