

A woman with dark curly hair and glasses, wearing a pink cable-knit sweater, is focused on assembling a drone. She is holding a small electronic component in her right hand, looking up at the drone's frame. The background is a blurred workshop setting. The overall image has a warm, professional feel.

MAKEuk

# THE MAKERS' MANIFESTO 2024

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# THE MAKERS' MANIFESTO 2024

Manufacturing holds a vital place in the UK economy, contributing £224bn of Gross Value Added in 2023. It's a major driver of innovation, with 43% of R&D investment stemming from the sector. Notably, it's a significant contributor to job creation, employing 2.6 million people nationwide. Moreover, manufacturing offers solutions to pressing economic challenges like climate change and the volatility of global supply chains.

This sector is renowned for its high-skill, high-wage nature, boasting average wages which are 9% higher than the national average. Across the length and breadth of the country, from Andover to Aberdeen, from Cornwall to Carlisle, manufacturing businesses of all shapes and sizes are leaving their mark. They're not just factories churning out goods but engines of local prosperity, injecting life into communities and driving economies forward. The sector's heartlands are primarily in rural and regional areas that are often overlooked by the spotlight on London and the South East. These companies are the backbone of regions that are eager for growth.

But it's not just about jobs; it's about skill-building too. Every year, nearly 50,000 engineering and manufacturing apprenticeships are offered by UK manufacturers, nurturing the next generation of talent and keeping skills alive in communities. They're not just places of work; they're the heartbeat of towns, fostering a sense of belonging and opportunity. They attract investment, bring innovation, and shape the identity of the places we call home.

And they're not stopping there. Manufacturers have their eyes set on the horizon, aiming to ride the wave of a net-zero economy and embrace cutting-edge technologies like AI and digitalisation. Their goal? Nothing short of becoming the most innovative economy on the planet. They're not content with the status quo; they're striving for a future where sustainability and prosperity go hand in hand.

The sector has demonstrated resilience and adaptability in recent years, setting the stage for further growth in the future. Ambitious plans aim to boost UK competitiveness by increasing manufacturing's contribution to GDP from 10% to 15% by the end of the next decade. Achieving this target would inject an additional £142 billion into the UK economy, fostering long-term domestic and foreign investment.

By 2050, UK manufacturers aim to achieve net-zero emissions, prioritising energy efficiency and industrial innovation every step of the way. We envision a world where every factory operates without a single sheet of paper, and where automation fuels productivity and progress. To achieve all of that, we need support that compares to what other countries and governments are doing to provide their manufacturing sectors with funding, regulation and guidance.

We should never forget that, throughout the COVID-19 pandemic, the UK manufacturing sector proved itself indispensable. Manufacturers continued operations, supplying essential goods such as food, hand-sanitiser, and life-saving equipment. The challenges brought by supply chain disruptions highlighted the critical role of domestic production in ensuring economic resilience.

Shortages in vital resources like food or microchips can impact not only the manufacturing sector but also the overall competitiveness of the economy in an interconnected world. While relocating all production domestically may not be feasible, the Government has significant opportunities to bolster the manufacturing sector, create high-quality jobs, and position the UK as a robust, resilient and competitive economy.

Many of the principles contained in this manifesto also apply to the UK defence industry, which will be required to increase capacity to service the increasing spend on defence as a proportion of GDP. Additionally, we need to improve

Ministry of Defence procurement processes in order to ensure agility, fully utilise the defence SME sector and encourage industrial investment.

Looking ahead, it's evident that UK manufacturing must evolve to stay competitive on the global stage. Manufacturers across the nation are setting ambitious goals to spur growth while aligning with both national and international sustainability targets.

Together, through smart policy, strategic incentives, and collaborative partnerships, we can pave the way for a brighter, greener, and more prosperous future for all.

**We now need to move beyond ambition to make these opportunities happen. But manufacturers cannot do it alone. We need the next government to help us Make It Together.**

**THIS IS THE  
MAKERS'  
MANIFESTO.**



# MANUFACTURING: THE ENGINE OF ECONOMIC GROWTH



If we were to **increase manufacturing GDP FROM 10% TO 15%** it would add **£142BN** of additional value to our economy

# MANUFACTURING: THE FACTS

The UK manufacturing sector delivers

**£224BN**

a year in gross value-added output



**Manufacturing is leading on investment compared to other sectors:** last year, the total investment in manufacturing was

**OVER £34BN**



The total percentage of **GDP CONTRIBUTION**

from manufacturing firms

**EXTENDS TO 23%**



when accounting for the wider indirect activities generated across supply chains

Manufacturing companies alone account for

**ALMOST HALF**

(49%) of all UK exports, amounting to

**£290BN+**

worth of goods

Manufacturing firms provide

**2.6 MILLION JOBS**

with average wages

**9% HIGHER**

than the rest of the UK economy

**EVERY £1**

the manufacturing industry contributes

**SUPPORTS ANOTHER £1.80**

in the wider economy<sup>1</sup>

<sup>1</sup>MTA/Oxford Economics <https://www.mta.org.uk/events/oxford-economics-report-launch-the-true-impact-of-manufacturing/>

# OBJECTIVES FOR GOVERNMENT

In our Makers' Manifesto we have set out ten key objectives which we believe are crucial for the next government if they want to support and grow the UK's manufacturing sector to meet these ambitions:

## 1. A LONG-TERM, ROBUST AND MODERN INDUSTRIAL STRATEGY

87% of manufacturers say they are at a disadvantage compared to our international competitors because of a lack of a UK industrial strategy.

## 2. MAXIMISE THE OPPORTUNITIES OF A NET ZERO ECONOMY

2 in 5 manufacturers have identified growth opportunities in the net zero economy. Yet 71% say they need government help to seize these opportunities, citing the cost of the investment as a barrier to driving energy efficiency and securing their transition to net zero.

## 3. GROW AND DEVELOP MANUFACTURING FUTURE TALENT

Fewer than 1 in 5 firms believe that current government support for skills training is adequate and the number of engineering and manufacturing apprenticeships in England is 38% lower than before the Apprenticeship Levy was introduced.

## 4. RETRAIN AND UPSKILL THE CURRENT WORKFORCE

With 61,000 unfilled vacancies in manufacturing right now, UK manufacturing firms are losing approximately £6.5bn in potential output each year.

## 5. UNLOCK INNOVATION, SUPPORT COMMERCIALISATION, ACCELERATE DIGITAL ADOPTION AND AUTOMATION

60% of manufacturers have seen automation improve their productivity and 50% saw increases in labour efficiency.

## 6. CREATE THE RIGHT CONDITIONS FOR BUSINESSES TO INVEST

Investment fuels business growth and is vital for both startups and established firms. Despite significant global economic challenges, UK manufacturers invested over £34bn in 2023, an increase of 4% on the previous year.

## 7. BOOST MANUFACTURING EXPORTS ACROSS THE GLOBE

Almost half of all UK exports (49%) were goods in 2022, meaning manufacturing is this country's largest individual export producer.

## 8. INVEST IN PHYSICAL AND DIGITAL INFRASTRUCTURE TO ENABLE LOCAL AND NATIONAL GROWTH

Infrastructure is the backbone of the economy. Well-developed infrastructure attracts investment and people, and enriches communities.

## 9. BUILD THE FUTURE FACTORY WITH AI

Artificial Intelligence (AI) holds immense potential to revolutionise the manufacturing sector, improving efficiency, productivity, and innovation.

## 10. MAKE OUR SUPPLY CHAINS MORE RESILIENT

79% of firms say that supply chain vulnerabilities are a strategic risk to their business over the next two years.

# 1.

## A LONG-TERM, ROBUST AND MODERN INDUSTRIAL STRATEGY

The lack of a comprehensive, independent, industrial strategy is the UK's Achilles' heel. Every other major economy, from the EU to China to the US, has a long-term national manufacturing plan, underlying the importance of an industrial base to the success of its wider economy and connected net zero plan. The UK is the only country not to have one. If we are to not only tackle our regional inequality but also compete on a global stage, a national manufacturing plan is imperative.

The last decade has seen a significant change in the international trading environment for manufacturers in the UK, from navigating the UK's exit from the EU to managing and supporting the UK's response to the COVID-19 pandemic. These acute impacts came alongside growing uncertainty about the international rules-based trading environment managed by the World Trade Organisation (WTO) and a move in many countries away from globalisation and established patterns of international trade.

Top economies across the globe are gearing up for the race to attract investment and the best talent and to become pioneers in providing solutions for global challenges such as the need to meet net zero targets. The UK Government has set out its stall: a £4.5 billion Advanced Manufacturing Plan. Whilst this is a welcome start to deliver better coordination across manufacturing, in particular the clean energy sectors, the plan must be used as a vehicle to develop a fuller, longer-term vision.

Manufacturers need a framework to guide them beyond 2030, providing businesses with policy continuity for informed decision-making. The UK needs a strategy that will address the challenges and opportunities presented by the low adoption rate of digital tech, especially among SMEs; growing labour shortages and a heightened skills gap; building resilient supply chains and accelerating decarbonisation to take advantage of the opportunities brought by net zero.

The UK manufacturing sector is now at a critical juncture. The policy landscape has changed significantly in recent years and more changes are yet to come, from the transition to net zero to the rapidly accelerating technological change of the fourth industrial revolution. This means that the country needs a long-term, robust, modern industrial strategy that will withstand political chop and change. Any plan should go beyond parliamentary cycles, be independent of political change, and be driven by industry, for industry.

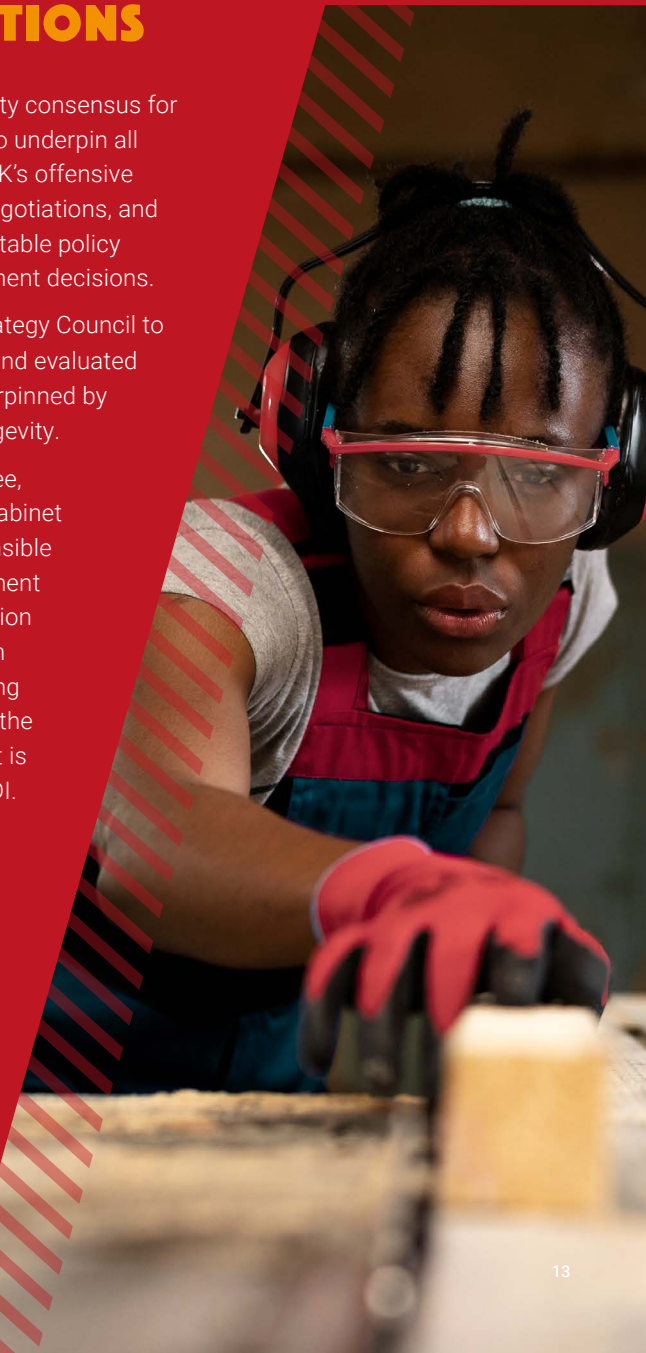


of manufacturers say they are  
**AT A DISADVANTAGE**  
 compared to our international competitors  
 because of  
**A LACK OF A  
 UK INDUSTRIAL  
 STRATEGY**



## RECOMMENDATIONS

- ✓ Develop a long-term cross-party consensus for a modern Industrial Strategy to underpin all economic policymaking, the UK's offensive and defensive asks in trade negotiations, and to provide businesses with a stable policy environment to inform investment decisions.
- ✓ Re-establish the Industrial Strategy Council to ensure the plan is monitored and evaluated by an independent body, underpinned by statutory status to ensure longevity.
- ✓ A dedicated Cabinet Committee, underpinned by a beefed-up Cabinet Office, should be made responsible for ensuring whole-of-government coordination and implementation of industrial policy and Foreign Direct Investment (FDI), building on the Harrington Review and the positive steps the Government is taking to refocus efforts on FDI.





## 2.

# MAXIMISE THE OPPORTUNITIES OF A NET ZERO ECONOMY

In 2019, the UK became the first major economy to set a legally-binding target to reduce its greenhouse gas emissions and achieve 'net zero by 2050'. We are also the first and only industrialised nation to have almost completely phased out coal over the last decade. Today, almost half of the UK's energy mix comes from renewable energy, notably wind power. The UK is a global leader in tackling climate change and capitalising on the exciting growth opportunities that net zero will provide over the coming decades.

The work of manufacturers will be vital to this country meeting its net zero ambitions. The manufacturing sector has the potential to become a leader in net zero technologies and expertise, attracting billions of pounds in investment, creating more well-paid jobs and moving the dial on productivity and growth. For that to happen, however, the right incentives must be in place. Affordable and reliable energy are vital for the UK industrial sector, which has some of the highest electricity prices in Europe. Energy costs should be cut to par with international competitors to allow UK manufacturers to compete.

## RECOMMENDATIONS

- ✓ Increase electricity grid capacity and flexibility to enable industrial producers to electrify further and to feed surplus energy into the national supply as a matter of urgency.
- ✓ Incentivise those who invest in green projects and take steps towards decarbonisation. The 100% relief on business rates for the first 12 months after an improvement to buildings (e.g. insulation) or an investment in (green) plant machinery and equipment for sustainability purposes does not account for realistic time-frames required for manufacturers to implement these new technologies, and remains punitive. It should apply for the first three years after spending, rather than only 12 months.
- ✓ Energy and carbon tax support schemes should be accessible not only to SMEs but also to the (not so many) mid-corporate firms (>250-499 employees) who represent the average manufacturing business and are particularly vulnerable to energy and other crises.
- ✓ Review the energy and carbon pricing system to support the transition from fossil fuels and ensure a reliable and economically sustainable supply of clean energy in the future.
- ✓ Align the UK CBAM with the EU CBAM in terms of timescale and design to provide a level playing field with the EU competitors and prevent potential trade diversion and dumping of high-emission industrial products into the UK market.



## 2 IN 5

manufacturers have identified opportunities in the net zero economy



say they need government help to seize these opportunities, citing the cost of the investment as a barrier to driving energy efficiency and securing their transition to net zero



## 3.

## GROW AND DEVELOP MANUFACTURING FUTURE TALENT

Despite positive intentions, skills reforms over the last decade have not so far enabled manufacturers to recruit and train the people they need. In England, the number of engineering and manufacturing apprentices has fallen by more than a third since the introduction of the Apprenticeship Levy in 2017, with over £3 billion of unspent levy funds returned to HM Treasury in that time.

The taxpayer has contributed £1.6bn towards the new T Levels since that system was introduced in 2020, yet just 1% of the available cohort has so far enrolled while the alternative qualifications (BTECs) are being run down. No wonder more than half of manufacturers say they cannot access the talent they need locally, and fewer than one in five believe that the current government support for skills training is adequate. We must create a future fit talent pipeline to power manufacturing and engineering into the future.

## RECOMMENDATIONS

- ✓ The next government needs not just a root-and-branch review of the Apprenticeship Levy as a funding mechanism, but the wider apprenticeship system – ensuring that employers can recruit and retain apprentices, training providers can offer the right courses, and apprentices are developing the right knowledge, technical skills and behaviours to thrive in the workplace.
- ✓ Better support for employers to take on industry placements. As T Levels continue to be rolled out and, under current plans, evolve into the Advanced British Standard, the success of these new post-16 education options depends on businesses being able to host students on industry placements. The next government will need to consider how employers can be supported to offer more of these opportunities to the future skilled workforce.
- ✓ Focus on digital skills across the curriculum. Gaining and developing digital skills will be the defining challenge for the current and future workforce over the next decade. The next government should enshrine basic digital skills across the pre-16 curriculum, ensuring that young people entering apprenticeships, technical education or full-time employment have a basic level of digital skill.

Fewer than  
**1 IN 5** firms believe that current government support for skills training is adequate



The number of engineering and manufacturing apprenticeships in England is

**38% LOWER**

than before the Apprenticeship Levy was introduced



## 4.

## RETRAIN AND UPSKILL THE CURRENT WORKFORCE

The single biggest step to boosting economic growth would arise from filling a significant proportion of the 61,000 unfilled vacancies in the manufacturing sector. Too often, past reforms have been well-intentioned, but do not work for learners or businesses across the country, and the system is, once again, reinvented. Manufacturers require assistance in training and upskilling their existing workforce to adapt to evolving technologies and industry demands.

With  **61,000** unfilled vacancies in manufacturing right now UK manufacturers are losing approximately

**£6.5BN**

in potential output each year

## RECOMMENDATIONS

- ✓ Improve support for workplace training through more generous tax relief. Through initiatives such as full expensing, R&D tax credits and others, manufacturers have benefited from measures in the tax system to support investment in physical capital. They lack similar incentives for investment in human capital. The next government should consider the effectiveness of current tax reliefs on training and the scope for better financial incentives for employers to invest in workforce development.
- ✓ Review the skills landscape for existing workers. Despite efforts to simplify the education landscape for young people, there is a range of new and existing publicly funded training programmes – both at a national and devolved level – intended for working-age adults, which suffer from low awareness and take-up from employers. The next government should review these programmes to design a clearer set of pathways for employers and employees to access upskilling and retraining options.
- ✓ Introduce a Manufacturing Mentor Scheme. Leadership and management skills are the top priority for manufacturers. The current *Help to Grow: Management* scheme is well-intentioned but falls short of what is needed. With an ageing workforce and an increased rate of retirement since the COVID-19 pandemic, the next government should explore a mentorship programme that will help to develop the next generation of manufacturing leaders.

## 5.

# UNLOCK INNOVATION, SUPPORT COMMERCIALISATION, ACCELERATE DIGITAL ADOPTION AND AUTOMATION

Through our world-leading universities and top-class industry-led research and development (R&D), science and innovation play a central role in encouraging prosperity and economic growth in the UK. Our expertise in innovation and creativity stands out, but when it comes to bringing these innovations to market, we find ourselves falling behind.

The manufacturing sector is in the midst of transformative change, with technologies powered by the Fourth Industrial Revolution reinventing its products and production processes. Through automation and new digital technologies, UK manufacturers are reshaping our economy for the better. While some businesses are already reaping the rewards, many manufacturers are yet to embark on their digital journey.

The benefits of such investments are staggering, driving up productivity and slashing operational costs, though the most significant productivity gains from digital adoption lie within SMEs.



The Government has a fundamental role to play in driving adoption by aligning industrial strategy with the digital future of manufacturing. By tackling the common barriers to growth – access to skills, finance, and expertise – we can pave the way for technological advancements that will underpin economic growth and the drive to Net Zero.

## RECOMMENDATIONS

- ✓ Take forward the commitment to expanding the Made Smarter Adoption program – which is helping SME manufacturers access technology and digital skills - to all nine English regions.
- ✓ Re-establish an updated modern Manufacturing Advisory Service to help disseminate best practices and the latest insights to boost firm-level productivity from a wider perspective than solely digital adoption.
- ✓ Incentivise automation to improve workplace productivity and competitiveness across the sector.
- ✓ Create further opportunities for universities, innovation agencies, and catapults to work with industry to map the total end-to-end journey of research to market product development, aiding the commercialisation of innovation.



**60%** of manufacturers saw automation improve their productivity and 50% saw increases in labour efficiency

## 6.

## CREATE THE RIGHT CONDITIONS FOR BUSINESSES TO INVEST

**Investment fuels business growth and is vital for both startups and established firms. Despite significant global economic challenges, UK manufacturers invested over £34bn in 2023, an increase of 4% on the previous year.**

Investment is not only necessary for purchasing plant and machinery, it also supports growth in productivity, employment, and innovation. To incentivise greater investment, government must do more to promote opportunities to access financial support.

Indeed, despite accounting for only 9% of the UK economy, manufacturers account for a disproportionately large 14% of total business investment in the UK. However, more than half of firms are unaware of most of the leading sources of public support. Make UK calculates that improving access to and awareness of financial supports could generate an additional £9.2bn in investment each year.

Additionally, policies must align with business cycles if they are to work effectively. The average investment cycle for a UK manufacturer is 7 years from inception to implementation, yet the typical government support scheme lasts less than two years.

Where HM Government gives with one hand, it sometimes takes away with the other. For example, creating more generous capital allowance schemes, whilst also raising corporation tax, sends mixed signals to decision-makers about the UK's long-term objectives. Currently, if a manufacturing firm purchases new productivity-improving production equipment or installs a carbon footprint-reducing wind turbine in their factory, those investments will result in the company paying higher business rates tax.

Our international competitor states, notably Germany, offer tax reductions to firms that make investments in the national interest. In the UK, conversely, the business rates system punishes firms for making the very investments to increase productivity or reduce carbon emissions which our economy desperately needs.

Moreover, there remains untapped potential to export more British manufactured goods across the globe. However, the UK business environment remains in many ways restrictive, actively inhibiting the development and growth of our manufacturing sector.

## RECOMMENDATIONS

- ✓ In the short term, implement a multiplier freeze to business rates to allow manufacturers to adjust to their new rates.
- ✓ In the longer term, review the business rates system to remove the disincentive it places on firms making investments in the technologies our economy needs.
- ✓ Expand full expensing capital allowances to allow for leasing of capital and upcycling of second hand plant and machinery to simultaneously boost productivity and reduce carbon emissions.
- ✓ Make use of modern digital technologies to centralise information on public support to reduce the knowledge gap for accessing finance and use the re-established Manufacturing Advisory Service to help spread awareness of support opportunities.

## 7.

## BOOST MANUFACTURING EXPORTS ACROSS THE GLOBE

**The UK needs to unlock the untapped potential of exporting more of our goods across the globe. An export strategy built on the UK's offensive and defensive priorities is essential. While the need to replicate the high volume of pre-existing trade agreements was an immediate necessity after Brexit, our trade strategy has been dominated in recent years by negotiations by numbers. Trade deals involve difficult trade-offs. It is important to now have open discussions between government and industry as to our priorities for each agreement.**

British manufactured goods are exported across the globe but there remains untapped potential to increase exports, starting with greater support and guidance and improve market access to new and existing markets. Four years on from the UK-EU Trade Cooperation Agreement (TCA), there remain many challenges that hinder trade growth with the EU, whilst utilisation of other trade deals remains stubbornly low. The ambition remains a target of £1 trillion in exports by 2030, though our current UK performance is behind international comparisons and we lag behind comparable G7 nations.

There is an urgent need to align an export strategy with a new industrial strategy as both support our advanced manufacturing sector. Immediate attention should be given to improving trading terms with the EU and with other countries where these can aid market access and reduce costs for exporters. Using the UK's leadership in digital trade facilitation will lead to reduced costs and improved market access, particularly for SMEs. Improved utilisation of trade agreements through more market information, advice and sovereign support schemes will support smooth market entry.

## RECOMMENDATIONS

- ✓ Develop effective monitoring of EU and UK regulatory developments, to help inform government and business of future changes. Government should set up and manage a regulatory divergence database, so that businesses and government are fully aware of EU regulatory changes.
- ✓ Government must establish a mechanism for ongoing and active consultation with industry to decide where it is appropriate to maintain alignment with EU regulatory changes and where opportunities for divergence might apply, bearing in mind the implications for Northern Ireland.
- ✓ Ensure a package of practical and financial measures are available, including trade shows and other sovereign supports to help boost export growth, particularly for SMEs.
- ✓ Boost access to skills development and training for all exporters to improve export knowledge, for example, through a 'Help to Grow Exports' initiative modelled on the 'Help to Grow Management' scheme.
- ✓ Continue work to improve the UK's trading terms with the EU, finding solutions through the TCA to simplify export challenges and develop cooperation to boost investment and trade.
- ✓ Link a trade strategy and industrial policy to maximise future trade opportunities. To further UK trade and export interests, government must work with business on a trade agreement programme that is flexible and bespoke, incorporating FTA's and bilateral sector or issue deals that support the UK's strategic industrial interests.



## ALMOST HALF OF ALL UK EXPORTS

**(49%) were manufactured goods in 2022, meaning manufacturing is this country's largest individual export producer**

## 8.

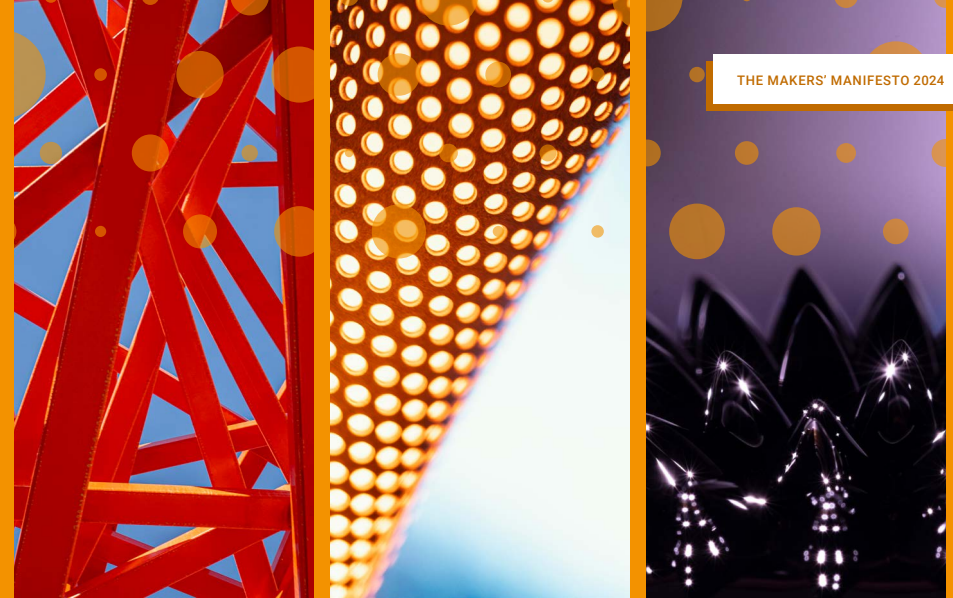
# INVEST IN PHYSICAL AND DIGITAL INFRASTRUCTURE TO ENABLE LOCAL AND NATIONAL GROWTH

**Infrastructure is the backbone of the economy. Well-developed infrastructure attracts investment and people, and enriches communities.**

The National Grid requires support and investment to expand capacity if the UK is to meet its net zero targets without compromising the manufacturing sector's ability to produce. Freight and transport capacity also need significant improvement – particularly outside of London and the South East – if we are to re-balance our economy and enable industrial growth.

But infrastructure is not just physical. Infrastructure has extended into digital satellites and computer systems that transmit data across the globe. We need 21st century digital infrastructure that can sustain economic growth and provide the cyber security that the modern manufacturing sector requires.

Moreover, while businesses need sufficient infrastructure to succeed, their employees do too. The current cost of living crisis and record levels of house prices have highlighted that no industrial strategy or place-based government policy can achieve its aims if firms aren't able to find the workers they need. However, workers won't join a firm if they can't find a home nearby to live in. Thus, sufficient industrial infrastructure must be coupled with sufficient housing.



## RECOMMENDATIONS

- ✓ The Government should publish a clear and accessible Modern Methods of Construction Strategy for legislators, agencies, developers, planners, investors, and manufacturers.
- ✓ Review the Future Homes and Building Standard to ensure that we are building homes today that won't need retrofitting tomorrow.
- ✓ Provide 600 fully-funded planning apprenticeships to create the long-term talent pool and additional capacity in local planning authorities.
- ✓ Ensure competitive industrial electricity prices globally, providing a fair platform for decarbonization options. This supports UK industry to thrive, grow, and maximize benefits from the net zero mission.
- ✓ Improve grid connections for industrial businesses moving to electrification.
- ✓ Government should adopt global best practices, like Germany's long-term National Infrastructure Plan, to improve procurement and investment.
- ✓ Expand the local electrification supply chain for UK businesses shifting from gas to electricity.
- ✓ The next government should retain its HS2 landholdings until a comprehensive long-term strategy for rail has been developed.

## 9.

## BUILD THE FUTURE FACTORY WITH AI

Artificial Intelligence (AI) holds immense potential to revolutionise the manufacturing sector, improving efficiency, productivity, and innovation. Predictive maintenance and quality control, powered by AI, reduces machinery downtime and ensures consistent product quality. AI-driven analytics can optimise resource allocation and operational efficiency through data-driven decision-making. Generative AI is also helping to solve complex design engineering challenges, complementing the existing human workforce by enabling them to devote their time to more creative and productive tasks.

Although AI has numerous benefits, it is still an evolving technology that requires proper regulation for both businesses and consumers. Regulation of AI will help with responsible deployment, and mitigate risks such as cyber security attacks, data privacy breaches, and algorithmic bias.

## RECOMMENDATIONS

- ✓ Establish frameworks for secure data exchange and collaboration to enable manufacturers to leverage shared datasets for AI development and optimisation, driving advancements in process efficiency and product quality.
- ✓ Create regulatory sandboxes and testbeds for manufacturers of all sizes to test new AI applications under controlled conditions, allowing regulators to assess risks and develop appropriate use and regulations. This can help manufacturers navigate regulatory complexities and ensure compliance while innovating with AI technologies.
- ✓ Review the business rates system to remove the disincentive it places on firms making investments in the digital technologies that would boost productivity and help to digitise, automate, and decarbonise production processes.

10.

## MAKE OUR SUPPLY CHAINS MORE RESILIENT

In recent years, we have witnessed how supply chain disruption has created unprecedented challenges for businesses across the globe, a pattern of volatility which is fast becoming the new normal. The COVID-19 pandemic, followed by Russia's invasion of Ukraine, not to mention other geopolitical events in the Gulf, Suez and Panama canals and South Pacific, all highlighted the interdependent nature of modern supply chains. These events further exposed how vulnerable global supply chains can be to national and international disruption, significant trade restrictions and disruptions in the supply of materials and resources, especially energy.

HM Government has published its critical import and supply chain strategy and set up a Critical Imports Council, which aims to help UK businesses build secure and reliable supply chains. Make UK welcomes this focus on greater resilience, but it is only the first step in ensuring that the UK can adapt to long-term trends and become a centre for excellence for supply chain analysis.

## RECOMMENDATIONS

- ✓ The Government should work with industry to develop and publish data to understand lead times and allow manufacturers to plan.
- ✓ Work with industry to explore how larger firms can provide greater visibility of supply chains at higher tiers to share information with SMEs with limited scope. Exploring how larger firms and OEMs can provide greater visibility to share more broadly will improve overall end-to-end visibility.
- ✓ Develop regional institutions and establish long-term initiatives to deliver supply chain support, using devolved areas and the revived Manufacturing Advisory Service to test and pilot ways to support manufacturers.







Make UK is backing manufacturing – helping our sector to engineer a digital, global and green future. From the First Industrial Revolution to the emergence of the fourth, the manufacturing sector has been the UK's economic engine and the world's workshop. The 20,000 manufacturers we represent have created the new technologies of today and are designing the innovations of tomorrow. By investing in their people, they continue to compete on a global stage, providing the solutions to the world's biggest challenges. Together, manufacturing is changing, adapting and transforming to meet the future needs of the UK economy. In a forward-thinking, bold and versatile sector, manufacturers are engineering their own future.

**[www.makeuk.org](http://www.makeuk.org)**  
**@MakeUKCampaigns**  
**#BackingManufacturing**

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