

The Chemical Industry – Brexit priorities for UK growth

Your chemical industry

Every successful economy has a strong manufacturing base, with a chemical sector at its heart. The chemical industry is an important part of the economic social and environmental life of the UK. The products and technologies of chemical companies are used in a wide range of many other sectors which are vital to the UK economy such as aerospace, automotive, pharmaceuticals – we are the ‘industry of industries’. 60% of chemical exports are destined for the European Union (EU), whilst 75% of chemical

imports, many of which are essential raw materials, arrive from the EU. Our country’s exit terms from the EU are, therefore, critically important for our sector.

Making Brexit work

We have urged all stakeholders to support the approach raised by the Prime Minister whereby we would remain part of the European Chemicals Agency. The ‘associate membership’ concept would need to be developed, our products would undergo one series of approvals, in one

country, it would respect the critical role in setting and enforcing relevant rules. Our industry would work to ensure that we could continue to provide our technical expertise to the Agency. Whereas now the ECJ has precedence, there would of course need to be negotiation on legal oversight as well as any financial contribution. Our support is not a political point but, with more detail to be discussed with the EU, would be in the best interests of businesses located in the UK.

1 Frictionless tariff-free trade

With 60% of UK chemical exports destined for the European Union and 75% of chemical imports coming from the European Union the imposition of tariffs and related non-tariff barriers will negatively impact trade in both directions, especially exports as most value added activities are subject to higher tariffs than raw materials.

- **Maintain tariff-free access to the single market, including EU trade deals.**

- **Avoid border controls for the movement of products as these will cause additional delays, wastage and cost for businesses, governments and consumers.**

- **Minimise disruption to established supply chains for both UK and continental European chemical businesses and their customers.**

2 Regulatory consistency

The chemical industry is highly regulated as we need to give confidence to communities around our plants and the consumers of our products. In leaving the EU we do not argue for lower regulatory standards but regulatory consistency and continuity in many areas, to ensure continued access to the market place.

- **Develop a UK alternative to the European Union Emissions Trading Scheme that not only delivers CO₂ emission reductions but supports the ability of UK chemical businesses to compete on a global basis.**

- **Secure access to the EU market place 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 and assists our ability to negotiate other free trade deals.**

- **Retain a risk-based approach to industrial emissions regulation, working with the UK Government and regulators to deliver an outcome that protects both the environment and competitiveness.**

3 Access to skilled people

Chemical businesses rely on skilled people. Some of the specialist skills required are not yet available in the UK. We need to achieve as near as practically possible freedom of movement for certain jobs within the overall workforce. Getting the best can help secure employment for the rest.

- **Allow chemical businesses to bring in specialist contractor teams for a limited period to undertake essential maintenance and overhaul activity in shutdown and turnaround situations.**

- **Agree to scientists who are employees of companies moving freely between the EU and UK. Chemical businesses need scientists and engineers. Movement of scientific and engineering skills around companies delivers growth.**

- **Ensure multi-national companies can move their staff – particularly graduate and management trainees – between different countries to gain experience and develop skills. Brexit should not stand in the way of development experience.**

The UK Chemical Industry – what we do

The products and services of our companies can be found in every area of life from vital medicines, water treatment, food and clothing, through housing, many everyday goods and transport to communications and leisure activities. Our industry is at the forefront of providing solutions to current challenges on issues such as climate change through fuel cells and insulation of buildings. The chemical industry:

- 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
- Invests almost **£5 billion** each year on research and development
- Manufactures products and technologies that are delivering a green economy, including delivering **twice** the carbon saving for society compared to what we use
- Employs about **500,000** people – directly and indirectly – with pay around **30%** higher than manufacturing generally
- Is one of the UK's largest exporters.

FOOD



R&D



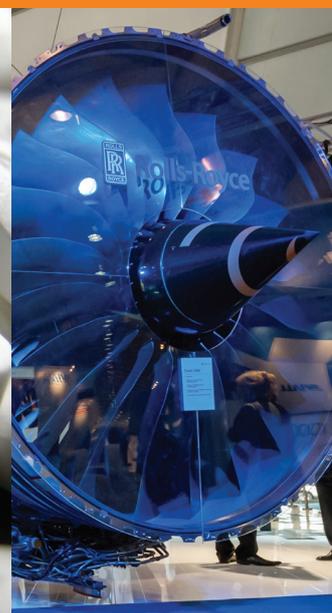
AUTOMOTIVE



PHARMACEUTICALS



AEROSPACE



Our Brexit team

STUART ARNOTT – President Global Operations, Croda International plc

MARTIN ASHCROFT – Managing Director, Tata Chemicals Europe

TONY BASTOCK OBE – Chairman, Contract Chemicals Limited

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CALUM MACLEAN – Chief Executive, Synthomer plc

JANE TOOGOOD – Sector Chief Executive, Johnson Matthey plc

DAVE TOPLIFFE – Manufacturing Manager, Shell Chemicals UK

DAVE TUDOR – Vice President, Strategy and Global Logistics, GlaxoSmithKline

Our offer

Our team of chemical business executives and technical specialists led by our President, Tom Crotty, and Chief Executive, Steve Elliott, will continue to work our issues; our companies stand ready to help Government with any information or input it needs for the negotiations and post-Brexit life.



Steve Elliott – Chief Executive, Chemical Industries Association



Tom Crotty – President, Chemical Industries Association

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