# UK ceramics sector warns survival at risk without urgent energy support ahead of spending review



Ahead of an anticipated government spending review, leaders from the UK's ceramics sector express grave concerns about the industry's future amid soaring energy costs and rising employment expenses. Emily Johnson, a fifth-generation ceramicist from the historic Johnson family of Stoke-on-Trent, underscored the industry’s precarious situation, stating, “Our industry is on its knees... If our industry fails, where do people work?”

This sentiment reflects a broader crisis affecting British manufacturing. According to a report by Make UK, the UK has experienced the highest industrial energy prices among International Energy Agency member nations, primarily due to its heavy reliance on gas and outdated pricing mechanisms. In light of this challenge, industry bodies have urged the government to eliminate climate levies on industrial energy and implement fixed pricing strategies, arguing that without such measures, the de-industrialisation trend will deepen. Currently, manufacturing's share of the UK’s economic output stands at a meagre 9%, the lowest among major European economies.

Adding to the gravity of the situation, output from energy-intensive industries, including ceramics, reached a 35-year low earlier this year. This decline is attributed to a combination of exorbitant electricity prices and escalating production costs. While the government initiated the 'British Industry Supercharger' to reduce network charges, many critics claim this effort is insufficient compared to support levels offered to competitors in Europe. As the government's new industrial strategy approaches, manufacturers are pressing for more robust measures to avert further losses.

The ceramics sector is particularly vulnerable, relying heavily on energy-intensive processes where energy costs can represent up to a third of production expenses. The British Ceramic Confederation has called for governmental assistance to help the sector transition toward net-zero emissions goals, seeking funding to implement innovative technologies such as hydrogen fuel switching and enhanced energy efficiencies. The urgency for support is underscored by the government's own Industrial Decarbonisation Strategy, mandating significant emission reductions by 2050.

Moreover, previous financial packages have provided only marginal relief. While the non-domestic Energy Bill Relief Scheme had offered temporary assistance, its impending conclusion raises alarm among ceramic manufacturers who face unsustainable gas prices—some companies reporting increases in their bills from £1.1 million to nearly £12 million within six months. The consensus among industry leaders is clear: without consistent governmental energy support and competitive pricing frameworks, UK ceramics may struggle to survive in an increasingly globalized market.

As the spending review approaches, stakeholders in the ceramics sector remain hopeful yet apprehensive about the government’s next steps and the long-term sustainability of their industry. Only time will reveal if the promised support materialises in meaningful ways, potentially steering the sector away from crisis.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.bbc.co.uk/news/articles/ckg7pmm9n5po), [[4]](https://www.ceramics-uk.org/news/ceramics-sector-calls-for-support-to-meet-challenge-of-net-zero)
* Paragraph 2 – [[1]](https://www.bbc.co.uk/news/articles/ckg7pmm9n5po), [[2]](https://www.reuters.com/sustainability/climate-energy/high-energy-costs-threaten-uk-manufacturings-future-industry-warns-2025-06-01/), [[5]](https://www.ft.com/content/7c49ea15-cf40-42ef-a44c-07adf7dd74a0)
* Paragraph 3 – [[3]](https://www.ft.com/content/a4301149-af90-4dc8-a4dc-250a98da509d), [[6]](https://www.ceramics-uk.org/news/on-going-government-energy-support-is-essential-for-the-future-of-uk-ceramics)
* Paragraph 4 – [[4]](https://www.ceramics-uk.org/news/ceramics-sector-calls-for-support-to-meet-challenge-of-net-zero), [[6]](https://www.ceramics-uk.org/news/on-going-government-energy-support-is-essential-for-the-future-of-uk-ceramics)
* Paragraph 5 – [[6]](https://www.ceramics-uk.org/news/on-going-government-energy-support-is-essential-for-the-future-of-uk-ceramics)

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## Bibliography

1. <https://www.bbc.co.uk/news/articles/ckg7pmm9n5po> - Please view link - unable to able to access data
2. <https://www.reuters.com/sustainability/climate-energy/high-energy-costs-threaten-uk-manufacturings-future-industry-warns-2025-06-01/> - In June 2025, Make UK, a leading manufacturing industry body, warned that exceptionally high industrial energy costs threaten the future of British manufacturing. The UK recorded the highest industrial energy prices among International Energy Agency member nations in 2023, primarily due to its heavy reliance on gas and its pricing mechanisms. Make UK urged the government to eliminate climate levies on industrial energy and introduce a fixed energy price to prevent further de-industrialization. The government is formulating a new industrial strategy to revitalize the sector, which has been adversely affected by Brexit, high energy expenses, and global trade tensions. Manufacturing now contributes only 9% to the UK's economic output, the lowest among major European economies. Nissan's Sunderland plant bears the highest energy costs among its global sites. Industry leaders argue that policy changes are crucial to attract investment and reinforce the UK's commitment to competitive and sustainable manufacturing, particularly in the electric vehicle sector. ([reuters.com](https://www.reuters.com/sustainability/climate-energy/high-energy-costs-threaten-uk-manufacturings-future-industry-warns-2025-06-01/?utm_source=openai))
3. <https://www.ft.com/content/a4301149-af90-4dc8-a4dc-250a98da509d> - In May 2025, the UK's energy-intensive industries, including ceramics, experienced a significant decline in output, reaching a 35-year low. The Office for National Statistics reported that production in sectors such as paper, petrochemicals, basic metals, and inorganic products fell by a third since 2021. This downturn is attributed to the UK's exceptionally high electricity prices, the highest among advanced economies, due to its dependence on natural gas and a marginal pricing system. The government introduced the 'British Industry Supercharger' to reduce network charges by 60%, but critics argue it falls short compared to European support levels. As the June industrial strategy announcement approaches, there is mounting pressure on ministers to take more decisive action to prevent further deindustrialization. ([ft.com](https://www.ft.com/content/a4301149-af90-4dc8-a4dc-250a98da509d?utm_source=openai))
4. <https://www.ceramics-uk.org/news/ceramics-sector-calls-for-support-to-meet-challenge-of-net-zero> - In September 2024, the UK's ceramics sector urged the government to support manufacturers in achieving challenging net-zero targets and combating high energy costs. The British Ceramic Confederation called for funding to develop and deploy new decarbonisation technologies through a virtual Ceramics Sustainability Hub. This hub would coordinate the development of technologies such as fuel switching to hydrogen, bioenergy, and electricity; Carbon Capture, Utilisation and Storage (CCUS); and improved energy efficiency. The government's Industrial Decarbonisation Strategy requires emissions to reduce by at least two-thirds by 2035 and by at least 90% by 2050 compared to 2018 levels. The ceramics industry, which supplies a diverse range of customers, including construction, faces high energy and carbon costs, with energy accounting for up to a third of production costs in many processes. ([ceramics-uk.org](https://www.ceramics-uk.org/news/ceramics-sector-calls-for-support-to-meet-challenge-of-net-zero?utm_source=openai))
5. <https://www.ft.com/content/7c49ea15-cf40-42ef-a44c-07adf7dd74a0> - In May 2025, the UK government was formulating a new industrial strategy to address the country's high energy costs, which significantly disadvantage British industry compared to competitors in the US, China, and Germany. This initiative, central to Sir Keir Starmer’s broader economic plan, aimed to revitalise British industry by focusing on eight key sectors: advanced manufacturing, clean energy, creative industries, defence, digital and technologies, financial services, life sciences, and professional and business services. Key proposals under discussion included further reducing network charges for industrial energy users, building on a previous Conservative measure that cut these charges by 60%. The UK's industrial electricity prices were about four times higher than those in the US in 2023, and significantly higher than in Germany and China. While some involved in the strategy expressed scepticism about its impact, others, like Make UK’s Stephen Phipson, became more optimistic. The government stressed that competitive energy pricing is crucial for industrial recovery and future growth. ([ft.com](https://www.ft.com/content/7c49ea15-cf40-42ef-a44c-07adf7dd74a0?utm_source=openai))
6. <https://www.ceramics-uk.org/news/on-going-government-energy-support-is-essential-for-the-future-of-uk-ceramics> - In December 2023, the UK's ceramics sector emphasised the need for ongoing government energy support to ensure the industry's future. The introduction of the non-domestic Energy Bill Relief Scheme (EBRS) was considered a lifeline for UK ceramics, but it was due to end in March 2024. The government was expected to announce further support for the industry once the current EBRS ended. The UK ceramics sector, a gas-intensive foundation industry, called on the government to extend the support of the EBRS for energy-intensive industries. Recent record increases in the price of gas, up to 20 times previous levels, were deemed unsustainable. Volatile energy prices were adding tens of millions of pounds to UK ceramic companies’ gas bills, with some seeing rises from £1.1 million for six months to nearly £12 million. Competitive energy and carbon prices were needed to give energy-intensive industries a level playing field internationally. While the government had given £2 billion to some industries to help with electricity bills over the last 10 years, it had only helped electro-intensive industries. ([ceramics-uk.org](https://www.ceramics-uk.org/news/on-going-government-energy-support-is-essential-for-the-future-of-uk-ceramics?utm_source=openai))