



### The Chemicals Industry includes:

- Basic chemicals (including industrial gases, dyes and pigments, fertilisers and nitrogen compounds and plastics and synthetic rubber in primary forms)
- Pesticides and other products
- Soaps and detergents etc (including cleaning and polishing preparations, perfumes and toilet preparations)
- Other products (including explosives, glues and gelatines and essential oils)
- EXCLUDES paints, varnishes and similar coatings and printing inks

The Chemicals industry is one of the UK's largest manufacturing industries. Over the last decade it grew more than five times faster than the average for all industry. It is manufacturing's number one exporter, with an annual trade surplus of just under £5 billion. It spends over £2 billion a year on new capital investment.

All chemicals end up being used in products and services purchased by the consumer. There may be many stages between the processing of a chemical and the final consumer, but it is estimated that each UK household either directly or indirectly spends around £30 per week on chemicals.

The Chemicals industry has a relatively higher proportion employed in medium-sized enterprises when compared to other European countries. On average, full-time employees' hourly earnings are 19% higher than in manufacturing generally. This reflects high skill, productivity and training levels.

## Economic picture of the Chemicals Industry<sup>1</sup>

Industry	Turnover	GVA <sup>2</sup>	GVA per employee
Basic chemicals	£19.20bn	£4.06bn	£72,554
Pesticides/agro-chemical products	£0.83bn	£0.27bn	£90,667
Soaps and detergents etc	£5.82bn	£1.86bn	£54,618
Other chemical products	£5.21bn	£1.75bn	£64,630
<b>Totals</b>	<b>£31.06bn</b>	<b>£7.94bn</b>	<b>£66,142</b>

## Industry details<sup>3</sup>

Productivity – calculated on a value added per employee basis – The UK Chemical industry ranks **3rd** in Europe and **5th** globally amongst OECD countries.

The Chemicals industry accounts for **2% of UK GDP** and **11%** of the manufacturing industry's **GVA**

The average growth rate of the UK Chemicals industry is **2.9%** per annum (0.5% all UK industry)

**92%** of UK chemicals output was **exported** in 2004

In 2003 **R&D expenditure, at £3.8 billion**, was equivalent to more than 10% of UK sales

<sup>1</sup>Annual Business Inquiry 2005 – data released November 2006, available through the Office of National Statistics

<sup>2</sup>GVA is the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production.

<sup>3</sup>Chemical Industry Association (CIA) [www.cia.org.uk](http://www.cia.org.uk)

## The Chemicals Industry Workforce<sup>4</sup>

### Workforce Distribution

Number of Employers <sup>5</sup>	3,200
Number of Employees <sup>5</sup>	146,000*
Age of workforce	
– 16-24	7%
– 25-34	20%
– 35-44	25%
– 45-54	30%
– 55+	18%
Ethnicity	
– White	95%
– Non-white	5%
Gender	
– Female	27%
– Male	73%

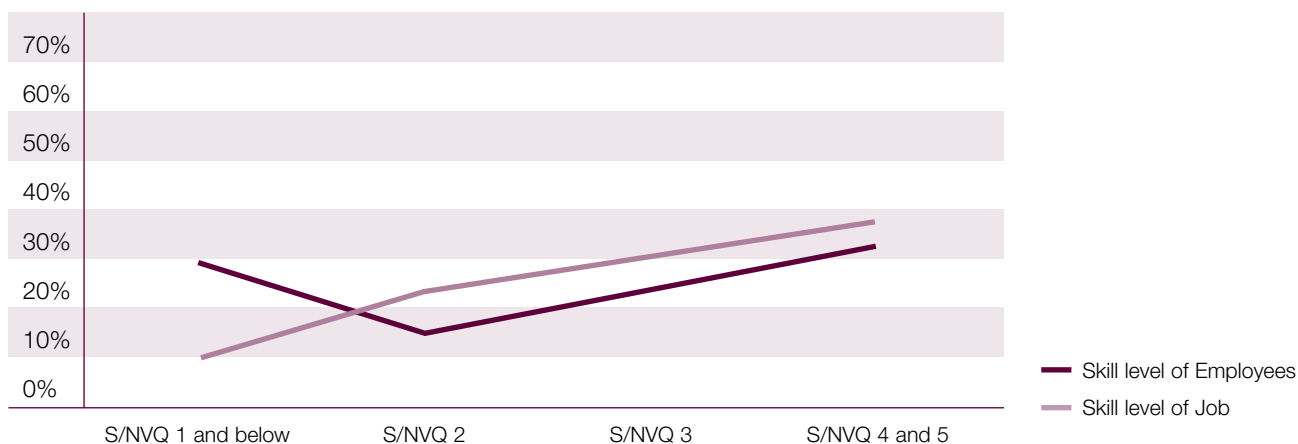
### Occupation Distribution

Managers and Senior Officials	25%
Professional Occupations	13%
Associate Professional and Technical	14%
Administrative and Secretarial	8%
Skilled Trades Occupations	6%
Sales and Customer Service Occupations	2%
Process, Plant and Machine Operatives	21%
Elementary Occupations	11%

\* Industry estimates can exceed ABI employee data due to contractor workforce and SIC limitations

## The Skills Gap<sup>4</sup>

### Skills Gap in the Chemicals Industry



There is an over supply of people qualified at S/NVQ level 1 and below compared to the number of jobs at that level in the Chemicals Industry.

Elementary occupations only account for 11% of the overall workforce.

**There is a 18% SURPLUS at S/NVQ level 1 and below.**

There is an under supply of people qualified to S/NVQ level 2 and 3 compared to the proportion of jobs at those levels in the Chemicals Industry.

Level 2 and level 3 occupations account for 52% of the Chemicals Industry.

**There is a 14% DEFICIT at S/NVQ levels 2 and 3.**

## Standard Industrial Classification (SIC) Listing<sup>6</sup>

The Chemical industry by SIC code:

24.11	24.12	24.13	24.14	24.15	24.16	24.17	24.20
24.51	24.52	24.61	24.62	24.63	24.65	24.66	

<sup>4</sup>Labour Force Survey January 2006-December 2006

<sup>5</sup>Cogent Industry Estimates

<sup>6</sup>Office of National Statistics - Standard Industrial Classification (SIC) 2003

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