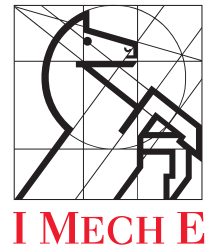


Institution of Mechanical Engineers

NEWS RELEASE



North East figureheads meet to debate looming skills shortage in region

IMEchE Hosts The Great Skills Debate & The Great Energy Debate: 5 September 2007

30 August 2007

The Institution of Mechanical Engineers (IMEchE) is holding top level talks on **Wednesday 5 September** with businesses and academics from the North East after a survey predicted the region is facing a shortfall of over 20,000 workers.

The two debates on Energy and Skills will take place at **Newcastle University and Riverside Stadium, Middlesbrough, respectively**. The skills debate will address the looming problem facing the region, as highlighted in a report carried out by the Skills and Education Engagement Team for the North East Process Industries Cluster (NEPIC).

Almost double the numbers of workers are needed in the energy and process industry (chemicals, pharmaceuticals and biotechnology) by 2014, according to the research¹. John Baxter, President of the IMechE, will speak at both events and said: "Energy and skills are two of the biggest issues facing the North East. We need to tackle this head on and hopefully by bringing together industry and academia we can come up with a solution. Energy and education are two of the IMechE's 'adopted' key themes because we believe they are the biggest areas we need to develop in the future of engineering and science."

- **Skills Shortage:** "We are facing a shortage of 20,000 science and engineering workers by 2014. North East companies are already recruiting Polish graduates to fill jobs in the process industry." George Ritchie, Chairman of the Skills and Education Engagement Team for NEPIC
- **Climate Change:** "The North East is a big emission producer. Dragging our heels on developing large-scale, low-carbon energy solutions is the ultimate cost to the environment." Prof of Energy, Dermot Roddy, Newcastle University
- **Process Industry:** 25% of region economy and currently employs 34,000 workers.



¹ NEPIC commissioned the survey this year.

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George Ritchie, Chairman of NEPIC, said the survey revealed 20,000 graduate level and technician workers will be needed to replace an ageing work force, and, to meet future growth over the next six years. The region's process industry accounts for 25% of the North East's total Gross Domestic Product (GDP), and currently employs 34,000 people.

Mr Ritchie, who is the key speaker at the **Great Skills Debate**, added the stark figure was down to fewer young people entering the science, technology and engineering sector – meaning companies are having to recruit from countries such as Poland. The problem is so serious, he warned, that firms were already recruiting overseas graduates to bridge the gap and the shortage was already impacting on growth for businesses and the region's economy.

"We need people to continue to grow. We have more major capital investment that we want to get off the ground but we need the people to do that – for us it is a clear, direct link," he said.

Meanwhile, the **Great Energy Debate** will link into another issue crucial to the growth of the North East. Michael Zambas, Chairman of the Tyne and Wear Young Members IMechE, said it was vital the region's manufacturers started looking at alternative energy sources to ensure long-term sustainability and to compete with overseas firms.

He said: "Many local, large scale manufacturing industries were struggling to compete with rival companies around the world because of a rise in the cost of raw materials, labour and energy. In the last year energy costs rose by 15% alone, and the dependency on fossil fuels would only lead to spiralling prices for oil, gas and coal. Constant fluctuation in the availability and cost of fossil fuels has had a detrimental effect on companies in our area and we have seen a large part of the industry either migrating elsewhere or simply closing."

Leading energy expert Dermot Roddy, Professor of Energy at Newcastle University, said North East companies could generate thousands of jobs by taking the lead in alternative energy sources such as offshore wind turbines, liquid biofuel plants, or producing clean coal by stripping it of CO₂. "As a big energy player in a world that is becoming carbon-constrained, the region must look for large-scale, low-carbon energy solutions," he said.

The North East produced the highest figure of CO₂ emissions in the country, but on a consumer basis it had the lowest figure of CO₂ emissions, and large scale, alternative energy was already in use. Europe's largest biodiesel plant and the UK's large bioethanol plant (an alternative to petrol) were both in Tees Valley. "If we move quickly to develop and adopt new energy solutions in the UK then we can avoid the worst effects of climate change and generate a lot of UK jobs at the same time," he said.

Great Energy Debate Time: 11.15am-12.15pm	Great Skills Debate Time: 4.30-6pm
Venue: Devonshire Building, Newcastle University upon Tyne, NE1 7RU	Venue: The Directors' Guest Lounge, Riverside Stadium, Middlesbrough TS36RS
Speakers	Speakers
John Baxter, IMechE President Dermott Roddy, Newcastle University	John Baxter, IMechE President Colin Brown, Director of Engineering IMechE Jeremy Lewis, IMechE North East Regional Chairman (debate chair) George Ritchie, senior vice president SembCorp Utilities, Tees Valley & NEPIC Paul Booth President, SABIC UK Petrochemicals

Media are invited to attend the debates and film/interview the speakers. Interviews can be arranged beforehand by contacting the IMechE Media & PR Office on 020 7304 6973/ 6877, or email: media@imeche.org

Notes to Editors:

- This is the first time the two topics have been debated jointly at this level. IMechE is hosting a series of debates throughout the UK to address its key themes; Education, Environment, Energy and Transport.
- The Institution of Mechanical Engineers (IMechE) is one of the world's leading engineering institutions. Established in 1847 it has some of the world's greatest engineers in its history books. It currently has around 78,000 members in 120 countries representing mechanical engineers working in groundbreaking areas such as automotive, rail, aerospace, medical, power and construction industries to name a few. Visit www.imeche.org for more information.