

Industrial Sector Chemical and Pharmaceutical



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Industry profile

Chemical industry:

- Turnover in excess of £55 billion per annum
- Manufacturing's top exporter ñ trade surplus of £7 billion in 2010
- Spends over £2 billion a year on new capital investment
- R&D expenditure is equivalent to 10 per cent of sales
- Represents around 12% of value added in manufacturing, equivalent to 1.5% of GDP

Pharmaceutical industry:

- Invests approximately £11.8 million every day in R&D
- The industry employs 72,000 people, 27,000 of them in R&D
- The sector has generated an ever-widening trade surplus reaching almost £7 billion in 2009

The jobs of 600,000 workers in the UK depend on chemical and pharmaceutical businesses.

Trade union profile

- Unite has members within the chemical and pharmaceutical sector.
- Other unions with significant membership are GMB and USDAW

Major organised employers:

Chemicals

INEOS Rhodia Syngenta Celanese Acetate Products Brunner Mond BP Unilever

Pharmaceuticals

Glaxosmithkline (GSK) Pfizer Sanofi Avensis Astrazeneca

Collective bargaining:

- Other than BOC, AstraZeneca and Syngenta where national agreements exist, all other companies are single site agreements.
- Unite is affiliated to the European Mine, Chemical and Energy Workers Federation (EMCEF) and also the International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM).

Skills

The Chemical sector needs to employ a wide range of skilled people from chemical engineers to technicians and maintenance staff. Supply of skills is a problem that is hampering the competitiveness of the industry and the UK's reputation for science.

Unite continues to work closely with COGENT: the sector skills council for chemicals manufacturing, working to provide strategic solutions to the acquisition of skills, to enhancing employability and to improving competitiveness in the sector.

Key sector issues

Energy

Chemicals, as the most energy intensive sector, accounts for 22% of total UK industrial consumption. Energy supply and security as well as pricing are ongoing issues.

Skills shortages

- The chemical and pharmaceutical industries in the UK have significant skills gaps at Level 2 (5 GCSEs, e.g. Process Operators) and Level 3 (2 A-levels e.g. Process Technician).
- For the chemical industry there is also a gap at Level 4 (graduate) of 14%.
- Cogent research has resulted in an action plan. Five key 'Big Ticket' programmes for the sector have been identified - apprenticeships, career pathways, competence assurance, industry passports and upskilling programme.

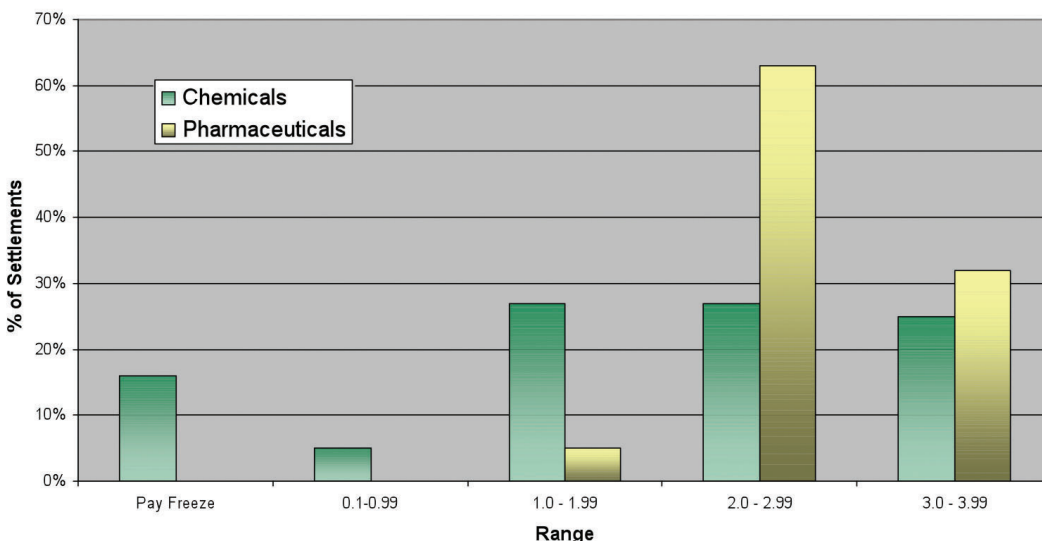
- The National Skills Academy for the Process Industries (NSAPI) will design and deliver training for the sector

REACH

The EU has adopted a new system to control the risks which chemicals may pose to human health and the environment. The REACH Regulation (Registration, Evaluation, Authorisation and restrictions of Chemicals) came into force on 1 June 2007. It will form the EU's framework legislation for the management, control and use of chemicals, replacing much of the current patchwork of over 40 separate pieces of legislation over a phase-in period.

REACH is being introduced progressively until full implementation in 2018.

Distribution of settlements in chemicals and Pharmaceuticals in 2010



Workers in Chemical and Pharmaceutical businesses earns on average 40% more than other parts of manufacturing.

