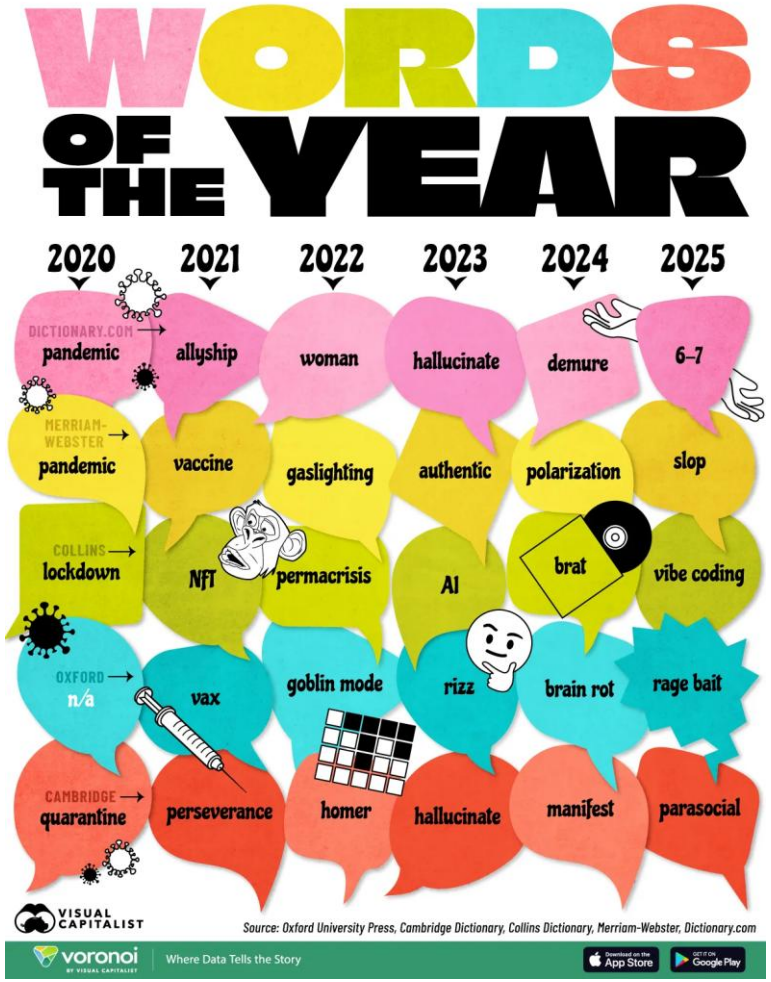
CHEMICAL INDUSTRIES ASSOCIATION



ChemUK - 20 May 2026

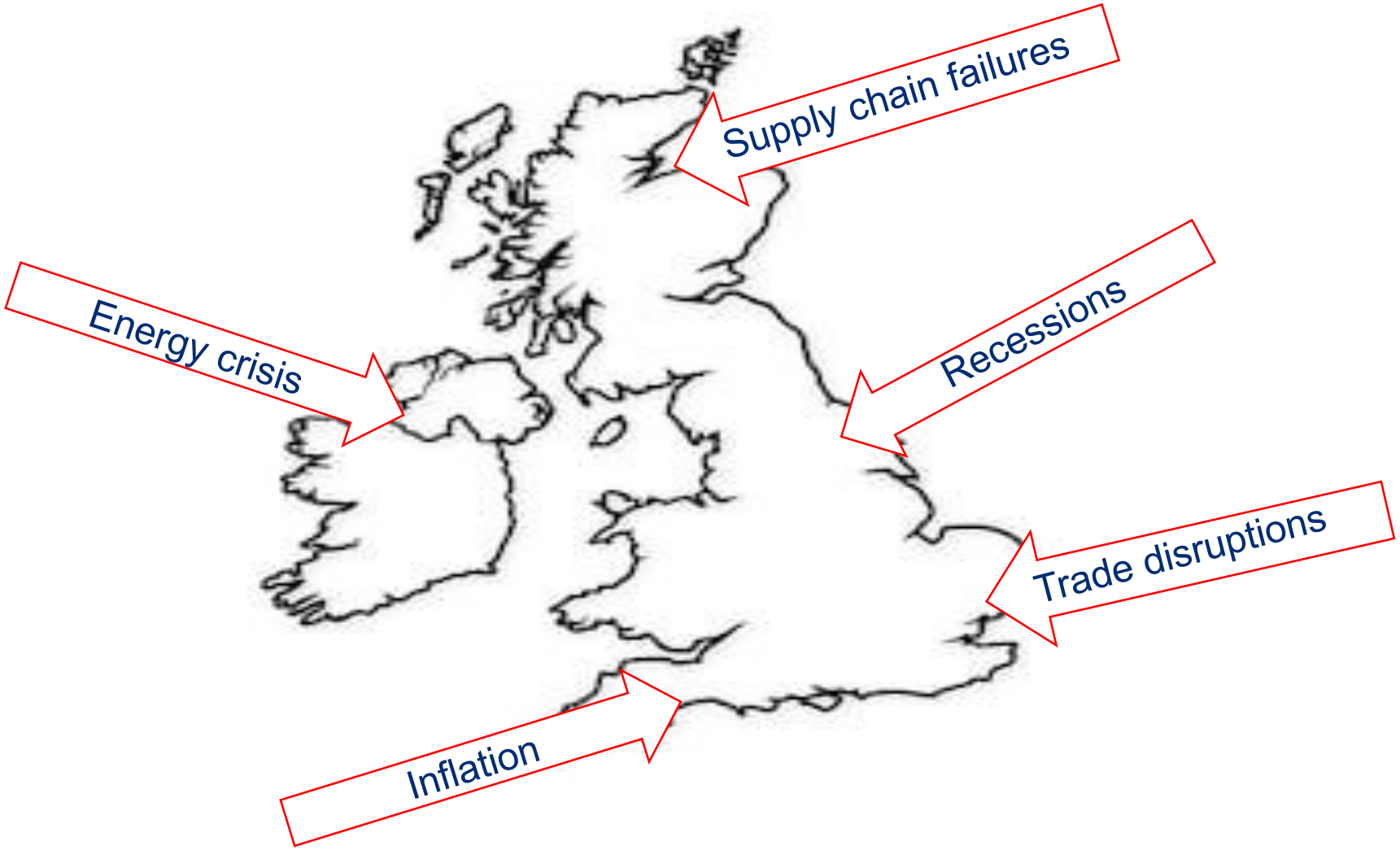
The right policy for the chemical industry delivers the right resilience for the UK

The word


WORDS OF THE YEAR
2020
2021
2022
2023
2024
2025
DICTIONARY.COM
pandemic
allyship
woman
hallucinate
demure
6–7
MERRIAM-WEBSTER
pandemic
vaccine
gaslighting
authentic
polarization
slop
COLLINS
lockdown
NFT
permacrisis
AI
brat
vibe coding
OXFORD
n/a
vax
goblin mode
rizz
brain rot
rage bait
CAMBRIDGE
quarantine
perseverance
homer
hallucinate
manifest
parasocial
VISUAL CAPITALIST
Source: Oxford University Press, Cambridge Dictionary, Collins Dictionary, Merriam-Webster, Dictionary.com
voronoi
Where Data Tells the Story
App Store
Google Play


resilience

Our Country – recession, inflation, trade disruptions, energy crises and supply chain failures

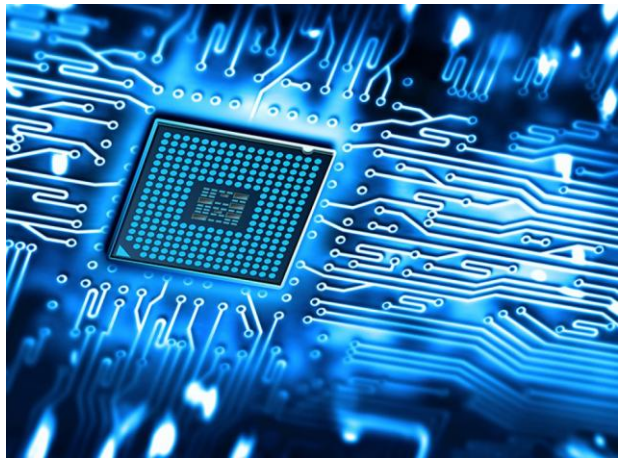


Five strategic industries key to resilience











Project 2035 – Pathways for a resilient future – four exam

Defence* resilience	The value in the defence sector is two-fold: on one hand, availability and deployment of certain advanced military materials and explosives rely on the chemical industry
Energy*† resilience	As the UK energy mix changes, electric grid stability will depend increasingly on scaling up energy storage and clean energy generation, to which the chemical industry is a key contributor
Health* resilience	The COVID-19 crisis illustrated well the importance of a broad and efficient chemical supply chain in deploying emergency solutions (e.g., protective materials, high-volume disinfectants)
Water* resilience	Given the general need for water treatment, it is crucial to have availability and in-country production of certain chemicals that are hard to transport (e.g., chlorine value chain)

Growing recognition but plan still missing?

Key foundation industry
Chemicals recognised to be "**at the core of advanced manufacturing underpinning all domestic manufacturing**."

Key foundation industry
Strengthen our domestic foundations, informed by deeper analysis of the supply chains for the IS-8. Early assessment, has identified an initial list of inputs from foundational industries, including **chemicals, that are important to unlocking growth in the IS-8**.

Key foundation industry
Chemicals identified as a **measurable** proxy for **advanced manufacturing progress**.

Strengthening economic and national security
Chemicals production is a major employer in Cheshire, Grangemouth, the Humber, and Tees Valley.

Strengthening economic and national security
Investment into CCUS and Hydrogen, ensuring that there are **viable pathways** for industries like steel, **chemicals, and materials to decarbonise**.

Strengthening economic and national security
Strengthening the resilience of all the IS-8 by supporting the foundational industries and their supply chains which **provide vital materials** and parts, from steel to **chemicals**…

Reducing electricity costs and promoting decarbonisation
From 2027, a new British Industrial Competitiveness Scheme will reduce electricity costs to benefit frontier industries in the IS-8 and foundational manufacturing industries in their supply chains, such as chemicals.

Reducing electricity costs and promoting decarbonisation
Continued relief on electricity prices for materials sectors like chemicals through the uplifted British Industry Supercharger.

CHEMICAL INDUSTRIES ASSOCIATION
KINGS BUILDINGS, SMITH SQUARE
LONDON SW1P 3JJ

From the Chief Executive
Mobile: 07951389621
Email: ElliottS@cia.org.uk

Tuesday, 03 March 2026

The Rt Hon Sir Keir Starmer KCB KC MP
Prime Minister

The Rt Hon Rachel Reeves MP, Chancellor of the Exchequer
The Rt Hon Peter Kyle MP. Secretary of State for Business and Trade
The Rt Hon Ed Miliband MP, Secretary of State for Energy Security & Net Zero
Dame Antonia Romeo, Cabinet Secretary
The Rt Hon Emma Reynolds MP, Secretary of State for Environment, Food and Rural Affairs
The Rt Hon John Healey MP, Secretary of State for Defence

By e-mail

UK CHEMICAL INDUSTRY CRISIS

Dear Prime Minister

I write to you today on behalf of all chemical businesses across the UK, urging you and your Government to take urgent action to arrest the decline of a key foundation, but increasingly uncompetitive, industry.

You will not be surprised to hear that we believe that the chemical industry matters – not only to the people who work in it, but to the wider economy and society at large. From Runcorn to the Humber, from Teesside to Grangemouth; from south Wales to the Solent, all across the country the industry is providing highly skilled and well-rewarded jobs, underpinning local communities and economies. As the Government's own Industrial Strategy acknowledges, chemical solutions are essential in supporting the country's critical national infrastructure, ensuring clean water, healthy food and effective medicines. UK chemical businesses are also key supply chain partners to the identified growth sectors, including advanced manufacturing, defence, digital and tech and life sciences, as well as being central to the delivery of a clean energy/net zero future.

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

16 April 2026

Dear Steve,

Thank you for your letter about the challenges faced by the chemicals sector.

The UK chemicals sector is overall a strong and hugely valued contributor to our national economy, and is at the heart of our industrial strategy as a foundational sector. As you say, the sector supports high wage and high skilled jobs right across the UK, and is a crucial part of our most critical supply chains. However, I do appreciate the challenges facing the chemicals sector from the international econom˙c headwinds, and the concerns amongst its employees.

This Government is taking action to defend British industry. We are cutting electricity costs by up to 25% for over 7,000 electricity-intensive businesses. This is part of our modern Industrial Strategy to help unlock investment, deliver on our Plan for Change and put more money in people's pockets.

Please be assured that we share your concern about the decline in UK chemical output in recent years. I have therefore asked the Secretary of State for Business and Trade to reply to your letter, meet you to address the specific points you raise, and establish an ongoing dialogue to work together in the face of these challenges.

Thank you, once again, for writing to me.

All best wishes,

THE RT HON SIR KEIR STARMER KCB KC MP

Mr Steve Elliott

Department for Business & Trade

The Rt Hon Peter Kyle MP
Secretary of State for Business & Trade
President of the Board of Trade
Department for Business and Trade
Old Admiralty Building
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Mr Steve Elliott
Chief Executive
Chemical Industries Association

By email: elliotts@cia.org.uk

Our ref: MCB2026/03537

01 May 2026

Dear Steve,

Thank you for your correspondence of 3 March to the Prime Minister about urgent action to protect the chemicals sector. The Prime Minister has asked me to reply to some of your substantive points given that many of the topics fall within my remit as Business Secretary. I apologise for the delay in responding to your letter. However, this additional time has helpfully allowed me to respond on specific items in much more detail.

Firstly, I want to reassure you that government fully recognises the significant role the chemicals sector plays within the UK economy. I know the industry supports high wage, highly skilled employment throughout communities nationwide and manufactures products integral to many important supply chains. This was reflected by the identification of chemicals and other materials as foundational industries within the Industrial Strategy. I want to reiterate that focusing on certain frontier industries does not exclude other sectors such as chemicals from benefiting from broader policy within the Industrial Strategy and the wider Growth Mission. The Industrial Strategy will continue to support the existing foundational Industries to unlock constraints between those critical inputs and the frontier industries. I hope you agree that our commitment to the chemicals sector was demonstrated in our recent intervention to safeguard production and jobs in Grangemouth.

Nonetheless, I share your concerns over the commercial challenges that many chemical companies and energy intensive industries are currently facing, now further exacerbated by the increase in energy prices as a result of the conflict in the Middle East. The Prime Minister is prioritising identifying the full impact that increased energy costs and supply chain pressures are placing upon UK business, particularly energy intensive industries and what more can be done to support you. My recent intervention to safeguard CO_2 supply was also discussed during these meetings and I hope that this again demonstrates my willingness to step in and support industry in the national interest when necessary.

Turning to what we have already announced, we are providing unprecedented new support which will cut electricity costs by around 20-25% for thousands of businesses. From 2027, the new British Industrial Competitiveness Scheme will reduce electricity costs by up to £40 per megawatt hour, benefiting over 10,000 businesses. While BICS cannot be operationalised earlier due to the regulatory and delivery changes needed to do so, we have decided to provide an additional payment in 2027, covering the 2026-27 period, reflecting the support eligible businesses would have received had the scheme been in operation earlier. We will also be providing faster grid access through the Connections Accelerator pilot. However, I do recognise there is much more to do to improve the overall business environment for energy intensive industries. As the Prime Minister has made clear, this is one of our most important priority areas, and my team and I are always happy to discuss how we can do more in this space.