



Business and Trade Committee

House of Commons, London SW1A 0AA

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The Rt Hon Jonathan Reynolds MP,
Secretary of State for Business & Trade,
Department for Business and Trade, Old Admiralty Building,
Admiralty Place, Whitehall,
London

Heidi Alexander MP
Secretary of State for Transport,
Great Minster House, 33 Horseferry Rd,
London

[by e-mail]

24 June 2025

Dear Jonathan and Heidi,

Safeguarding the UK Bioethanol Industry

I am writing to ask what steps the Government is preparing to take, at speed, to safeguard the future of the UK bioethanol sector.

Following Mr Paul Kenward's (Chief Executive of ABF Sugar) oral evidence to the Business and Trade Committee, I understand that the industry is now operating within a matter of days from initiating formal closure procedures. Specifically Vivergo Fuels, the United Kingdom's largest bioethanol facility requires confirmation by Tuesday 24 June of the Government's willingness to enter into negotiations for short-term bridging support. Ensus, the UK's other major production site, is reported to be on a similar trajectory.

I am told that the closure of these facilities would represent a substantial loss of industrial capacity and skilled employment, particularly in the North of England, and jeopardise over £1.5 billion of prospective investment in low-carbon fuels. This would mark a significant and regrettable step backwards for the UK's green industrial ambitions and could occur in the very week that the Government launches its new Industrial Strategy.

I understand that Government officials are actively considering options, and we urge ministers to provide the industry with early clarity on the potential for a formal support package. The company has indicated a willingness to engage in detailed and transparent discussions.

However, time is extremely limited. As we saw in the latter stages of action to save the UK steel industry, there is a real premium on pace in taking the requisite steps to protect

jobs, communities, and the long-term resilience of the UK's industrial base. The same rationale is true in the case of bioethanol: the sector is viable, strategically significant, and aligned with national decarbonisation objectives - but the industry is now in peril.

Can I therefore urge the Department for Business and Trade to coordinate with the Department for Transport to establish a credible and time-limited support package which might include both bridging support and much needed clarity about the regulatory and policy pathway required to provide longer-term market stability.

This is a critical moment for the industry. I would be grateful therefore for a reply by the end of this week.

Yours sincerely,

A handwritten signature in black ink, reading "Liam Byrne". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Chair of the Business and Trade Committee