

**LAUNCH OF THE MATERIALS UK ENERGY
MATERIALS WORKING GROUP “STRATEGIC
RESEARCH AGENDA”, 4 DECEMBER**

Delighted to have the opportunity this morning to recognize the enterprise, innovation and creativity of the UK materials community, and to express my support for the many individuals and organisations whose work has gone into this Strategic Research Agenda for Energy Materials.

It is evident that Materials UK is succeeding in what it set out to do when it was established in 2006 following the conclusion of the DTI-sponsored Materials Innovation and Growth team. That was to harness the collective strengths within the materials community to make Britain the best place to do business in materials.

Materials UK is an expression of the partnership between Government and industry at a fundamental and strategic level. It represents a ground breaking opportunity to bring all parts of an extremely diverse industry together in partnership with my Department and its stakeholders to address the key challenges facing the industry in a strategic and coherent way.

I am impressed with the level and range of activity that has been carried out by various Mat UK Working Groups over the past eighteen months. This shows a clear determination on your part to deal with the challenges you face head on and I congratulate you all on the excellent progress you have made.

I am pleased that Materials UK regards energy materials as one of the first areas on which it can focus its commitment and expertise.

Let me say a few words about my Department – BERR – and then about the policy context of your work. The central purpose of BERR is to help ensure business success in an increasingly competitive world. It's focused on the business environment: the barriers to, and drivers of, growth. We will be leading across Government on 3 of the Public Service Agreement targets announced by the Chancellor in the context of CSR07: on productivity; on conditions for business success; and on regional economic performance.

Let me now turn to energy policy. The UK has been fortunate up to now: we have been able to meet most of

our energy needs from domestic sources, starting with our coal fields and more recently our North Sea oil and gas. That is no longer the case – we will soon be dependent on imports, like most other developed countries. Indeed, with planned decommissioning of nuclear power stations, the gradual decline in landings from the North Sea, and decommissioning of some coal fired power stations for reasons of environmental standards, on a “do nothing” scenario, the UK would be some 80% dependent on gas within the next 15+ years – much of that imported from potentially unstable parts of the world.

Meanwhile, global demand for energy has increased massively as economies such as China have boomed. China has now overtaken the UK as the 4th largest economy in the world and it is already the world's second largest consumer of energy. China's demand for energy is increasing at a rate of some 15% per annum.

All these production issues present us with one sort of challenge – to ensure a secure supply of energy at competitive prices in a world market that is not always transparent and competitive.

Meanwhile, we have the real and present danger of climate change. We now know beyond any reasonable doubt that man's emissions of greenhouse gases, including CO₂, is putting the future of the planet itself in jeopardy. Temperatures are rising. Extreme and dangerous weather is becoming more common around the world. Predictions show sea levels rising. And the way that we currently produce and use energy is largely responsible for these events.

We need, therefore, to drastically reduce the carbon we release into the atmosphere by using the fuels we have more efficiently and investing in new environmentally friendly technologies. Materials technology is vital for both.

In 2003 we set out our vision for ensuring that we have competitive markets - delivering sustainable, reliable, affordable energy in the UK. We set out four clear goals: to cut our carbon emissions; to maintain reliable supplies; to promote competitive markets in the UK and beyond; and to ensure that everyone, including the poorest, can afford to heat their homes. Last year we carried out a comprehensive Energy Review. That reaffirmed the

goals, and set out a package of new policies and measures that will deliver the low carbon energy future we need, and provide secure affordable energy supplies in a world where we will be less energy self-sufficient.

I was particularly interested in the report of the CBI Task Force on Climate Change, published last week – its headline was “A much greater sense of urgency is required if the UK is to meet its targets for reducing greenhouse gas emissions”. And it made a number of recommendations, facing towards consumers, the Government, and business.

The UK is home to a number of world class manufacturing companies whose success depends on the development and use of both traditional and advanced materials. The country also has a world-class capability in advanced materials research – for example high performance metals, composites, smart materials, nanotechnology and bio technology.

Because the products of your industry are of such fundamental importance to our everyday lives, it is vital that the Government and the materials sector move in the

same direction if we were to achieve our Energy Policy objectives.

It was in recognition of the importance of materials to the future UK energy landscape that the Technology Strategy Board announced that Materials for Energy would be included in the first phase of a new £100 million competition for collaborative research and development launched last month.

The publication of the Strategic Research Agenda will also provide you with a framework to work with other partners, for example the Energy Technology Institute and the European Commission, in order to secure long term funding for this key area of research.

Before I finish I would like to offer my thanks to the Energy Materials Working Group Chairs, Derek Allen and Steve Garwood, and to the various task group chairs and members for their enthusiasm and commitment in delivering this agenda. I would also like to make special mention of EON, Alstom, National Grid, Corus and others for supporting this initiative.

Finally I would like to thank you, Wyn, for the opportunity to join you this morning to celebrate the launch of the Strategic Research Agenda. It is an excellent piece of work. You can be sure that the Government welcomes this agenda and is keen to move forward in partnership with the materials community to ensure that it is delivered.