Blair McDougall MP
Minister for Reindustrialisation
Department for Business, Innovation, Science and Trade
Old Admiralty Building
Admiralty Place
London
SW1A 2DY

Via email: blair.mcdougall.mp@parliament.uk

Thursday 19 November 2026

Dear Minister,

British Industrial Competitiveness Scheme eligibility for consumer goods manufacturers

I am writing on behalf of the British Brands Group, the UK's only not for profit organisation dedicated to fast moving consumer goods (FMCG) brands. From small and growing businesses to some of the world's largest companies.

I am writing to ask you to extend the British Industrial Competitiveness Scheme to include energy-intensive manufacturing of food, drink and other fast-moving consumer goods (FMCG) in Great Britain. Despite FMCG manufacturing being a core pillar of the UK's manufacturing sector, and being energy-intensive, as the relevant sectors are not featured on the Industrial Strategy List, the vast majority of FMCG manufacturing businesses are not eligible for the scheme.

The published list of eligible industries only includes three food manufacturing classes, covering palm oils and fats, starches and sugar. Many other FMCG activities fall outside it: dairy, bakery, prepared meals, soft drinks, pet food, soaps and detergents, cleaning products, toiletries and household and sanitary paper goods, are not included in the list.

UK food and drink manufacturing alone generated £39.3 billion in gross value added in 2024, according to Defra, and employed 444,000 people in Great Britain in 2025. ONS figures also show that UK manufacturers of soaps and cleaning products, perfumes and toiletries, and household and sanitary paper goods generated around £3.1 billion in value added in 2024. These figures illustrate the economic contribution of manufacturers that supply everyday essentials and why their competitiveness should be considered in any review of BICS eligibility.

Domestic factories give British farmers a market for their produce and provide the capacity to process, preserve and pack food for sale across the UK. Refrigeration, freezing and automated production lines depend on a reliable and affordable electricity supply. If high electricity costs discourage investment in that capacity, the UK has fewer domestic options when international supply chains are disrupted. This was outlined in Defra's UK Food Security Report, which warns that significant transport delays can cause short-term shortages because just-in-time food supply chains hold limited stock. Maintaining domestic food manufacturing capacity alongside diverse import routes gives the UK more options to keep food moving when international supplies are disrupted.

For household and personal care products, the same cost pressures affect the competitiveness of factories supplying everyday essentials. We saw how essential these businesses were during the Covid pandemic, where UK-based manufacturing businesses were essential for keeping the nation fed and healthy.

Our members have highlighted the impact which rising energy costs have had on their manufacturing sites. This includes one member which manufactures personal care products. Their electricity consumption has remained broadly stable at around 3,500 MWh per annum. However annual expenditure increased from £492,000 in 2020/21 to £724,000 in 2024/25, a 47% increase. At the height of the energy market increase in 2023/24, annual expenditure reached almost £1.2m, approximately 144% above 2020/21, despite comparable consumption.

This demonstrates sustained structural pressure from electricity costs rather than increased consumption, with materially higher energy costs continuing to impact UK manufacturing and conversion costs.

We recognise that the Government intends to keep the 2027 code lists fixed. However, I would welcome your commitment to review the excluded activities and

products ahead of the next application round, working with Defra to assess the implications for domestic manufacturing capacity and supply resilience.

Extending eligibility would help sustain domestic production, protect skilled manufacturing jobs and ease one source of cost pressure on the everyday goods households buy.

We would be pleased to meet in person, potentially at an FMCG manufacturing site, to discuss the impact of energy costs on UK-based manufacturing businesses and the difficulty which their exclusion from this scheme will cause for these organisations.

I look forward to hearing from you.

Yours sincerely,



Sarah Garry
Chief Executive
British Brands Group