



**Unite the Union submission  
Business, Energy and Industrial Strategy Committee**

**Brexit and the implications for UK business inquiry  
Pharmaceuticals**

**Submitted on behalf of  
Tony Burke  
Unite Assistant General Secretary**

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## ***Introduction: Unite, Brexit & Pharmaceuticals***

This submission is made by Unite, the UK's largest trade union with over 1.4 million members across all sectors of the economy including manufacturing, financial services, transport, food and agriculture, construction, energy and utilities, information technology, service industries, health, local government and the not for profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our union.

Unite organises members across the pharmaceutical industry, from major research and production sites, through the raw materials supply chain and within the health sector. Unite's position on Brexit is for a just final settlement in the interests of workers in both the UK and in Europe.

This settlement should include barrier-free access to the Single Market, a customs arrangement with the EU, regulatory consistency, the retention of employment rights in UK law, the right to remain for European workers in the UK, and continued membership of mutually beneficial agencies and treaties.

In the immediate term, Unite opposes 'Hard Brexit' which is understood to mean leaving the commercial, judicial and political structures of the European Union before a new relationship is established. Unite supports a transitional period to follow the Article 50 negotiations if such a long-term settlement has not been reached.

### ***Overview: CPPT and Brexit***

The pharmaceutical industry forms part of Unite's Chemicals, Pharmaceutical Processes and Textiles (CPPT) Sector.

From North Sea oil to rubber processing, textiles and pharmaceutical research, Unite's CPPT sector combines industries which are strategically vital to our economy.

The sector employs over 500,000 people directly across the UK; contributes £60 million a day to the UK economy, equivalent to £15 billion per year; spends £4.4 billion each year on investment in buildings, vehicles and machinery; and invests almost £5 billion each year on research and development.

The pharmaceutical part of this sector is threatened by a 'Hard Brexit' – that being a complete severance of the UK-EU relationship – due to its cross-channel supply chains and reliance on international research networks.

Like the wider manufacturing sector, pharmaceutical investment is also impacted by uncertainty over the future UK-EU trading relationship and access to the Single Market. This is evidenced by GlaxoSmithKline's announcement of 'a significant change of investment direction in the UK', which will result in job losses at the firm's Worthing plant in Sussex.

Unite is calling for a long term plan to protect jobs and secure the future of these industries. This must include:

- Retaining access to Europe's Single Market
- Keeping the UK-Europe supply chains open
- Guaranteeing a level playing field with Europe on safety standards and regulations
- Replacing or retaining European funding and access to international research projects
- New safeguards to prevent employers driving down wages
- The 'right to remain' for European workers in the UK and UK workers across the EU. The success of the pharmaceutical industries is particularly reliant on access to world class researchers, technicians and students.

## **REACH: Regulations**

All hard earned union rights and safety regulations currently supported by EU law must be carried into UK law when Brexit happens. Unite is calling for workers' rights, environmental protections and safety standards to be transitioned through primary legislation, not undemocratic statutory instruments.

For the pharmaceutical and wider chemical industries, this must include meeting requirements of REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals).

For all sectors that produce or consume chemicals access to EU market place will only be possible by remaining as close as possible to the existing REACH regime, ensuring any post-Brexit future protects UK industry's existing compliance commitments, avoids duplication of cost or prevents our ability to negotiate other free trade deals.

## **Imports and Exports: Market Access**

The chemicals and pharmaceuticals sectors accounts or 18% of the UK's total goods exports, with over 60% of these exports go to Europe. Unite supports the UK retaining barrier-free access to the Single Market to avoid costly tariffs and restore stability to these international industries.

## **Employer Opportunism: Pay & Industrial Relations**

Unite is surveying our network of 22,000 front line workplace representatives and shop stewards to monitor the industrial impact of Brexit. Thus far economic issues, such as the holding of new planned investments, are the result of uncertainty which could be addressed by a transitional arrangement.

Some employers are clearly attempting to use Brexit and the uncertainty surrounding the future relationship as a smokescreen to undermine industrial relations. This has included attempts to exclude trade union reps from European Works Council meetings, ignore EU rulings on holiday pay and overtime or artificially impose pay freezes.

Where Unite is a recognised trade union with organisation in the workplace these opportunistic attacks have been repelled. Clearly an abrupt end to the panoply of workers' rights, regulations and standards underpinned by EU law would be the signal for the UK's worst employers to step up this offensive. Unite has pledged that working people will not be allowed to pay the price for Hard Brexit and an industrial offensive by employers would be met in kind.

Unite General Secretary Len McCluskey has been clear on this point, stating: "*Unite is putting employers on notice, they need to realise that if they use Brexit as an excuse for attacking workers' pay and conditions, we will challenge and expose them.*"<sup>1</sup>

## **Trade Deals**

Unite supports the need for a transitional arrangement if a final trade deal between the UK-EU has not been reached before March 2018. Unite believes the UK should be able to begin negotiating new Free Trade Agreements with third country nations during the transitional arrangement; however, these must not be signed until the aforementioned trade regime has been democratically ratified by Parliament.

Unite has outlined that a 'good' trade deal must include a robust chapter on Labour Rights,

including ILO conventions as a minimum. Similarly there should be no 'ISDS' style dispute mechanisms which prioritise the rights of investors and corporations over democratic governments. 'Good' trade deals should defend the option of public ownership, reverse the trend to 'liberalisation' at any cost, and seek to actively extend workers' rights in third countries.

Unite, in partnership with other trade unions and trade federations, has produced a report for the Department of International Trade on the need for robust trade remedies. This is especially relevant for the chemical industry (including pharmaceutical), as well as the rubber, glass, ceramic and steel industries; each of which have been impacted by Chinese 'dumping.'

These trade remedies must include the ability for trade unions to lodge trade disputes directly, without having to go through national governments at the WTO.

In addition, there are a range of agreements, treaties and regulatory bodies which the UK is a member of via the European Union. The UK should remain a member of mutually beneficial bodies during the transition and this should remain the case in following the final settlement if such institutions have not been replicated in the UK.

The UK must give consideration to EU structural funds and other mutually beneficial forms of funding, such as Horizon 2020, which will need to be retained during a transitional arrangement or else replicated.

For example, Unite calls for permanent membership of Euratom and the European Aviation Safety Association (EASA), but would support replicating the role of the European Banking Authority and the European Medicines Agency when these two bodies relocate from London. A full list of such institutions is attached as an appendix to this submission.