



**HOUSE OF LORDS**  
European Union Committee

House of Lords  
London  
SW1A 0PW

Tel: 020 7219 4579  
Fax: 020 7219 6715  
euclords@parliament.uk  
www.parliament.uk/lords

12 October 2020

The Rt Hon George Eustice MP  
Secretary of State for Environment, Food and Rural Affairs  
Department for Environment, Food and Rural Affairs  
Seacole Building, 2 Marsham Street  
London, SW1P 4DF

Dear George,

**Chemicals regulation post-Brexit**

As you know, the chemicals sector is the UK's second biggest manufacturing industry after the food and drink sector. Many other manufacturing sectors depend upon access to chemical components that go into products used in everyday life. We heard evidence that greatly concerned us from witnesses last week about continuing issues regarding the new UK chemicals regime (UK REACH). Many of these were matters that we brought to the Department's attention two years ago, as have other parliamentary committees, and yet they remain unresolved.

We are especially concerned about the costs of the data requirements of UK REACH. If no data-sharing agreement is reached with the EU, companies will be required to submit chemicals safety data to the UK's new database. Often companies do not own that data. They will need to negotiate with their European counterparts to purchase the data or replicate it. This will mean the repeating of animal testing in some cases. The Government's extension of the data submission deadlines was welcomed by industry witnesses, but they explained that this simply delays the costs and extends the uncertainty.

Estimates of the costs of purchasing or replicating the data are severe. We sometimes forget that the chemical industry in the UK is largely made up of smaller companies which do not have deep pockets, particularly in this time of crisis. These costs will ultimately increase the price of the chemical for its downstream users, and feed through to the cost of the final consumer product. Alternatively, UK chemical manufacturers, or importers of chemical products into the UK, could decide to remove their products from the market. This would mean downstream users – who make products used in everyday life – will have to reformulate their products with alternatives which could be less effective or more expensive, or reconsider the viability of their product lines. The end result could be less effective, more expensive products on our shelves, or less manufacturing in the UK and reduced choice for consumers.

Given the strong export track record of the UK's chemicals industry, largely to EU/EEA countries, it was made clear that EU REACH regulations will remain fundamental to the UK industry, and that any future divergence between UK REACH and EU REACH could be both expensive in terms of production costs and a threat in terms of access to our major export markets.

At the very minimum, a data-sharing agreement with the EU would help mitigate the situation.

New thinking is required from the Government to ensure the UK regime will regulate chemicals effectively without placing excessive burdens on industry. Ultimately, it is in the Government's gift to resolve these issues. Industry's priority is for the UK regime to remain consistent with EU REACH, and our priority is to protect the UK economy and consumers. A data-sharing agreement is the way to accomplish those things.

We are also concerned about the readiness of the Health and Safety Executive (HSE). It will need to be adequately resourced and staffed with the necessary technical expertise to regulate chemicals effectively. Given that companies will also be recruiting staff from the same pool to meet their new UK REACH obligations, the HSE could struggle in attracting the staff needed. Staffing issues would compromise the ability of the regulator to effectively and efficiently enforce the new regime.

Given our considerable concerns in this area, we would like to speak with Rebecca Pow, your Parliamentary Under-Secretary, to see what assurances she can provide; my clerk will be in touch to arrange an evidence session. Although this is a Defra-led topic, in light of the serious implications for businesses we are writing in similar terms to the Secretary of State for Business, Energy and Industrial Strategy, Alok Sharma, and will also ask his department to participate in the session.

In the meantime, we urge you to do all you can to secure a data-sharing agreement with the EU. In the absence of this, we strongly recommend that the Government reconsiders its approach to UK REACH to ensure that the regime will protect human and environmental health without negatively impacting the UK economy.

Yours sincerely,



Lord Teverson  
Chair of the EU Environment Sub-Committee