

Press release: World-first carbon 'net-zero' hub of heavy industry to help UK seize global economic opportunities of clean growth

- At COP24 climate talks in Poland, UK government sets world-leading ambition for first “net-zero carbon” cluster by 2040 to cut emissions, backed by up to £170 million funding
- UK to seize global clean growth opportunities, exporting emissions-cutting expertise like carbon capture around the world – part of our modern Industrial Strategy
- £20 million boost for World Bank programme from UK government to help developing countries move away from coal power, with membership of the Powering Past Coal Alliance trebling since COP23

The UK could have the world’s first ‘net-zero carbon’ cluster of heavy industry by 2040, thanks to up to £170 million of new funding announced at COP24 climate talks in Poland today (13 December).

Energy and Clean Growth Minister Claire Perry today set the world-leading ambition alongside plans for at least one low-carbon cluster by 2030 at UN climate change talks (COP24) in Katowice, Poland. Using cutting-edge technologies like carbon capture and storage, the UK is aiming to become a world-leader in clean technology and services that will be needed as the world tackles climate change.

The UK’s low carbon economy has the potential to deliver export sales of low carbon goods and services around the world, by 2030 annual exports could be worth up to £170 billion and could support up to 2 million ‘green collar’ jobs by 2030 – a key part of our modern [Industrial Strategy](#).

Currently, industry accounts for around 25% of all greenhouse gas emissions in the UK, with more than two-thirds of these industrial emissions coming from energy intensive industries which are often located next to each other in clusters.

This new funding of up to £170 million, which is expected to be backed by industry, will help heavy industries like steel, ceramics, cement, chemicals, paper and glass to share expertise and innovative low-carbon solutions to clean up the air we breathe as we move to a greener, cleaner economy.

Energy and Clean Growth Minister Claire Perry said:

Demonstrating climate action and growing the economy go hand in hand is key to building momentum behind global action on carbon. The UK is a leader in both, cutting our emissions by more than 40%

while growing our economy by 2 thirds, but to sustain this track record we need to tackle emissions from energy intensive sectors and bring clean growth to our great industrial centres.

That's why today I'm launching a mission to create the world's first 'net-zero' carbon cluster by 2040 in the UK with up to £170 million of new government funding. This will help to develop the technologies of the future to transform industry around the world, ensuring the UK seizes the global economic opportunities of moving to greener, cleaner industry – a key part of our modern Industrial Strategy.

By investing in world-leading innovative technology, such as carbon capture usage and storage (CCUS), climate change can be tackled alongside creating highly skilled jobs and generating export opportunities. At the end of last month, Minister Claire Perry co-hosted a global summit in Edinburgh at which she [unveiled plans to enable the first UK carbon capture project from the mid-2020s.](#)

Today's announcement comes as the UK-Canada led Powering Past Coal Alliance (PPCA) celebrates one year of success, now with over 70 members. As part of this, the UK has committed £20 million for a World Bank programme (ESMAP) to help developing countries move away from coal power and embrace renewable energy. To make a real impact on the reduction of coal power, UK government has established the Utilities Taskforce to become influential advocates for the PPCA.

At international climate talks in Poland this year at COP24, the UK and Canada today will announce new members of the PPCA, committing to eradicating coal power while redirecting resources to renewables. Around 3.5 billion tons of coal are currently burnt globally for power every year, contributing to 45% of the world's emissions.

The UK government has put moving to a cleaner, greener economy at the heart of its Industrial Strategy. Through the Clean Growth Grand Challenge, the transformation in the clean energy sector has contributed to the whole of the UK cutting its emissions by more than 40% since 1990 while growing the economy by more than two-thirds – the best performance on a per person basis of any G7 nation.

But UK has always been clear that the move to a cleaner economy must be both public and private sector led, which is why the modern Industrial Strategy establishes clean growth as one of the greatest economic opportunities of our time – with heavy industry now set to also benefit from this new clean revolution and seize the vast global economic opportunity that comes with it.

Power stations are also set to benefit too from the move to a cleaner economy. To make a real impact on the reduction of coal power, UK government is working with investors to establish the Utilities Taskforce – a group comprising companies which supply electricity to UK homes – to become powerful and influential advocates for the alliance and encourage investors

to commit funds into the thriving clean energy market instead of investing in coal projects.

1. The UK's [modern Industrial Strategy set out 4 Grand Challenges](#) – the long-term trends shaping change in our world today that present enormous potential for the UK economy. As part of this, at her speech in May, the Prime Minister recognised clean growth as a vast economic opportunity. Today's new Clean Growth mission will focus on reducing emissions from these industrial clusters over the coming years and follows the mission to 'at least halve the energy use of all new buildings by 2030' launched by the Prime Minister in May.

2. Up to £170 million funding for industry will be provided through a competitive process for clusters to research, develop and demonstrate at scale the innovative solutions to lead the way to a decarbonised industrial future. Both the £170 million Decarbonising Industry and the £66 million Transforming Foundation Industry investment is subject to industry entering into partnership with government and providing significant co-investment to this challenge.

3. These energy intensive clusters include Grangemouth, South Wales, Merseyside, Teesside, Humberside and Southampton. They are recognised as key to the UK economy but also as significant contributors to the UK's emissions.

4. The government will also be supporting the transformation of our foundation industries (steel, glass, ceramics, chemicals) more broadly through providing up to £66 million through the Industrial Strategy Challenge Fund to develop radical new technologies and establish innovation centres of excellence in these sectors.

5. In 2017 the government committed to phasing out unabated coal power by 2025 and launched the international Powering Past Coal Alliance (PPCA) – a voluntary coalition of governments, businesses and other organisations committed to ending the use of dirty coal power.

6. Coal-fired power plants produce almost 40% of global electricity today, making carbon pollution from dirty coal a leading contributor to climate change.

7. Great Britain is on track to deliver less than 5% of its electricity from coal for the first time since the first Industrial Revolution by 2025.