

Standards and regulations essential to shape the future of the specialty chemicals industry

Mumbai, September 13, 2013: At the recently held CII seminar for the specialty chemicals industry in Mumbai, Dr. Joerg Strassburger, Managing Director and Country Representative, LANXESS India Private Limited addressed the audience on the topic 'Importance of standards in the growth of specialty chemicals industry'.

In the capacity of the Chairman, Sub-Committee on Standards & Regulatory Regimes, as part of the National Chemicals Committee at the Confederation of Indian Industry (CII), Strassburger opened the session with the thoughts behind this discussion on standards.

He explained that in 2011, CII National Committee on Chemicals had commissioned a report on Specialty chemicals which was foreseen to have a growth story. This report drafted by McKinsey and released in December 2011, reflected a strong need for implementing right consumption standards and regulations on safety, quality and environmental protection to be able to leverage the growth of the user industries. The report further stated that such standards will increase the preference for longer lasting, safer and more efficient end products among the consumers. As these products normally replace old and less environmental friendly products and the new products are produced in units which follow a sustainable approach - consumers, the environment and the chemical industry stand to benefit at the same time.

On the basis of this recommendation, the CII National Committee on Chemicals set up a subcommittee to strengthen the framework for standards and regulatory regimes in the specialty chemicals industry. It was clear that the implementation of such standards will benefit this industry and help it to realize the potential of USD 80-100 bn by 2020, as projected by McKinsey.

Speaking at the session, Mrs. Alka Panda, Additional Director General, Bureau of Indian Standards (BIS), reiterated that BIS realizes the importance of standards in the performance chemicals industry. She outlined some of the standards mandated by BIS, and said that standards help improve performance in the areas of quality, HSE (Health, Safety, Environment), consistency, waste management among others. She also sought the support of the industry in upgrading these standards wherever necessary.

Strassburger said that standards play an important role in educating the consumer about aspects like quality, impact on health and safety. Taking examples from the

recently instituted tire labeling regulation in Europe, he elaborated tyre manufacturers have to be transparent to consumers about performance parameters such as rolling resistance (fuel efficiency), wet grip (road safety) and rolling noise by putting a label on every tyre.

He further added that one of the most worrisome aspects about the Indian chemical industry is that several hazardous goods are transported in 'unsafe' conditions. He informed the audience that in order to overcome the challenges of this issue, an initiative called 'Nicer Globe' has been undertaken by seven members of the chemical industry, wherein, all vehicles carrying chemicals will be monitored through an online GPS monitoring system. He also sought the support of the government in this initiative for smooth operations.

Other speakers in the discussion on standards included Mr. H. J. Gazer, President, Indian Oxides & Chemicals Limited who spoke on 'Role of flame retardants and implications of fire safety' and Dr. Randhir Parmer, Senior Manager, Technology, Asian Paints Research and Technology Center who presented on 'Lead free & low VOC paints'.

LANXESS is a leading specialty chemicals company with sales of EUR 9.1 billion in 2012 and roughly 17,500 employees in 31 countries. The company is currently represented at 52 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of plastics, rubber, intermediates and specialty chemicals. LANXESS is a member of the leading sustainability indices Dow Jones Sustainability Index (DJSI) World and FTSE4Good as well as the Carbon Disclosure Leadership Index (CDLI).

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