

**Graham Hayes, Chairman EAMA,
Cholmondeley Room, House of Lords Monday 5 March 2007**

Minister, Lords, Ladies and Gentlemen.

Good evening.

My name is Graham Hayes.

As EAMA's chairman I have the pleasant duty to say a few closing words and above all first on behalf of all our guests here tonight to thank you very much indeed minister for being with us this evening. Imagining how busy a minister's day can be we are doubly delighted to see you here.

Second, I want like to thank Geoff Lloyd and the MTA for letting us all share in this important event.

And now I turn to you our guests to thank you for joining us here this evening.

With over 150 people representing mechanical engineering businesses here, our gathering shows how deeply manufacturers want to tell Parliamentarians about what they are doing. Too often the talk round UK manufacturing is downbeat. . But not tonight!

We all agree with government that the UK has to compete internationally and that higher productivity is key.

There are many excellent businesses big and small here in the room with us tonight.

Last year those firms making up the UK mechanical engineering sector recorded export sales around the world of some £28 billion, and with it a positive trade balance of over £5½ billion.

That's slightly more than the chemical sector and double the trade balance for the UK aerospace industry in 2005. .

As the sector that provides the machines and components that other industries use in their manufacturing processes we have been in the direct line of fire as UK manufacturing investment declined 37% over the last nine years.

For eight of those years our sector followed suit with similar cuts in our own investment regime. However, as we sought export markets we saw that we had to invest to remain competitive. In 2005 we changed course and the curve bottomed out and according to our most recent survey investment looks to be increasing again. But that's for mechanical engineering.

We need manufacturing in general to follow suit.

As suppliers, our members of course can make comparisons between UK and foreign company performance in areas like investment in new technology. When we asked our members at the end of last year, two-thirds of them said they thought that their overseas customers were adopting new technology faster than their UK clients.

Industry needs to have the proper skills to operate today's high tech machines. In the same survey over a third of companies said that these were lacking.

EAMA's members therefore welcome the Leitch Review's findings and applaud what SEMTA is doing in this area. But we also need to keep in mind that with so many SMEs in our sector, they often want specially tailored solutions to meet their niche requirements. We need to work on that with SEMTA unifying SMEs' diffuse voices so that the smaller firm can access exactly what it needs to maintain its edge.

In the same way, may I urge all of you representing firms here tonight to talk to your local MP at least once a year about what your business is doing and how it is contributing locally.

It's marvellous to see so many member companies here.

EAMA will keep on working on your behalf in Whitehall and with ministers. But we will be so much more effective, if the mood in this and especially in what I believe is commonly called "The Other Place" is seized of the real facts about UK manufacturing.

As local mechanical engineering businesses we have crucial roles to play in developing sustainable communities across the UK.

As manufacturers we are central to the UK's position as one of the world's greatest trading nations.

Please join me in a toast:

"To the future of UK manufacturing and Parliament's interest in it!"