

The Government response to the EAC report on The Future of Chemicals Regulation after the EU Referendum



Defra's response to the Environmental Audit Committee's inquiry is a further reminder of how much still has to be decided and done if the UK is to have a functioning regulatory regime for chemicals in April 2019.

The degree of uncertainty in this area is causing concern not just in the chemicals industry but also very much among downstream manufacturing industries which are reliant on a wide range of substances and chemical formulations. Crucial supply chains could be interrupted by the invalidation of EU registrations held by UK firms causing downstream EU importers to need to register or the need for duplicated registrations for the UK market. In either case, the cost and time required is likely to cause withdrawal of chemical products from the market thereby causing substantial disruption to supply chains.

Downstream users are particularly concerned about the invalidation of authorisations held by UK firms which are needed for downstream formulation, component manufacture or aftermarket services in the EU, disrupting the sale and operation of UK (and non-UK) end-products. Such is the timescale to arrange, prepare and approve replacement authorisations in the REACH system, an agreement such as that described in the UK Government position paper on trading in goods published in August 2017 (paragraphs 16 to 28) is critical.¹

Any new requirement for UK authorisations should also recognise upstream authorisations held by EU suppliers to avoid repeated compliance costs.

Disruption of supply chains due to the above effects could cause widespread impact to customers of the chemicals industry across all sectors, with substantial impact on jobs and business across a wide range of industry sectors. The impacts here will affect UK operations and also sister plants in the rest of Europe and beyond.

In the immediate pre-Brexit term, there is also a concern as to whether the prospect of Brexit and uncertainty as to what it will bring will discourage registration of essential substances by the May 2018 deadline.

With only limited public information available, it is important that the end-state the government is trying to achieve is as clear as possible. For instance, the evidence to the committee and what documents have been released in this area so far focus on maintaining regulatory coherence and cooperation with the EU. However, recent comments from the Secretary of State indicate a preference for an alternative approach without specifying the timescale over which that might be achieved.

We would urge government to do everything it can to expedite discussions with the EU on this issue as regulatory cooperation around issues such as registration and authorisation would alleviate some of the concerns discussed above. Anything that can be done to prepare for a worse-case scenario would also be welcome.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/638958/Continuity_in_the_availability_of_goods_for_the_EU_and_the_UK_Position_Paper.pdf

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We're determined to create the most supportive environment for UK manufacturing growth and success, and we present the issues that are most important to our members, working hard to ensure UK Manufacturing remains in the government and media spotlight.

Together, we build a platform for the evolution of UK manufacturing.