

Hovione FarmaCiencia SA

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MV2004.0024-gv/vam

28th April 2004

Mrs. Margot Wallström Commissioner for the Environment B-1049 Brussels Belgium

Open letter to the Commissioner for the Environment of the EU

Dear Mrs. Wallström,

Last November I wrote to you in response to your letter to the Editor of the Financial Times (5th November). I argued that your proposed REACH legislation was senseless in that it aimed to impose regional legislation in a globalized industry. My view is that REACH will add to a plethora of EU legislation that is being especially effective at slowly killing the European chemical industry. Offshoring of manufacturing in fine chemicals is accelerating at a pace few recognize.

My letter warned that EU policy was actually causing more harm than good as the delocalization was giving rise to massive growth in the chemical industry of India and China - where controls, competence and know-how in Health Safety and Environment are weak. I pointed out an article in the New York Times of that same day that reported of workers' deaths and deformed babies at a producer of active pharmaceutical ingredients located in China. This is a wellknown supplier to western generics houses as well as to large pharma multinationals that is certified both by the US and the EU health authorities.

Last Wednesday, the State Council of China reported seven separate cases of leaks of lethal chemical products in the past week alone. These accidents claimed a total of 21 lives across the country, of which 2 were killed in an explosion that apparently took place at the same pharmaceutical plant that the New York Times reported on November 5th.

Is it not time the EU acted responsibly? We need a global framework that sets a level-playing field and that ensures that non-compliance is not a competitive advantage.

Please contact me if you require additional evidence as to the harm the EU is doing to the European fine chemicals industry.

Yours sincerely,

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- Edgar Alexandre and Guy Villax, both of Hovione, authored in September 2002 an article on this issue: Legislating to Death can be found in http://www.hovione.com/h_press/legislating_to_death.pdf

- See <u>www.hovione.com</u> press room for the 11th November letter to Mrs. Wallstrom and related materials.
- With copy to: Portugal's MEPs, leading industry publications, CEFIC and industrial associations.

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