

COMMENTS ON THE  
FEBRUARY 2021 PROPOSAL  
FOR IDENTIFICATION OF  
SUBSTANCES OF VERY HIGH  
CONCERN ON MEDIUM-CHAIN  
CHLORINATED PARAFFIN  
23 APRIL 2021



Altair Chimica SpA  
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**Altair Chimica SpA**  
**Comments on the February 2021 Proposal for Identification of Substances of Very High**  
**Concern on Medium-Chain Chlorinated Paraffin**  
**23 April 2021**

**1. Introduction**

These are the comments from **Altair Chimica S.p.A.** in response to the ECHA's february 2021 Proposal for Identification of Substances of Very High Concern on medium-chain chlorinated paraffins.

**Altair Chimica** is a long-term Italian manufacturer of chloro-alkali products and one of the REACH registrants for *Medium-Chain Chlorinated Paraffins (MCCP) Alkanes, C14-17, chloro - EC 287-477-0 - CAS 85535-85-9* grouped under the MCCP REACH Consortium. Also, is a member of Euro Chlor association of chloro-alkali plant operators in Europe and, as such, a member of CAPG, Chlorinated Alkane Product Group.

**Altair Chimica S.p.A.** is aware of ECHA's extensive work done by ECHA on this SVHC proposal and, in light of this, would like to take the opportunity to submit some comments.

In these comments, **Altair Chimica S.p.A.** would like to provide a little glance on the **socio-economic impact** that the **full nomination of MCCP** to the list of substances of very high concern (SVHC) could have on **Italian market** in terms of the overall supply-chain and, more deeply, on **Altair Chimica business** in terms of potential loss of earnings and, ultimately, job losses.

*Please refers to the MCCP REACH Consortium for all other comments as deeply related to scientific and environmental data.*



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**2. Potential socio-economic impact of SVHC listing at various levels**

At this stage, we would like to try to summarize what could be the *cascade effect* on European, Italian and our company business that SVHC listing of MCCPs could produce.

This brief summary is the result of over 10 years of market study and discussions within the respective European and national sector associations.

• **European market related to MCCPs**

A total of 110 ktons/year of MCCP is manufactured in Europe, minimum (we believe it's worthwhile to still take into account also UK production, at this stage) by the five European producers Altair Chimica S.p.A., Caffaro Industrie S.p.A., INOVYN (the major), QUIMICA DEL CINCA S.L.U. and Vantage Leuna GmbH.

The use of MCCP in polymers/rubber (all uses) and adhesive & sealants represents the vast majority (94.1%) of all uses in the EU, so distributed:

- 40.7% in polymer applications (the main is PVC: 25.9%);
- 53.4% in sealants and adhesives.

Again, we want to underline how, in both of these two applications, MCCPs are used for their plasticizer and flame retardant properties. According to this, the *SVHC listing*, consequently, will mainly impact on:

- European producers of polymers, sealants and adhesives, who will lose an irreplaceable plasticizer in terms of effectiveness / price ratio;
- European manufacturers of lubricating oils;
- European producers of the raw material n-paraffin C14-17.

• **Italian market related to MCCPs**

Italy would be the most affected European country by *SVHC listing* because it represents:

- **30% of the European production volumes of MCCPs (in other words: > 70% for EU 27 production of MCCPs)**

Indeed, two of the five European producers are Italian: Altair Chimica S.p.A., located in Tuscany (middle of Italy) and Caffaro Industrie S.p.A., located in Friuli Venezia Giulia (north-west of Italy);

- **60% of the n-C14-17 paraffin production volumes for Europe**

In Italy has its plant Sasol Italy, that is the most important production plant of pure n-paraffin C14-17 in Europe.

- **50 producers of flexible PVC**



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According to these numbers, direct and indirect losses can be easily resumed as follows:

- **60 job losses** (we take into account of Altair Chimica, Caffaro Industrie and Sasol Italy)
- **€ 60 million turnover** (we take into account of Altair Chimica, Caffaro Industrie and Sasol Italy)
- **tens of millions of euro** as increase in costs and not assessable, from our side, job losses as regards PVC sector.

- **Altair Chimica S.p.A. business related to MCCPs**

Altair Chimica produces Medium-Chain Chlorinated Paraffins “MCCPs” (Alkanes, C14-17, chloro, EC 287-477-0 - CAS 85535-85-9) starting from the year 2013 under the *ESSECHLOR* brand name. Medium-Chain Chlorinated Paraffins (MCCP) Alkanes, C14-17, chloro (EC 287-477-0 - CAS 85535-85-9) is an economically attractive product if you have at your disposal the two raw materials of which it is composed: chlorine (gas) and C14-17 n-paraffin.

Altair Chimica has chlorine gas as a direct electrolysis product and has a long-term partnership with the major european producer of normal paraffins C14-17, Sasol Italy: this means that *ESSECHLOR* is currently the company's chlorinated derivative with the best performance in terms of contribution margins.

Another plus from the environmental point of view: MCCPs is an interesting product because, being a good consumer of chlorine gas from electrolysis cells, it also allows to "free" a part of the hydrogen gas coming out of the electrolysis cells (and not burn it with chlorine gas to produce hydrochloric acid), so that this can be destined for its valorization in bi-fuel boiler, thus limiting the use of methane for the production of steam necessary for the plant, with consequent decrease in CO<sub>2</sub> emitted.

Now, some economics related to our company:

- Altair Chimica produces approx. **10 ktons/year of ESSECHLOR**, which is represented for its 75% by MCCPs and 25% by LCCPs.
- This means that **MCCPs represents approx. 7,5 ktons/year** of our chlorinated paraffins production;
- Our MCCPs customers are distributed as follows:
  - **60% is PVC industry;**
  - **39% PU foams producers;**
  - 0.05% for metalworking fluids production;
  - 0.05% remaining is for other uses.
- **MCCPs related company turnover for 2020** is expected **approx. € 10 million**, which represents approx. **10% of the entire company turnover** expected for 2020.



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**3. Conclusions**

Altair Chimica would firstly like to thank ECHA for this current opportunity to make some comments on this SVHC proposal.

**For this reason, we believe that there is clear basis for limiting the SVHC listing on MCCP to just those commercial products above a certain chlorination level and we think it should be 50% Cl based on existing data or perhaps even 52% Cl pending the results of the new OECD 314B study on that chlorination level that MCCP REACH Consortium is conducting.**

Secondly, in the light of all the above, plus considering that the ongoing manufacture and use of MCCP in the EU (and, obviously, in our Company!) is being managed in an environmental appropriate manner consistent with the intentions of REACH Regulation, we believe that it is vital that ECHA carefully reviews these comments and other submissions from MCCP REACH Consortium, CAPG and the entire related supply chain prior to taking any proposed action on MCCP.

**The outcome of this process will likely impact billions of euros of commercial activity in the EU and should not be rushed.**