Press release: New backing to transform the UK’s future through the modern Industrial Strategy

- new joint government-Industry Aerospace Sector Deal to develop ‘Future Flight’ through the next generation of electric planes, drones and autonomous aircraft by 2025
- multi-million pound package of new investment to turbo-charge UK industry and put the UK at the forefront of the industries of the future
- comes as Business Secretary Greg Clark marks the first anniversary of the modern Industrial Strategy when he will say “no deal puts this all at risk”

At a government event in Bristol with businesses, researchers, civic leaders and industry representatives to mark the first anniversary of the modern Industrial Strategy, Greg Clark will announce new support for the UK’s leading aerospace sector and the next generation of transport to tackle ground congestion and pollution in towns and cities.

The deal will develop ‘Future Flight’ – including electric planes with vertical take-off capability, goods and service drones, to autonomous aircraft.

Mr Clark is expected to say:

> For the past 2 years, I have been engaging with businesses, large and small, up and down the country about our post-Brexit economy. They have been clear and consistent in telling me what is needed to preserve jobs, open up new opportunities and build on the success of our trading relationships. An economy that will continue to be open and enterprising, driving invention and innovation through high regulatory standards, providing good quality, well-paid jobs throughout the country – with a reputation as a dependable and confident place to do business. This will be the test of a successful our long-term economic partnership with the EU. The withdrawal agreement is a significant first step in building our future relationship, while no deal puts this all at risk.
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> Our modern Industrial Strategy is the government’s long-term plan for preparing and investing in our post-Brexit economy. And I could be in no better place than Bristol to mark this first anniversary. It is an honour to be visiting a city that has been at the heart of British industrial innovation for centuries. You can look out over the Avon and be reminded of the ingenuity of the floating harbour built here in 1809. The engineering behind it overcame one of the world’s highest tidal drops, stopping cargo ships getting stranded at low tide and opening-up the city to trade.

> And today, Bristol still exerts this influence. You can see it the world-leading advanced manufacturing plants of GKN, and the global cultural impact of animation companies like Aardman. Such world-beating enterprise will continue to be the UK's calling card once we have left the EU.
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> Truly world-leading science, innovation and business have no borders. Now – more than ever – we need to ensure that we remain an open, frictionless economy that welcomes talent while nurturing it at home.
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> The hard-fought deal that the Prime Minister has secured has rightly been welcomed by businesses large and small throughout the country. I know many of you will be watching developments in Parliament in the coming days. I want to reassure you that the Prime Minister and I, together with our Cabinet colleagues, are intent on securing a good Brexit deal that delivers the certainty for business and therefore people's livelihoods – up and down the country.

Today's package also includes:

- A multi-million pound package of new investment to turbo-charge UK industry in support of the modern Industrial Strategy and put the UK at the forefront of the industries of the future, including up to £125 million from the Industrial Strategy Challenge Fund to develop future flight
- £15 million government investment for GKN Aerospace's new Global Technology Centre in Bristol. The centre is expected to open in 2020 and will ensure the UK is a hub for world class innovative technology for the next generation of fuel-efficient aircraft
- The new government-industry Aerospace Sector Deal which includes support proposals for supply chain SMEs to boost their competitiveness on the global stage and a pledge to increase the number of women in aviation
- Follows yesterday's announcement of the £1.3 billion Life Sciences Sector Deal 2 with record investment in diagnostics and early intervention to help people live healthier, longer lives
- The next steps for establishing a technical education system that will rival the best in the world, with an action plan for the introduction of the new T level qualifications as set out by the Secretary of State for Education in a speech at Battersea Power Station today
- Also, includes the Bio-economy strategy which was published earlier in the week to help double the size of the bio-economy to £440 billion by 2030, setting out an ambition for world-leading standards for bio-based and biodegradable plastics

New Aerospace Sector Deal

As part of the deal, the government is launching the Future Flight Challenge, which will provide up to £125 million to aerospace and other manufactures to research and engineer new technologies and infrastructure, which industry

will match. This will support the development of electric and autonomous aircraft and transform the future of transport in urban areas as we utilise our airspace to ease congestion. Industry will initially focus on smaller aircraft and drones to ensure the suitability of the new technologies before developing them for larger passenger aircraft. It means that by 2026, the government and industry will have jointly invested more than £4 billion in the future of UK aerospace.

Speaking about the deal, Greg Clark will say:

> The UK's contribution to the global aerospace industry cannot be underestimated. Half of the world's modern large passenger aircraft have wings designed and built here in the UK; and every 2.5 seconds, a Rolls-Royce powered aircraft takes off or lands.
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> But we are not complacent. The future of aerospace is cleaner, greener, and more efficient, and we want the UK to be the pioneers of new technology that will pave the way for increased electrification and autonomy in commercial aviation.
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> This deal is our modern Industrial Strategy in action, combining the forces of government and industry to boost a sector that is vital to our future economy, export capabilities and will place the UK at the forefront of the next generation of air travel.

Supporting the deal, Baroness Sugg, Minister for Aviation said:

> The UK is a global leader in aviation innovation. From urban air mobility vehicles to small electric aircraft and drones, we are already developing exciting new forms of transport.
>
> Through the Future of Mobility Grand Challenge and alongside our forthcoming Aviation Strategy, we are exploring how these new technologies will change the way we travel, helping create the right conditions for the UK's aerospace and drone industries to take off.

ADS Chief Executive Paul Everitt said:

> A strong long-term partnership between government and industry is essential for UK aerospace to meet the challenges of global competition and new market opportunities.
>
> The Aerospace Sector Deal demonstrates the UK's commitment to continue as one of the most attractive locations for the global aerospace and aviation industries.
>
> The Future Flight challenge will ensure the UK takes a lead in

> delivering cleaner, quieter and more innovative aircraft. We must fast-track the electrification of flight, exploit the global potential of new urban mobility solutions and pioneer autonomous aviation.

The modern Industrial Strategy, published last year, sets out how the whole of the UK can build on its strengths, extend them into the future, and capitalise on new opportunities. Investing in science and research to keep the UK at the forefront of new technologies and the benefits they bring. Nurturing the talent of tomorrow – through more outstanding schools, world-leading universities and the technical skills that will drive the economy. And transforming the places where people live and work – the places where ideas and inspiration are born – by backing businesses and building infrastructure not just in London and the South East but across every part of our country.

It sets out Grand Challenges to put the UK at the forefront of the industries of the future, ensuring that the UK takes advantage of major global changes, improving people's lives and the country's productivity. The first 4 are focused on the global trends which will transform our future:

- AI and data
- ageing society
- clean growth
- the future of mobility

It has been taken forward at pace over the last year:

- Innovative ideas that bring together world-class UK science, research and innovation to develop cutting edge products and services of the future have received an extra £1.7 billion making it the largest increase for 40 years (to £7 billion). That includes £210 million to develop new medical diagnostic tools and treatments, £90 million for the food and farming industry to embrace agri-tech and £184 million for 41 UK universities to train the next generation of world-class scientists and engineers.
- 6 sector deals between government and industry have been published – from construction and automotive to nuclear and the creative industries, including £1.9 billion of investment in life sciences and £1 billion for artificial intelligence. They are not only about attracting investment and growth, but also ensuring we have the skilled, diverse workforce we need for the future.
- Plans for new technical qualifications (T-levels) and to transform the quality and quantity of apprenticeships. Furthered the connectivity of Britain's towns, cities and rural areas, including the first allocations of the £190 million full-fibre challenge fund and £25 million for 6 5G testbeds across the UK.
- Opened the Transforming Cities Fund with billions of pounds ready to go to projects that drive productivity by improving connections within city regions.
- Opened the Faraday Institution in Oxford to keep the UK at the forefront

of global battery manufacture. Announced plans for a new spaceport in Sutherland
- The UK now has the fastest growing infrastructure investment across the G7, providing £31 billion of additional capital spending to areas critical to improving productivity.
- Lunched the £9 million Centre of Data Ethics and Innovation to act as an advisory body to government and regulators on ethics of data and its use, including for AI.
- Launched the Patient Capital Fund, which will invest £2.5 billion in our most innovative companies.

Notes to editors

The aerospace sector deal includes:

- up to £125 million from the Industrial Strategy Challenge Fund for the Future Flight challenge
- a commitment to encourage more women into aviation
- £13.7 million to support SMEs to commercialise technologies
- the UK Aerospace Research Consortium of leading aerospace engineering universities will help industry understand emerging technologies, encourage collaboration and boost research and development
- encouraging the UK’s Aerospace sector to work with Local Enterprise Partnerships to deliver Local Investment Strategies
- collaborating with Devolved Administrations by putting in place apprenticeship standards that will help deliver the skilled individuals needed by the UK for it to prosper

Other funding to be announced today from the Industrial Strategy Challenge Fund includes projects to develop smart sustainable plastics packaging, accelerate early diagnostics in healthcare, harness the power of quantum technology, drive up manufacturing productivity (Made Smarter) as well as future flight. The funding will be delivered by UK Research and Innovation (UKRI) through the Industrial Strategy Challenge Fund, subject to business case approval and match funding from industry.