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THE UK LOW CARBON INDUSTRIAL STRATEGY

BIS, together with DECC, is today publishing the *The UK Low Carbon Industrial Strategy*. In parallel with this document, the Government is also publishing *The UK Low Carbon Transition Plan*, *The UK Renewable Energy Strategy* and *The Carbon Reduction Strategy for Transport*.

Together these set out the policies which will help drive the transition to decarbonising our economy, and reflect how departments across Government are working together to deliver the transition to a low carbon future.

The core objective of *The UK Low Carbon Industrial Strategy* is to ensure that British businesses and workers are equipped to maximise the economic opportunities and minimise the costs of the transition to a low carbon economy.

Building on the framework for supporting British business set out in *Building Britain's Future: New Industry, New Jobs*, its ambition is to ensure that the transition to low carbon is a source of quality jobs and business savings in Britain: from the rapidly developing civil nuclear industry and renewable energy sector, to energy saving in the smallest SMEs.

British firms will benefit from the low carbon transition both by catering to growing British and global markets for low carbon goods and services, and also by using energy and other resources more efficiently to reduce costs.

At the heart of the Strategy are three basic principles for a positive environment for low carbon business:

- First, a long term strategic approach from government – like the clear commitment to nuclear and renewable energy, which will allow businesses to invest in greater confidence;
- Second, a pragmatic recognition that intervention from government may be required in some areas to accelerate and enable the transition to low carbon – in the case of the Low Carbon Industrial Strategy this means support for the R&D that will produce new low carbon technologies;

- Finally, a recognition that government has a responsibility to ensure that British-based companies and people are equipped to compete for the new demand created by government climate change policies. This has implications for skills policy, and the development of supply chains in this country, both issues addressed in the strategy.

The strategy identifies a range of low carbon sectors in which the Government believes that the UK has potential for job creation and business savings. Where barriers to market or other obstacles are blocking the development of Britain's full potential in these areas, it sets out the Government's strategy for removing them.

This includes the first investments from the £405 million for low carbon industries and advanced green manufacturing announced at Budget 2009. Key announcements include:

- **Up to £120 million** to support the development of a **British based offshore wind industry**.
- **Up to £60 million** to capitalise on Britain's **wave and tidal** sector strengths, including investment in **Wave Hub** – the development of a significant demonstration and testing facility off the Cornish coast – and other funding, making **the South West Britain's first Low Carbon Economic Area**. (see below)
- The Government will provide capital investment in order to establish a **Nuclear Advanced Manufacturing Research Centre** consisting of a consortium of manufacturers from the UK nuclear supply chain and universities.
- **Up to £10 million** for the accelerated deployment of **electric vehicle charging infrastructure**.
- A **£4 million expansion of the Manufacturing Advisory Service**, to provide more specialist advice to manufacturers on competing for low carbon opportunities, including support for suppliers for the civil nuclear industry.

The strategy recognises the need to **build on local and regional strengths** in order to make the most of the future economic benefits for Britain. For this reason, the strategy introduces the concept of **Low Carbon Economic Areas**, and announces

the development of the first of these, located in the South West of England, focusing on the development of marine energy demonstration, servicing and manufacture.

It also announces the creation of the **cross-Whitehall 'Office for Low Emission Vehicles' (OLEV)** to create a single body charged solely with making a success of the Government's strategy for low emission vehicles.

Finally, the Low Carbon Industrial Strategy recognises that - as with previous structural changes to the economy -the move to a low carbon economy will affect each business, worker and family differently. Previous economic structural shifts have had huge social impacts, with some workers and communities being left behind as industries are restructured by change. The Government is committed to doing all it can to ensure this is a just transition. For this reason, the Government will create a forum for considering these issues and advising government. The **new Forum for a Just Transition** will include representatives from Central Government, national, local and regional bodies, Trade Unions, business organisations, and third sector bodies.

Low Carbon Business Opportunities Unit

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