

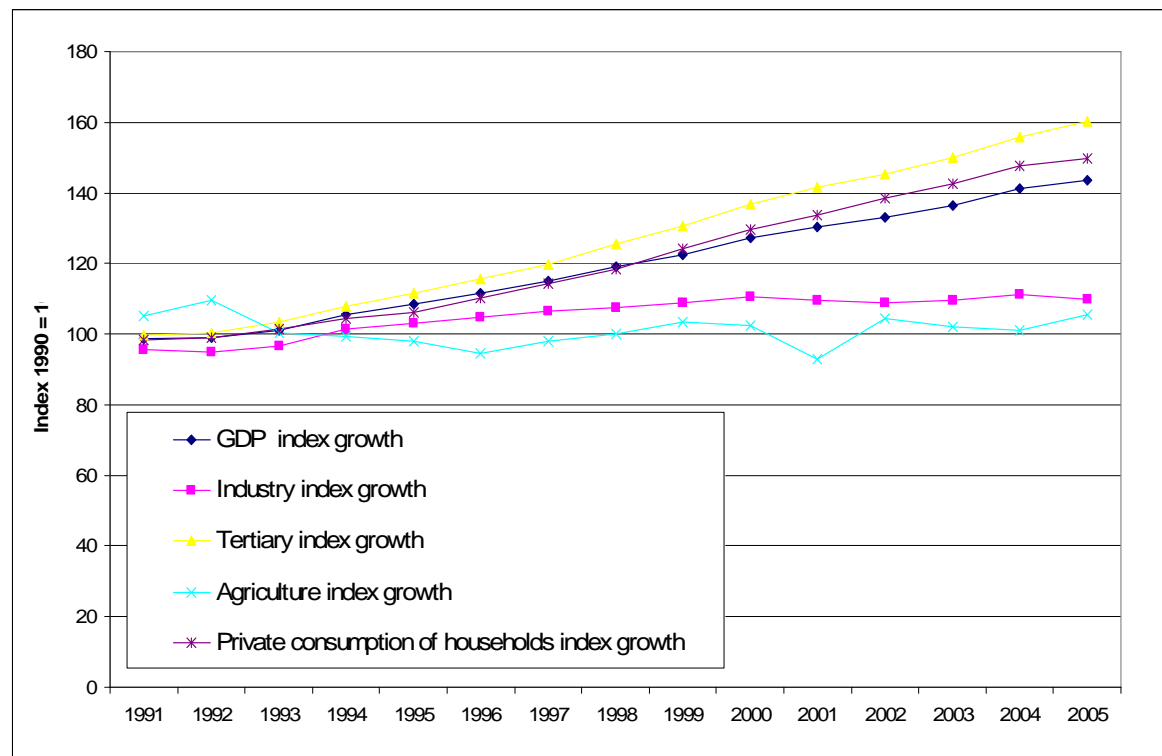


## **UK experience: industry trends in energy efficiency indicators**

# Industry in the UK

## Growth

- Growth in the industrial sector was weaker than the economy as a whole
- Shift in the UK towards a service economy as manufacturing and heavy industry tend to move to countries with lower labour costs.



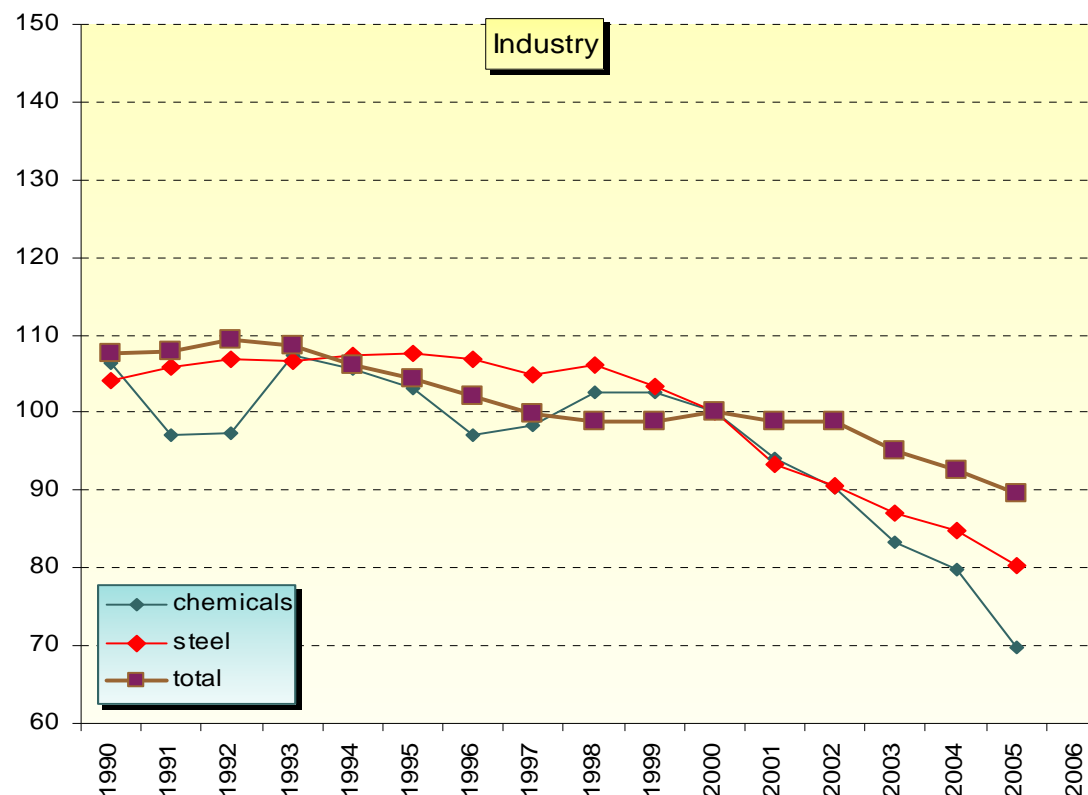
## Energy Consumption

- Industry fell by 13.7% and manufacturing by 14.9% (1990-2005)
- Reduction in heavy industry in the UK, which tends to be very energy intensive
- Climate Change Agreements

# Industry ODEX

- In 2005 energy efficiency in industry had improved by around 17% since 1990.
- Significant improvements in the chemicals, machinery, non-ferrous and steel sub-sectors
- Climate Change Levy and the associated CCAs

## Energy Efficiency trends in EU-27 Countries



- Energy efficiency in UK has improved in comparison to other Western and Northern European Countries
- When the energy intensity of industry adjusted to the same industry structure, UK is among the lowest.

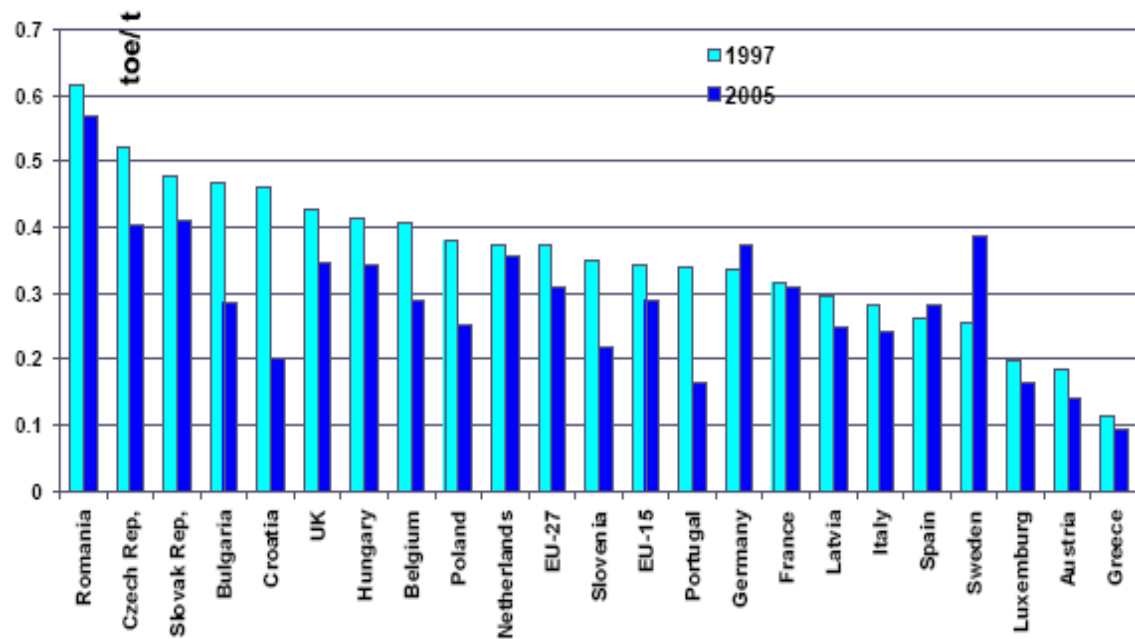
([http://www.odyssee-indicators.org/reports/industry/industry\\_EU-08.pdf](http://www.odyssee-indicators.org/reports/industry/industry_EU-08.pdf) )

# Industry Sub-Sectors

- GVA indicators for steel, paper and cement industry sector appear to show the same downward trend as the overall industry ODEX
- The energy consumption per ton for steel, cement and paper is higher than the EU average

## Energy consumption per ton of steel

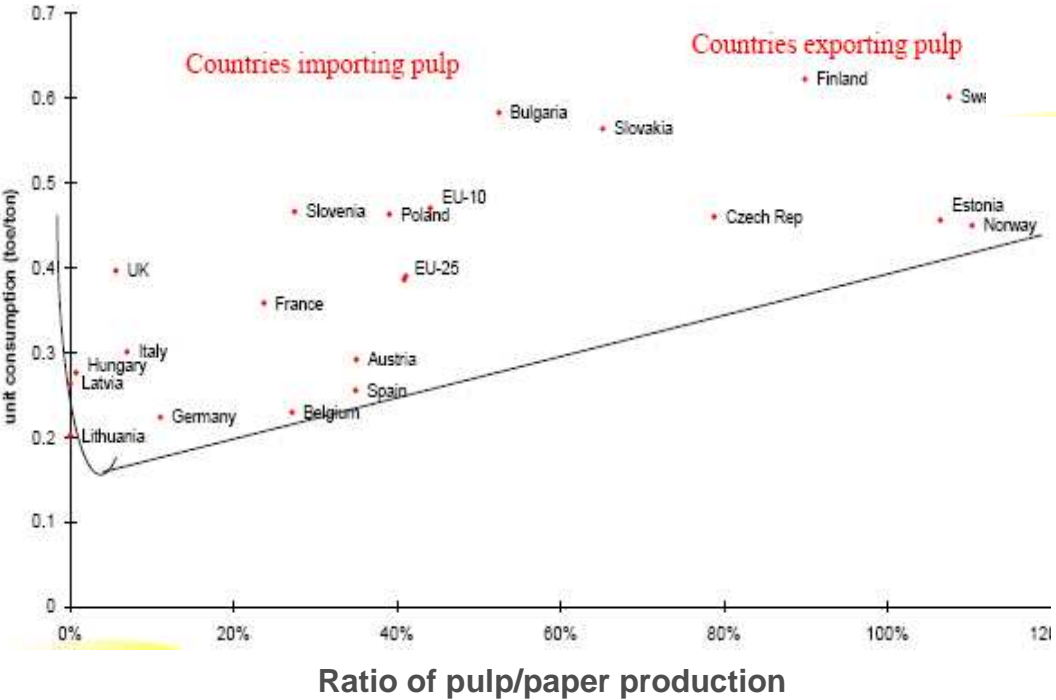
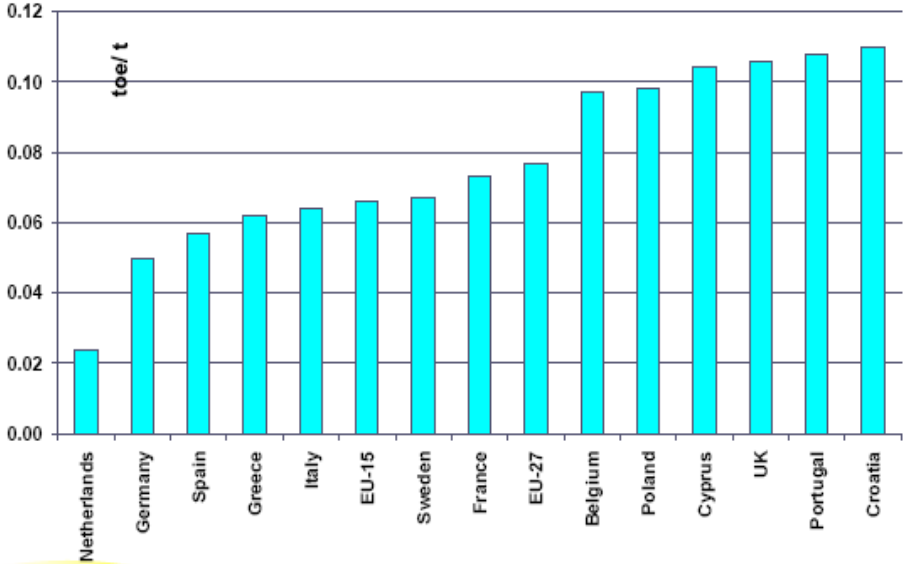
- UK higher energy consumption per ton of steel than EU-27 average
- Most steel produced in the UK using the Basic oxygen process



# Industry Sub-Sectors

## Energy consumption per ton of cement

- UK has higher unit consumption per tonne of cement than EU-27 average
- Wet processes and long dry kilns use more energy



## Unit consumption per ton of paper

- UK high unit consumption
- Import paper and concentrates on production of specialist paper products

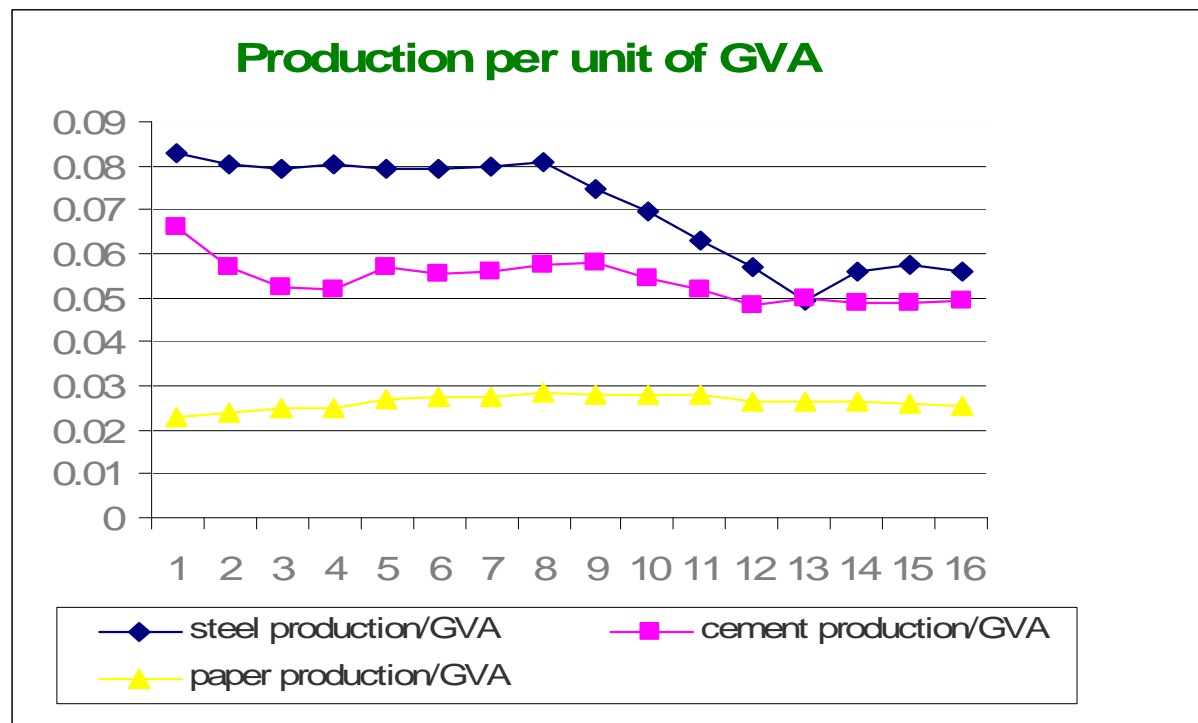
# Observations

## Mis-match

- UK has one of the lowest energy intensities
- Unit consumption in the sub-sectors (steel, cement and paper) is high

## Possible reason for low energy intensity but high per unit consumption

- Energy intensive sectors are a small part of the UK economy, perhaps more so than other countries



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