

New UK shipbuilding vision launched

The UK's world-renowned shipbuilding industry will be revitalised through a refreshed [National Shipbuilding Strategy](#).

First published in 2017, the National Shipbuilding Strategy (NSbS) outlined ambitions to transform naval procurement, securing export and design contracts for British naval ships. Building on that success, today's refresh outlines the Government's further ambitions to reinvigorate the whole British shipbuilding industry contributing to its levelling up mission to boost productivity, pay, jobs and living standards.

Over £4 billion of government investment will galvanise and support shipyards and suppliers across the UK, with new measures including better access to finance, vital skills-building, and funding for crucial research and development into greener vessels and infrastructure.

Designed in partnership with industry and delivered by the recently formed National Shipbuilding Office (NSO), the NSbS Refresh will also deliver a pipeline of more than 150 new naval and civil vessels for the UK Government and Devolved Administrations over the next 30 years. The vessels will include large warships, Border Force cutters, lighthouse vessels and the new National Flagship.

Prime Minister Boris Johnson said:

Shipbuilding has been in our blood for centuries and I want to ensure it remains at the heart of British industry of generations to come.

The National Shipbuilding Strategy will transform this important and crucial industry, driving technology development and upskilling the shipbuilders of tomorrow. This will ensure the UK is rightly seen as a shipbuilding power across the world.

The shipbuilding industry currently supports 42,600 jobs across the UK and contributed £2.8 billion to the economy in 2020. Encouraging further investment and development, the refreshed strategy sets out a clear vision for the prosperous future of the UK's shipbuilding industry, helping 'Build Back Better' and supporting the government's drive to level up all parts of the UK.

Defence Secretary and Shipbuilding Lead Ben Wallace said:

As Shipbuilding Tsar, I am proud to be announcing our new strategy, this is an exciting time to be involved in the sector.

With significant government investment, we will be levelling-up across our shipbuilding, workforce, from shipyard to supplier, from procurement to designer, creating tens of thousands of new employment opportunities, boosting living standards and pay.

Our refreshed strategy will see the sector galvanised at a crucial time for our economy and see a vital part of British industry expand and flourish.

Scottish Secretary Alister Jack said:

Scotland is a world leader in building modern, state-of-the-art ships and our highly skilled workforce and expertise will be at the heart of delivering on the commitments in this strategy refresh.

I look forward to the National Shipbuilding Office, which will have a base in the UK Government hub in Edinburgh, working with industry to deliver a 30 year pipeline of orders in the naval and commercial sectors that will boost Scotland and help level up all parts of the UK.

Billions of pounds of UK Government defence investment into Scotland's shipyards is already boosting our country's prosperity through supporting thousands of jobs directly and through the supply chain.

We have delivered 13 naval vessels in recent years to protect the UK and our NATO allies. And there are many more to come with three Type 26 frigates currently being built at BAE Systems in Govan and work is underway to order another five. The first of five Type 31s is also being constructed at Babcock's Assembly Hall at Rosyth.

An ambitious pipeline of naval vessels including Fleet Solid Support (FSS), Type 26 and Type 31 ships, will bolster the Royal Navy whilst providing opportunities for UK shipyards. Encouraging investment in domestic shipyards, the pipeline seeks to maximise the social value contribution shipbuilding can make in the UK whilst balancing the need to deliver value for money and solutions that fully meet the requirements of the Royal Navy.

The strategy also includes a range of interventions from across Government to support the sector. A new Home Shipbuilding Credit Guarantee Scheme (HSCGS) will give UK shipyards access to finance for underwriting domestic contracts. This will level the playing field with competitors' export credit guarantees

and ensure UK shipbuilders have a fairer chance of securing valuable contracts.

The Department for Transport will invest £206 million in the UK Shipping Office for Reducing Emissions (UK-SHORE) to fund research and development in zero emission vessels and infrastructure and ensure our place as global leader in green technology. UK-SHORE will help to tackle barriers to investment in clean maritime technologies, including investment in port infrastructure. It also includes a multi-year version of the Clean Maritime Demonstration Competition which ran last year and provided funding to consortia right across the UK.

The NSbS Refresh will also establish a new UK Shipbuilding Skills Taskforce, led by the Department for Education. The taskforce will work with industry and training providers across the UK to identify and address skills gaps, ensuring the UK continues to develop and nurture future-focused skills and knowledge to help our shipbuilders deliver world-class vessels.

With the shipbuilding supply chain spread across all parts of the UK, the taskforce will work jointly with the Devolved Administrations in Scotland, Wales and Northern Ireland to ensure shipbuilders and the wider supply chain can access the skills they need.

A new Maritime Capability Campaign Office (MCCO) within the Department for International Trade will coordinate export support across government and industry. The MCCO will use robust analysis to improve our understanding about global markets, helping maritime suppliers to win export orders and increase UK market share.

This refreshed NSbS moves beyond the Ministry of Defence's commitment to double its shipbuilding investment over the life of this Parliament to over £1.7 billion a year – supported as part of the £24 billion increase in Defence spending over the next four years. This will continue to support jobs and skills around the UK.

Seeking to deliver a globally successful, innovative and sustainable shipbuilding industry, the refreshed National Shipbuilding Strategy follows publication of the Levelling Up White Paper, which will ensure that the government continues to rise to the challenge and deliver for the people of the UK.

Background:

The investment covers:

- Over £4 billion for new vessels, including the Royal Navy Pipeline, was announced in the 2020 Spending Review and the 2021 Autumn Budget.
- £206 million for UK SHORE.

- £11 million of new funding for the Maritime Capability Campaign Office (MCCO).
- An initial £2 million of new funding to set up the Home Shipbuilding Credit Guarantee Scheme (HSCGS), with additional investment – for underwriting the finance of vessel contracts – to be confirmed in due course.

Sarah Kenny, Chair of Maritime UK, said:

Following today's refreshed strategy, shipbuilding communities can power the future prosperity of our island nation, as green engines for economic growth.

Whether it's levelling-up, by creating skilled jobs across our coastal communities; delivering net zero, by steering our ships in a green direction and exporting these technologies across the world; or promoting Global Britain, with 95% of all our trade moved by sea – maritime is central to our country's future success.

Our industry supports the National Shipbuilding Strategy, with its investment, broader focus on commercial and leisure vessels, and emphasis on enablers such as skills and collaboration. We will be working closely with government to ensure these ambitions are met, on our way to becoming the world's most competitive maritime nation by 2050.