

# Project 2035: A Decade of Opportunity

## Key Messages

### Why we matter

- **The industry of industries:** The chemical industry is an integral part of everyday life. Delivering solutions to current and future challenges is central to everything the sector does, from saving lives, powering the energy transition and building greener and cleaner means of transportation.
- **The economic contributor:** The sector is one of the biggest manufacturing sectors by employment, paying 21% higher than the manufacturing average and 27% higher than the UK average. These well-rewarded jobs are located in parts of the country where they are essential to the local economy. The sector is also highly productive, with Gross Value Added per employee at around 300% higher than the whole economy average. Accounting for 15% of UK exports, it is the second largest manufacturing exporter.
- **The critical provider:** The sector is directly part of the country's critical national infrastructure, with its products directly underpinning other key areas such as Defence, Energy, Health and Water.
- **The sector's gradual decline is now at a breaking point:** The UK has experienced almost a 40% fall in chemical production across the country since January 2021 with a combination of uncompetitive energy costs, carbon policies and a sustained fall in global demand being the key drivers, risking well paid jobs, national security and supply chain resilience.



**£200,298**

Gross Value Added  
per employee



**17.5%**

of total UK business  
R&D spend



**138,000**

highly skilled  
employees earning  
27% higher than UK  
average pay



**£60bn**

of annual exports  
manufactured  
throughout the UK and  
sold across the world.

# What we need

There is a narrow window of opportunity to shift away from this highly unfavourable outcome towards one which sees industry deliver growth – for itself, for the wider economy and society at large.

## To do this, we need:

→ **Competitive energy and raw materials:** Identify and take forward options to build a wider level playing field opposite competitor energy prices (including removal of the UK-only carbon price support levy).



→ **Regulation for growth:** Carbon policies that fully address carbon and investment leakage and earmark revenue to support industrial decarbonisation. Drive risk-based actions and decisions across regulation to support a 'create' and 'make' environment in the UK.



→ **Skills for the future:** Skills partnerships between industry, academia, government and trade unions to rewrite the educational and working life of the UK population. Establish a globally competitive and affordable immigration system.



## Delivering National Growth – There is more to do!

Chemical businesses across the UK can enable growth driving priorities to:

- **Accelerate UK carbon capture utilisation and storage (CCUS)**, by providing key technologies to drive decarbonisation across domestic supply chains.
- **Facilitate low-carbon hydrogen production**, not only as a building block material but to fuel the growing demand from transport, industry and buildings.
- **Scale up UK recycling capability** through advanced technologies such as chemical to retaining materials and reducing reliance on virgin forms.
- **Rebuild UK chemical supply chains for a resilient, low carbon economy** as a successful and accelerated energy transition in the UK relies on the chemical industry to deliver in at least six areas, including materials for wind turbines, solar panels, batteries, CCUS, Sustainable Aviation Fuel (SAF), and energy storage.
- **Ensure research and innovation leads to UK manufacture** since successful scale-up and commercialisation of these innovations in the UK not only enhances competitiveness, jobs and resilience but also enables re-investment into further R&D, creating a virtuous cycle.

SCAN FOR FURTHER INFORMATION



## The time for action is NOW!

**Our urgent call for action:** A level playing field, alongside a long-term and predictable growth-enabling policy environment is a must, if the sector is to remain competitive in the UK.