CHEMICAL INDUSTRIES ASSOCIATION

2024 Autumn Budget submission from the Chemical Industries Association

The Chemical Industries Association (CIA) Autumn Budget submission is divided into two main sections.

The first section addresses the pivotal role of our sector for the country based on our direct contributions to the UK economy, our unique support as a critical foundation industry to the wider manufacturing base and essential contribution to the development of green technologies.

The second section of our submission covers the actions from Government that would foster further innovative developments and investment into our sector and our country.

Our proposals are the result of detailed discussions with chemical businesses across the UK and our regular quarterly business survey.

We are calling for action in four areas:

1. **Industrial Strategy**
2. **Net Zero Growth**
3. **Investment in people**
4. **Fostering innovation**

Executive summary

The Labour Government has promised to bring stability and improve policies around the future of UK industries. The aims to 'Make Britain a Clean Energy Superpower' and 'Securing the Highest Sustainable Growth in the G7' expressed in their pre-election Manifesto will only be possible by establishing a collaborative relationship between industry and Governing bodies.

CIA believes that the suggested actions around policies impacting the sector, providing long-term stability that will support the chemical sector in the delivering of Net Zero innovations, establishing resilient supply chains, and reducing regional economic disparities.

Every advanced economy needs a flourishing and innovative manufacturing sector with a chemical industry at its core. Chemicals are one of the six vital foundation industries with our products being present in over 96% of all advanced manufactured goods.

Since COVID-19, UK chemical production has shrunk by 22.3% due to strong competition from Asia and the US, weak European demand, internationally uncompetitive energy prices and a lack of clarity over future regulations. In order to attract the necessary investment to deliver the building blocks for other industries and innovations at the core of the green economy transition, CIA has identified four areas where actions from Government are necessary. These areas are: the delivering of an industrial strategy, clear and long-term regulations supporting the transition to Net Zero, collaboration with industry to deliver on labour market needs, and a policy framework that incentivises companies to invest in Research and Development ensuring the future of British industries.

Over the past 10 years the manufacturing share of GDP has decreased by 11% and it is currently over 4 percentage points lower than the G7 average. For the manufacturing (and chemical) sectors to regain the importance they once had, we need the Government to show the world that the UK is open for business and the place to invest. To this end, we need stability - stability on energy prices, stability on industrial policy, stability of regulation and stability on the political front.

We are confident that the measures outlined in this submission will provide significant support to chemical and pharmaceutical businesses across the United Kingdom. These actions will help the industry supply the raw materials essential for both traditional manufacturing and innovative Net Zero technologies, while also supporting skilled employment across all regions.

The Chemical Industries Association

The Chemical Industries Association (CIA) is the UK's leading trade association dedicated to representing and advising chemical and pharmaceutical companies across the United Kingdom. Our membership counts over 110 chemical businesses that operate in the UK and include major multinationals as well as SMEs.

Chemical manufacturing is an extremely broad sector which encompasses numerous types of products, including: petrochemicals, biofuels, cleaning products, dyes, active ingredients for pharmaceutical manufacturing, and cosmetics. As one of the foundation industries, our products are present in over 96% of all advanced manufactured goods and are an essential component to creating materials and innovations essential for the Net Zero transition.

This essential role within the innovation process and industrial production, coupled with the direct impact of the sector on the UK economy, puts our industry at the centre of the Government's Levelling Up, Global Britain, Scientific Powerhouse, and Net Zero ambitions, whilst being a key player to 'Make Britain a Clean Energy Powerhouse'.

Chemical Industry in Numbers 2024

17.5% of total UK business R&D spend

4,100 businesses directly employing **138,000** people while supporting over **500,000** jobs in the economy

Highly productive sector with **£200,298 GVA*** per employee, **302%** higher than whole average and **236%** higher than manufacturing

One of the UK's largest exporters of manufactured goods with annual exports of **£61bn**

Salaries over **21%** higher than manufacturing and **27%** higher than the whole economy average

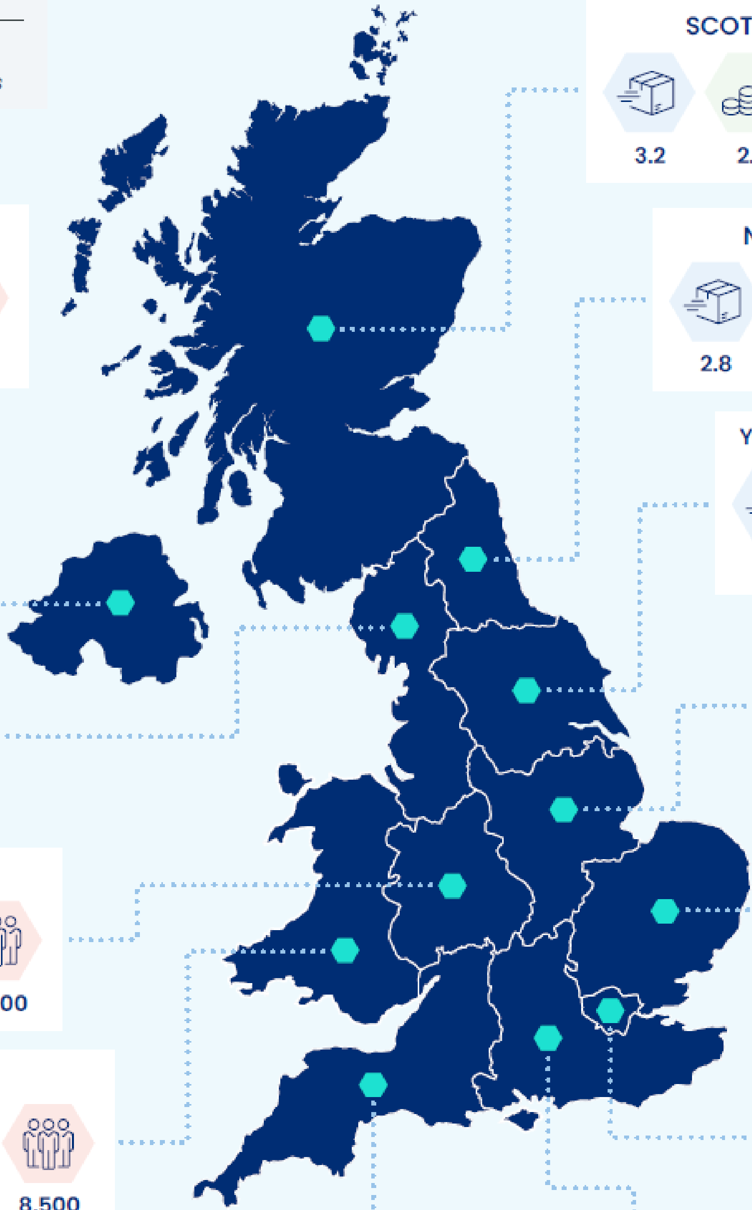
Our Chemical Industry

Chemical and pharmaceutical exports (£bn) | Gross Value Added (£bn)* | Employment

*Data includes SIC 19 - Manufacturing of coke and petrolium

Figures correct as of Q1 2024

Source: Office for National Statistics



	Chemical and pharmaceutical exports (£bn)	Gross Value Added (£bn)*	Employment
SCOTLAND	3.2	2.7	8,500
NORTHERN IRELAND	1.3	0.5	N/A
NORTH EAST	2.8	2.6	9,000
YORKSHIRE & THE HUMBER	3.4	3.4	17,000
NORTH WEST	8.1	8.5	27,000
EAST MIDLANDS	1.8	1.4	10,500
WEST MIDLANDS	1.4	0.9	6,500
EAST OF ENGLAND	8.0	3.7	12,000
WALES	2.5	1.9	8,500
LONDON	7.2	0.8	3,150
SOUTH EAST	11.3	5.6	14,500
SOUTH WEST	1.3	1.5	10,000

The context around our four action areas

Despite UK economic growth exceeding expectations in the first two quarters of the year, the broader economic environment remains challenging for all sectors, particularly manufacturing. With capital and energy being major inputs in industrial production, tight monetary policy aimed at curbing inflation, coupled with high energy prices, has significantly impeded industrial productivity. Over the past two and a half years industrial production has declined significantly and latest data shows that current output levels are down 7.9% compared to the last quarter of 2019.

Persistent global challenges, stemming from the reopening of the global economy and the European energy crisis, have led forecasters to predict that industrial activity will continue to lag behind overall economic growth in 2024 and 2025. This complex global industrial landscape, along with domestic issues such as uncertain long-term policies and high costs of labour and energy, threatens to undermine foreign investment and market share for UK manufacturers.

A primary reason for the actions we are advocating for is the need to tackle the UK's longstanding productivity issues. According to recent data from the Office for National Statistics (ONS), UK productivity growth has remained weak since the 2008 financial crisis, with output per hour worked significantly lagging behind that of other G7 nations. Real GDP per head has risen by only 5% over the past 16 years, after rising by 46% over the previous 16. This sluggish productivity has stunted economic growth and kept wage improvements minimal for workers.

In addition, the UK is grappling with significant regional disparities. The Government's "**Levelling Up**" agenda underscores the economic divide between regions, with London and the South East outperforming other parts of the country. For example, productivity in London is about 30% higher than the national average, whereas regions like the North East and Midlands continue to trail. A strategic industrial policy could help address these disparities by directing investment and support towards underperforming regions, boosting local industries, and generating jobs. The role of manufacturing is particularly important for the Levelling Up agenda as production hubs tend to be outside of urban areas and - for chemicals - mainly concentrated in the north and middle of the country. Supporting these types of industries not only provides the country with a strong domestic manufacturing base, but also helps to address national resilience and security concerns in bringing forward investment in key locations where we employ highly skilled and highly paid individuals.

All advanced economies need a flourishing manufacturing sector in order to ensure strong domestic supply chains and drive innovation for Net Zero. According to the World Bank, manufacturing accounts for an average of 13.1% of G7 economies, 14.7% of European Union member states, and 27.4% of the Chinese economy, but just 8.8% of the UK economy. Within manufacturing, the chemical industry plays a pivotal role, providing essential raw materials and innovations that are crucial not only for traditional manufacturing but also for the net zero transition. Since chemicals are present in over 96% of all advanced manufacturing, a strong domestic chemical sector can deliver **secure and resilient supply chains**.

Globally, the UK's manufacturing sector is facing stiff competition, particularly from regions like Asia, where lower labour costs, looser regulations, and abundant raw materials create a highly competitive environment, especially for energy-intensive manufacturing. Similarly, the United States has enhanced its industrial appeal through the Inflation Reduction Act (IRA), which allocates $369 billion over 10 years for green investments, coupled with lower energy and emissions costs. The European Union, despite its tighter regulations and higher energy costs, remains the world's largest trading bloc and has countered the IRA with initiatives like Horizon Europe, the Green Deal, and the Net Zero Industry Act.

Comparatively, the UK lags behind its global competitors. Without a strategic response to the IRA, measures to address high production costs, and a clear, stable industrial strategy, the UK manufacturing sector risks falling further behind. Since 2016, the UK has seen a dramatic drop in its global ranking for inward foreign direct investment (FDI), falling from second to 15th place.

To restore the prominence of the manufacturing sector, including the chemical industry, the UK Government must demonstrate that the country is open for business and an attractive destination for investment. Achieving this requires **stability** —stability in energy prices, industrial relations, regulatory frameworks, and the political environment.

Chemicals: key player for Net Zero

We provide the advanced materials necessary in the transition to a low-carbon economy: batteries, wind turbine blades, and solar panels; clean fuels like hydrogen, ammonia, biofuel, e-fuel and sustainable aviation fuel; lightweight materials for transport; and insulation to keep our homes warm. Continued access to a diverse, innovative and prolific domestic chemical sector will enable the UK to compete in newly arising low-carbon industries, ensuring that the electric vehicles we drive are made here because batteries are made here. Without skilled, equipped and competitive chemistry assets, green growth industries will be wholesale importers.

Some specific examples of strategic technology that are reliant on chemicals:

Transport:

Road – batteries, biofuels (including E10), synthetic 'e-fuels', and lightweight materials

Shipping – methanol and ammonia

Aviation – Sustainable aviation fuels and hydrogen

Power:

Generation – solar panels, wind turbine blades, carbon capture technologies for gas and biomass fired power stations

Electricity transmission and distribution – wires are protected by layers of chemical insulation

Storage – Batteries and hydrogen

Buildings:

Heating – Heat pumps, insulation, double glazing

CIA calls for action

1) Industrial Strategy

The UK stands at a critical juncture in its economic development, facing a rapidly changing global landscape characterised by technological advancements, geopolitical shifts, and the urgent need for sustainable growth. An effective industrial strategy policy framework is essential to navigate these challenges and seize opportunities to strengthen the UK's economic resilience, boost productivity, and ensure long-term prosperity.

Industrial strategy involves a coordinated approach to shaping the economy by focusing on sectors where the UK can foster innovation. A coherent industrial strategy can provide clarity and direction, ensuring that businesses can adapt to new trading relationships and that the UK remains an attractive destination for investment. Recent data from the Department for International Trade shows that foreign direct investment (FDI) into the UK fell by nearly 30% from 2019 to 2020, underscoring the need for a strategic approach to attract and retain global investors.

In order to address these needs, it is essential to create a collaborative policy framework between Government and businesses. At CIA we believe that the establishment of such relationships and related bodies will deliver some of the necessary conditions to attract foreign investment.

The CIA believes our country needs to:

1. Establish a **collaboration** between Government, industry, trade unions, academia and other stakeholders to assess the required actions and develop a strong industrial strategy.

2. Create an independent **Office for Industrial Strategy** responsible for scrutiny, monitoring, and measurement of the Industrial Strategy.

3. Ensure Government works more closely with **devolved administrations** and the regions including metro mayors so that there is one single UK approach to business growth.

4. Appoint a **Department for Business and Trade Minister** who is responsible and accountable for delivery and reporting on the continuing progress of the Industrial Strategy.

5. A **revision of GB REACH fees** so that they are proportionate rather than identical to EU REACH fees. The UK fees need to reflect the smaller market size companies will be paying for.

6. Streamline **Environmental Social Governance** (ESG) reporting processes – without lowering standards - to remove the administrative burden on companies, enabling them to focus on the transition progress.

2) Net Zero Growth

One of the five missions that the Labour government has deemed essential to ensure the foundations of good government is '**Make Britain a Clean Energy Superpower**'. This mission includes the promise to cut bills, create jobs and deliver security with cheaper, zero-carbon electricity by 2030, accelerating to net zero.

With this objective in mind it is essential to establish early on a strong and stable framework that supports businesses undertaking green investments and create conditions that attract investors.

In a globalised world it is essential for the UK to provide a competitive environment that fosters green innovation and attracts international investment. Other countries have already established subsidies and/or regulations to encourage green technologies. In the US the Inflation Reduction Act (IRA) has set aside $369 billion green subsidy packages over the course of 10 years. In Brazil, the government has opted for a regulatory-based approach, whilst the EU has combined the two by offering financial support and establishing a clear regulatory framework.

The UK, especially with the Advanced Manufacturing Plan, has also designated funds and policies to encourage companies to invest in the development of environmentally friendly solutions. Whilst these introductions were extremely well received by industry and will drive innovation in many sectors, one of the key challenges that UK manufacturers face is related to energy.

As an energy intensive and foundation industry, chemicals are at the core of a greener future. A study conducted by PWC showed that petrochemicals are present in 96% of all manufactured goods and our impact is even larger when focusing on the 2050 Net Zero target. Investment and innovation in green chemistry have led to the development of biofuels, solar panels, lightweight building materials, biodegradable plastic, and many other innovations that are at the forefront of the environmentally conscious solutions.

To secure a future for our country Government needs to deliver, as well as a **strong framework** around Net Zero, regulation of energy and energy prices. Energy is used as both feedstock and raw material in chemical production, thus availability and cost of green energy strongly impacts long-term investment decisions for our businesses. CIA members have repeatedly reported that energy costs are one of the biggest challenges facing their businesses and that they are extremely uncompetitive by international standards (UK energy prices are 4 times higher than in the US and double the EU). Even before the energy crisis started in 2022, the structure and regulation of the UK energy market resulted in significantly higher costs than in other locations.

Thanks to price caps and part-subsidisation, the government has been mitigating the cost of energy for the past two years; nevertheless, prices remain double pre-pandemic. Additionally, with countries like Chile and Morocco bringing forward substantial investment for green energy, it is crucial for us to continue advocating to government the need for an internationally competitive UK chemical sector.

The CIA believes:

1. To unlock and deliver the UK's economic growth, it is imperative that the UK Government commits to delivering the lowest cost energy bills for UK consumers and ensuring both energy and carbon costs are internationally competitive for energy intensive industries. As a minimum, existing cost relief schemes for trade and energy intensive industries should be retained whilst looking to build a broader and more level playing field for all UK businesses opposite their competitor's costs. This should include **abolishing the Carbon Price Support Mechanism** (CPSM), which artificially and materially inflates electricity prices for all UK consumers with no environmental or economic benefit.

Withdrawal of the CPSM would have decreased the wholesale price by £7.6/MWh (£18t/CO_2 x 0.4tCO_2/MWh) based on the latest DUKES figures.

2. We need to 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. Clarity is required by business on future cost and competitive position, to justify new investment.
    a. Central to this will be a **UK Emissions Trading Scheme**, ensuring decisions on free allocation do not outpace a carbon border adjustment mechanism (CBAM) scheme and a vital export adjustment is included for CBAM products destined for overseas markets where no carbon price exists.

The United Kingdom's CBAM will not protect the economic competitiveness of British exports into markets with weaker climate policies. As free allocations are phased out, British policy-makers will need to carefully consider how to maintain the competitiveness of exports destined for markets with a lower carbon price.

Trade unions have longstanding concerns over carbon leakage and the potential loss of jobs in the affected sectors. Sectors covered by the UK CBAM will affect an estimated 660,000 jobs directly and indirectly. Trade unions have called for future trade deals to integrate effective mechanisms for meeting the targets of the Paris Agreement. Trade unions have also highlighted the need for CBAM commitments to be developed in conjunction with other domestic imperatives, such as the so-called "Levelling Up" agenda, to distribute economic development more equally across the United Kingdom.[1]

b. At the same time, a UK **ETS innovation fund** from its auctioning revenue should be established to **support low carbon manufacturing** in the UK.

In the EU an Innovation Fund (IF) takes revenue from their Emissions Trading Scheme and uses it to help fund industrial decarbonisation. The EU cites the benefits as the creation of quality jobs in the green transition, support for local economies, and cooperation between different industries to foster innovation and sustainability. Support for domestic manufacturing capabilities in new technologies, such as electrolysers and batteries, will strengthen Europe's industrial base and create economies of scale that will make these technologies more competitive at international level.

The IF has become a key instrument for achieving climate neutrality by 2050 in the European Union, supporting the net zero ambition and innovative technologies. By the end of 2022, the 70 projects selected to receive support from the IF covered 19 sectors in the categories of energy intensive industries, energy storage, renewable energy, and CCS. These projects are set to avoid a total of 215 million tonnes of CO_2 emissions during their 10 years of operation… approximately 7% of the total GHG emissions emitted by the European Union in 2022.[2]

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[1] The United Kingdom's Strategy for Carbon Border Adjustment in a Changing Global Landscape - IISD 2024

[2] *Innovation fund progress report - European Commission 2022*

3. 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 changing methodology. **Clarity** on the source and destination of funding for the **National Wealth Fund** (£7.3bn) **and Great British Energy** (£8.3bn) is needed with investors wanting certainty on whether this includes previous commitments, or whether this is new and additional. In addition, with many useful chemicals used throughout society containing carbon, support is required to access more expensive sources of green carbon that is derived from renewable or circular sources (e.g. waste biomass, waste plastic or captured carbon).

The IETF remains the only technology neutral grant fund that supports the commercial roll out and permanent installation of Energy Efficiency (EE) and Deep Decarbonisation (DD) technologies at industrial sites. By providing support for EE, the fund has bolstered industry's ability to respond to rising energy prices, helping sites to overcome capital barriers to investing in technologies that can immediately reduce their energy bills. Through support for DD studies and deployment projects, the fund is helping to kick-start the industrial transformation required to meet Net Zero, especially by supporting first movers with complex, novel DD technologies.[3]

4. Create favourable policy conditions for **advanced circular recycling technologies**, including chemical recycling. The commitment to allowing a mass balance calculation to be used within the **Plastic Packaging Tax** (PPT) would be a first step and a key enabler to drive investment and growth in UK's recycling infrastructure.

The adoption of a mass balance approach will provide a more accurate and standardised measurement of recycled content in plastic packaging which should improve the green credentials of packaging. It will also drive demand for recycled content, in turn driving demand for improved separation at source and rubbish collection to provide reliable feedstock for the production of recycled plastic. The aim of the PPT shouldn't be to raise revenue for HMRC but to improve recycling rates therefore while it is welcome news that revenue has dropped, we are not seeing a significant enough decline. In addition, we would ask that this money be redirected into advanced recycling facilities within the UK to improve the adoption of greener packaging materials and simultaneously generate jobs in support of a just transition.

[3] DESNZ – IEFT Phase 3 consultation 2023

5. Make **funds available** to push forward with all industrial net zero **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.

By building factories to plug global supply shortages, the UK can increase progress towards net zero while seizing export and growth opportunities. Additionally, building manufacturing capacity in emerging technologies such as tidal power and green hydrogen will give the UK first-mover advantage and present an opportunity to develop world-leading green manufacturing clusters across the country. This means good-quality, well-paying jobs around the country and a chance to revitalise neglected industrial heartlands that have been left behind thanks to Britain's rapid de-industrialisation since the 1980s.

These benefits are already becoming apparent. A snapshot analysis of the UK's current net zero economy estimated that average net zero jobs paid £10,000 more per year than the national average salary. Productivity in the net zero manufacturing sector is also an estimated 1.4 times higher than the national average.

6. Ensure the UK has a well-resourced **planning and permitting ability to derisk net zero investment** projects.

Thanks to a large presence of capital-intensive businesses in the energy and manufacturing sectors, productivity in the net zero economy in Wales, Yorkshire and the Humber, and the West Midlands is double the regional average (ECIU 2024). However, there is still a major prize to be won – IPPR's Environmental Justice Commission (EJC) estimated that the green transition can add 1.6 million jobs, spread between manufacturing, construction and services.[4]

[4] IPPR – *Manufacturing matters The cornerstone of a competitive green economy* – IPPR (2024)

3) Investment in people

Recent CIA business surveys have highlighted that labour-related challenges are increasingly affecting the UK industry, particularly due to rising labour costs and difficulties in recruiting skilled workers. Skills shortages have intensified since Brexit and the COVID-19 pandemic, both of which have significantly reduced the workforce. The Office for National Statistics (ONS) reported that in 2023, the UK saw a historic increase in early retirements, with over 600,000 people aged 50 to 64 leaving the workforce since the pandemic began. Additionally, the number of economically inactive individuals due to long-term sickness reached a record high of 2.5 million in mid-2023, tightening the labour market further.

These tight labour market conditions, compounded by inflation, have driven up the cost of labour, creating additional pressures on businesses. The latest data from the ONS showed that average wage growth in the private sector was 8.2% in the three months to June 2023, reflecting a significant increase in labour costs.

The combination of these factors has resulted in a severe shortage of both graduates and experienced workers in the chemical sector. The industry requires an influx of 30,000 skilled workers by 2030 to meet its growth and innovation targets, but current trends suggest a significant shortfall.

Moreover, thanks to the distribution of our industry, our sector is a key player for the **development of the country as a whole**. Our production centres are concentrated in non-urban areas especially in the North and Midlands. On top of that chemical manufacturing requires high level of skills and for this reason average chemical employee earn 21% more than the average manufacturing employee. For this reason our industry is crucial for bringing high wages and investment to all areas of the country.

Given the chemical sector's reliance on innovation and highly specialised skills, it is imperative for the UK Government to ensure adequate support for companies. This includes enhancing collaboration with universities, facilitating the recruitment of international talent through more accessible visa policies, and investing in the upskilling and specialisation of the existing workforce. Addressing these needs is crucial to maintaining the sector's competitiveness and sustaining its contribution to the UK economy, which accounted for £19 billion in GVA (Gross Value Added) in 2022.

The CIA has four asks with regard to its people:

1. Invest more in **training provision** to raise the standard and consistency of delivery in all parts of the country.

2. Introduce a **strategic assessment** of where and how skills are needed in the workplace and change the qualifications, standards, and curriculum of education providers to better match these needs.

3. Deliver a globally competitive **immigration system** that attracts international talent to the UK where roles cannot be filled through domestic skills:
    a. **Reduce administrative burden** and costs of the Skilled Worker visa
    b. Reform operation of **Shortage Occupation List** to ensure the immigration system is more in line with industry needs.

4. **Apprenticeship Levy**:
    a. Add covering for **shorter courses** to better support upskilling and reskilling
    b. Increase and widen participation by removing functional English and Maths skills requirement.
    c. Make the **levy transferable** for use across the UK

4) Fostering innovation:

With the objective of making Britain a clean energy superpower and securing the **highest sustainable growth in the G7**, it is essential that the UK becomes a prolific innovation hub. Innovation is the engine that drives economic growth, enhances productivity, and it is the solution for pressing challenges around the environment, healthcare and sustainability. However, innovation does not occur in a vacuum; it requires a supportive environment that encourages creativity, experimentation, and the practical application of new ideas. This is where the role of a robust policy framework becomes crucial.

A policy framework that enables innovation provides the necessary structure and guidance to foster an ecosystem where ideas can thrive. Such a framework addresses key areas including funding and investment in research and development, education and skills training, intellectual property rights, regulatory environments, and market access. By offering clear guidelines and supportive measures, governments can create conditions that reduce barriers to entry, encourage risk-taking, and promote collaboration across sectors.

A well-crafted policy framework that enables innovation is necessary to foster our industries and attract foreign investment.

The CIA asks Government to:

1. **Simplify** bureaucratic application and monitoring procedures when applying for **Government-funded R&D** investment.

2. **Strengthen innovation ecosystems** such as Catapult Networks and centres of excellence such as the Centre for Process Innovation (CPI).

3. Improve incentives for **inventions** made in the UK to be **commercialised** in the UK.

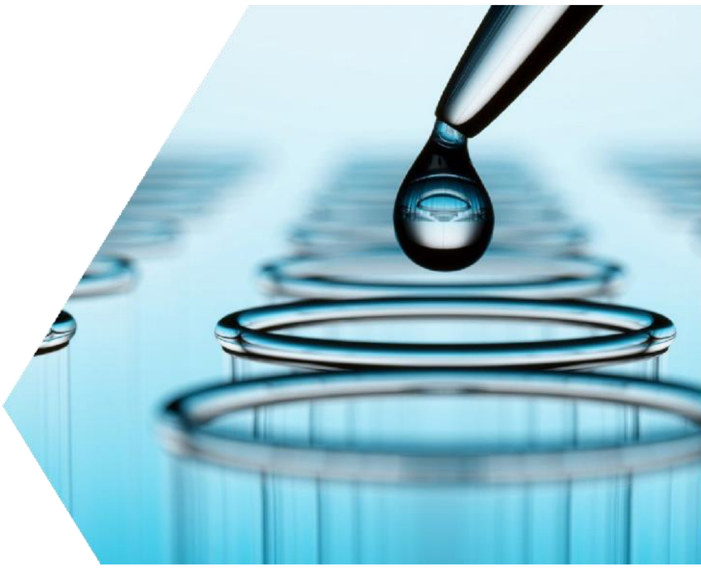
4. Deliver **long-term certainty** for existing and prospective investors on the business taxation and incentives environment.

5. Guarantee long term support for the **Patent Box**.

6. Ensure **strong IP regulations** within FTAs and multilateral FTAs.

7. Allow patents to be obtained for a **'second use'** also for known chemicals **outside the medical space**.

Whilst current UK patent law allows patents to be obtained for a 'second use' only for pharmaceuticals/medical purposes, the European Patent Office allows for 'second use' patents also outside of medicine. The UK limitation deters the 'repurposing' of existing chemistries and forces innovator companies to develop new chemistry which increase costs and time to market thereby lowering competitiveness. We ask to broaden the scope of 'second use' patents for chemistries because there are cases where the application of known chemistries for new scopes would have brought environmental benefits as well as aided our businesses – especially for innovations related to low carbon intensity fuels.



What the Chemical sector can deliver

The CIA recognises the challenging financial position of the Labour Government and is realistic in its belief that the measures called for in this Autumn Statement representation are not a silver bullet and will not solve all the challenges currently facing the UK chemical industry. However, they are a stride in the right direction and would constitute an important signal from Government that they listen to business concerns and are **pro-British industry**.

These asks would enable chemical and pharmaceutical businesses all over the country to continue providing **raw materials** essential for traditional manufacturing and innovative **Net Zero technologies** essential for the transition to a green economy. As well as these pivotal contributions to the future of UK manufacturing, our industries have the highest productivity per employee and are responsible for almost 20% of all UK R&D investment. Our sector's exports in 2023 generated £61bn, the second highest revenue generated by the export of goods.

Our production hubs tend to be located in non-urban areas, with the highest job density in the north and middle of the country. The distribution of our businesses coupled with salaries 27% higher than the UK average make us an essential player to ensure higher living standards across the country.

Our industry is a key player in the UK economy and - with appropriate support from Government - we can deliver on resilient supply chains, Net Zero technological innovation, and **high-paying job creation**.

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