

**FormaCare press release**

**17 January 2008**

**1<sup>st</sup> European Study on Formaldehyde Benefits Presented**

**Weybridge, UK, 17 January 2008 – Today, the European Formaldehyde Industry Association, FormaCare, presented the first European study ever to be conducted on the socio-economic benefits of formaldehyde to the economy. The analysis quantifies the value of formaldehyde to society and the contribution of the formaldehyde industry to the economies of the European Union and Norway. It provides data on all formaldehyde derivatives including detailed evaluations of major applications.**

“Few people know that formaldehyde is safely used in a wide range of everyday products and that insulation materials based on formaldehyde are indispensable for an energy efficient, low carbon economy. When discussing benefits and risks of formaldehyde, like for any other chemical substance, the public expects regulators and experts to act on the basis of valid information. Our study helps to close this information gap and contributes to a fact based and balanced evaluation of formaldehyde”, said FormaCare Chairman Lars Erik Johansson.

The analysis conducted by Global Insight Inc. covers more than 95% of the formaldehyde consumption in the EU. It focuses in depth on four major products for which formaldehyde is essential during manufacture. The four main products that account for 80% of Europe’s formaldehyde consumption are urea formaldehyde (UF) resin that is used as a binder or adhesive in particleboard and medium-density fiberboard (MDF) for composite panels. Melamine formaldehyde (MF) resin is used in laminates and surface coatings. Phenol formaldehyde (PF) resin is used as an insulation binder, in wood products and laminates, in high-tech automobile and airplane applications and in foundry binders. Rigid polyurethane foams (MDI) are used in construction applications for their superior insulating and mechanical properties. Using formaldehyde and its derivatives in Europe rather than alternative products saves more than € 29 billion per year (not taking account of huge technical and supply issues). No less than 1.7 million people are directly employed throughout the European formaldehyde-value chain.

The analysis explains the socio-economic benefits of the products from the formaldehyde-value chain and attests a pronounced consumer preference for these products: “Consumers value our products, because they are stronger, lighter, easier to install or use, longer-lived, or more resistant to high temperatures and environmental stresses than those made of substitute materials. Formaldehyde chemicals play an essential role in achieving the excellent qualities of these products”, said Ron Whitfield, Global Insight Inc., lead author of the study.

FormaCare has commissioned the study “Socio-Economic Benefits of Formaldehyde to the European Union (EU 25) and Norway” in cooperation with the European Panel Federation (EPF), the International Methanol Producers and Consumers Association (IMPCA), the European Phenolic Resins Association (EPRA) and the European Federation for Construction Chemicals (EFCC).

FormaCare, representing the European formaldehyde industry, is a sector group of the European Chemical Industry Council, Cefic,. FormaCare aims to promote the sustainable use of formaldehyde and formaldehyde based products among its members and their customers, with due regard to health and environmental care.