

# Industrial and Trade Strategies

This week has seen the government launch a plethora of strategies and plans. On Monday, we had the Industrial Strategy and five of the Sector Plans designed to accompany it, including one for Advanced Manufacturing. On, Thursday a Trade Strategy was added to the mix.

The biggest headline on the Industrial Strategy was around plans to bring down energy costs for businesses through a new British Industrial Competitiveness Scheme. This will remove various elements from the cocktail of charges, levies and prices that makes up manufacturer's bills. This will only be available to companies in the eight IS sectors and foundational industries in the supply chain and will only come online in 2027. Consultation on eligibility will open 'shortly' and EAMA will want to make representations to ensure that our member companies are not overlooked.

In terms of investment in Advanced Manufacturing the Industrial Strategy pointed to a total of £4.3bn, £2.8bn of it in R&D, over the next five years. Nearly all of this is in existing programmes, but the new commitment to fully roll out Made Smarter Adoption and fund it to the tune of £99m was very welcome - as was a further £40m for Robotic Adoption Hubs. The documents included a lot about taking advantage of AI to drive growth; reassuringly their definition of AI includes technologies like digital twins, predictive maintenance and generative design, not just LLMs.

On skills, a commitment, to fund more, shorter, courses out of the Skills and Growth Levy is potentially very good news but it will depend on how much flexibility Skills England is prepared to grant to employers (and learners) when it comes to deciding what sort of training is appropriate. There is also a welcome commitment to review the Apprenticeship funding bands.

The new Trade Strategy has been in the works since the late last year but, with global trade rocketing up the political agenda, has been subject to, understandable, revisions and re-writes as policy makers around the world accommodate themselves to the whiplash inducing shifts going on in the US, to say nothing of the geopolitical situation.

At the top level, it is welcome to see a strategy that is coherent and realistic about what the UK can achieve. While it certainly doesn't talk Britain down, there is none, or little, of the exuberant boosterism of the last few years. That is partly due to political change, but it also reflects a changed world environment: whatever we may be standing on, it is not the beginning of an era of global openness. The document recognises this with plans to prepare trade defence measures and trade remedies appropriate to an 'increasingly unfair and protectionist world'.

An overarching theme of the document is its emphasis on services. But, this is not necessarily bad news for manufacturers; alongside a recognition that goods are more intensively traded than services, the Strategy also notes that 'it is a mistake to pit goods and services against one another, noting that one of the best ways to support services trade is to 'piggy-back on a robust trade in goods'.

There is a welcome commitment to work towards achieving more Mutual Recognition Agreements which, the document notes, are particularly important to Advanced Manufacturing – hopefully a sign that the UK government will continue to press for such an agreement on conformity assessment with the EU. There is also a commitment to explore the benefits of joining the Pan-European-Mediterranean (PEM) convention which would simplify rules of origin for importing to the EU.

Where the Strategy is disappointing for manufacturers is in the area of practical support for exporters. There is only a very brief mention of Trade Shows and no revival of the Tradeshow Access Programme (TAP). This means the UK will continue to be an outlier in global marketplaces with our companies often unable to showcase themselves in the same ways that their competitors can.

Taken together the Strategies are good in their intentions and in setting out the macroeconomic framework in which UK trades and must grow. There are some really good initiatives; Made Smarter, the promise of more flexible Levy funding, and some constructive thinking about international trade agreements which will deliver incremental positive change. The challenge now is to tie that big picture thinking into the real economy and deliver tangible benefits.

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