Industrial Sector

Process

(Rubber, Glass and Oil refining)

National Officer: Linda McCulloch

Industry profile

Glass:

- The UK glass industry (all sectors) produces an estimated 4 million tonnes of glass per year, divided as follows in the generalised subsectors of Container, Flat, Fibre and Domestic (including Crystal and Special Glass)
- Production of containers for the food and drinks industry, glazing in construction and the automotive industry account for around 90% of glass produced in the UK.

Oil:

- There are nine major UK oil refineries with a distillation capacity of around 88 million tonnes per annum, operated by Esso, BP (2), Petroplus, Shell, Total FinaElf (2) Conoco and Texaco.
- The total number of refineries in the UK has declined from 17 in 1976. These closures have been caused by a combination of factors, principally very narrow profit margins due to competition from new refineries built outside Europe and company mergers caused by intense competition but also due to the improved efficiency of the refineries themselves.

Rubber:

- There is a decline in the industry due to overcapacity and overproduction leading to a glut of tyres within the world market. Top range brand manufacturers also own Eastern European plants that are flooding the market with cheap imports.
- The rubber industry is a mature business, which is currently undergoing significant restructuring and consolidation. New regions, such as Asia Pacific are emerging as major forces in the industry

Textiles:

- The fashion and textile industry in the UK is very localised due to the historical roots of the sector. For example, the major regions for clothing are the East Midlands, the North West, London and central Scotland.
- More than 90% of apparel lines are imported with China and Hong Kong as the leading exporters.
- The UK manufacturing base has shrunk dramatically, with exports of luxury and designer products sustaining the industry.

Trade union profile

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

Major organised employers:

Glass
Pilkingtons Saint-Gobain Guardian glass

Oil
Esso BP Petroplus Total FinaElf Conoco Texaco Shell

Rubber
Michelin Pirelli Goodyear Dunlop Cooper tyres

Collective bargaining:
4 National agreements in Rubber. For Glass Unite negotiates with the glass federation and Oil has the National Oil Refining Coordinating Committee

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).

The sector skills councils for Process and Textiles: Proskills, Cogent and Skillsfast.

Workers Uniting

The process sector of Unite is working closely with our brothers and sisters working in the rubber, glass and oil refining industries in the USA/Canada. Working with companies such as Tyco via Workers Uniting. Workers Uniting is the name of the global union created by Unite and the United steelworkers (USW). Workers Uniting is the union of 3 million members of Unite and the USW working together to protect their jobs, pay and benefits in the face of the ever increasing power of multinational companies.

Key sector issues

Energy
The process industry is a highly intensive energy usage industry. The UK's current energy market arrangements, particularly for intensive users of energy, are undermining the sustainability of the UK's process industry. Unite agrees with the UK Government that energy policy has to be framed within the context of a sustainable framework and the threat posed by climate change. However, large-scale users of gas and electricity are paying more than their European competitors. Unite is concerned that the current energy prices will displace manufacturing in the UK and is actively lobbying the Government on the issue. The key issue for Unite and its members in the process industry is the relative competitiveness of energy prices compared both to European and global markets.

Skills
It is also a fact that the UK Process Sector is faced with severe skill shortages. The shortages caused by an ageing workforce and failure to recruit young workers will lead to a culture of overtime, as employers seek to produce more without recruiting. Sub-contractors continue to provide an alternative to employing direct staff for many companies.

Other issues
Change of ownership; many of the plants have been sold on at least once and the feeling is that our industry is progressively moving away from sound and stable multinational companies to more minor players who are inclined to ma far shorter term view around asset viability.

Reduced portfolio; the effect of selling refineries as stand alone entities is felt to be detrimental i.e. when multinational hold a mixed portfolio of exploration downstream and derivatives it is clear that the ability to ride out and survive difficult times is far greater. The view from our reps is that industry players require a number of product strands in order to support the viability of all their assets. The danger of closure and downsizing occurs when a short term profitability attitude is adopted with no other diverse and supportive assets are in play.

Constant reorganisation and cost cutting; it is felt that our industry has been in a constant state of flux for decades. Reorganisation is a euphemism for cost cutting and headcount reduction. Our view is that this helps neither the workforce nor the company as systems of work are seldom allowed to bed in before further change and the short term cost cutting measures are reflected in loss of reliability, availability and HSE performance.

UK operation environment; our sense of the legislation, rules and environmental performance requirements is that it is far more stringent than for other countries. In a global market, we are concerned that this places us at a significant disadvantage as compared to other nations and that a deterrent to UK investment has been created.

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