

MANUFACTURING MATTERS

It matters because it accounts for:



It matters because it affects so much else in our economy and society.

It matters to our ability to **hit net zero**.

It matters to our ability to meet the **health challenges of tomorrow**.

It matters to the maintenance of our **national defence capability**.

Recent research has shown that when indirect impacts (the supply chains stimulated by manufacturing) and induced impacts (the effects of the money spent by manufacturers and their employees) are taken into account, **manufacturing contributed £518bn to GDP and 7.3m jobs in 2022.**¹

Any political party would be well advised to ensure that they consider the effects of what they are proposing on the businesses that drive the economy and provide the wealth and employment on which it depends.

A government of any political colour will face the same challenges, will be equipped with many of the same tools and will have the deal with the same external opportunities and threats. Below are the **Top Ten asks** from engineering companies for government.

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|---|---|--|---|---|
| 01 | 02 | 03 | 04 | 05 |
| Long-Term thinking to create an environment in which business have the confidence to invest in British manufacturing | Emphasise that Full Expensing is a permanent part of the tax system, giving business the certainty they need | Foster FDI (Foreign Direct Investment) that genuinely creates long term value in the UK economy | Encourage schools & colleges to engage directly with engineering employers , resourcing & rewarding them to do so – including through recognition by Ofsted | Inject greater urgency, and resources, into the Made Smarter Adoption programme |
| 06 | 07 | 08 | 09 | 10 |
| A more ambitious and wide-ranging set of companies should be targeted for export support | Reverse the withdrawal of support for SMEs to attend trade shows abroad | Government should commit to continued alignment of UK and EU technical/product regulation , unless consultation provides evidence to the contrary | Address the high energy costs UK industry faces | Full implementation of the recommendations of DBT's November 2023 Payment and Cash Flow Review on prompt payment |

¹ The True Impact of British Manufacturing, The Manufacturing Technologies Association and Oxford Economics, <https://www.mta.org.uk/wp-content/uploads/2024/04/Manufacturing-Technologies-Association-The-true-impact-of-British-Manufacturing.pdf>