Dear Michael,

EU-UK TRADE AND CO-OPERATION AGREEMENT

As you will recall from my letter of 9 February 2021, my Committee has agreed to scrutinise the impact of the EU-UK Trade and Co-operation Agreement (TCA) on key sectors of the Scottish economy. Most recently, at our meeting on 25 February 2021, the Committee heard evidence from the chemical and pharmaceutical industries.

In oral evidence, Dr Richard Torbett from the Association of the British Pharmaceutical Industry raised concerns about a lack of a Mutual Recognition Agreement (MRA) on batch testing regulatory standards between the EU and the UK. Despite the UK Government unilaterally recognising EU batch testing for two years, Mr Torbett explained that the introduction of additional testing after 1 January 2023 would create unnecessary duplication, adding cost, complexity and ultimately delays to the supply chain, something which could contribute to the shortage in the supply of medicines available to UK patients.

The Committee understands from Mr Torbett’s evidence that attempts were made by the UK Government to secure an MRA on batch testing regulatory standards but the EU was not willing to enter into such an agreement. Rather than introduce unnecessary duplication after 1 January 2023, the Association of the British Pharmaceutical Industry is calling on the UK Government to recognise batch testing in the interest of not duplicating the regulations. My Committee would be grateful for an update regarding such an approach and on any plans the UK Government has for providing a more streamlined regulatory framework for batch testing standards between the UK and EU beyond the 1 January 2023 deadline.

With regards to unnecessary duplication for the chemicals industry post-Brexit, Dr Darren Budd from BASF Ltd raised concerns about compliance with UK registration, evaluation, authorisation and restriction of chemicals (UK REACH). As Mr Budd explained in his evidence:
“We have to work with the UK Government to get it to understand that UK REACH is a duplication of EU REACH—it does not add anything to EU REACH. A lot of the raw materials are already under EU REACH, and there needs to be data sharing. We have said that to the Government. It will cost BASF around £70 million to re-register all our products under UK REACH, and there will be no additional benefit regarding safety or anything else to the UK public from that, because it is a one-to-one transition.”

The Committee understands that the UK Government are working closely with companies like BASF to find a data sharing solution that would alleviate some of the unnecessary costs associated with re-registering under UK REACH. The Committee would appreciate further information regarding the UK Government’s plans for data sharing with respect to chemicals between the UK and EU and, what support the UK Government intends to provide for companies who will have to re-register as part of the UK REACH system.

The Committee requires an urgent response to this letter and expects to correspond with you regularly as we continue our scrutiny of the TCA prior to you giving evidence to the Committee. I look forward to hearing from you.

Yours sincerely,

Joan McAlpine MSP
Convener, Culture, Tourism, Europe and External Affairs Committee