



House of Commons  
Environmental Audit Committee

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**The Future of Chemicals  
Regulation after  
the EU Referendum:  
Government Response  
to the Committee's  
Eleventh Report of  
Session 2016–17**

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**First Special Report of Session 2017–19**

*Ordered by the House of Commons  
to be printed 12 September 2017*

## Environmental Audit Committee

The Environmental Audit Committee is appointed by the House of Commons to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development; to audit their performance against such targets as may be set for them by Her Majesty's Ministers; and to report thereon to the House.

### Current membership

[Mary Creagh MP](#) (*Labour, Wakefield*) (Chair)

[Dr Thérèse Coffey MP](#) (*Conservative, Suffolk Coastal*)

[Geraint Davies MP](#) (*Labour (Co-op), Swansea West*)

[Zac Goldsmith MP](#) (*Conservative, Richmond Park*)

[Caroline Lucas MP](#) (*Green Party, Brighton Pavilion*)

[Kerry McCarthy MP](#) (*Labour, Bristol East*)

[Anna McMorrin MP](#) (*Labour, Cardiff North*)

[John McNally MP](#) (*Scottish National Party, Falkirk*)

[Dr Matthew Offord MP](#) (*Conservative, Hendon*)

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[Joan Ryan MP](#) (*Labour, Enfield North*)

[Alex Sobel MP](#) (*Labour (Co-op), Leeds North West*)

### Powers

The constitution and powers are set out in House of Commons Standing Orders, principally in SO No 152A. These are available on the internet via [www.parliament.uk/](http://www.parliament.uk/).

### Publications

Committee reports are published on the Committee's website at [www.parliament.uk/eacom](http://www.parliament.uk/eacom) and in print by Order of the House.

Evidence relating to this report is published on the [inquiry publications page](#) of the Committee's website.

### Committee staff

The current staff of the Committee are David Slater (Clerk), Nina Foster (Second Clerk), Tom Leveridge (Senior Committee Specialist), Ian Cruse, (Committee Specialist), Ameet Chudasama (Senior Committee Assistant) and Baris Tufeki (Committee Assistant).

### Contacts

All correspondence should be addressed to the Clerk of the Environmental Audit Committee, House of Commons, London SW1A 0AA. The telephone number for general enquiries is 020 7219 5776; the Committee's email address is [eacom@parliament.uk](mailto:eacom@parliament.uk).

# First Special Report

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The Environmental Audit Committee published its Eleventh Report of Session 2016–17, on [The Future of Chemicals Regulation after the EU Referendum](#), HC 912 on 29 April 2017. The Government's response was received on 18 July 2017 and is appended to this report.

## Appendix: Government response

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The Government thanks the Committee for its report on the Future of Chemicals Regulation after the EU Referendum.

The chemicals sector is a priority for the Government, being one of the largest manufacturing export sectors by value (£9.94bn GVA), with annual turnover of £30bn and exports of £24.9bn. As stated in our written response to the inquiry, the key issues as we prepare to leave the EU are:

- The need to protect human health and the environment.
- The economic importance of the sector to the UK economy and other key UK industries, such as pharmaceuticals, automotive and aerospace.
- The complexity of the supply chains in the industry where cross-border trade is important.
- The importance of retention and growth of the UK chemicals industry and avoiding additional costs to industry.
- The complex relationships within the current regulatory regime, which extends beyond REACH.
- The need to adhere to international commitments.

We believe it is in the interests of the EU and the UK to continue cooperation in the regulation of chemicals.

**Recommendation: The chemicals regulation framework established by the EU through REACH would be difficult to transpose directly into UK law;**

The government will use the Repeal Bill (The European Union (Withdrawal) Bill) to convert EU law into UK law and use the powers to amend REACH, as well as other related chemicals regulation to make them work properly in the UK.

**Recommendation: Companies face significant uncertainty over the validity of current REACH registrations after the UK leaves the EU: the Government must clarify their position on the future regulatory framework as a matter of urgency**

The Government recognises the costs that industry has already invested to comply with EU legislation and the status of existing or future REACH registrations made by UK-based companies are a key consideration.

We have been listening to what businesses and others have been telling us about their concerns for the future and the potential impacts and opportunities of EU Exit, and will continue to do so.

As with other EU legislation we will remain bound by REACH until the point of exit. This includes the legal obligation on UK-based businesses to register substances manufactured or imported in the 1–100t tonnage band by the May 2018 deadline. We are therefore continuing our drive, through the HSE, to raise awareness of this deadline and encourage registration.

The UK Chemicals Stakeholder Forum has also published guidance to help and support industry, in particular SMEs and downstream users, to meet this obligation

**Recommendation: In deciding the future of the UK’s relationship with the EU’s single market for chemicals, the Government should take a pragmatic approach. The most important element of REACH, which the Government should seek to remain involved in as a minimum, is the registration process for chemicals**

REACH is a single market measure so any company wanting to place products on the EU market will still have to use REACH, whatever our future relationship with the EU. We intend to achieve a satisfactory outcome for the UK and EU chemicals sector on registration, regulation and trade.

**Recommendation: Establishing a fully stand-alone system of chemicals regulation for the UK is likely to be expensive for both the taxpayer and for industry**

The costs required to implement any post-exit UK regulatory framework will be affected by many factors, including negotiations, and it would not be appropriate to pre-judge their outcome.

**Recommendation: The experiences of the US as it introduces an improved system of chemicals regulation could be useful for the Government when planning the UK’s approach**

Our priority will be to make sure that chemicals continue to be effectively and safely managed, as well as encouraging the continued growth of the UK’s chemical industry. In doing this, we will need to reflect the future trade relationship between the UK and EU and our ambitions in other international markets, while minimising disruption to complex import/export supply chains.

We are therefore looking into how chemicals are regulated in a number of different non-EU countries as part of considering options for developing the UK’s regulatory regime in the longer term.