

Chemical Sciences Scotland: Scotland's EU Relationship Consultation.



Written Call for Evidence: Scotland's Relationship with the EU

Submission by Chemical Sciences Scotland (CSS)

ABOUT CHEMICAL SCIENCES SCOTLAND

Chemical Sciences Scotland (CSS) is the Industry Leadership Group (ILG) for the Chemical Sciences Sector in Scotland.

Chemical Sciences Scotland (CSS) is a unique Industry led partnership between industry, academia and government agencies and many other stakeholders. Its role is to ensure the chemical sciences have a vibrant future in providing employment, innovation and investment opportunities at the highest level, and that, in turn, Scotland remains at the forefront of one of the world's most vital industries in our daily lives. CSS is recognised by the Scottish Government as the voice of the sector in Scotland, which provides it with a vital link to the legislative process.

ABOUT THE CHEMICALS SECTOR IN SCOTLAND

Chemical and pharmaceutical sciences have a long and established history in Scotland. The chemical sciences sector makes a huge contribution to the balance of payments, with around £2.7 billion of exports annually (with scope for a significant increase) and accounting for around 25% of all Scottish manufacturing by turnover. The sector has the second highest Gross Value Added (GVA) per employee of any industry in Scotland at £181,700. Around 70,000 Scottish jobs are directly dependent on the chemical sciences sector.

The chemical and pharmaceutical industries operate in a global market. Many of the companies in Scotland are headquartered outside of Scotland, many outside the UK, and the parent Groups have choices when considering future business options (investment and/or closures).

In addition, our products and the products of our associated downstream industries are manufactured in many countries around the world. Being competitive is therefore essential in a very challenging global environment with many countries looking to export their manufactured goods to Scotland.

SUMMARY OF VIEWS

The on-going relationship between Scotland and the UK and European Union creates a number of issues and opportunities for the country's chemical sciences community. There are a number of critical issues that need to be addressed given the nature of the industry; as above the sector is a great source of export revenue, operates in an increasingly globally competitive environment, is comprised of a large number of companies (many of them SMEs), enjoys the strength of the Science Base in Scotland, has a nascent innovation landscape and may benefit from the geographical size of the country to harness unusual value chains. Some specific issues include:

The recently launched Manufacturing strategy resonates with the Scottish

Government priorities on investment, inclusivity, innovation and internationalisation. This will depend on the availability of a well-trained and diverse workforce including, but not limited to, STEM graduates. The sector has sometimes commented on the lack of a pool of mid-career type expertise.

The excellence of the Scottish Research base must be maintained; steps should be taken to ensure that this is an attractive location for both students and academics at all stages of their careers. International and interdisciplinary are crucial aspects. The Science base could be leveraged to encourage FDI.

The network of Innovation Centres is an emerging opportunity for Scotland which should be nurtured; cross border links are important and likely to become increasingly critical.

Clarity on the nature of any future trading (and other) arrangements governing Scotland must be a top priority. Whilst a weak pound following BREXIT may be positive for exports in the short term there is an on-going concern.

The sector requires both raw materials and energy to provide the products the public have come to rely on for healthcare, transport, communication, nutrition, etc. Efficient infrastructure is required to get these products to market in a competitive way. Future policy must recognise and aim to safeguard these factors to further grow our economy. SMEs can be susceptible to environmental and regulatory burdens brought about by changes; it has been suggested that regulatory pressure can stifle innovation in small companies. A well-designed regulatory framework can however provide business opportunities whilst maintaining our outstanding reputations as leaders in the field.

Chemical Sciences Scotland would welcome the opportunity to input further into the consultation in due course.

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