

Special Feature

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Chemicals

Introduction

The chemical industry is an international industry that mainly processes raw materials. It also manufactures and supplies intermediates to other manufacturing industries. Products of the chemical industry form the basis for every manufacturing activity. They are vital to transport, healthcare, food and drink, construction, textiles, IT and all sectors of the economy.

The chemical industry ranges across bulk petrochemicals, inorganics, man-made fibres, coatings and inks, dyes, pharmaceutical active ingredients and speciality intermediates, adhesives, detergents, cosmetics, and downstream plastic and rubber processing. Household names associated with products of the chemical industry include Lycra, Kevlar, Perspex, Teflon, Dulux, Imperial Leather and Persil.

The industry includes the following sub sectors:-

Oil & Gas field chemicals	Basic Organic Chemicals
Colour & Pigments	Polymers (Plastic or Rubber)
Personal Care	Plastic Additives
Household Consumer Products	Catalysts
Paints, Materials & Coatings	Flavours & Fragrances
Pharmaceuticals	Cosmetics & Toiletries
Basic Inorganic Chemicals	

Within the chemical cluster the following are sub-sector industries:

- Analytical Companies
- Communication
- Control Engineering
- Disaster management
- Equipment Suppliers
- Legal Firms
- Mechanical Engineering
- Management & Strategy Consultants
- Performance Improvement
- Process Development
- Process Engineering
- Publicity Firms
- Publishers and Printers
- Purchasing Companies
- Recruitment Companies
- Research Institutions
- Specialists e.g. Material Safety Data
- Technology Transfer Consortia
- Tool Makers
- Waste Management and Recycling

UK MARKET

The chemical industry is the UK's largest manufacturing sector, accounting for 11 percent of the value added by the whole of the UK manufacturing industry.

The chemical industry in the UK is the sixth largest in the world after the US, Japan, Germany, France and Italy. It employs 181,000 people in 3,200 companies in chemicals (excluding pharmaceuticals). The industry accounts for 1.3 percent of gross domestic product (GDP). Chemicals (excluding pharmaceuticals) have a solid trade surplus of US\$3.8 billion.

The UK chemical industry is highly innovative and technologically advanced, with significant expenditure on research and development. It manufactures a diverse range of materials and products, some materials being used as ingredients for chemical products such as pharmaceuticals, paints and personal hygiene goods, which are purchased directly by the consumer. However, most chemicals (almost 70 percent) are essential inputs for products and services provided by other industries.

The continued high growth of the industry, which is estimated to make up to 95,000 substances across hundreds of product categories, is due to the constant flow of new and improved materials and products.

The chemicals industry spends nearly US\$4.7 billion a year on new capital investment, and research and development expenditure is equivalent to more than 10 percent of sales.

The chemicals industry production market – defined as the development, manufacture and sale of chemical products, including household, industrial and agricultural chemicals – grew by 5.4 percent to reach a value of US\$31 billion. In 2007 the production market is forecast to reach a value of US\$36 billion.

UK STRENGTHS

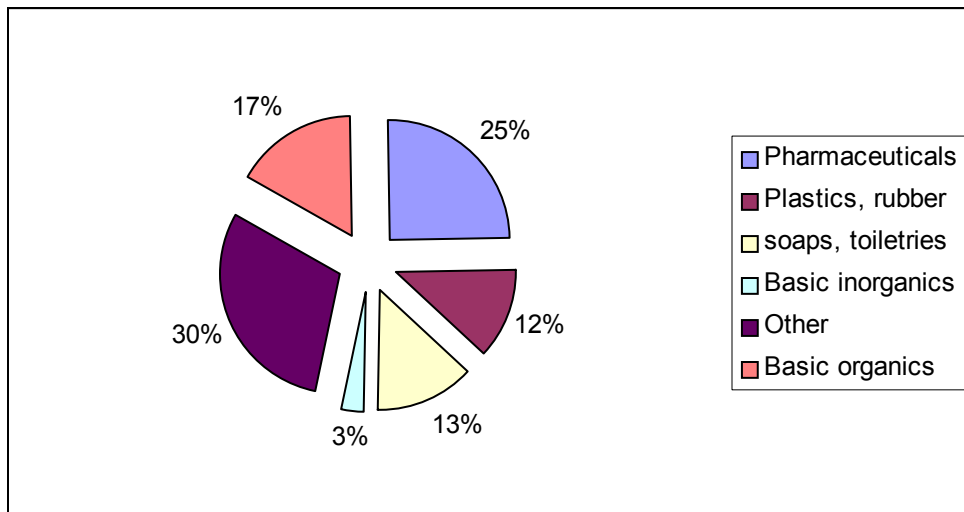
The UK chemicals industry's many strengths include: – A strong commitment to investing in research and development (R&D) for enhancing the existing product range and introducing new products. – A traditionally strong science base in chemistry provides firm foundation for industry.

MAJOR COMPANIES

Virtually all international chemical companies have operations in the UK.

SUBSECTORS

Pharmaceuticals is the largest sector of the UK chemical production market, representing 25 percent of the market in value terms. Basic inorganics is the smallest sector, representing 3 percent of the market in value terms. The chart below shows the segmentation of the industry.



OPPORTUNITIES

Sector in Country Reports for the Chemical Industry can be found in the Sector Reports portal on the UKTI chemical sector pages at:

https://www.uktradeinvest.gov.uk/ukti/appmanager/ukti/sectors?_nfpb=true&_pageLabel=vpage_2&virtualPage=Chemicals

Where are the main opportunities?

Because of the diverse product portfolios of the cluster companies, combined with the overseas trading experience and relative size of the different organisations it is impractical to give a blanket guide to opportunities in specific markets for our sector.

However there is a great deal of information available within the Portal which will help with desk research. More in depth 'in market' research can be obtained by contacting your local UKTI International Trade Adviser who can help with contacting our unique research service provided by our commercial staff located around the world in our Embassies and Consulates.

Search for 'UK Chemical Export Opportunities'. Please look at the country reports for more information. (registered users only)

Sector in Country Reports for the Chemicals Sector can be found in the Sector Reports portal on this site. (registered users only)

Search for Business Opportunities from around the World using the portal. (registered users only)

NB There is no charge for registering on the portal.

You can set up your own home page to receive country / product specific alerts direct to your PC.

Contact

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