



**DELIVERING NET ZERO ACROSS THE UK FOR THE BENEFIT OF ALL ACROSS THE UK
– A JOINT STATEMENT FROM THE UK CHEMICAL INDUSTRY AND UNITE THE UNION**

SEPTEMBER 2024

The chemical industry in the UK is not just a contributor to advanced manufacturing but is also a vital part of the supply chain to deliver clean energy generation and storage, life sciences, the future of mobility, AI and the data economy.

The past three decades have seen the UK chemical industry reduce its greenhouse gas footprint by over 80%, predominantly through fuel-switching, emission abatement and energy efficiency, but sadly through loss of production and with it, jobs. However the transition does not and must not stop. Instead, the barriers to transition must be overcome jointly, particularly for energy intensive, trade exposed sectors like chemicals that compete internationally for inward investment.

The task now is transforming how we produce and what we produce, all whilst remaining globally competitive. Taking 2018 as our base year, a huge collective effort will be required to halve our remaining CO₂ emissions by 2034 and to further reduce them by 90% by 2050. Not only will we need access to plentiful and competitively priced alternative energy sources – such as low carbon electricity and hydrogen – we will also need carbon capture and storage infrastructure to remove the emissions that result from chemical reactions during production. On top of this, we will need to reduce the use of non-renewable resources as feedstocks and deliver materials that can be recycled.

Actions

1. Commit to growing and simplifying programmes that enable net zero action, such as the Industrial Energy Transformation Fund (IETF). In particular there should be more stability in funding schemes with less tendency to regularly change methodology.
2. Push forward with all cluster projects as and when they are ready to implement, along with a plan to support dispersed sites, so no part of Britain is left behind.
3. Deliver a long-term and stable carbon market policy, coupled with effective carbon leakage mitigation measures to allow UK manufacturing to compete during the transition to net zero. Central to this will be a UK Emissions Trading Scheme and a Carbon Border Adjustment Mechanism that allow us to compete internationally.
4. Implement policies that prioritise the retention and creation of good, high skilled, well paid jobs underpinned by a sectoral skills legacy as a consequence of increased economic activity and necessary projects aimed at delivering the necessary industry transition to Net Zero”
5. Create favourable policy conditions for advanced circular recycling technologies, including recognition of a viable mass balance model to drive investment and growth in a new green tech industry.
6. Incentivise net zero investment projects through the prioritisation and acceleration of UK permitting and planning processes.
7. Put into action the UK’s long-standing commitment to delivering the lowest cost energy bills for all UK consumers and, beyond Europe, cost competitive prices for energy and trade intensive industries. In particular, to review the UK-only Carbon Price Support (CPS), which inflates UK industrial electricity prices with no environmental or economic benefit.

ENDS



STEVE ELLIOTT
Chief Executive
CHEMICAL INDUSTRIES ASSOCIATION



TONY DEVLIN
National Officer
Chemicals, Pharmaceuticals, Process,
Textiles & Downstream Oil Distribution
UNITE THE UNION

CONTACTS

For any further information please contact Simon Marsh at MarshS@cia.org.uk, 07951 389197 or Tony Devlin at tony.devlin@unitetheunion.org 07810 157908.

NOTES

- Businesses who make chemical products and solutions are integral to something like 96% of all manufactured goods. Whether it is ingredients for food and medicines; paints and coatings for cars and planes or materials for mobile phones and electric vehicle batteries, the chemical industry is truly the “industry of industries” – also playing a critical role in the nation’s response to Covid-19 through its supply of hand sanitiser, PPE and vaccine ingredients.
- Unite the Union and the Chemical Industries Association work together on a number of activities and projects affecting the chemical industry.
- The Association’s 2024 manifesto sets out a series of offers and asks for the Government
- Chemical businesses are located throughout the UK, with many of them clustered together in the North East of England, North West of England and Central Scotland. These factories and laboratories, operated by a highly trained and skilled workforce, make a significant contribution towards the UK’s productivity performance.
- Roughly 140,000 people are employed in the sector and nearly half a million have roles that are dependent on the sector. Chemical workers typically earn around 21% more than other manufacturing industries and almost 27% more than the average worker.
- From Runcorn to the Humber Bank; from Teesside to Grangemouth, chemical businesses and their employees right across the country are essential to the Government’s levelling-up agenda.
- We are the country’s second biggest manufacturing exporter, sending goods to the value of more than £60 billion to other countries. The EU represents our most important market, but we continue to work closely with Government to inform and secure UK trade deals with other key chemical markets such as India and the USA.