

Materials and engineering Hot Issues. Issue 5: May 2003.

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Thank you for taking the time to look at our latest newsletter. There have been some changes both to the format of the newsletter and indeed to the Materials and Engineering Sector Unit Team (MEST) since the last edition.

In response to feedback we have received on the previous newsletters this edition has been reduced in size, concentrating on the very current and key policy areas. Other issues are flagged up in abbreviated form, although more details on any of these policy areas can be provided from the specified contact. We have also highlighted forthcoming consultations so that you can plan ahead and decide whether you need to feed into the decision making process on future policy. Another new development is the addition of a response sheet at the back of the newsletter. All of these changes are designed to make it easier for you to consider the policy issues that affect you. Please let us know if you think the changes either improve or weaken the effectiveness of the newsletter. Your feedback is crucial if we are to maximise the value that we add to the Materials and Engineering sectors. Please take the time out to let us know how you think we are doing.

A Message From our Director

You may be aware that the MEST has been reduced in numbers over the past couple of months. I wanted to take the opportunity to explain the background behind these changes, and allay any fears that our commitment and the service we provide for our sectors has in any way been diminished.

We have a new organisation chart to share with you, which shows a leaner version from before. This has been brought about due to intense pressure across all DTI resources and through the redefining of the relationship management role. You will see that Tony Keegan and Valerie Allcock have moved to new roles within the DTI and we thank them for their contribution to the sectors that they worked with. We welcome Jan Weston to the Group and shortly Dr Robert Quarshie on secondment from Corus Plc. Clearly in the future our relationship management will be with a focussed group of companies – around 800 across all the sectors that DTI covers. To ensure that we stay in touch with the SME and Middle Market sectors we have asked Brian Greenwood to manage relationships with all our trade associations ensuring that the DTI message gets across and your views are fed back into relevant Government officials.



With everyone's help, we look forward to ensuring that our sectors have a strong and effective voice in Government.

Simon Edmonds

Director of the Materials and Engineering Sector Team

Hot issues

Issue: Emissions Trading Scheme

Main Points:

Background on the EU and UK Emissions Trading Schemes was provided in the March edition of Hot Issues. The Directive reached political agreement on 10 December 2002. Following a second reading of the Directive, the aim is for the Presidency and Parliament to resolve their differences through conciliation by the end of June. If this affects you you may want to consider asking your European Trade Association to encourage its members to lobby their own Member States and similarly their own MEPs.

As currently drafted, the Directive requires Member States to submit their National Allocation Plan (NAP) by March 2004. The European Commission issued a "non-paper" on how to develop a NAP in April. This can be accessed from the link below, and offers an insight into the process that Member States need to undertake to arrive at a NAP. A Consultation Document on the Government's proposals is planned for October. We will keep you up to date with the publication date through this newsletter.

Deadline for input: ASAP to MEPs or European Trade Associations

Hot links (to further information/consultation documents):

<http://europa.eu.int/comm/environment/climat/030401nonpaper.pdf>

Contact us at: Keith.Avis@dti.gsi.gov.uk

Issue: EU Environmental Liability Directive

Main Points:

The European Parliament's 1st Reading for the Environmental Liability Directive was held on 13 May. They adopted a number of amendments of concern to both business and the UK. The votes were very close and the UK continues to seek an effective, clear and precise regime at minimum cost to business in relation to environmental benefits.

The Greek Presidency hopes to reach political agreement on the Directive at Environment Council on 13 June, however a number of issues remain under detailed discussion.

Deadline for input: Ongoing

Hot links (to further information/consultation documents):

The EU White Paper on Environmental Liability, along with other background papers is available from the following site: <http://europa.eu.int/comm/environment/liability/index.htm>

The draft Directive is available from the following site:

http://europa.eu.int/eur-lex/en/com/pdf/2002/en_502PC0017.pdf

Contact us at: Terry.Martin@dti.gsi.gov.uk

Issue: New EU Chemical Legislation

Main Points:

The Commission launched an 8-week Internet consultation on 7 May on draft legislation to modernise and overhaul the EU's regulatory system for chemicals. You should be aware of the proposals because the implications are likely to be substantial for all manufacturing sectors. The draft legislation, which replaces over 40 existing directives and regulations, will implement the proposals set out in the Commission's February 2001 White Paper on the Strategy for future Chemicals policy.

The new system will place a duty on companies that produce, import and use chemicals to assess the risks arising from their use and to take the necessary measures to manage any risks they identify. This will reverse the burden of proof from the public authorities to industry for putting safe chemicals on the market. The legislation is likely to be put to the Council and European Parliament for co-decision under the Italian Presidency (July – December).

The Government supports the overall aim and approach set out in the Commission's 2001 White Paper. It's three main objectives are to create a fast, efficient and workable process of testing, screening and assessing chemical substances that would be most harmful to human health and the environment; keeping animal testing to a minimum and maintaining the competitiveness of the UK's chemical industry (see UK's position statement of December 2002: <http://www.defra.gov.uk/environment/chemicals/pdf/necs-ukposition.pdf>).

The Commission's proposals give rise to a number of concerns in terms of complexity and cost, with it's latest business impact assessment estimating indirect and direct costs of 18 billion – 32 billion Euros (compared to its original estimates for direct costs alone of 2.1 billion Euros) falling largely on industry. The Commission estimates that some 8-12% of all existing chemicals substances would be withdrawn from the market on cost grounds alone, rather than because there were proven health/environmental risks. Work is now starting on the UK's own full Regulatory Impact Assessment.

The Internet consultation is a first for the Commission and we strongly advise you to respond to this important piece of legislation. The internet consultation can be accessed via the website below. Should you wish to discuss this further please contact the following lead officials in both DTI and Defra:

Contacts:

Giulia Musto, Chemicals and GM Policy Division, Defra, Tel: 020 7944 5267; Fax: 020 7944 5229; email: giulia.musto@defra.gsi.gov.uk

Chris Mee, Chemicals Unit, DTI, Tel: 020 7215 1104; Fax: 020 7215 5882; email: chris.mee@dti.gsi.gov.uk

Deadline for input: 10 July 2003

Hot links (to further information/consultation documents):

<http://europa.eu.int/comm/enterprise/chemicals/chempol/whitepaper/reach.htm>

Contact us at: Ambert.Prosper@dti.gsi.gov.uk

Other Issues

The following are some of the other ongoing issues. Should you need further information please email the contacts below:

Employers Liability Compulsory Insurance

Following its review of employers liability compulsory insurance, the Department for Work and Pensions is due to publish its report on 3 June. We will forward a weblink to the report once published.

Balancing Work & Family Life

Campaign designed to help everyone combine work with their other responsibilities.

Contact: Anna.DePascali@dti.gsi.gov.uk

Horizontal Amending Directive extending Working Time Directive

Directive concerning certain aspects of the organisation of working time, extending the Working Time Directive to previously excluded sectors.

Contact: Fran.Buckle@dti.gsi.gov.uk

Cogeneration of Heat & Power

Highly fuel efficient technology – using waste heat produced as a by product of electricity generating process – Political agreement reached on EU Directive.

Contact: Keith.Avis@dti.gsi.gov.uk

Website: <http://www.defra.gov.uk/environment/consult/ec-chp/index.htm>

Energy White Paper

Published on 24 February, the Energy White paper sets out the Government's short, medium and long-term energy strategy. If you would like to know more about the White Paper or register your views on it please contact us.

Contact: Keith.Avis@dti.gsi.gov.uk

Website:

<http://www.dti.gov.uk/energy/publications/whitepapers/index.shtml>

EU Temporary Agency Workers Directive

The Commission published its proposal on 20 March 2002 – discussions continue within Europe on the final form of the Directive. It has the broad aim of improving the quality of Temporary Agency Workers by requiring that they be treated no less favourably than comparable permanent workers in the user enterprise to which the temporary worker is assigned.

Contact: Jenny.Young@dti.gsi.gov.uk

Website: <http://www.dti.gov.uk/er/agency/directive.htm>

Pollution Prevention and Control Act 1999 – Two Draft Statutory Guidance Notes for Non-Ferrous Foundry Processes and Surface Treating using organic solvents

Defra and the Welsh Assembly Government are currently consulting on draft guidance on the Best Available Techniques for minimizing pollution from Non-Ferrous Foundry Processes and the Surface Treating processes using organic solvents ^{*}. The installations affected are listed in the Pollution Prevention and Control (England and Wales) Regulations 2000 (as amended) and are often referred to as A2 installations. The consultation exercise is to allow stakeholders to have a final opportunity to comment on the guidance notes before they are formally issued. The guidance notes can be found at

www.defra.gov.uk/environment/ppc/index.htm. The deadline for comments is 30 June 2003 and should be sent to carl.woodward@defra.gsi.gov.uk.

* Please note that the Surface Treating using organic solvents documents has not been released as yet, but is expected to appear on the above web link soon.

Forthcoming Consultations

The following are some of the forthcoming consultations that may appear within the next few months. Should you wish to be added to the consultation list please email the contacts below:

R&D Tax Credits

Following its commitment in the 2003 Budget, Government will shortly be undertaking a further consultation with business to seek views on how the current R&D guidelines could be improved. We will forward a weblink to the consultation once published.

Road Transport Directive

Directive concerning the organisation of working time mobile workers who perform road transport duties and the inclusion of self-employed drivers.

Contact: Ian.Timpson@dft.gsi.gov.uk

EU Physical Agents (Vibration) Directive

The Directive, which came into force on 6 July 2002, lays down minimum standards for the health and safety of workers exposed to hand-arm and whole body vibration. The UK & other Member States have three years from the aforementioned date to implement the Directive.

Consultation Document: July/August 2003

Contact: graeme.royal@hse.gsi.gov.uk

Website: <http://www.hse.gov.uk/vibration/issues.htm>

EU Large Combustion Plants Directive

This Directive aims to reduce the acidification, ground level ozone and particles throughout Europe by controlling emissions of sulphur dioxide, nitrogen oxides and dust from large combustion plants above 50 megawatts thermal capacity. Essential elements of this Directive were transposed into UK legislation in 2002. However, an important decision regarding the implementation approach for pre

1987 'existing' plants still has to be made. Government will be consulting on this decision shortly.

Contact: Shiela.Winter@dti.gsi.gov.uk

Website:

www.defra.gov.uk/environment/airquality/lcpd/index.htm

EU Water Framework Directive (WFD)

The Water Framework Directive is the most substantial piece of EU water legislation to date and will affect those businesses who utilise water in their day-to-day business, such as holders of an abstraction licence or discharge consent. It requires that we aim to achieve "good water status" by 2015. The third and final consultation paper on turning the Directive into national legislation in England and Wales will be published shortly.

Contact: Shiela.Winter@dti.gsi.gov.uk

Website: <http://www.defra.gov.uk/environment/water/wfd/>

EU Freshwater Fish Directive

The Directive seeks to protect freshwater bodies identified as waters suitable for sustaining fish populations. For those waters it sets physical and chemical water quality objectives. There will be financial implications for a number of business sectors and Government will be consulting on proposed new designations, under the Directive, in England & Wales shortly. Views would be particularly welcome from stakeholders who have an interest in the management and use of the proposed designated waters.

Contact: sarah.paul@defra.gsi.gov.uk

Website:

www.defra.gov.uk/environment/water/quality/fwfish/index.htm

Website:

<http://www.defra.gov.uk/corporate/consult/current.htm>

EU Integrated Pollution Prevention & Control Directive

The European Commission will shortly be issuing a Communication on issues such as the implementation, impact and interpretation of the Directive. This communication could lead to a proposal to amend the Directive in 2004. It is understood that the Communication will be subject to a 3-month consultation period.

Contact: Terry.Martin@dti.gsi.gov.uk

European Commission Communication on Integrated Product Policy (IPP)

The long-awaited publication of the European Commission's Communication on Integrated Product Policy is expected in the next couple of weeks. Following on from a commitment in the European Union's 6th Environmental Action Programme, the Communication is expected to propose that a European approach to IPP is developed, based on four key principles. These principles will be Life-cycle Thinking, Stakeholder Involvement, Continuous Improvement and the establishment of a broad range of Policy Instruments. Defra lead for the UK Government on this issue, but DTI officials are also closely involved.

Contact: Steven.Andrews@dti.gsi.gov.uk

Website:

<http://europa.eu.int/comm/environment/ipp/home.htm>

European Commission proposals for an eco-design for Energy-using Products (EuP) framework Directive

Following the merger at the end of last year of DG Enterprise's proposals for a EEE (eco-design for Electrical & Electronic Equipment) Directive and DG Tren's proposals for an EER (Energy Efficiency Requirements) Directive, the adoption of proposals for an EuP Directive is due in June. It is generally acknowledged that the production, distribution, use and end-of-life management of products is associated with a number of environmental impacts - not least the consumption of materials and energy. This Directive would aim to establish a framework under which these issues might be addressed on a product-specific basis through the development of separate eco-design requirements.



Contact: Steven.Andrews@dti.gsi.gov.uk

Website:

http://europa.eu.int/comm/enterprise/electr_equipment/ee/index.htm

Industry Support

Issue: Business Support Directory

Main Points:

A key part of DTI's work to deliver prosperity for all involves providing support to the businesses that help to generate the UK's wealth. Each year we invest around £1bn providing advice, information, grants and loan guarantees. Our aim is to use this money in a way that ensures the best possible return on that investment for the UK and makes a real difference to business.

From April 2003 we are putting in place changes that will:

increase the impact of business support by focusing on products that enhance and encourage innovation, enterprise, investment and skills - four of the recognised drivers of productivity;

simplify the support on offer to business by moving to a smaller number of broader, more flexible products;

dramatically improve the help available to businesses in choosing and securing business support by introducing a web-based Business Support Directory containing information on all DTI business support products. It also holds details of significant schemes available from other Government Departments.

Through this approach we will deliver our vision: business support which makes a real difference to business productivity and competitiveness, which creates new opportunities and stimulates change, getting businesses further, faster.

Use our new Business Support Directory now to find out what products are available to help your business prosper.

Deadline for input: Ongoing

Hot links (to further information):

<http://www.businesslink.org/support>

Contact us at: Ambert.Prosper@dti.gsi.gov.uk

Hot Issues Form

HOT ISSUE TITLE(S):

COMMENT(S):

(Including likely impact of proposals on your company/sector)

Name:

Title:

Company Name:

Address:

Tel:

Fax:

Date:

PLEASE EMAIL FORM TO Ambert.Prospers@dti.gsi.gov.uk OR
ALTERNATIVELY FAX FORM TO MESU ON 020 7215 3773

Materials and Engineering Sector Unit - Organogram

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		<p>Brian Greenwood</p>	
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