

# Minister for Industry addresses the Make UK National Manufacturing conference

Thank you all for the invitation to be able to address you this evening, and to Make UK for putting on this event at the annual national manufacturing conference.

I know that such statements are slowly, thankfully becoming the norm but it's a particular pleasure to see you all in person – to meet, to discuss, to connect. And, most importantly, to celebrate manufacturing together. The last 2 years have been so difficult for you all, and for wider society in general. And one of the ways which we mark our journey beyond COVID is by returning to what came so naturally to us beforehand and which now, we recognise, is so important. And, if only for that, it is good to be here.

But it is also good to be here because it allows me, personally, to say thank you to you all – many of whom I have had the privilege to meet in my seven months as Minister – for your warm and your kind welcome since I became the Minister for Industry and the Minister for Manufacturing 7 months ago.

When I first took up this role – my apprenticeship, if you may – I set 3 key priorities.

First: to listen.

Good government rests on being a partnership of equals with both business and industry. And when I started last September, that is exactly where I wanted to start our engagement from.

I am grateful for the all the time you have all given me...how you have outlined where the sector is, what you are focusing on, and what you all hope to achieve in the coming years. For me, the best way to properly listen was to get out and about, all across the UK. In the last 7 months, I have visited every nation, every region and I have been absolutely blown away by the depth, the capability and passion of manufacturers up and down the land. I'm coming up to about 50 visits now with manufacturers or manufacturing-related industries and countless engagements through roundtables, through meetings, and chats, and I hope I have started the process of listening – and, just as importantly, to hear you.

My second priority was to learn.

For the past 5 years, I have had the privilege of representing a manufacturing constituency in Derbyshire, which is, I'm sure you'll agree, is the best county in the entirety of the UK...and arguably the birthplace of the first Industrial Revolution, when Sir Richard Arkwright industrialised the spinning jenny on the banks of the River Derwent in 1771. I am hugely proud

to represent an area which I grew up in, which has played a leading role in our industrial and manufacturing heritage and which, like so many other parts of the UK, and so many parts of this sector, is undergoing its own renaissance and change. So, I hope, I come with a little knowledge, from which you can teach me.

Yet, even from witnessing 40 years of Derbyshire industry, nothing could have prepared me for what I have seen over the last 7 months as your Minister. Every visit, every chat, every meeting has brought home to me what an absolute gem our manufacturing sector is. The sheer diversity, the capability and the passion on display every day is just so evident all across the land.

And, along the way, many of you have also taught me some skills that I would never have expected.

How to build wings in Broughton.

How to use a 3D printer in Manchester.

How to drive a digger in Staffordshire.

How to drive – and not crash – a train at Alstom's test track in Derby.

So, next time you hear the press talking about Ministers and MPs having few transferrable skills in a real-life workplace, know that you and your sector have at least taught me a few in recent months.

My third priority...which is vitally important...is to advocate. Manufacturing matters. And we should say so as often as is possible.

My job as your Minister is to be your champion across government. To speak loudly about your successes, your achievements and the utter brilliance of your sector in making our country better. And to amplify your voice when you think something is important.

Of course, it doesn't mean that we will agree on everything, or completely align all the time. It doesn't mean that we can't have candid or robust conversations. And it doesn't mean that we seek perfection from each other. And it doesn't mean that politics will always deliver everything that people want it to...the whole point of politics is to try to imperfectly fit infinite demands into extremely finite resources.

But it does mean, I hope, that over time we can demonstrate, together, that we are making progress; that we are navigating the huge challenges that we are being thrown; that we are achieving; that both you and myself, as the government's representative, think we are going in the right direction.

And even now, after the most acutely difficult time of our lives and our careers – and with new challenges on the horizon I accept – that is certainly what I hope you will see ahead.

£203 billion of gross value added to the UK economy in 2021...more than financial and insurance activities combined.

Almost half of total UK exports.

2.5 million jobs supported in recent years – 95% of which are outside London.

And real evidence of the start of a manufacturing renaissance. From Nissan's £1 billion investment in electric vehicle production in Sunderland...to backing for Britishvolt's Blyth gigafactory...to Siemens Gamesa's expansion of its offshore wind turbine blade factory in Hull. Big ticket investments in the future of the UK – and its supply chain – by world-leading companies.

But, just as importantly, every single day over 130,000 manufacturing SMEs beavering away innovating, improving, developing and creating the very bedrock of our successful new manufacturing base. Just as we celebrate the big announcements as indications of our progress, we must equally acknowledge every single part of our manufacturing sector and the role every company plays in the progress we are making.

So, 7 months and thousands of conversations in, where are we?

Well, it's absolutely clear to me that manufacturing does, will and must play an integral role in transforming the UK's economy in the 21st century.

And I have no doubt – at all – that it will, in spite of the current unexpected and unprecedented challenges which we see, and I want to acknowledge tonight.

Looking back at the dawn of the 2020s, just a couple of years ago, and after 3 years of domestic political tumult, I doubt many of us would have expected to face the first global pandemic in a century...followed by the most extraordinary set of economic circumstances in 100 years...followed again, quickly, by the first invasion of sovereign territory in Europe in seven decades.

Our age is one of big change, it's one of uncertainty and, at least for now, it's one of some instability.

A sovereign state being brutally invaded – causing humanitarian disaster and carnage across the world – is the most immense tragedy. We are doing all we can to support our friends in Ukraine, and I know that you are doing to. But I also know that the steps we're taking to sanction Russia are not cost free for us at home.

I know that many of you will have had to adjust already, at short notice, to changes in supply chains, to cost pressures, to energy issues, and to additional complications. Thank you again for everything you have done, are doing, and will do to make it clear that the UK stands firm against this kind of naked aggression.

And – as challenge and change always does – it does bring forward new ways of doing things...

...new realities...

...and, at times, new opportunities for UK plc and British business.

And in each of these challenges, there are lessons.

Lessons about flexibility. Business, industry and manufacturing are proving, yet again, their ability to change at short notice, and to look at new ways in which new approaches can get around unexpected problems.

Lessons about resilience. We saw during the pandemic just how quickly British businesses could respond to demand, with the rapid re-shoring of much of our supply of personal protective equipment. The changes which have followed have brought home to us all again the importance of our long-held, strong, trade-based relationships all around the world...but also, where possible, the need to consider the best way to strengthen the supply chains on which they are based.

In Cornwall, Devon and elsewhere, I have seen new initiatives to take advantage of the critical mineral resources underneath our feet, as an example – and which you all will need in the coming decades when manufacturing the products of tomorrow. Just-in case now has as much salience in tough times as just-in time.

And we have also learnt lessons about opportunity. With record job vacancies and unemployment back at pre-crisis levels, we know that there are strong opportunities to bring on the workforce of tomorrow into a sector which has so much to offer, but which we also have to make sure has the skills. And, alongside this, the opportunity to further unleash the power of automation, artificial intelligence, big data, machine learning and more.

And underneath all of this flexibility, resilience and opportunity which you show daily is one key driver: productivity.

As your Minister, this is the one thing that I want to relentlessly focus upon in the coming year ahead.

I want to show how much you have achieved already. Every day, up and down the land, you are making choices which spur improvements, make things better and increase the UK's competitiveness all around the world.

Whether it is the investment in 3D printers I saw in Bury just a few months ago.

Or the Advanced Manufacturing Resource Centre in Preston, opened earlier this Spring, which will unlock the next generation of innovation all across the North West.

Or the portable graphene factory built in a shipping container in Cambridge.

Or the next generation of wings being developed by Airbus.

Or the first electric boat ready to hit the waves in Belfast.

Even in adversity, productivity was around 2% higher in the fourth quarter of

2021 than before the pandemic. A testament to your innovative spirit.

And I want to highlight what – as a Government – we are already doing in partnership with you.

Take our Made Smarter programme, which is offering dedicated support and grants to SMEs all across the North East, the North West, Yorkshire and the Humber and the West Midlands...allowing SMEs like Cumbria-based agricultural machine manufacturer Storth, who use robotics to increase the speed of welding tasks, and who are expecting to produce parts up to 2.5 times quicker than before.

Or our “Help to Grow” schemes, which are designed to improve the adoption of basic digital technologies and modern management practices.

Or tax incentives like the Annual Investment Allowance, or our super-deduction.

Or the increase to the Employment Allowance...or significant subsidy for skills development. A massive issue for you, and which we have much to go on – but, I hope, and indication of some progress.

And, just last week, we announced that high energy usage businesses – such as steel and paper manufacturers – will receive further support for electricity costs.

And thirdly, and most importantly, I want to focus on what we can achieve together. Productivity is a shared endeavour – good for government because our national capability expands...but also good for business because it generates revenues, profits and new opportunities. And it helps to address some of the issues which I know you are facing at the moment.

To be frank, we still have some way to go on productivity in our country.

Regional productivity gaps are large.

Across our economy, and compared to other G7 countries, our GDP per hour worked lags other countries.

The “long-tail” puzzle has been visible in our country for far too long.

And I say these things not to be negative but to reflect the reality of where we are – and the opportunity that we all have to work together to improve. Productivity matters because absolutely nothing else that we or you do can succeed without it.

From a government perspective, our ambitions to level up and to achieve net zero are all based on businesses scaling up, doing more and providing the tax revenues to be able to achieve our priorities. And, as Minister for Industry, I’m determined to work with the business community to try to improve productivity, along with trying to help with the issues that you are facing.

It will be based on a greater diffusion of tech.

It will require even more economy-wide improvements to how firms invest and innovate.

Better access to finance.

More global thinking.

Improved skills, and better management and training.

Some of this support will already come from the Government..

...some will come from UK and overseas investors...

...and some will of course come from business and manufacturing themselves.

On the first 2 points, I want to announce that later this year we will be launching the UK's new manufacturing investment prospectus. A document which will show the brilliance and innovation of the UK's manufacturers, and the policies which demonstrate that this government is committed to your businesses – so we can promote the UK as the destination of choice for investment in manufacturing and help you make the most of what is already available.

And, finally, for the third point, I want to say that I will continue to work with you over the coming months ahead – through visits, roundtables, discussions and meetings – to work out how we can redouble our efforts on productivity to make the UK an even better place to do business.

Sometimes other sectors and other industries may speak louder than manufacturing, but in the last seven months I have seen it with my own eyes that you have an amazing story to tell. Together, we want it to go further. Made in Britain is already a massive badge of honour. Now is the time for us to work out how to make even more in Britain.

I look forward to working with you in the coming months. Have a good evening. Thank you.