

# The onset of the green industrial revolution?

Two years on from the UK government announcement of their [10-point plan](#) for a green industrial revolution, what progress has been made? And, where will be the next areas of growth for the UK? As part of plans to level up the UK economy, focus was to be placed on advancing offshore wind, growing low carbon hydrogen technology and accelerating a shift toward zero emissions vehicles, among other areas. This article will highlight key areas of development in 2022 and also explore what more is needed to drive the green economy forward in the UK.

## Progress in driving the Green Economy

Whilst global events drove unforeseen uptake in fossil fuels over the course of 2022, strides have still been made in the development of the UK's Green Economy:

**Hydrogen:** In December 2022, UK lawmakers made clear their future hydrogen strategy. They highlight that hydrogen should not be seen as a universal fuel to heat homes and power passenger cars. Instead, hydrogen focus should be placed on areas that are hard to electrify, such as rail networks or as a power source for energy intensive industries.

**Clustering:** Clusters form when organisations within close proximity collaborate toward innovative and environmentally friendly outcomes – creating jobs and local investment in the process. For example, Net Zero Teeside consortium aims to capture emissions from local industry and power generation and store within the North Sea.

**Wind Energy:** By 2030, the UK Government has committed to have enough wind capacity to power every home in Britain, with off-shore wind alone increasing from an estimated 14GW today to 50GW. Alongside increased private and public investment, the government has pledged to make new offshore developments easier by cutting approval times from 4 years to 1.

## Closing thoughts

The coming years should bring about an exciting time for green investment and innovation in the UK. Corporates, SMEs and Financial Institutions need to act now to keep pace with the increasing momentum of the UK's green economy.

Today, we finance a number of industries that significantly contribute to greenhouse gas emissions.

We have a strategy to help our customers to reduce their emissions and to reduce our own.

For more information, visit [hsbc.com/sustainability](https://www.hsbc.com/sustainability).

Similarly, onshore wind restrictions are also expected to be relaxed as part of the government's wider levelling up agenda.

**Zero emissions vehicles:** The UK has prioritised the adoption of zero emissions vehicles (ZEV) since the announcement to end the sale of new diesel and petrol cars by 2030. During COP27, the UK also launched a new 'Accelerating to zero coalition' – to support the adoption of ZEVs globally. Looking forward, we're expecting significant acceleration in the roll out of charge points and relevant infrastructure across the UK.

## Focus and immediacy are still needed

In Jan 2023, the UK government released their Mission Zero [Net Zero review](#). It highlights Net zero as the growth opportunity of the 21st century. It also articulates the need for clear policy to accelerate progress and prevent the UK from missing out on this opportunity.

The report also pivots from the 10-point plan and green industrial revolution and towards a slightly amended 10 "missions" which has a broader approach including areas such as nature and biodiversity. It also prioritises 25 key actions to be achieved by 2025, including greener homes, accelerating renewables and also creating a stable environment for business to invest. These 25 actions are expected to be key areas of government focus in the immediate future.



In particular, it's hoped that the focus on creating a stable environment for investment will help drive and grow the business models which will be core to the green industrial revolution and wider green economy. Whether this be through direct government investment, grants or subsidies - these can help to de-risk and build confidence in new technologies. This will be critical to help to drive private investment.

## Why does this matter?

Increased focus and progress in setting out the UK's Green agenda will also have a trickle-down effect on business. Whether that be through increased regulation around carbon disclosures, supply chain demands or through legislation – and of course making the most of the clear opportunities for growth in the green economy.

Evidence shows that as of October 2022, more than a third of companies have Paris-aligned long term targets, which means meeting Net-zero by 2050 and limiting global warming to 1.5 degree centigrade. This trend will only increase in the coming years, so corporates and SMEs alike need to build out their sustainability strategies to meet the demands of a green future for the UK economy.



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