

**Rt Hon Greg Clark MP**  
Secretary of State  
Department of Business, Enterprise and Industrial Strategy  
1 Victoria Street  
LONDON  
SW1H 0ET



10<sup>th</sup> October 2018

## Seal Sands Acrylonitrile Plant

Dear Greg

I am writing to share a serious issue that we have with our Acrylonitrile plant at Seal Sands, near Middlesbrough. As you will know, acrylonitrile is a key building block in the development of carbon fibre and our plant on Teesside is the UK's only facility and one of only three in Europe. It was constructed in the early 1970's and directly employs 350 people with total dependent employment in the local area amounting to over 2000 jobs.

We now face a crisis. The plant is just about cash breakeven but we are now facing a hugely challenging investment in new technology to comply with EU environmental legislation namely the Waste Incineration Directive (by June 2020) and the Waste Water Emission Directive (by November 2021). The cost of such compliance amounts to almost €100m which we cannot justify on a plant that is making no money. In order to meet the deadlines, we would need to approve this expenditure early in 2019 and we can see no financial justification for this.

As things stand, the decision in the new year will be to close the plant. I wanted to let you know this well in advance to avoid surprises and also to test with you whether there are any mechanisms that we could employ to defer compliance with the regulations. This would protect employment for the foreseeable future and avoid a potentially damaging closure on Teesside.

In addition to the loss of the 2000 jobs that depend on the site today, there are potential issues created both upstream and downstream of Seal Sands. [REDACTED]

The frustrating thing about all of this is that the environmental impact of our current operation is actually very low. In terms of air quality, the highest measured level of NOx at site level is just 3.2 µg.m3 compared to a background level in Middlesbrough of 26.1 µg.m3 and an Environmental benchmark of 30 µg.m3. For SO2, the site level measure is 1.4 µg.m3 compared to Middlesbrough at 4.4 µg.m3 and an Environmental Benchmark of 20 µg.m3.

If the plant closes then the imports into the UK that backfill the missing values will almost certainly have a worse environmental footprint than the existing supply chain. We have the crazy position of closing a UK asset and losing jobs in order to implement the Waste Incineration Directive to protect the environment when the long term impact will not only damage the UK economy but also the global environment.

I'm happy to meet up to discuss this further and thanks for your ongoing support and interest in our activities.

Yours sincerely

Section 40 (2)



**Tom Crotty**

Director, INEOS Group

@ineos.com

Section 40 (2)

Emailed: @beis.gov.uk / enquiries@beis.gov.uk

Section 40 (2)