

Industry Profile

Employment

The UK's energy sector is responsible for

- 4.3% of GDP
- 7.2% of total investment
- 35.2% of industrial investment
- 3% of annual business expenditure on research and development
- 165,000 people directly employed in 2002 (4% of industrial employment) and more indirectly e.g. an estimated 360,000 in support of UK Continental Shelf production
- Trade surplus in fuels of £6.0 billion in 2002

Trade Unions

Amicus currently has over 20000 members in this sector

Other unions active in this sector are GMB, TGWU, Prospect, PCS and UNISON

Employers

Since the introduction of full supply competition in 1998, and the passing of the Utilities Act 2000 (which require separate legal entities to undertake electricity distribution and supply) there has been a major restructuring of the electricity industry in Great Britain. The industry now comprises a generation market and a supply market, and has several large players, operating only in generation and supply, none of which has the power to dominate price setting, and a number of dedicated distribution companies, which do not supply electricity at all. There are still several holding companies, which own dedicated companies generating, distributing and supplying electricity.

Current Issues and Activities

- ❑ The distribution price review, being conducted by Ofgem and due for completion in 2005.
- ❑ The metering price review which is due for completion in 2007
- ❑ NETA (New electricity trading arrangements) the new trading arrangements are problematic because they are causing sharp fluctuations in the price of electricity and this will need to be addressed
- ❑ Carbon Emissions Trading which is a central part of the Kyoto Protocol and was launched by DEFRA in the UK in April 2002.
- ❑ Security of supply, which has been brought to the forefront of the political agenda with the recent power cuts in London and the midlands
- ❑ UK Government policy, with an over emphasis on renewables, no clear strategy on nuclear, both in relation to new builds and solutions for dealing with nuclear waste
- ❑ BNFL, with the introduction of the nuclear decommissioning agency substantial restructuring will be required within this company.
- ❑ The UK Government targets on carbon dioxide emissions calling for reductions of 60% by about 2050 with major progress by 2020, is potentially damaging, if renewables are seen as the only way of realising this target.
- ❑ ESPS (Electricity, supply pension scheme) is a protected pensions scheme under legislation. This scheme has come under threat many times and we must ensure that we safeguard the protected pensions regulations
- ❑ Maintaining a direct labour and opposing outsourcing and contractualisation of the industry.
- ❑ Health and safety procedures and standards must be maintained and built upon for the security of our members, the employees and the general public
- ❑ Skills shortages and the need for companies and government to take seriously the need for investment in apprentice schemes, both financially and legislatively