

# A speech by the Defence Secretary at the Society of Maritime Industries Annual Conference

It's a privilege to speak to so many maritime professionals this morning.

As an island nation, Britain's trade has always depended on the tide.

And at the turn of the century, the UK built an astonishing 60 per cent of the world's ships.

We might no longer be the workshop of the world.

But your industry remains global leaders in Design and Innovation.

You still bring in billions to our economy and spread wealth right across the country.

And you still directly provide for the livelihoods of some 44,000 people from Appledore to the Clyde and many more in the supply chain.

But, as Shipbuilding Tsar, you know I want our ambition to be greater still.

And, as chair of the Maritime Working Group, I've been pushing my colleagues right across government to create the conditions to help you be successful.

We know we must up our productivity because our international counterparts are getting ahead.

Our UK shipyards currently lag behind our European rivals, as does our cost base, and this needs to be improved.

The Department for Business, Energy and Industrial Strategy's led-study into UK productivity provided us with a foundation to build on.

It gave us a better understanding of the challenges you face as an industry and a better understanding of how Government can work with industry to increase productivity.

The "rich picture" of the industry developed by the Maritime Enterprise Working Group has further strengthened our understanding, identifying areas which require improvement, investment and consolidation.

We also know we need to do more to develop the skills of the future.

That's where the Department for Education's work comes in.

They've been speaking to employers across England to understand the skills requirements throughout the enterprise.

We're in the midst of analysing their work. These findings will help industry gain the skills they need for the future.

We need to be more innovative too.

How can we develop hydrogen powered ships? How can we make better use of autonomy? How can we build a digital backbone into this industry?

Another of my Working Group colleagues, Minister Courts, will be speaking to you later about our exciting plans in this area.

And we need to be more competitive.

I want to see us out there exporting. And DIT's work on export credits will help you by making sure no viable UK export fails through lack of finance or insurance.

But the key to our future success is a sense of certainty.

Certainty breeds confidence.

The good news is this Prime Minister is determined to give you that certainty.

That's why, when he announced an extra £24bn for Defence, he talked about spurring a renaissance in British shipbuilding across the UK.

It's why we're building a pipeline of future projects.

It's why we're developing a maritime enterprise export plan to deliver state-of-the art British ships to our global allies.

And it's why, I can announce today, that we will be refreshing our National Shipbuilding Strategy.

Why will it be different?

First, our strategy is going to be much more wide-ranging. It will no longer be primarily about hulls but about looking right across the shipbuilding enterprise, from naval and commercial shipbuilding to systems and sub-systems.

Secondly, we're going to be sending you a much clearer demand signal about what we're trying to achieve with our procurement programmes – for the first time releasing a 30-year pipeline of all Government vessel procurements over 150 tons.

This will encompass not just military vessels but all ships including those procured by Home Office, DFT, Defra, BEIS and the Scottish government.

The strategy will also deliver for all parts of the UK, building on the proud traditions of shipbuilding in England, Scotland, Wales and Northern Ireland.

We're going to be letting you know our policy and technology priorities for

shipbuilding. What green capabilities we're after to achieve our net zero commitments. And how we will take account of the social value of shipbuilding when making appraisals.

In return for the certainty we instil, I expect you to up your productivity, invest in your people and develop the advanced manufacturing skills necessary to compete on the global stage

Finally, we're going to be working more seamlessly with central, local government and devolved governments as well as industry and academia, to realise our aspirations. The Maritime Working Group has already shown the benefits of this approach

But we're going further. I have just approved a cross sector study to identify the challenges, priorities and ambitions that the Royal Navy shares with the wider Maritime Enterprise in Scotland. I want to see how we can do more together to boost skills, innovation, and green projects.

More broadly, I want us to create local hubs of expertise. So that the ships that leave these shores aren't simply famed for bearing a stamp saying "made in Britain" but for the stamp that says Belfast or Birkenhead.

And I want to make sure that, once you've built those era-defining ships, we do more to trumpet your achievements.

My vision is for a supercharged, successful and sustainable UK shipbuilding enterprise.

By 2030, I want our industry to be at the forefront of the technological and environmental revolutions driving our sector.

But Government cannot reinvigorate the enterprise alone. We can only make this happen by working together.

Fittingly, this year we will see HMS Queen Elizabeth embark on her first operational deployment I can't think of a more impressive floating showcase of the talents you all possess.

Nor a stronger signal to the world that the renaissance in British shipbuilding is now firmly underway.