

Advantage Scotland



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The chemical industry –
Scotland's route to growth



The Chemical Industry working to deliver for Scotland



Powering Industry

The chemical industry can broadly be split into two main groups:

Bulk Chemicals (or Commodity Chemicals): These are produced in very large volumes, have simpler structures, and are typically lower cost. Used as raw materials for many industries. Chemicals like sulfuric acid, ammonia, or ethylene. Many but not all derived from the Oil and Gas sector.

Fine Chemicals: These are complex chemical substances produced in smaller quantities with high purity standards in many cases. They have complex molecular structures and are generally lower volume but higher-value products. These include Pharmaceuticals – Active Pharmaceutical Ingredients (APIs) are a prime example of fine chemicals and Agrochemicals – active ingredients and intermediates used in crop protection products are also examples of fine chemicals.

Our sector in Scotland is critically important to the nation's economy. We are Scotland's number two export earner. There is a large cluster of companies in the Grangemouth and the Forth Estuary area including Scotland's only oil and gas refinery and a concentration of petrochemicals production. There is also a significant spread of chemical and pharmaceutical companies including many SMEs across the central belt and on the West and East Coasts.

Two hundred and fifty companies in the chemical sciences sector in Scotland employing around 11,000 people generating £4.4 billion of exports and a GVA of £1.4 billion. Annual R&D spend is in the region of £192 million. The sector provides high tech, highly skilled, highly paid and typically long-lasting jobs in areas of the country that genuinely need them.

The priorities for the sector are to:

- develop Scotland as a key global location for sustainable high value chemical and pharmaceutical manufacturing,
- establish world class centres of innovation in selected technology sectors: industrial biotechnology, process optimisation, formulation and medicines manufacture,
- deliver a skills investment plan that will provide easy-to-access training and education at all levels which meet the needs of industry and supports the growth of the chemical sciences sector,

- establish Grangemouth as a key hub for high value manufacturing with globally competitive refining and bio-refining capacity and a centre of excellence in carbon capture and utilisation.

One of the most commonly used phrases in any language is 'working together'. In Scotland's chemical and pharmaceutical industry we believe that to be essential. By working together we ensure that we successfully manufacture products and technologies that deliver vital medicines, essential foods, innovative communications, efficient transport and many other everyday necessities.

By working together we also ensure a strong contribution to the environmental, social and economic life of Scotland. What we make ensures energy saving of twice the amount used in our manufacturing operation.

We cannot do any of this without working together, with our workforce, with the population of Scotland, with the neighbours who live close to our factories, laboratories and offices; working together with policymakers, regulators and Governments in Scotland and the UK.

We want to work with Government and politicians across all parties as well as other stakeholders. Work with us to continue to build the future of Scotland's chemical and pharmaceutical industry.

Help us to continue serving Scotland

A Chemicals Industry Manifesto for Scotland

Vision

A globally competitive Scottish chemicals industry that provides high-value jobs, essential materials, secure supply chains and low-carbon solutions for the wider economy.



1. Globally Competitive Energy and Feedstock Costs

- Deliver **internationally competitive energy prices** for chemical sites.
- Guarantee long-term certainty on **industrial electricity and gas policy**.
- Accelerate grid connection and priority access for chemical clusters.
- Support transition to alternative feedstocks.



OUTCOME:

Investment retention
and global
competitiveness.

2. Proportionate, Predictable Regulation

- Ensure **UK REACH and environmental regulation** are science and risk-based, proportionate and aligned with international standards.
- Introduce clear timelines and guidance for compliance.



3. Net Zero and Industrial Decarbonisation

- Recognise chemicals as **enablers of net zero**, not just emitters.
- Support carbon capture, utilisation and storage (CCUS) for chemical processes.
- Enable hydrogen, electrification and low-carbon feedstocks at scale.
- Ensure carbon policy fully protects against **carbon leakage** and incentives rather than penalises decarbonisation of chemical industry.



4. Skills, Safety, and Workforce Excellence

- Invest in specialist skills: process engineering, safety, maintenance and digital control.
- Support apprenticeships and graduate pathways into chemical manufacturing.
- Promote continuous professional development in **process safety and regulation**.
- Encourage diversity and high-quality employment across the sector.



5. Innovation, R&D, and Advanced Chemistry

- Increase support for **chemical R&D, pilot plants and scale-up facilities**.
- Strengthen collaboration between industry, universities and innovation centres.
- Support sustainable chemistry, recycling technologies and bio-based materials.
- Speed up commercialisation of Scottish chemical innovation.



OUTCOME:
Safe operations and a resilient talent pipeline.

OUTCOME:
Higher-value products and future-proofed industry.

6. Infrastructure, Clusters, and Industrial Sites

- Develop and protect **industrial clusters** (e.g. Grangemouth and future low-carbon hubs).
- Invest in shared infrastructure: pipelines, storage, utilities and ports.
- Safeguard industrial land and streamline planning for upgrades and expansion.
- Improve resilience of critical infrastructure.



OUTCOME:
Efficient, competitive
industrial ecosystems.

7. Trade, Supply Chains, and Market Access

- Support export-focused chemical businesses with market intelligence and trade facilitation.
- Reduce friction in cross-border trade of chemicals and intermediates.
- Strengthen domestic supply chains for critical chemicals.
- Promote Scotland as a **trusted, high-standards chemical producer**.
- Build Scotland as a first-choice partner for all industry including suppliers and customers by creating investment opportunities.
- Ensure trade protection mechanisms prevent dumping.



OUTCOME:
Secure
supply chains and
export growth.

8. Business Costs and Investment Climate

- Reform business rates to reflect **capital-intensive, low-margin operations**.
- Enhance capital allowances for plant, equipment and safety upgrades.
- Provide long-term investment certainty to attract global capital.
- Support SMEs in the chemicals supply chain.



OUTCOME:
Continued reinvestment
and competitiveness.

9. Public Understanding and Trust

- Promote the essential role of chemicals in healthcare, energy, food and clean technology.
- Support transparency, community engagement and environmental responsibility.
- Champion world-class health, safety and environmental performance.



10. Partnership and Long-Term Strategy

- Establish a **Scottish Chemicals Council** involving government, industry, trade unions and regulators.
- Commit to a 10–15 year chemicals strategy aligned with UK industrial policy.
- Measure success through jobs, emissions reduction, exports and investment.
- Ensure policy is **developed with industry, not for industry**.



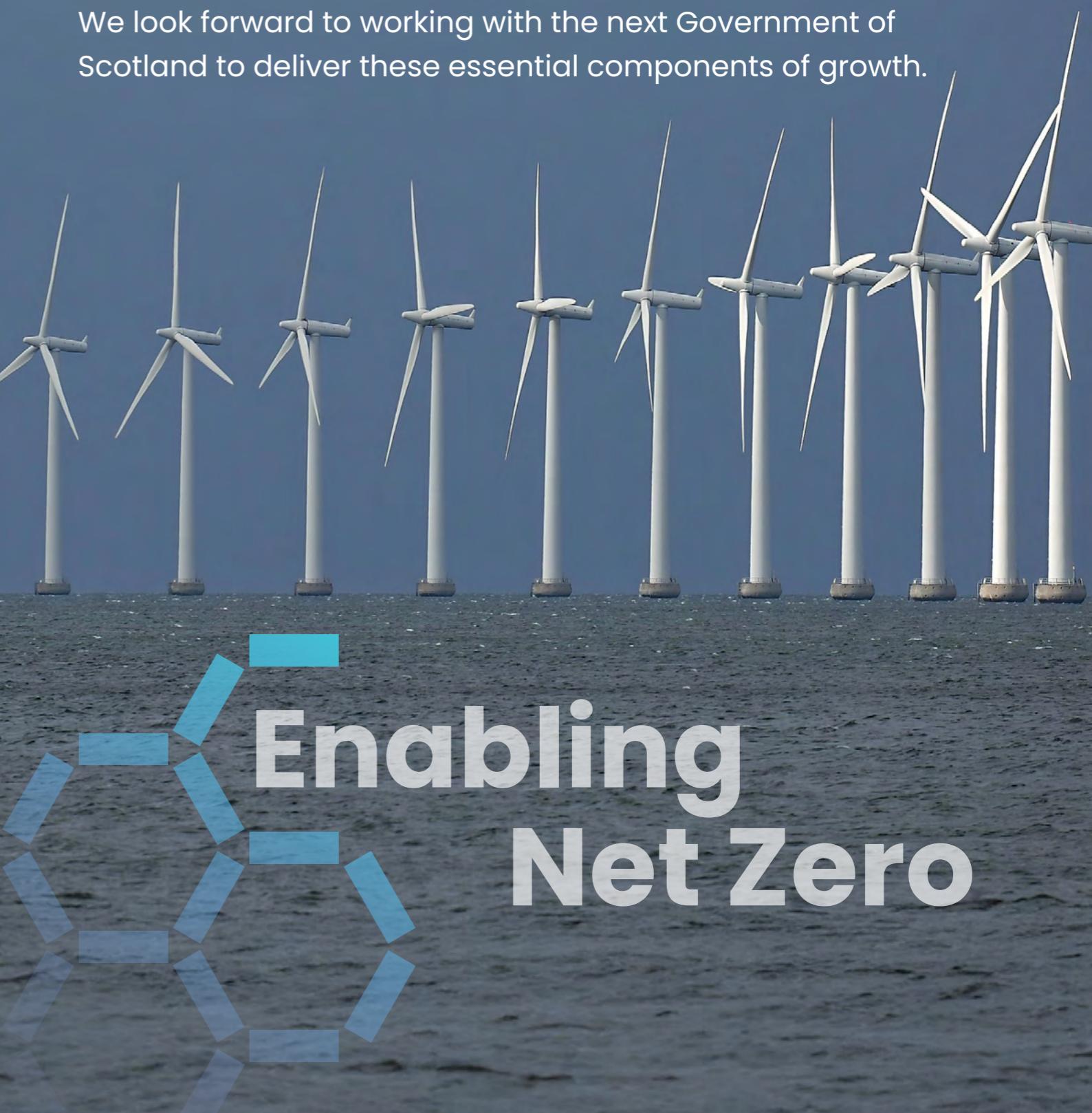
OUTCOME:
Stability,
collaboration and
sustainable growth.



Conclusion

The chemicals industry is **foundational to Scotland's economy and net-zero ambitions**. With competitive energy, smart regulation, skills investment and long-term partnership, Scotland can secure a **safe, innovative, low-carbon chemicals sector** for decades to come.

We look forward to working with the next Government of Scotland to deliver these essential components of growth.





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