Department for the Economy
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ENERGY CONSULTATION

ENERGY INTENSIVE INDUSTRIES (EIIS)

Relief for EIIs from the Indirect Costs of the Northern Ireland Renewables Obligation (NIRO)

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Foreword

By Gordon Lyons, MLA, Minister for the Economy

The Northern Ireland Renewables Obligation (NIRO) scheme is the main support mechanism for increasing the proportion of electricity consumption generated from renewable sources and works in tandem with similar Renewable Obligations (ROs) in England & Wales and in Scotland providing support to renewable technology projects which would otherwise be unable to compete with conventional generation.

The increase in retail electricity costs brought about by the NIRO may risk putting certain electricity intensive businesses, in Northern Ireland (NI), at a significant competitive disadvantage when they are operating in international markets. In 2016 the UK Government introduced a UK-wide compensation scheme to enable Energy Intensive Industries (EIIs) to remain competitive. In 2018 GB moved to an Exemption Scheme, however NI based industries have remained in the Compensation Scheme, funded and administered by the Department for Business, Energy and Industrial Strategy (BEIS).

BEIS funding will conclude in March 2023 and the Department for the Economy (DfE) is consulting on whether funding for EIIs in NI should continue post March 2023 and, if so, in what format. This consultation poses a number of specific questions regarding EIIs and I look forward to receiving your responses.

GORDON LYONS MLA
Minister for the Economy

1. Purpose of this Paper

1.1 This paper sets out options for the provision of relief for Energy Intensive Industries (EIIs) from the indirect costs of the Northern Ireland Renewables Obligation (NIRO). Relief is currently provided through a Compensation Scheme, funded and administered by the Department for Business, Energy and Industrial Strategy (BEIS), for which funding has been allocated until 31 March 2023.

1.2 Feedback received from this consultation will assist the Department for the Economy (DfE) in reaching a decision on whether relief should continue after BEIS funding ends and, if so, how it should be implemented in Northern Ireland (NI).

2. Background

2.1 The NIRO is DfE's main support mechanism for increasing the proportion of electricity consumption generated from renewable sources. The Northern Ireland Executive's target to meet 40% of electricity consumption from renewable sources by 2020 was first met in the 12 month period ending December 2018 with 40.7% achieved. The most recent figure is 42.1% for the 12 month period October 2020 to September 2021.

2.2 The NIRO works in tandem with similar Renewable Obligations in England and Wales and in Scotland and provides support to renewable technology projects which would otherwise be unable to compete with conventional generation.

2.3 The NIRO is not funded directly by the public purse. It places a legal requirement on licensed electricity suppliers to demonstrate that a proportion of the electricity they supply to customers is generated from renewable sources. The NIRO is part of a UK-wide market and electricity suppliers from Great Britain (GB) and NI pass the cost of meeting their respective obligations onto consumers.

2.4 Evidence of compliance is in the form of NI Renewable Obligation Certificates (NIROCs) which are issued by the Office of Gas and Electricity Markets (Ofgem) to generators for each megawatt hour of electricity generated. Generators sell the NIROCs either directly or through an agent to suppliers and the cost is passed on by those suppliers to consumers through their electricity bills.

2.5 The NIRO is now closed to new applications but projects already accredited are eligible to receive NIROCs for 20 years or until 31 March 2037, whichever is earlier.

2.6 Due to the influence of the NIRO, the level of electricity consumed from renewable sources has risen from around 3% in 2005 to 42.1% for the rolling 12 months ending on 30 September 2021.

3. Compensation Scheme for EIIs

3.1 The increase in retail electricity costs brought about by the ROs may risk putting certain electricity intensive businesses at a significant competitive disadvantage when they are operating in international markets. This is at odds with the *Vision for a 10x Economy*, which seeks to place Northern Ireland amongst the world's leading, small advanced economies through a decade of innovation. EIIs play an important role in the UK economy. EII sectors that are eligible for relief schemes contribute £30 billion per annum to the UK economy (2% of the total) and support 310,000 jobs[1].

3.2 In January 2016, the UK Government launched a UK-wide EII Compensation Scheme for the indirect costs of the ROs across the UK. Funded from taxation, the scheme provided compensation for up to 85% of the costs of the RO to EIIs in eligible sectors with electricity intensity of 20% and above i.e. where their electricity costs represented 20% of their Gross Value Added (GVA)[2]. Compensation was backdated to 14 December 2015 and a small number of companies located in NI have been beneficiaries of the scheme to date.

3.3 In the 2015 Spending Review[3] the UK Government announced that the Compensation Scheme would be replaced with an Exemption Scheme to ensure that EIIs have long-term certainty and remain competitive. Unlike the Compensation Scheme, the Exemption Scheme is funded through consumer bills and has the effect of increasing energy costs for domestic and non-eligible business consumers.

3.4 At that time, it could not be determined how many EIIs existed in NI nor the potential additional cost to non-EII consumers of an Exemption Scheme. In addition, the administrative arrangements for the Exemption Scheme extend from the Contracts for Difference scheme (CfDs), which has not been introduced to NI, meaning that alternative administration arrangements would have had to be developed. As a result, a decision on NI's participation in the Exemption Scheme had not been taken at the time of State Aid notification. NI was not therefore included in the EU approval and the Exemption Scheme was implemented only in GB.

3.5 The RO Compensation Scheme continued across the UK until 31 March 2018 with the Exemption Scheme commencing in GB from 1 April 2018. The UK Government agreed that BEIS would continue to fund and administer the Compensation Scheme in NI, primarily due to the suspension of devolution, and ongoing complexities with establishing an Exemption Scheme in NI.

3.6 Funding has been allocated by the UK Government to enable BEIS to administer and financially support the payment of compensation to Northern Ireland's EIIs up to and including the 2022/23 Financial Year.

1 Office for National Statistics, Annual Business Survey (August 2018): https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/methodologies/annualbusinesssurveyabs

2 GVA is a way of measuring economic output, which is used by researchers to measure the contribution made to the economy by individual producers, industries, sectors or regions.

3 Https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/479749/52229_Blue_Book_PU1865_Web_Accessible.pdf

4. Exemption Scheme in GB

4.1 As set out previously, the Exemption Scheme for EIIs from the indirect costs of the Renewables Obligation commenced in GB on 1 April 2018. The rationale for switching from a Compensation Scheme as set out in the original BEIS consultation document[4], included:

- Provision of real time support – an exemption would reduce the price paid for electricity by eligible EIIs as the electricity is consumed, improving short-term cash flows and the potential to reduce production costs;
- Increased accuracy of support – the exemption would be based on actual consumption rather than historic consumption levels as under the Compensation Scheme;
- Greater certainty of support – Compensation Scheme is paid from a departmental budget which can fluctuate over time and is subject to competing demands for support. The terms of an Exemption Scheme would be set out in legislation and be subject to Parliamentary approval; and
- Reduced government spending.

4.2 Under the Exemption Scheme, EIIs are excluded from up to 85% of the indirect costs of the RO schemes through a direct reduction in their electricity bills.

4.3 To clarify, under the RO schemes, each supplier's obligation to pay the costs of supporting renewable generation is relative to their market share. UK Government has amended the obligation setting process in GB to exclude a proportion of each supplier's electricity supply to eligible EII customers from its market share. The supplier is legally obligated to reflect this saving in EII's electricity bills.

4.4 Based on existing eligibility criteria, BEIS advise that the approximate price impact of the exemption scheme in GB is around £1.20/MWh. Therefore, the annual impact on a business consuming 1,000MWh per year would be around £1,200 and £60,000 for a business consuming 50,000 MWh. In 2019, the annual cost of the GB exemptions scheme on the average household dual fuel bill was approximately £4.

4.5 Comparative figures relating to NI would be 80p for domestic customers, between £16 and £185 for small businesses; £872 for medium business energy users and £5,616 for non-exempt large sized energy users.

4 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/513029/EII_condoc_20160401.pdf

Eligibility Criteria

4.6 The eligibility criteria for the Exemption Scheme is the same as the criteria for the Compensation Scheme. As such, the UK Government used the existing processes to minimise administrative costs. Eligibility is based on sectoral classification and energy use as set out below.

NACE Code

4.7 The European Commission has provided guidance to Member States, setting out which sectors (by NACE code[5]) can be eligible for compensation for a proportion of the indirect costs of renewable energy schemes. This has been used to determine sector eligibility.

4.8 As allowed under the Energy and Environment State Aid Guidelines (EEAG)[6] the UK Government has further defined sector eligibility for energy intensive businesses using Annual Business Survey data on trade-intensity and electricity-intensity of the sector. Eligible sectors must have a trade intensity of at least 4% and an electricity-intensity of at least 7%. The lists of eligible sectors are attached at **Annex A**.

Energy Use

4.9 A Business Electricity Intensity Test (BEIT) is used to ensure that the scheme benefits only those businesses that can demonstrate that they are electricity intensive and are likely to be placed at a significant competitive disadvantage from the costs of renewable energy support.

4.10 In order to satisfy the BEIT, businesses must confirm that:

- Their implied mean electricity costs amount to 20% of their mean GVA;
- Data for the applicant's three most recent financial years for which data is available (for new businesses with less than three years of recorded data, eligibility is calculated using the period available on the proviso that it covers at least two financial quarters);
- Electricity costs and GVA are calculated at the aggregate "business" level, i.e. the whole legal entity, with GVA figures deflated to 2012 prices to allow comparison across years;
- For sectors identified as eligible in Table 1 (Annex A), business electricity consumption is the total (grid and non-grid) electricity consumed by the business during the last three years for which data is available; and
- For the sectors identified in Table 2 (Annex A), business electricity consumption is based on energy efficiency benchmarks where available.

4.11 Further details on eligibility criteria of the UK schemes can be found in the guidance for applicants published by BEIS[7].

5 The Statistical Classification of Economic Activities in the European Community, commonly referred to as NACE (nomenclature statistique des activités économiques dans la Communauté européenne)
6 http://ec.europa.eu/competition/sectors/energy/legislation_en.html
7 https://www.gov.uk/government/publications/renewables-obligation-and-small-scale-feed-in-tariffs-apply-for-compensation

Potential Revision of Eligibility

4.12 Through the Industrial Strategy[8], the UK Government made a commitment to consider the revision of the eligibility criteria for EII relief to accommodate currently ineligible companies that are in direct competition with eligible companies and are therefore placed at a competitive disadvantage by not having access to relief from the costs of the renewables incentives.

4.13 A consultation was issued on 22 June 2018[9], inviting evidence of competitive distortions. The consultation set out three options for lowering the eligibility threshold for electricity intensity from the current 20%, i.e. 17%, 15% and 10%. Consultees were also asked for views on options for reducing the level of aid from 85%). The options were:

a. 50% for businesses with electricity intensity at or above 17% and below 20%;
b. 50% for businesses with electricity intensity at or above 15% and below 20%; and
c. 35% for businesses with electricity intensity at or above 10% and below 15%.

4.14 In all three scenarios it was proposed that aid level for businesses with electricity intensity at or above 20% would remain at 85%.

4.15 BEIS also proposed to consider any new information demonstrating that currently ineligible sectors could satisfy the trade and electricity intensity criteria and should therefore be added to the eligible sector list.

4.16 The consultation closed on 7 September 2018 and, following due consideration, BEIS decided not to lower the eligibility thresholds. It did however, within the Government Response of October 2019[10] decide to add the milling of grain products to the list of eligible sectors.

8 https://www.gov.uk/government/publications/industrial-strategy-building-a-britain-fit-for-the-future
9 https://www.gov.uk/government/consultations/widening-eligibility-for-renewable-electricity-cost-relief-schemes
10 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/840373/Electricity_intensive_industries_relief_from_the_indirect_costs_of_renewable_energy_schemes_Government-response.pdf

5. Energy Efficiency Measures

5.1 It seems reasonable to consider whether the Department should encourage EIIs to implement more effective energy efficiency measures to reduce their electricity consumption and associated costs instead of providing a relief scheme.

5.2 It is important to note, therefore, that the Compensation/Exemption Schemes have been introduced because, even with investment in energy efficiency measures there remains a large electricity price differential (per MWh consumed) between what UK industrial consumers pay and what their competitors in most other countries pay. Indeed, as a whole, UK industrial consumers face amongst the highest electricity prices in Europe.

5.3 High UK electricity prices puts pressure on industry profits as businesses cannot pass limitless costs on to consumers because they are competing in highly traded sectors. This reduces investment, including investment in energy efficient equipment for example, and impedes competitiveness. It is this price differential that the Compensation/Exemption Schemes are aimed at reducing.

5.4 BEIS and DfE agree that, even with the support of the Compensation/Exemption Schemes, EIIs, for whom energy is by definition a large proportion of their costs, will generally retain an incentive to reduce energy use where possible.

5.5 In the Northern Ireland context, companies currently benefiting from the EII relief schemes have been involved in energy and resource efficiency support from Invest NI, some on more than one occasion. This demonstrates their commitment to improving energy efficiency and reducing electricity usage and costs.

6. Options for Northern Ireland

6.1 This is a devolved policy area and decisions on relief from the cost of the NIRO falls to the NI Executive. BEIS has agreed to continue to administer and fund the Compensation Scheme in Northern Ireland until 31 March 2023. This is to allow a sufficient period of time for Northern Ireland to consult on the future direction of the scheme and set up its own arrangements. DfE considers that there are three options available:

1. Do nothing;
2. Introduce an Exemption Scheme in NI, similar to that which operates in the rest of the UK and funded via an increase in NI consumer energy bills; or
3. Continue the Compensation Scheme but supported by funding from the NI Executive.

Do nothing

6.2 To do nothing would mean that NI's EIIs would not have access to relief from the indirect costs of the NIRO beyond the end date for the BEIS-funded Compensation Scheme.

Financial benefit

6.3 The benefit of this option is that there will be no increase in NI consumer bills through the introduction of an NI Exemption Scheme and DfE will not have to fund the administrative costs of operating the scheme. Alternatively, if an Exemption Scheme is not possible, the NI Executive will not have to secure an estimated £1.6m[11] per annum from the block grant to fund a Compensation Scheme at a time when budgets are already significantly constrained.

Impact on beneficiaries

6.4 Having no access to relief, however, is likely to place NI EIIs at a competitive disadvantage in comparison to their GB and European counterparts, particularly as eligible EIIs in the rest of the UK will have access to relief through the Exemption Scheme. In addition, a number of the beneficiaries operate sites in NI and GB and, as the compensation is meter specific, one part of the business may receive relief while the other may not. This could have negative connotations for those businesses and for the NI economy as a whole.

6.5 Going forward, this option is likely to be contentious as it will impact on a potential 10 NI firms, which stand to lose access to a combined relief of around £1.6m per annum based on current compensation claims (by comparison, in GB, around 250 businesses currently receive the exemption). The NI companies currently receiving costs relief are estimated to employ almost 1,000 staff between them and to have an estimated combined annual turnover in excess of £330m.

11 Based on projected compensation for 2021/22.

Implementation of an NI Exemption Scheme

6.6 While the RO Compensation Scheme was open to all UK EIIs, the Exemption Scheme only applies in relation to the EIIs in England, Wales and Scotland. DfE is considering a similar scheme for NI that will be funded via an increase in consumer bills.

6.7 DfE estimate that around 350 companies in Northern Ireland manufacture products within the sectors deemed as eligible under the NACE codes. However, under the Compensation Scheme for relief from the costs of the RO initiatives, it is evidenced that only 10 of Northern Ireland's businesses have submitted a compliant application.

6.8 This would appear to align with the findings of some analysis undertaken within DfE which, while unverified[12], suggests that around 15 businesses in Northern Ireland, within compensation relevant sectors, would be potentially eligible for relief on the basis that they meet the electricity intensity test as it currently stands.

6.9 These companies operate in industries such as the manufacture of hollow glass; plastic packaging goods; plastic plates, sheets, tubes and profiles; cement; and mining/quarrying sectors.

Financial Impact

6.10 The level of compensation paid for calendar year 2020 for the companies referenced at para 6.5 above was just under £1.5m and projections for 2021/22 amount to just over £1.6m.

6.11 Using the projections figure above, and assuming that no additional businesses will submit applications under the scheme as it stands, it is estimated that the cost to domestic energy consumers of switching to an Exemption Scheme in NI would be circa £0.80 per annum. The cost to small business energy users, medium-sized business energy users and non-exempt large business energy users is estimated to be approximately £16-£185; £872; and £5,616 per annum respectively. There may be a small impact on fuel poverty levels. This is set out in the draft impact assessments accompanying this consultation.

6.12 There will also be an administrative cost to DfE of operating an Exemption Scheme which, based on current resourcing within BEIS would amount to an estimated £54,500[13] per annum.

CONSULTATION QUESTIONS

(i) Have you any evidence to suggest that DfE's estimate of additional costs to other consumers may be incorrect?

(ii) If DfE was to proceed with an Exemption Scheme, how might it ensure that the fuel poor are protected from additional hardship?

12 Information has been extracted from the 2015 Annual Business Survey. While there is validation check on the split of energy costs provided to ensure that they add back to the total energy costs provided by the respondent, it would not necessarily identify errors in energy cost splits.

13 Excluding any analytical, finance or legal costs

Administrative challenges and timescales

6.13 To operate such a scheme in Northern Ireland will require introduction of administrative changes around the processing and verification of metering data, which will necessitate the establishment of new support mechanisms, which is a time-consuming process. DfE would work closely with a number of bodies that could potentially fulfil an administrative role to ensure full consideration is being given to the issues.

6.14 There may potentially be an impact on businesses currently claiming compensation in terms of how they submit claims for an exemption and who they submit the claims to. The Exemption Scheme is based on actual consumption levels and reduces the price paid for electricity as it is consumed, which is a significant difference from the Compensation Scheme. These changes are expected to improve investment certainty and result in lower costs of production and improved competitiveness.

6.15 An Exemption Scheme will require State Aid approval from the European Commission which is a complex and lengthy process, expected to take at least 12 months to complete. In addition, introduction of an Exemption Scheme will require changes to subordinate legislation[14] to alter the Renewables Obligation levels in Northern Ireland. Such legislation requires debate in the Assembly and that process can also take a significant period of time.

6.16 An additional challenge is that the level of the obligation must be set six months in advance of the start of the obligation year. So the level for 2021/22 will have been set by 1 October 2020, and that for 2022/23 was set by 1 October 2021. If the exemption was ready for a year when it had not been taken account of in the Obligation setting, it would have to be delayed, otherwise it would reduce supplier demand for ROCs, so reducing ROC prices and income for generators, and could lead to a legal challenge.

<u>Continuation of the Compensation Scheme</u>

6.17 If the Exemption Scheme is not a viable option, the alternative would be for the NI Executive to take over support, if funding is available, and administration of the Compensation Scheme from the point at which BEIS funding ends (as indicated above, this could also be an option in any case if a decision is taken to introduce an Exemption Scheme, to cover any gap brought about due to the time constraints of achieving State Aid approval and amending legislation).

14 The Renewables Obligation (Northern Ireland) Order 2009

Financial cost

6.18 The cost of continuing the Compensation Scheme would require an estimated budget of approximately £1.6m per annum (assuming no change to the number of businesses that are able to meet the eligibility criteria each year) and a potential administrative cost of around £54,500 per annum. This would be additional money that would have to be identified from within the Northern Ireland budget.

Administration

6.19 The impact of this option for the businesses currently in receipt of compensation will be negligible. Compensation will be received in the same way, albeit from DfE (subject to confirmation that the legal vires exist) as opposed to BEIS.

6.20 Unlike the requirements under the Exemption Scheme, State aid approval would not be required as NI is currently covered by the approval granted to the UK-wide Compensation Scheme which does not expire until 2025.

CONSULTATION QUESTIONS

(iii) Do you agree that EIIs in Northern Ireland should continue to receive relief from the costs of the NIRO? Yes/No
(a) Please state the reasons for your answer?

(iv) Do you agree with the options considered by DfE for continuing to offer relief to EIIs from the indirect costs of the NIRO? Yes/No.
(a) Please state the reasons for your answer?
(b) If you do agree, which is your preferred option and why?
(c) If you do not agree, are there other options that DfE should have considered?

(v) For non-exempt businesses, to what extent do you think the estimated increase in electricity bills will affect competitiveness and decisions regarding output, employment and investment? Please provide evidence and a quantification of the impact.

(vi) If the UK Government decides to widen eligibility for EII Relief from renewable support schemes, do you agree that a similar arrangement should be made in relation to any Northern Ireland scheme? Yes/No.
(a) Please state the reasons for your answer?

Draft Impact Assessments

6.21 Draft impact assessments (IAs) have been published alongside this consultation document. The IAs provide estimates of the benefits and costs of the proposed options.

CONSULTATION QUESTIONS

(vii) Are there other impacts that DfE has failed to take into account when considering this matter and which would have a material effect on the way forward? Yes/No.

- **(a) What are they and how do you think they will impact?**
- **(b) Please provide evidence to support that view?**

7. Summary of Questions

i. Have you any evidence to suggest that DfE's estimate of additional costs to other consumers may be incorrect?

ii. If DfE was to proceed with an Exemption Scheme, how might it ensure that the fuel poor are protected from additional hardship?

iii. Do you agree that EIIs in Northern Ireland should continue to receive relief from the costs of the NIRO? Yes/No

  (a) Please state the reasons for your answer?

iv. Do you agree with the options considered by DfE for continuing to offer relief to EIIs from the indirect costs of the NIRO? Yes/No.

  (a) Please state the reasons for your answer?

  (b) If you do agree, which is your preferred option and why?

v. For non-exempt businesses, to what extent do you think the estimated increase in electricity bills will affect competitiveness and decisions regarding output, employment and investment? Please provide evidence and a quantification of the impact.

vi. If the UK Government decides to widen eligibility for EII Relief from renewable support schemes, do you agree that a similar arrangement should be made in relation to any Northern Ireland scheme? Yes/No.

  (a) Please state the reasons for your answer?

vii. Are there other impacts that DfE has failed to take into account when considering this matter and which would have a material effect on the way forward? Yes/No.

  (a) What are they and how do you think they will impact?
  (b) Please provide evidence to support that view?

8. How to Respond

8.1 To inform the way forward, DfE would welcome views on the options outlined above.

8.2 While general views are welcome we would, in particular, appreciate views from businesses that are active in one of the classification codes set out in Tables 1 and 2 at Annex A.

8.3 The consultation will be open for 8 weeks and close at **5.00pm on 7 April 2022**. All responses, marked 'Energy Intensive Industries Consultation' should reach the Department on or before that date and should be forwarded by email to: energyintensive@economy-ni.gov.uk

Privacy, Confidentiality and Access to Consultation Responses

8.4 Following the end of the consultation, the Department will publish a government response summarising responses received in an aggregated format. For this consultation, we may publish all responses on our website except for those where the respondent indicates that they are an individual acting in a private capacity (e.g. a member of the public). All responses from organisations and individuals responding in a professional capacity will be published. We will remove email addresses and telephone numbers from these responses; but apart from this, we will publish them in full. For more information about what we do with personal data please see DfE's privacy notice.

8.5 Your response, and all other responses to this consultation, may also be disclosed on request in accordance with the Freedom of Information Act 2000 (FOI) and the Environmental Information Regulations 2004 (EIR); however all disclosures will be in line with the requirements of the Data Protection Act 2018 (DPA) and the General Data Protection Regulation (GDPR) (EU) 2016/679.

8.6 If you want the information that you provide to be treated as confidential it would be helpful if you could explain to us why you regard the information you have provided as confidential, so that this may be considered if the Department should receive a request for the information under FOI/EIR. We will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances.

8.7 An automatic confidentiality disclaimer generated by your IT system or included as a general statement will not be regarded as binding on the Department.

Copies of the Consultation

8.8 This Consultation document is being produced primarily in electronic form and may be accessed on the DfE Energy website: **Department for the Economy website Energy topic**

8.9 If you require access to this consultation in hard copy, or in a different format – e.g. Braille, disk, audio cassette – or in a minority ethnic language please contact the Department on 028 9052 9638 and appropriate arrangements will be made as soon as possible.

ANNEX A

Table 1. The list of eligible sectors based on European Commission Framework Guidance

NACE code (v2.0)	Description
0510	Mining of hard coal
0811	Quarrying of ornamental and building stone, limestone, gypsum, chalk and slate
0899	Other mining and quarrying n.e.c.
1106	Manufacture of malt
1310	Preparation and spinning of textile fibres
1320	Weaving of textiles
1395	Manufacture of non-wovens and articles made from non-wovens, except apparel
1610	Sawmilling and planing of wood
1621	Manufacture of veneer sheets and wood-based panels
1712	Manufacture of paper and paperboard
1722	Manufacture of household and sanitary goods and of toilet requisites
1920	Manufacture of refined petroleum products
2011	Manufacture of industrial gases
2013	Manufacture of other inorganic basic chemicals
2014	Manufacture of other organic basic chemicals
2015	Manufacture of fertilisers and nitrogen compounds
2016	Manufacture of plastics in primary forms
2017	Manufacture of synthetic rubber in primary forms
2060	Manufacture of man-made fibres
2221	Manufacture of plastic plates, sheets, tubes and profiles
2222	Manufacture of plastic packing goods
2311	Manufacture of flat glass
2313	Manufacture of hollow glass
2314	Manufacture of glass fibres
2319	Manufacture and processing of other glass, including technical glassware
2320	Manufacture of refractory products
2331	Manufacture of ceramic tiles and flags
2332	Manufacture of bricks, tiles and construction products, in baked clay

NACE code (v2.0)	Description
2349	Manufacture of other ceramic products
2351	Manufacture of cement
2352	Manufacture of lime and plaster
2399	Manufacture of other non-metallic mineral products n.e.c.
2410	Manufacture of basic iron and steel and of ferro-alloys
2420	Manufacture of tubes, pipes, hollow profiles and related fittings, of steel
2431	Cold drawing of bars
2432	Cold rolling of narrow strip
2434	Cold drawing of wire
2442	Aluminium production
2443	Lead, zinc and tin production
2444	Copper production
2445	Other non-ferrous metal production
2451	Casting of iron
2452	Casting of steel
2453	Casting of light metals
2454	Casting of other non-ferrous metals
2611	Manufacture of electronic components
2720	Manufacture of batteries and accumulators
2365	Manufacture of fibre cement
2592	Manufacture of light metal packaging
2732	Manufacture of other electronic and electric wires and cables
2891	Manufacture of machinery for metallurgy

Table 2. The list of eligible sectors based on the European Commission list of trade intensive sectors

NACE code (rev2.0)	Description
0812	Operation of gravel and sand pits; mining of clays and kaolin
1012	Processing and preserving of poultry meat
1091	Manufacture of prepared feeds for farm animals
1391	Manufacture of knitted and crocheted fabrics
1393	Manufacture of carpets and rugs
1396	Manufacture of other technical and industrial textiles
1399	Manufacture of other textiles n.e.c.
1419	Manufacture of other wearing apparel and accessories
1431	Manufacture of knitted and crocheted hosiery
1439	Manufacture of other knitted and crocheted apparel
1511	Tanning and dressing of leather; dressing and dyeing of fur
1629	Manufacture of other products of straw and plaiting materials wood; articles of cork
1721	Manufacture of corrugated paper and paperboard and of containers paper and paperboard
1724	Manufacture of wallpaper
2211	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber
2219	Manufacture of other rubber products
2229	Manufacture of other plastic products
2344	Manufacture of other technical ceramic products
2362	Manufacture of plaster products for construction purposes

LIST OF SECTORS ADDED AFTER CONSULTATION ON WIDENING ELIGIBILITY

SIC Code	Description
10.61	Manufacture of Grain Mill products

ANNEX B

IMPACT ASSESSMENTS

The draft impact assessments, below, are available on the Department for the Economy website:

i. Regulatory Impact Assessment
ii. Rural Needs Impact Assessment
iii. Section 75 Impact Assessment