Local Support

TEES VALLEY UNLIMITED
Tees Valley Unlimited has a dedicated Business Investment Team on hand to give lifelong investor support package from pre-investment support, advising on sites, recruitment and skills availability, to post-investment assistance, matching you up to potential customers and suppliers and helping you grow your business.

Contact Tees Valley Unlimited’s Business Investment Team to discuss your business requirements:

Business Investment Team
Tees Valley Unlimited
Cavendish House
Teesdale Business Park
Stockton-on-Tees
Tees Valley
TS17 6GY
United Kingdom
Tel: +44 (0)1642 524400
Email: info@teesvalleyunlimited.gov.uk
Web: www.teesvalleyunlimited.gov.uk

NORTH EAST PROCESS INDUSTRY CLUSTER (NEPIC)
NEPIC is an industry-led cluster with other 500 member companies providing a cohesive environment which is a more compelling interactive and proactive business community for investors. As a true supply chain cluster NEPIC can make connections to key suppliers and provide advanced information in relation to engineering resource to assist completion of capital projects on time and within budget.

Contact NEPIC to discuss your requirements:
North East Process Industry Cluster Limited
The Wilton Centre
Wilton
Redcar
Tees Valley
TS10 4RF
United Kingdom
Tel: +44 (0)1642 442560
Email: enquiries@nepic.co.uk
Web: www.nepic.co.uk

NEPIC
International Bioresources Conference
June 2014
Why Invest in Tees Valley?

Teeside has world-class infrastructure for the process industry. All aspects of the infrastructure are privately owned and always commercially competitive.

STORAGE AND HANDLING
- Excellent infrastructure means that moving product can be done quickly, easily and cost effectively
- Three major bulk liquid storage and logistics facilities are available
- Tank Storage facilities are fully integrated with the adjacent petrochemical complexes
- High volumes of raw materials and finished products handled at the jetties alongside the River Tees

LOGISTICS
- Excellent rail freight facilities
- Facilities include warehousing, rail weighbridge, dry bulk rail receiving facility and bulk liquid road to rail transfer
- Connections to all parts of the UK and Europe via the Channel Tunnel
- Several large road transport fleets servicing the process sector
- Teesside has the fastest growing urban traffic speeds in the UK

WATER AND EFFLUENT
- Substantial water reserves from the UK’s largest artificial reservoir Kielder Water
- Significant infrastructure for industrial water supply and effluent treatment

TEESPORT
- Teessport handles over 6,000 ships a year and is strongly associated with petrochemicals, manufacturing and engineering
- England’s largest handling port for outbound traffic
- PD Ports owns and operates the Ports of Tees and Hartlepool (known as Teesport)
- Almost 70% of the cargo handled through Teesport is related to the process industry
- 200 Hectares (490 acres) of land along the southern bank of the River Tees
- Deep-water facility
- Five miles (8km) from the sea

- Both supply and treatment facilities provided by Northumbrian Water
- Northumbrian Water operates large scale communal effluent treatment facilities at Bran Sands in Teesside receiving aqueous waste from the main sites
- Complete range of water and effluent management services to industrial and commercial customers

The Wilton Complex, Eston under Nab - home to a wide range of process industries
Where the company makes a trading loss for tax purposes - and the loss is not offset against other group profits or carried back - it can be carried forward indefinitely to be set against taxable profits from the same trade in future accounting periods.

A number of chemical and process industry companies have already taken advantage of the incentives on offer, including Air Products, Lotte Chemicals UK and Tracerco (owned by Johnson Matthey).

For more on support in the region, go to: www.teesvalleyunlimited.gov.uk/tees-valley/invest/support.aspx

For more information on Teesside advantages, go to: www.teesvalleyunlimited.gov.uk/tees-valley/the-place.aspx

TERRIFIC TEESSIDE IS OPEN FOR BUSINESS

With a long history of engineering, process and manufacturing excellence, ready supply chain and a skilled workforce, Teesside, in the Tees Valley, has all the ingredients that make the area a smart place to locate your business.

ESTABLISHED PROCESS INDUSTRY SECTOR

- A world-scale petrochemical location
- Home to one of the largest crackers in Europe, owned by SABIC and producing ethylene, propylene and butadiene
- Companies already operating in Teesside include SABIC, Huntsman Polyurethanes, Lotte Chemical, Sembcorp, Mitsubishi, Johnson Matthey, BP and INEOS
- Co-location opportunities with suppliers and downstream customers
- BP CATS pipeline brings 20% of the UK’s natural gas to Seal Sands from the North Sea
- Over £750m (£1.2bn; €896m) of inward investment into Tees Valley over the past three years alone, including from world-leading companies.

WIDE CHOICE OF SITES AND PREMISES

- Three complexes with sites available, serviced and non-serviced
- Sites include Wilton International; owned by Sembcorp Utilities it is one of the largest chemical complexes in Europe.

FIRST-CLASS INFRASTRUCTURE AND UTILITIES

- Available, affordable utility provision from steam and water to power and nitrogen
- Reliable grid access
- Deep water port, chemical shipping, road, rail and air transport to UK and Europe
- Three major bulk liquid storage and logistics facilities
- Steam available at various pressures
- Natural gas, nitrogen, hydrogen, oxygen - all readily available
- Communal effluent treatment facilities receiving aqueous waste from the main sites.

SUPPORT SERVICES

- One of Europe’s highest concentrations of engineering design, construction and maintenance companies
- Chemical consultancies specialising in all aspects of the industry
- Wide range of security, fire, ambulance and safety services.

FINANCIAL INCENTIVES

- Main sites classified as European Union (EU) ‘Objective 2’ regional status
- Enhanced Capital Allowances available on Enterprise Zone sites

Companies able to apply for Regional Growth Fund grants.

SKILLED AND TRAINED WORKFORCE

- Dedicated process and engineering training facilities
- Skilled, affordable and loyal workforce, with one of the lowest turnover rates in the country
- Two world-class universities, with 30,000 students at Teesside and Durham
- 2,000 students a year taking engineering at local colleges.

SUPPORTIVE REGULATORY ENVIRONMENT

- A favorable environment for planning and operating consents
- Supportive local administration and regulatory authorities.

COMPREHENSIVE BUSINESS SUPPORT

- Lifelong investor support package
- Buoyant area receiving government backing and recognised as leading the way.
Teesside in the north east of England is home to the largest integrated chemical complex in the UK and the second largest in Western Europe in terms of manufacturing capacity. All types of chemicals are represented, from petroleum processing and hydrocarbon separation activities, through petrochemical manufacture and fine and specialty chemicals to pharmaceutical intermediates and actives.

The area is a world-class centre for the petrochemicals, energy, bio-resources, steel and advanced manufacturing industry.

Teesside is supported by unbeatable infrastructure to help maintain these industries, including deep water port, the CATS pipeline bringing in gas from the North Sea, as well as good road and rail connections.

Support for growth is provided by NEPIC, a clustering support organisation that represents industry and its supply chain, Tees Valley Unlimteds dedicated Business Investment Team, the Centre for Process Innovation (CPI) at Wilton (now part of the Advanced Manufacturing Technology Innovation Centre), and the Tees Valley Enterprise Zone, which offers Enhanced Capital Allowances for major investment.

In addition there is a significant advanced engineering industry that can design and maintain large-scale industrial plants.

With more than 1,400 companies directly involved or in the supply chain to the process industry in the region, the sector exports £12bn (£19bn; £14bn) of product from the region and contributes £2.2bn/year to gross value added (GVA) in Teesside.

**Industries from chemicals to biofuels, oil-refining to steel, lie at the centre of Teesside - the industrial heartland of Tees Valley**

**Process Industries take centre stage**

**WORLD-LEADER**

Across all sectors, Teesside is at the forefront: developing offshore wind projects in the North Sea; exploring opportunities for industrial symbiosis; pioneering opportunities for resource recovery and developing new feedstock technologies; developing a cluster of biomass, biofuels and bioethanol plants; leading on carbon capture and storage technology; and supporting the growth and development of the companies based in the area including major international companies such as Huntsman, INEOS, SABIC, Growflow and Sembcorp.

For more information on investing in Teesside, go to: www.teesvalleyunlimited.gov.uk/teess-valley/invest.aspx

**Incentives and support on offer**

The three key industrial sites within Teesside offer a range of attractive incentives and support services.

Each of Teesside’s key industrial sites - Wilton International, Billingham and Seal Sands/North Tees - are classified EU “Objective 2” regional status. This enables investors into Teesside to take advantage of investment incentives such as Enhanced Capital Allowances on Enterprise Zone sites, and investment aid to support capital investment by both large companies and small- and medium-sized-enterprises (SMEs).

These factors, combined with the UK government’s commitment to delivering a competitive tax system - which by 2015 will be one of the lowest of any major economy in the world - gives Teesside a competitive advantage over many other mainland European industrial sites.

Companies locating in Tees Valley are able to apply for Regional Growth Fund (RGF) is a £3.2bn (£5.08bn, €3.82bn) fund helping companies throughout England to create jobs between now and the mid-2020s.

The RGF is a flexible and competitive fund, with bidders able to submit bids either as a project or a programme. It has a minimum bid threshold of £1m.

**ENTERPRISE ZONE INCENTIVES**

All three of the key chemical sites in Teesside have plots designated as Enterprise Zones. The Tees Valley Enterprise Zone in Teesside is one of only 24 European sites which can offer large-scale occupiers Enhanced Capital Allowances against the cost of their plant and machinery on four of the Enterprise Zone sites.

Companies locating to these sites receive first-year capital allowances at 100% on qualifying plant and machinery at a maximum of £100m, to offset against corporation tax if the investment is made before April 2020.

These allowances are available on the larger industrial Enterprise Zone sites, and is anticipated that they will be most suitable for companies looking to make significant investments in plant and machinery.

The Tees Valley is one of only a small number of areas across the country which can offer large-scale occupiers Enhanced Capital Allowances against the cost of their plant and machinery on four of the Enterprise Zone sites.

Companies located on four of the Enterprise Zone sites will be eligible for enhanced capital allowances if they invest in qualifying plant and machinery.
Biofuels and low carbon technology

Teeside has expertise and potential across all elements of the emerging low-carbon economy from anaerobic digestion and heat waste to gasification and bioethanol.

Global players such as Air Products, SITA and Sembcorp have already announced major investments in Teesside, which, combined with the area’s proven research capability in anaerobic digestion, biotechnology and reinforces Teesside’s credentials as a leader in biofuels and low-carbon technology.

Crop Energies operates one of Europe’s largest biofuel plants, which produces 400m litres/year of bioethanol from wheat. This process produces bioethanol for blending into petrol, captures carbon dioxide for use in the food and drinks industry and uses the residue from wheat to produce animal feed.

In addition, Harvest Energy has the capacity to produce 250,000 tonnes/year of biodiesel from its plant at Seal Sands. North East England has a strong position in all phases of the supply chain through invention, innovation, development, engineering and operations, all supported by an extremely strong and well-established skills and training base that together make Teesside a key location for all aspects of the development of biofuels and low carbon technology.

For more on investment at Teeside, go to: www.teessideunlimited.gov.uk/teess-valley/Invest.aspx

Compact region delivers benefits

Petrochemicals and base chemicals are concentrated across a relatively small area in Teesside, and as such enjoy a well-developed infrastructure.

Teeside’s chemical industry is concentrated across a relatively small geographical area on both sides of the river Tees, approximately 12 miles (19km) from west to east, with three main sites – Wilton International, Bilingham and Seal Sands/North Tees.

WILTON INTERNATIONAL

The 2,000 acre (809 hectare) Wilton International site is managed by Sembcorp.

With a 60-year heritage and originally a cornerstone of the ICI business, today the site in North East England is home to major international chemical players and some 50 support companies, including suppliers of key maintenance and engineering services.

The site has extensive existing infrastructure including power, steam, water, and is one of the few sites in Western Europe with special development status for heavy industrial use. In the last 15 years, more than €1.25bn ($1.98bn; £1.49bn) have been invested on new and updated plant and equipment.

BILINGHAM

Billingham’s chemical heritage began in the 1920s with the production of ammonia, fertiliser and plastic by then owner ICI. Today chemical, biotechnology and engineering companies continue to operate at the multi-company Billingham Chemical Complex and include GrowHow, Johnson Matthey, Fujifilm Diosynth Biologics and Frutarom.

Adjacent to this is the 62-acre Belasis Business Park, home to companies such as Cambridge Research Biologics, ABB, Tracerco and Biochemica.

SEAL SANDS/NORTH TEES

Situated in the mouth of the river Tees on recovered land from the sea, an area of Seal Sands became an industrial park for the Chemical Industry in the 1960s. Operators here include INEOS, Fine Organics, BP CATS, SABIC, Vertilus, Conoco Phillips, Vopak, Sembcorp Utilities and Engineering, Harvest Energy and Greenenergy. Air Products will soon begin to operate its plasma gasification energy-from-waste facilities here.

The world-scale petrochemical industry in Teesside is underpinned by one of the largest crackers in Europe.

A fifth of the UK’s natural gas is brought in through the CATS pipeline into Seal Sands from the North Sea. Gas is then transferred into the national grid. Butane, ethylene and condensate are also supplied to a number of companies including Huntsman, Vopak and Conoco Phillips.

Teeside has the largest hydrogen infrastructure network in the UK and one of the largest in Europe. It also has significant areas for storage of biofuels, syngas, natural gas and hydrogen in former salt caverns.

As a result of this geography and its long-established position as a centre for chemical manufacture, the area has developed extremely good infrastructure for chemical manufacturing and related activities.

For more details visit: www.teessideunlimited.gov.uk/media-centre/news.aspx
LOTTE CHEMICAL UK (LCUK), a wholly owned subsidiary of the Lotte Chemical Corporation of South Korea, manufactures polyethylene terephthalate (PET) resin and pure terephthalic acid (PTA) on its 64-acre manufacturing facility at Wilton in Teesside. It is one of only two UK manufacturers of PET resin for use predominantly in food and beverage packaging. It currently produces around 150,000 tonnes/year of PET and is the only UK manufacturer of PTA, a key ingredient in the manufacture of polyester resins, fibres and sheet, with a capacity of around 500,000 tonnes/year.

LCUK purchased and restarted the Wilton-based assets in Q1 2010, eight months after it had fallen into administration and been shut down under previous ownership. In 2011, LCUK successfully bid for Regional Growth Fund (RGF) support towards the construction of a new 200,000 tonnes/year PET resin manufacturing plant to be built alongside its current assets. The addition of the new line more than doubles LCUK’s PET output, facilitates the expansion of LCUK’s PET product range (including recycled PET).

Along with the £10.3m ($7.7m, €179m) of RGF support, Lotte has also invested a significant amount into the business and the project, which was completed at the end of 2013.

Mark Kenrick, Lotte Chemical UK CEO, commented on the support the business had received from the public and private sector since purchasing assets in the Tees Valley: “The support of the likes of TVU, the local council and NEPIC, plus the partnerships forged with local infrastructure, service and utility providers, were fundamental in persuading Lotte first of all to purchase the assets out of administration then to invest in the new plant.”

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In 2011 Lotte Chemical UK (LCUK) announced plans for a new polyethylene terephthalate (PET) plant on the Wilton International chemical complex. The 200,000 tonnes/year plant sits alongside its existing 150,000 tonnes/year PET plant and is situated on one of the Tees Valley Enterprise Zone sites, allowing the project to benefit from significant financial and planning incentives including Enhanced Capital Allowances. The project also secured grant support through the UK government’s Regional Growth Fund.

Other recent project benefiting from Regional Growth Fund grant support includes: SNF Oil and Gas; which secured a Regional Growth Fund grant towards its £150m ($238m, €179m) investment in a new plant in Billingham.

**ENERGY FROM WASTE**

SITA UK and Sembcorp UK announced plans for the development of a new energy-from-waste facility at the Wilton International complex. This contract, worth £1.1bn over 30 years, will see the development of a £200m facility on the Wilton International site. The development is also situated on a Tees Valley Enterprise Zone site.

Darlington will be the location for a £38m National Biologics Manufacturing Centre. The flagship project is part of the UK government’s Strategy for Life Science and will help UK companies develop a competitive foothold in the growing global biopharmaceutical market. This national development is yet another project attracted to a Tees Valley Enterprise Zone site.

"Darlington will be the location for a £38m National Biologics Manufacturing Centre"

**MEASUREMENT INVESTMENT**

Tracerco, part of the Johnson Matthey, is expanding its operations in Billingham, investing £8.6m to develop a new Measurement Technology Centre, a platform for innovation that will support the companies growing measurement instruments business.

Tracerco was successful in securing a £1m grant from the “Let’s Grow” programme, part of the UK government’s Regional Growth Fund programme (RGF).

The development is taking place on a Tees Valley Enterprise Zone site where Business Rate Relief incentives are available.

For statistics on Teeside go to: www.teessideunlimited.gov.uk/teesside-unlimited-
information-hub/tees-valley-statistics.aspx

**COAGULANT MAKER SNF INVESTS IN BILLINGHAM**

SNF Oil and Gas is a wholly owned subsidiary of SPCM, the world’s largest manufacturer of organic coagulants and flocculants. The company provides a wide range of products offering solutions and improvements specific to various process applications. SNF Oil and Gas secured Regional Growth Funding to build a new facility to manufacture polyacrylamide emulsion, a product predominately used in the oil industry. The company, which is developing part of the old ICI site in Billingham, has already received planning consent and hazardous substance consent.

Through a very tight time-scale, the plan will be up and running by 2014, creating 250 jobs for the future.

SNF is a leading producer of chemicals to support the process of enhanced oil recovery. There is increasing demand for such products within North Sea oil production. While the Teeside plant’s primary purpose is to support this market, longer term it could also supplement the SNF Group’s existing European Operations. SNF is keen to develop a rail loading and unloading facility to the site in addition to transporting the finished emulsion by ship to the North Sea.

Billingham was identified as the most suitable location after a search for sites along the east coast of the UK. It offers significant locational advantages in terms of raw materials, logistics and access to markets and labour skills.

**QUALITY TRAINING**

The apprenticeship, which lasts three years rather than the conventional four, is also supported by a growing number of smaller firms in the supply chains of the process industry companies, attracted by the ability to access a wider, more flexible range of quality training.

Ensuring an on-going supply of available skilled workers is vital to the long-term future of any business. To address potential skills shortages, a number of Teeside-based process industry companies have recognised the need to take tactical ownership of elements of the skills agenda and to unlock the barriers which constrain their ability to meet future workforce needs.

As a key location for process industry manufacturing, much emphasis is being placed on ensuring the area has the right skills for the future and the government is backing an initiative so vital to the economy of the area and the prosperity of the UK.

A special six-month training scheme designed to help young people not in employment, education or training secure an apprenticeship in the process industries is underway.

Semcorpl also secured £26m to develop a new measurement technology centre in Billingham, creating 60 new jobs.

**COLLABORATIVE INITIATIVES**

Collaborative initiatives can link SMEs and major companies in the chemical, petrochemical, pharmaceutical, energy, engineering and biotechnology sectors in the North East, all of whom acknowledge the benefits of working collaboratively to increase and improve opportunities.

Stephen Catchpole of Tees Valley Unlimited, the Local Enterprise Partnership - another key partner in the project - said: “We are incredibly fortunate that this local partnership of education providers, skills agencies and the private sector is coming together to equip our future workforce with the practical experience and theoretical knowledge for the best possible start to their careers.”

**SITEME MEASUREMENT**

The Sembcorp Skills Development Programme (SSDP) was launched by UK business secretary Vince Cable earlier this year.

"Sembcorp’s commitment to creating 200 apprenticeship places through its new development programme is a welcome boost for young people and businesses in the Tees Valley," said business secretary Vince Cable.

“Quality apprenticeships are proven ways of gaining new qualifications while opening the doors to enviable, well-paid careers. They offer business benefits too, including skilled workers and increased competitiveness.”

This is why government has committed record investment into apprenticeships and introduced programmes like the Employer Ownership of Skills Pilot to help create the right conditions for growth.

George Ritchie, senior vice president HR for Sembcorp Utilities UK, based at the Wilton International site, said: "This is a landmark moment for employers because under this government-backed initiative, time, the investment in skills is employer-owned and outcome-driven, ensuring we have the pipeline of talent that we need to succeed. It’s a landmark moment too for these young people as they embark on what will hopefully lead to long and successful careers in the process industries.”

For more information on the Employer Ownership of Skills Pilot, go to www.ukces.org.uk/employerownership

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"Darlington will be the location for a £38m National Biologics Manufacturing Centre"
Clustering for competitive advantage

Companies in North-east England are benefiting from being part of a network that allows them to cut costs, improve efficiency and encourage growth.

NEPIC (North East of England Process Industry Cluster) is an economic cluster created by the chemistry-using industries based in the North East of England. This industrial cluster was developed in a region where today more than 1,400 process sector companies and suppliers are based. Together these companies manufacture 50% of the UK’s petrochemicals, 35% of the UK’s pharmaceuticals and significantly contribute towards making the region of the UK.

In 1999, Harvard University's Michael Porter defined clusters as groups of inter-related industries that drive wealth creation in a region. Porter classified a cluster by its entire region of the UK. He developed an industrial cluster was developed using an economic approach, providing a significant representation of productivity and efficiency and infrastructure, stake-holder participation and the North East LEP. It works to secure 83 significant investments into the process industry totalling £3.7bn ($5.94bn, €4.39bn), securing 2,000 jobs and resulting in £2.1bn of additional gross value added (GVA) for the region. Today, North East England’s ongoing project portfolio totals a further 60 investments - and when completed will contribute a further £1bn to this figure.

NEPIC provides technical, funding and business advice to new investors and indigenous businesses, assisting with industry attraction and growth, NEPIC supports companies in securing their major capital projects, management buyouts (MBO) and start-ups. The cluster provides intelligence on local supply chain capabilities in areas such as site location, planning, infrastructure, raw material sourcing, engineering, logistics, measurement science, workforce development and legal advice. Beyond investment, NEPIC’s Integrated Manufacturing Group allows the exchange of information on engineering resources for large maintenance, overhaul and capital investment projects. In the delivery of projects NEPIC partners with its Local Enterprise Partnerships, Tees Valley Unlimited and the North East LEP. It works internationally to attract investment and partners with other European locations from the chemical industry through the European Chemical Site Promotion Platform (ECSPP).

Results from the six year period 2005-2013 show that through the cluster’s overall performance is measured in terms of economic development within the region.

SUPPORT AND DEVELOPMENT

The region has an impressive industry supply chain including the highest concentration of engineering, measurement science and architectural businesses in Europe. In line with the cluster’s growth strategy, NEPIC manages several business support products to help SMEs develop. In 2011, the cluster secured Regional Growth Funding to run a project to mentor 400 North East SMEs into new business within the process sector. The Business Acceleration for SMEs (BASME) project will create 1,000 process sector supply chain jobs over three to four years. Already, more than 200 SMEs have signed up and 170 jobs have been created.

NEPIC is also participating in a number of EU-funded cluster collaborative innovation projects, thereby enabling its members to participate and access benchmarking and business best practices.

NEPIC is partner with WINTECH - a world-wide inter-cluster initiative for new materials and processes - focusing on clean technologies. This collaborative project is aimed at building a common international strategy between eight leading European clusters about the benefits of NEPIC. Furthermore, NEPIC is leading the LOCIMAP collaboration of 13 international partners who together are investigating best practice and developing new ideas for the development of more efficient industrial parks.

For more information on NEPIC go to: www.nepic.co.uk

ATTRACTION INVESTORS

Since 2005, NEPIC and its local authority partners have helped to secure 83 significant investments into the cluster’s strategy for growth.