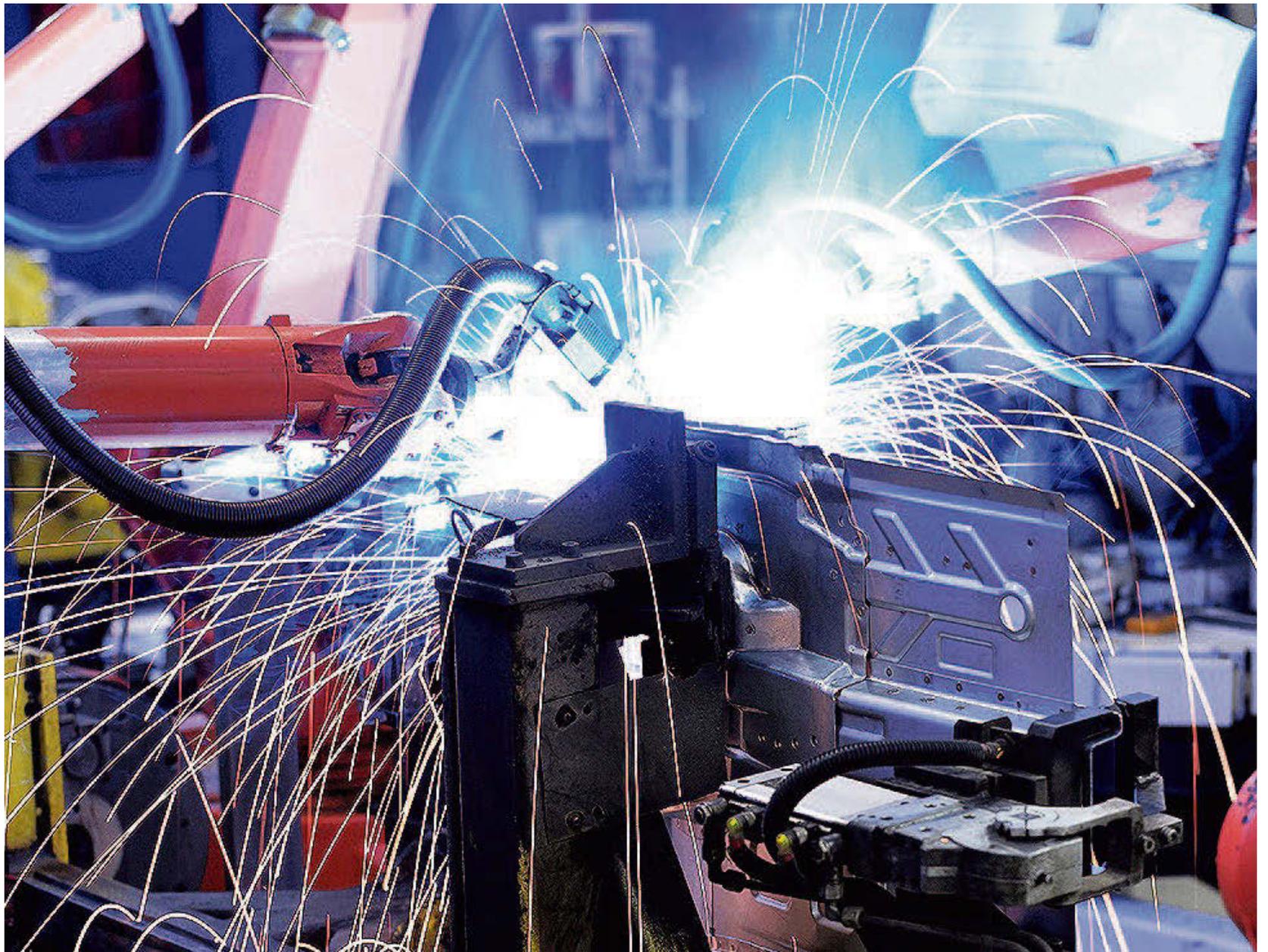


► It is encouraging that the Government recognises the need for a coherent industrial strategy. But does the green paper include anything new or is it a rehash of existing concepts?



The industrial strategy is a puzzle for the North East's manufacturing base. Is it a missed opportunity or something to grab and influence, asks Peter Snaith.

# Does green paper go far enough?



► Peter Snaith

It is encouraging that the Government recognises the need for a coherent industrial strategy. But does the green paper include anything new or is it a rehash of existing concepts?

It could have been much shorter, so business leaders who might be inclined to comment on the proposals could digest the key themes quickly and easily.

The 10 pillars are all relevant, but why so many? Simplicity is key for each of the pillars and also for the delivery of the strategy as a whole, for example, encouraging investment in research and innovation is a priority, but support mechanisms and incentives for R&D need to be straightforward.

The previous attempt in the form of the patent box was not as successful as it might have been, in part at least due to the perceived complexities surrounding the scheme.

Measures to boost the appeal of STEM subjects are overdue. Even more needs to be done to require schools and colleges to promote the opportunities that exist in engineering in one form or another, rather than to oversubscribed careers like the law and medicine.

Baby steps are needed to encourage funding for the increased use of robotics and sensors to convince businesses with respect to what is achievable. Many in the manufacturing sector will need help to overcome the perception that the step change to Manufacturing 4.0 is simply too big, it will cost too much and work forces won't be skilled enough to use the new systems after they have been installed.

The investment is huge – return on investment will take time.

For our region the emphasis in the green

paper on “new” industries creates a challenge.

The Government must help existing industries to reinvent themselves and to be more sustainable, especially the foundation industries such as chemicals and steel. But there is a move towards a “place-based” strategy as well as the reference to sectors which can organise themselves being eligible for support.

Assistance should only be given to businesses that take steps to increase productivity, but we must be certain that sector deals will also be available to some of our more traditional industries. I fear there will inevitably be winners and losers.

There is a risk that things might turn out badly for some of the manufacturing businesses in the North of England.

This is despite the strong track record which many of them have in export, in process improvements and step-changes and also in their ability to support the communities in which they are based; but the opportunity for “place-based” strategy provides a fall back to enable our region to achieve its potential.

Protecting the interests of energy users as well as generators is paramount. Measures to ensure the affordability of supply whilst shifting to a low carbon economy must cater for the needs of intensive energy users.

High demand for energy is not necessarily inconsistent with sustainability; the cost base of our process industries, in which energy is such a major portion, must enable them to compete with other jurisdictions on a level playing field.

To bolster our strong geographic location, time zone and politically stable economy – relatively speaking – we need to do more to

offer real financial and other incentives to business to compete with other locations.

Rather than try to “pick winners”, the Government should address these issues and leave businesses to get on with it with as little bureaucracy as possible.

Yes – the Government appears to be taking steps to develop a strategy to help industries in the UK succeed in the long term. But we have a 12 point Brexit plan and now 10 pillars of the Industrial Strategy. The green paper goes far beyond supporting just manufacturing and related “industry” business; to increase productivity across the creative, digital, financial professional and business sectors too.

The demands of these industries vary so widely the Government cannot hope to deliver against its identified objectives in all areas. The paper needs focus – not “points” – it should focus not on individual sectors but on fundamental spending priorities such as energy, infrastructure and education and step back and leave business to get on with the job.

The Government does not intend the green paper to be the last word and it is seeking a response from stakeholders in relation to specific elements of the strategy and also as to whether they have identified the right areas to focus on.

If you would like to participate in a roundtable event, hosted by Bond Dickinson, to enable business leaders, journalists and representatives from industry support associations working in our region to exchange views and ideas with respect to how the Government might best proceed contact me at [peter.snaith@bonddickinson.com](mailto:peter.snaith@bonddickinson.com).

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