

The chemicals sector provides the solutions for the challenges of today and tomorrow. The mega trends that we see need innovation to provide solutions. Examples include: battery solutions be it for electric vehicles, for buildings or for power storage. Climate change and resulting food shortages are issues where chemistry has solutions. The chemical industry is very reliant on competitive energy for key processes, which means that the energy source of the future has to be renewable. The UK is a world leader in this sector with the NW being close to offshore power generation, an excellent prerequisite for e.g. green hydrogen. The region has the pipelines and infrastructure in order for people to benefit from this energy source as well as technology R&D for the future, for example the Hydrogen Fuel Cell Unit in Manchester. In addition, the NW is well placed to capitalise on Carbon Capture and Storage using depleted oil and gas fields off the coast. Focussing on the development and commercialisation of these opportunities are several strong alliances in the region, these include: High Net, NW Hydrogen Alliance, LSR Liverpool City Region Low Carbon Group and Cheshire Energy Hub.

3. How do you see the current and future relationship between the UK and Germany?

It is a very positive relationship. The changed situation of Brexit does not erase communality of the people, in culture or in business. Both are large trading nations, Germany is UK's major European market and we are both facing the common challenge of decarbonisation. At a national level we realise that the relationship has changed as Germany is a key partner in the EU but I am convinced that new bilateral relations will develop. Below the national level there are great opportunities for regions and cities in both countries to collaborate and partner because the regions and cities are focused on specific situations. These are not just business related but also cultural and educational. I believe we should put particular emphasis on developing opportunities for our youth, be it exchange programmes, culture and language, school and university exchanges, all of which are areas where we can deepen the relationship.

4. The work you are currently doing with the region, including perhaps the planned GMCA/RVR partnership.

With the British German Association I am strongly supporting the GMCA partnership with the Ruhr Metropole in Germany because there is a common heritage, common challenges and opportunities for people and business to learn from one another, to innovate together and find solutions. We need to facilitate these types of exchanges and there is scope for more, for example the Liverpool City region is also looking to develop a similar strategic partnership with the maritime city of Hamburg.

5. In your opinion what do UK companies in the chemicals sector need to do and focus on, to stay competitive and to continue trading with the EU?

We are experiencing a very disruptive phase, may it be because of the pandemic, Brexit or decarbonisation and Net

Zero. For business the key is to be agile, to adapt and really look ahead to the long-term future. Business models need to be reviewed and adapted to ensure they are robust for future growth. Companies need to review their way of working, which can mean harnessing digitalisation, exiting certain businesses and where advantageous relocating certain parts of the business to maybe Europe. We have seen the pandemic disrupt supply chains globally. Where there is disruption there is opportunity! Onshoring key parts of the Supply Chain is one such opportunity. Chemicals companies in the NW that agilely adapt to the changed market environment via onshoring and other measures to get closer to their customers, suppliers and partners will be successful. This in turn can support our net zero goals.

Further information for businesses

- Check great.gov.uk for ways that DIT can help your business grow internationally
- Find out how new Brexit rules apply to things like travel and doing business with Europe on gov.uk/brexit
- The HSE website (hse.gov.uk/reach/brexit.htm) explains some of the steps you may need to take to comply with EU and UK REACH rules.

Interested in the German market?

DIT's team in Germany offers expertise and contacts through an extensive network of specialists in the UK, and staff in the British Embassy in Berlin and offices located in Dusseldorf and Munich. You can get in touch with the local DIT team via DITGermany.Enquiries@fcdo.gov.uk.

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