

PHOTO RE

UK Industrial Strategy

A leading destination to invest and grow

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BRITAIN & NORTHERN IRELAND

CONTENTS

FOREWORD FROM THE PRIME MINISTER	1
FOREWORD FROM SECRETARIES OF STATE GREG CLARK AND LIAM FOX	2
AN INDUSTRIAL STRATEGY FOR INWARD INVESTOR AND PARTNER COUNTRIES' SUCCESS	4
GRAND CHALLENGES	8
BUSINESS ENVIRONMENT	12
SECTOR DEALS	18
IDEAS	20
PEOPLE	24
INFRASTRUCTURE	28
PLACES	34

FOREWORD FROM THE PRIME MINISTER



10 DOWNING STREET
LONDON SW1A 2AA

Britain is a fantastic place to do business, a country that built itself on trade, enterprise and innovation. In the years ahead we are determined to make it even stronger, fairer and more outward-looking than before. As we depart from the European Union we will continue to draw on all the world's talents, be open to every market and a magnet for investment from every corner of the globe.

That is why one of my first actions as Prime Minister was to develop a modern Industrial Strategy, to build on our many strengths and so create an economy that is fit for the future. Every successful free-market economy needs firm foundations: the skills of its workers, the quality of the infrastructure, and a fair and predictable business environment. The United Kingdom has many great strengths. Our universities and scientists are second to none. We host many world leading sectors, from pharmaceuticals and aerospace to creative and automotive. But to thrive in the global economy we know we have to do more to improve the skills of our workers, upgrade our transport infrastructure, and raise standards across every part of the country.

This Industrial Strategy shows how we will do this, in a partnership between government and business. We have set out a large, sustained increase in research and development funding to put the United Kingdom at the forefront of technological change. There is a clear and ambitious plan to help young people develop the talents they need for high skilled jobs. It identifies the industries that are of strategic value to our economy, and works to create a partnership between government and industry to nurture them. That is how we will propel Britain to global leadership of fast growing industries such as artificial intelligence and big data, clean energy and self-driving vehicles.

Two centuries ago it was our industrial revolution which led the world. Thirty years ago, it was our bold, pro-market reforms which set an example for others to follow. Today, our ambition is just as high. As we leave the European Union and forge a new path for ourselves, so we will build a country that is fit for the future - a truly global Britain.

A handwritten signature in black ink, appearing to read 'T. May'.

FOREWORD FROM SECRETARIES OF STATE GREG CLARK AND LIAM FOX

In a global economy that is changing rapidly, shaped by the emergence of new technologies, the UK is a great place to invest.

We are a strong economy with widely admired institutions and some of the world's leading businesses and universities. We are a location of choice for businesses at the cutting edge of innovation and technology, attracting more overseas investment in research and development (R&D) than many major countries, including Germany, France and China.

Our flexible, skilled labour market, high levels of employment and competitive environment - with high standards and a dependable rule of law - make us a great place to do business. We are ranked seventh globally in the World Bank's Ease of Doing Business Index.¹ Our strengths are many and diverse, from our scientific and financial prowess to the vitality of our cultural and artistic life.

The UK is in the top five of the Global Innovation Index² and at the cutting edge of technologies such as satellites, synthetic biology and cybersecurity. We specialise in sectors ranging from automotive and aerospace to creative industries and financial, professional and business services, which are our biggest exporters. We are also a magnet for international businesses and talent and contain some of the world's most

attractive places to live, work, invest and be entertained.

Our long term Industrial Strategy aims to build on these achievements and do even more to support businesses to thrive and prosper in the open, transparent, liberal market economy of the UK. We focus on strengthening the UK's innovation, skills, infrastructure, business environment and places, as well as taking action to put the UK at the forefront of global changes such as new technologies and climate change.

This booklet sets out some of the ways in which our Industrial Strategy can help your business to succeed and flourish in the UK. We hope that you can be part of this future and offer a number of ways in which we can support you, from helping businesses to export to welcoming inward investment and collaboration from new and established partners across the globe.



Greg Clark

Rt Hon Greg Clark MP
Secretary of State for Business, Energy and Industrial Strategy



Liam Fox

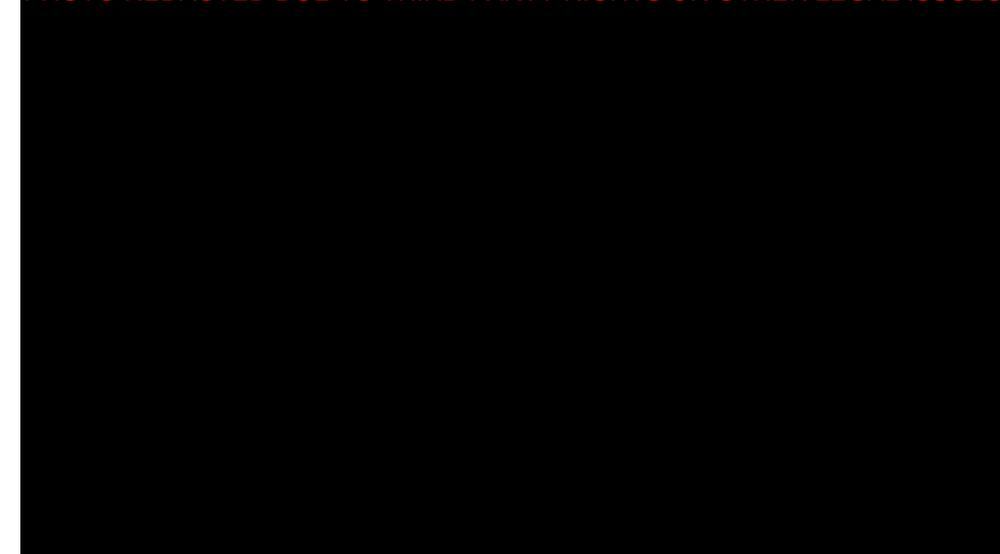
Rt Hon Liam Fox MP
Secretary of State for International Trade and President of the Board of Trade



WHY THE UK?

- ✓ *Stable, transparent legal and regulatory regime*
- ✓ *Fair and open public procurement procedures*
- ✓ *Lowest rate of corporation tax in G20 and ranked in top ten for ease of doing business*
- ✓ *Generous tax incentives for research and development*
- ✓ *Proactive approach to reducing regulatory burden*
- ✓ *World leading R&D environment*
- ✓ *Top tier ranking by business for our Intellectual Property system*
- ✓ *Highest proportion of adults with tertiary education in Western Europe*

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AN INDUSTRIAL STRATEGY FOR INWARD INVESTOR AND PARTNER COUNTRIES' SUCCESS

The UK's Industrial Strategy

The UK's Industrial Strategy³ is a partnership with businesses, local government and educational institutions in the UK and overseas to ensure the UK remains one of the best places in the world to innovate, do business, to invest and create jobs. The strategy invests in the skills, industries and infrastructure of the future and supports our citizens and businesses to embrace and benefit from the opportunities of technological change.

Building on our strengths, the Industrial Strategy ensures we remain one of the world's most open economies - welcoming investment from overseas, participating in global supply chains, buying and selling goods and services from all over the world, and continuing our active participation in the international community.

Our vision is for:

- The UK to be the world's most innovative economy, with good jobs and greater earning power for all;
- A major upgrade to the UK's infrastructure;
- The UK to be the best place to start and grow a business; and
- Prosperous communities across the UK.

Our five foundations



Ideas

the world's most innovative economy



People

good jobs and greater earning power for all



Infrastructure

a major upgrade to the UK's infrastructure



Business Environment

the best place to start and grow a business



Places

prosperous communities across the UK

To deliver this vision, we are focusing on five foundations

Our Industrial Strategy focuses on boosting: ideas and innovation, a skilled workforce, modern infrastructure, business growth and strong local economies.

Policies include:

IDEAS

- Raising total R&D investment to 2.4 per cent of GDP by 2027.
- Increasing the rate of the R&D tax credit to 12 per cent.
- Investing £725m in new Industrial Strategy Challenge Fund programmes that make the most of new technologies and capture the value of innovation.

PEOPLE

- Establish a technical education system that rivals the best in the world, to stand alongside our world-class higher education system.
- Invest in maths, digital and technical education, helping to boost science, technology, engineering and maths (STEM) skills.
- Create a new National Retraining Scheme that supports people to re-skill, beginning with a focus on digital and construction training.

INFRASTRUCTURE

- Increase the National Productivity Investment Fund to £31bn, supporting investments in transport, housing and digital infrastructure.
- Support electric vehicles through £400m invested in charging infrastructure and an extra £100m to extend the plug-in car grant.
- Boost our digital infrastructure with over £1bn of public investment, including £176m for 5G and £200m for local areas to encourage roll out of full-fibre networks.

BUSINESS ENVIRONMENT

- Launch and roll out Sector Deals - partnerships between government and industry aiming to increase sector productivity. The first Sector Deals are in life sciences, construction, Artificial Intelligence and the automotive sector.
- Drive over £20bn of investment in innovative and high potential businesses, including through establishing a new £2.5bn Investment Fund, incubated in the British Business Bank.
- Launch a review of the actions likely to be most effective in improving the productivity of small and medium sized enterprises, including how to address the 'long tail' of less productive businesses.

PLACES

- Agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities.
- Creating a new Transforming Cities fund that will provide £1.7bn for inter-city transport. This will fund projects and drive productivity by improving connections within regions.
- Pilot a Teacher Development Premium to invest in high-quality professional development for teachers working in areas which need to increase educational attainment.



£2.5bn
new investment fund
established, incubated in
the British Business Bank

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GRAND CHALLENGES

We are also putting in place Grand Challenges to put the UK at the forefront of industries of the future.

Like all our global partners, we know the world is changing fast. There are major global trends that are significant not just for our economy, markets and people, but for societies across the world. We want to make the most of these 'Grand Challenges' and put the United Kingdom at the forefront of the industries of the future. Our Industrial Strategy identifies four: **Growing our Artificial Intelligence and Data-Driven Economy, Clean Growth, the Future of Mobility** and our **Ageing Society**.

The UK is committed to being at the cutting edge of innovation in these areas and to working with partners - both government and private sector - **from across the globe** to rise to the challenges and take advantage of the opportunities they present. We will focus our efforts in areas where the UK can extend or build distinctive strengths, allowing us to fully take advantage of the market opportunities of the trends that will shape our future.

To respond to these long term Grand Challenges, business, academia, civil society and the government must come together. We will ensure that the government makes the most of all its policy levers to achieve success including regulations, Sector Deals, directing government's convening power and funding capabilities.

We want you to join us in a global response to these opportunities so we can help solve the issues we all face as well as build an innovative market place.

Grand Challenge - Growing the Artificial Intelligence (AI) & Data-Driven Economy

We will put the UK at the forefront of the AI and data revolution.

AI and machine learning are general purpose technologies which are already transforming economies across the world. They are also an area of huge economic opportunity. Global venture capital investment in AI grew by 57 per cent from 2010-2016. The UK has much to contribute.⁴ We are already a world leader in



57%

growth increase in global venture capital investment in artificial intelligence from 2010-2016

AI with some of the best research institutions in the world and globally-recognised capability in AI-related disciplines, including maths, computer science, ethics and natural language processing. We have substantial datasets in public institutions where AI can be explored safely and securely.

As a first step, we are investing £9m in a new Centre for Data Ethics and Innovation. This world-first advisory body will advise the government on how we can enable and ensure ethical, safe and innovative uses of data, including AI.

We will also foster, attract and retain the best and brightest research talent by increasing funding for higher education. We will designate the Alan Turing Institute a national research centre for AI, supporting new Turing fellowships.

We will invest £45m to support additional doctoral studentships in AI and related disciplines, increasing numbers by at least 200 extra places a year by 2020-21, aiming to expand the numbers in UK universities year-on-year into the next decade.

Grand Challenge - Clean Growth

We will make the UK a world leader in the development, manufacture and use of low carbon technologies, systems and services that are cheaper than high carbon alternatives.

The UK has been at the forefront of international efforts to tackle climate change, leading the world in growing our economy while reducing emissions. We have cut emissions by more than 40 per cent since 1990⁵, while our economy has grown by two thirds.⁶

There is a huge market opportunity, not just in technology but in finance. The amount invested in green bonds has gone from over \$1bn to \$100bn in a decade.⁷ We have already set up a Green Finance Taskforce to both accelerate investment into the UK's clean economy and extend the UK's global leadership in setting standards in this area.

Our recently published Clean Growth Strategy⁸ sets out our ambitious proposals for continuing this progress through the 2020s. It is estimated that the UK's clean economy could grow at four times the rate of GDP.⁹

We are developing cutting edge capabilities in smart energy systems, construction and agriculture, building on over £2.5bn of government investment in low carbon innovation set out in the Clean Growth Strategy. We are also investing in fuel switching, energy efficiency, and carbon capture, utilisation and storage.

Grand Challenge - Future of Mobility

We will become a world leader in shaping the future of mobility.

We are on the cusp of a profound global shift in how people, goods and services move around our towns, cities and counties, driven by extraordinary engineering and technology innovations. The UK has significant strengths in many of the most relevant areas of research and development, including AI and complex vehicle engineering. We want to build on those strengths to put the UK at the forefront of this transformation of travel.

The government wants to see fully self-driving cars, without a human operator, on UK roads by 2021. To support this we will make world-leading changes to the regulatory framework, including updates to our Code of Practice for testing automated vehicles so that developers can apply to test their vehicles nationwide without a human safety operator.

The UK is a global leader in electric vehicles which is an area of significant global growth. Sales rose 40 per cent in 2016 alone to over 750,000, up from less than 7,000 in 2010.¹⁰ Building on the work of the Faraday Battery Institute and the Office for Low Emission Vehicles programme, we have announced a package of over £500m to support the transition to zero emission vehicles including on-street infrastructure and wireless projects. Further measures include an R&D competition, the first of its kind in Europe, to explore how simulated digital environments can support and accelerate development of self-driving technology.



£500m

to support the transition to zero emission vehicles

Grand Challenge - Ageing Society

We will harness the power of innovation to help meet the needs of an ageing society.

Across the developed world, as well as in other countries such as China, populations are ageing. Globally, older people will make up a larger proportion of the population - **it is expected there will be 2 billion over 60s by 2050.**¹¹ The prospect of longer lives will require people to plan their careers and retirement differently. Ageing also comes with challenges, including greater caring demands on those working and increased health and social care costs.

The UK will use its unique strengths, including powerful health datasets in the NHS, world-leading design institutes, the AI research community, a strong life sciences sector and the financial services industry, to respond to the global ageing challenge. We are investing in innovative products and services to help older people maintain their chosen lifestyle, and stay independent for longer.

We are also investing in a project to explore how we can make the most of our NHS datasets in a safe, fair and secure manner to develop new tools to diagnose and treat illness earlier.



40%
increase in electric vehicles sales in 2016

BUSINESS ENVIRONMENT

Our Industrial Strategy will make the UK the best place to start and grow a business

The United Kingdom has a global reputation as a great place to do business. We are home to five of the top 10 fastest-growing businesses, with one starting up every 75 seconds. We have a highly competitive tax regime, strong competition framework and are profoundly pro-innovation.

We will work with multinational and foreign businesses to support investment in the UK

In 2016, the UK attracted the most foreign direct investment projects in Europe and, as we leave the EU, we are going to build on these successes. We will work with businesses interested in basing high value investments and operations in the UK and with local partners to make it easier for investors to move here, learning from our international peers. We will explore how best to support multinational firms to locate their headquarters in the UK.

We will become an even more attractive location for R&D

We will work with businesses, our leading universities, research institutes and UK Research & Innovation to make the UK an even more attractive location for R&D activity. The UK has some of the best research facilities and talent in the world and boasts a number of leading sectors, universities and research strengths, which play a pivotal role in private sector R&D investment and attracting opportunities.

Building on these strengths, we are also increasing the rate of R&D tax credits for large firms (R&D Expenditure Credit) from 11 per cent to 12 per cent from 1 January 2018 and providing businesses with the confidence to make R&D investment decisions through a new Advanced Clearance Service for R&D credit claims.

We will support businesses to access international markets, driving up exports

The UK offers an excellent exporting environment - UK exports have increased by 43.3 per cent in the last ten years¹² and businesses that export account for 60 per cent of the UK's annual productivity growth.¹³

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We will be a leading advocate of free trade on the world stage, taking a dynamic and proactive position at the WTO once we have left the EU, and working with our partners through other international organisations and bodies such as the OECD and the UN.

We will work with businesses to ensure the government has the right financial, practical and promotional support in place for new and existing exporters to sell overseas through a review of export strategy, reporting in spring 2018. Nine HM Trade Commissioners are being established, each developing a regional trade plan covering export, promotion, investment and trade policy.

As we forge new trading relationships across the world, the government will help UK companies become global companies by helping them invest overseas. We are evaluating, through pilots, a suite of products and services to support companies investing internationally, both through market entry and expansions. Already, UK Export Finance (UKEF) has launched an updated Overseas Investment Insurance product which can help to reduce risk for UK businesses.

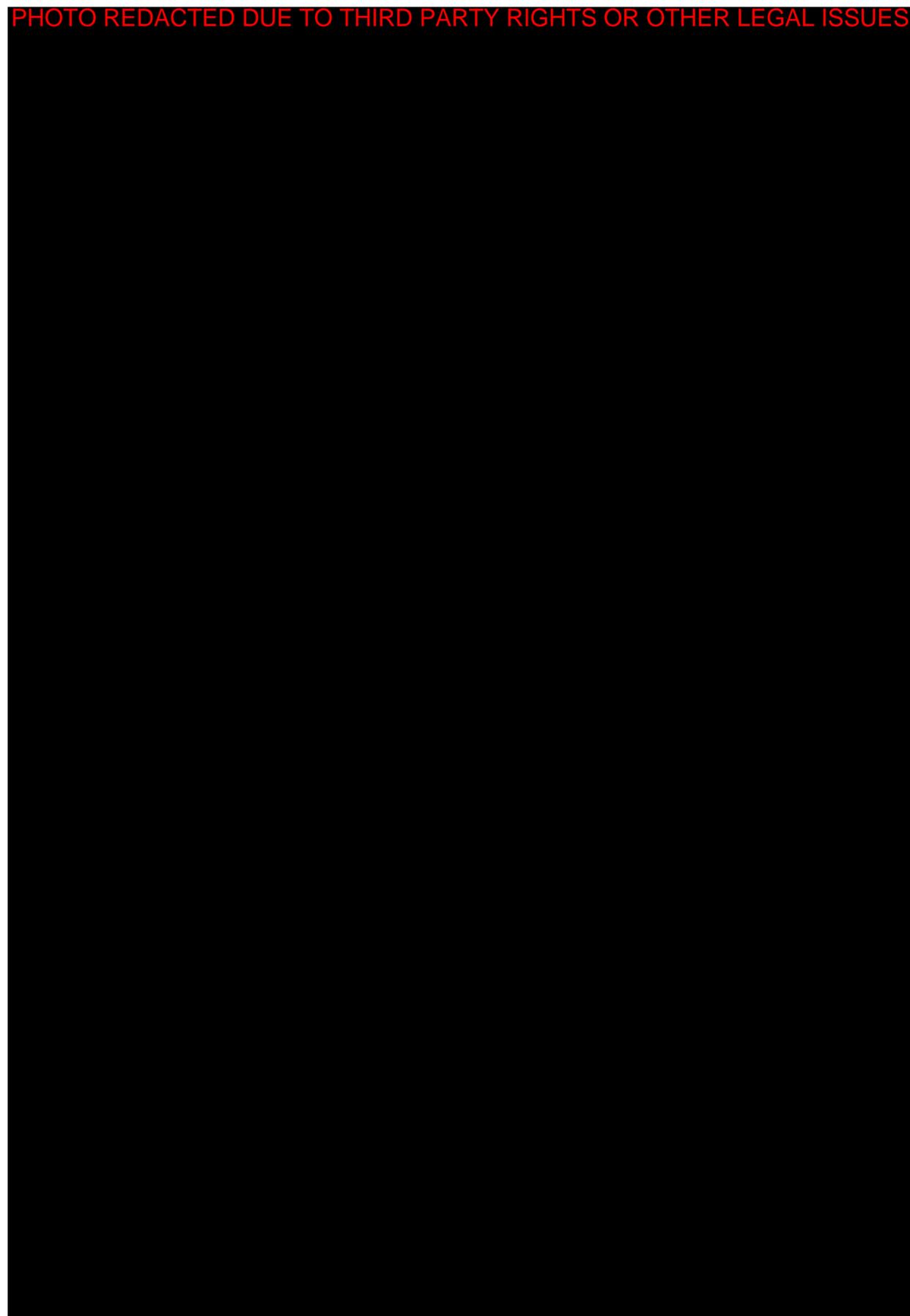
We are also bringing together businesses of all sizes to bid for global infrastructure contracts as a single 'Team UK' consortium, with the potential for support from UKEF and through supply chain fairs.

We will continue to develop the great.gov.uk platform to ensure it meets the needs of more businesses in their export journeys and will pilot intensive export growth support for potential scale-ups and particularly ambitious medium sized businesses.

A strong landscape for access to finance

Whether you're looking to launch, grow or expand your business, we have the finance to support your ambitions. The UK has well established financial systems and a range of options available to enable businesses of all types and sizes to raise finance. Home to the world's leading financial centre,¹⁴ the UK's finance sector serves customers from across the globe.

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60%

of private sector employment created by small and medium sized enterprises in the UK

Companies seeking to expand internationally will list on the London Stock Exchange (LSE). Home to over 2,600 companies from 60 countries, and with a market capitalisation of £4.5tn, the LSE is the third largest stock exchange in the world.

In addition, the UK is home to UKEF, a world-leading export credit agency, with £50bn in capacity and an award-winning range of financial support available to help businesses and investors in the UK win, fulfil and get paid for international business. With a range of flexible and innovative support on offer - ranging from project finance structures, finance in more than 40 international currencies and Islamic finance - UKEF can provide attractive, long-term finance for overseas buyers, as well as helping you harness the strength of the UK supply chain. It can also help you access working capital support to invest in your UK operations to support exports, and insurance to manage risk as you enter new markets from the UK.

To support more high-growth innovative firms to achieve their full potential,

we recently launched a 10-year action plan to unlock over £20bn to finance growth in these firms. This will include setting up a new £2.5bn Investment Fund incubated in the British Business Bank as well as extending and redirecting low-risk investment in the world-leading Enterprise Investment Scheme and Venture Capital Trust tax reliefs, unlocking over £7bn investment for high-growth innovative firms.

International companies operating in the UK are all eligible for the above support.

We will stimulate a business environment in which businesses have the tools to become more productive

The UK is one of the best places in the world to start up and grow a business, with over 1,000 new start-ups every day - a clear endorsement of our business friendly environment.

Small and medium enterprises are valued as a vital part of the UK economy, accounting for approximately 60 per cent of private sector employment,

and 47 per cent of private sector turnover. These businesses are supported nationally and also locally, through Growth Hubs and other partners. We will work to ensure all businesses have access to a local Growth Hub, which brings together local partners to provide joined up business growth and export advice. To help SMEs become more productive, we will trial innovative approaches to drive up the adoption of modern business practices, boosting business productivity across the UK.

Our competition, legal and regulatory frameworks are fundamental to our economic success

We will build on our many existing strengths to ensure the UK is one of the most attractive places in the world to invest and base a company.

Already the UK ranks 7th in the world for ease of doing business.¹⁵ Setting up a company in the UK is quick and simple compared to its counterparts. And we have a reputation for a world-leading

competition regime and our consumer protection framework encourages engaged, active consumers who drive high standards. Added to this, our world class services sector, be it lawyers, financial experts, architects, IT providers and management consultants, helps ensure that businesses have access to the services they need to support their business growth. We will continue to do more to ensure we are a great place to do business, working closely with the Competition and Markets Authority and publishing a Consumer Green Paper that tackles areas where markets are not working for consumers and businesses.



1,000+

new start-ups every day in the UK

SECTOR DEALS

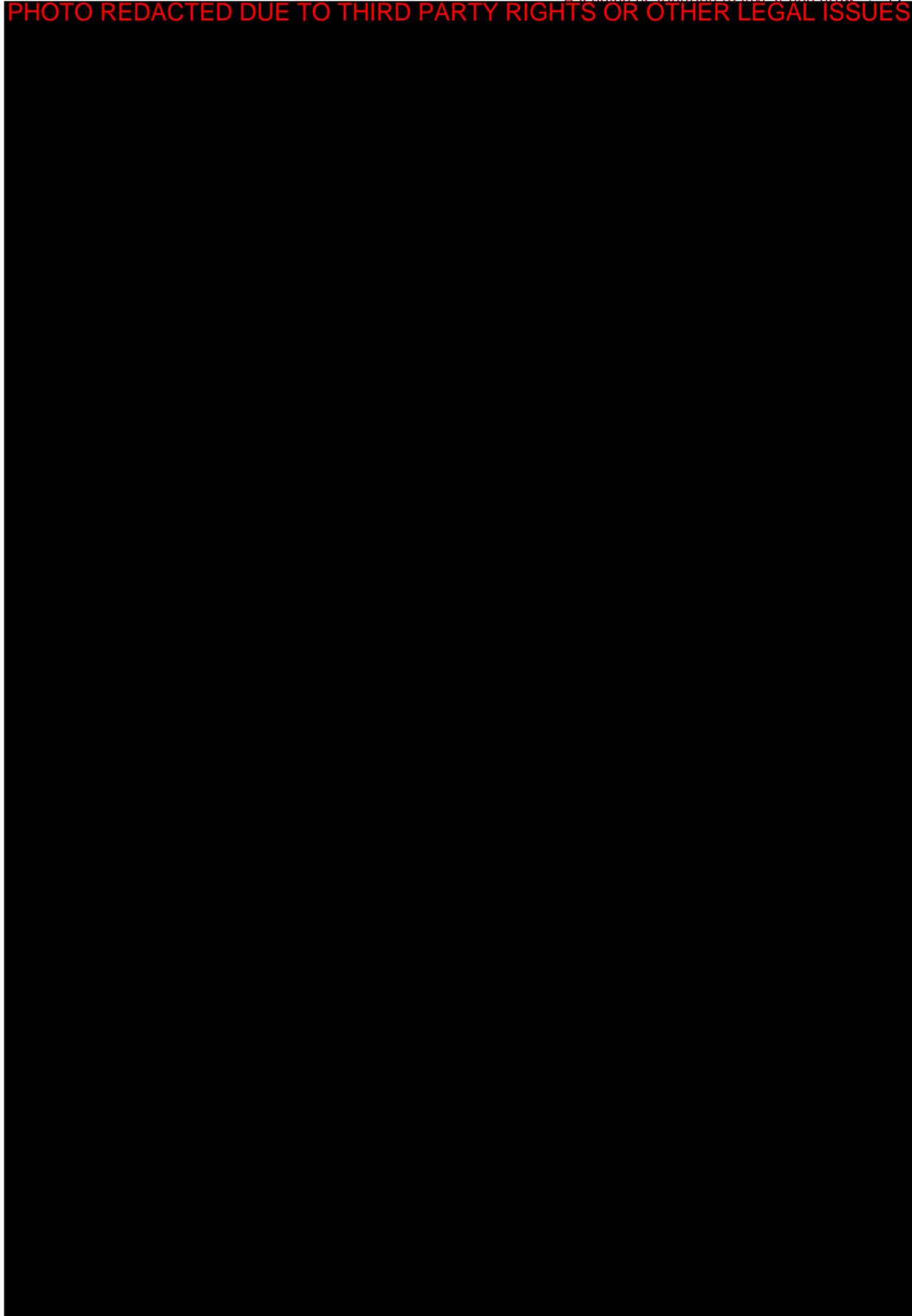
Partnerships between the government and industry on sector-specific issues can create significant opportunities to boost productivity, employment, innovation and skills.

We expect our ground-breaking Sector Deals to open significant opportunities for trade with international partners, and inward investment from abroad.

A large number of industries have signaled their interest in developing a Sector Deal, and we have been working with many of them in recent months. In the White Paper, we have announced deals with the automotive, AI, construction and life sciences sectors. We look forward to opening negotiations with other sectors and announcing further deals that boost productivity in particular sectors in due course.

We expect our ground-breaking Sector Deals to open significant opportunities for trade with international partners, and inward investment from abroad.

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IDEAS

Our partnership with industry creates a thriving innovation ecosystem for turning ideas into commercial success and is one of the key reasons why you should consider the UK as your destination for investment. Ranked fifth in the Global Innovation Index¹⁶ and consistently top in measures of research excellence, the UK is known for high-quality, impactful research outputs. We are home to four of the top ten universities in the world and to world-leading talent.¹⁷

We are now increasing our investment in R&D to make the UK one of the most exciting locations in the world for ground-breaking research

The UK has set a target for 2.4 per cent of GDP to be invested in R&D in the next decade and to be in the top quartile of OECD countries in the longer term. This demonstrates our commitment to remain a world-leading knowledge-intensive economy and for the UK to be the most exciting investment destination and partner for research and innovation collaboration.

Our agile approach to regulation supports innovation and new sectors, providing clarity for innovators, businesses and investors to develop

your products with confidence in the UK. For example, the UK has a world-class intellectual property (IP) regime, consistently leading many of the key international comparison tables for quality, speed and enforcement.

To further help support potential investors, we have a suite of online toolkits and products designed to help businesses identify and protect their IP assets. This includes a network of specialist IP attachés based in key international markets who can support overseas investors to understand the strengths of the UK's IP system as well as helping the UK's exporters.



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£300m

to build the pipeline of top talent in the UK

Developing the technologies of the future

We are investing £1.7bn in Industrial Strategy Challenges to respond to some of the greatest global challenges and growth opportunities - from climate change to automation, creative industries to next generation construction. Details are available at: <https://www.gov.uk/government/collections/industrial-strategy-challenge-fund-joint-research-and-innovation>.

As with other UK innovation competitions, overseas investors are welcome to apply if they register their business in the UK and can demonstrate that any R&D funded through the challenge fund would be performed in the UK. This is a good opportunity to collaborate with UK companies and investors to develop your innovations in the UK.

Supporting ideas to market

The UK's dynamic and growing innovation ecosystem helps to bring excellent research and innovation to market. We have one of the most effective university-business collaboration records of major economies.¹⁸ Building on this, the Industrial Strategy announced that we are increasing funding for schemes like the Higher Education Innovation Fund to £250m a year to help businesses access university research and talent. We are also backing our world-renowned Catapult centres, which bring together the very best businesses, scientists and engineers to work side-by-side on late-stage research and development.

Access to top talent and highly skilled employees

The UK has some of the most skilled people in the world. The Industrial Strategy has announced a further £300m investment over the next three years to build the pipeline of top talent in the UK and help drive collaboration and the flow of people between industry and academia. This will support hundreds more PhDs, fellowships and



£250m

to help businesses access university research and talent

prestigious new awards to support rising stars and top talent in key areas of the Industrial Strategy, such as artificial intelligence.

This complements the £118m Rutherford Fund to attract the brightest talent from around the world. We have also doubled the number of available Tier 1 Exceptional Talent visas for those who are already recognised as global leaders or who show considerable promise in their fields.

We are making it easier to employ international researchers, and encouraging and enabling more top international scientists and researchers to come to the UK and contribute to our world-leading research sector by enabling those with Tier 1 visas to apply for settlement after three years and making it quicker for students to apply to work in the UK after finishing their degrees.

Alongside the expansion of the exceptional talent route, we are reducing red tape in hiring international researchers and members of established research teams, benefiting current and future leaders in the digital technology, science, arts and creative sectors.

Pushing the scientific frontier

We are investing in our world-leading science and research base and facilities including: multi and inter-disciplinary programmes identified by researchers and businesses at the cutting-edge of research and innovation; emerging technologies aligned with the Industrial Strategy; and urgent priorities, such as research required to respond to natural disasters or public health incidents.

This world-class research capability makes us the global partner of choice for research - half of all UK research publications in 2014 were internationally co-authored with these articles tending to score highly in terms of excellence and impact.¹⁹ Evidence shows that generally, collaborating with the UK leads to research being more widely cited than collaborations with any other country. Next year we'll launch an International Research and Innovation Strategy and will announce details of a further £110m for priority international collaborations.

PEOPLE

Our Industrial Strategy is investing in skills, supporting good jobs and greater earning power for all

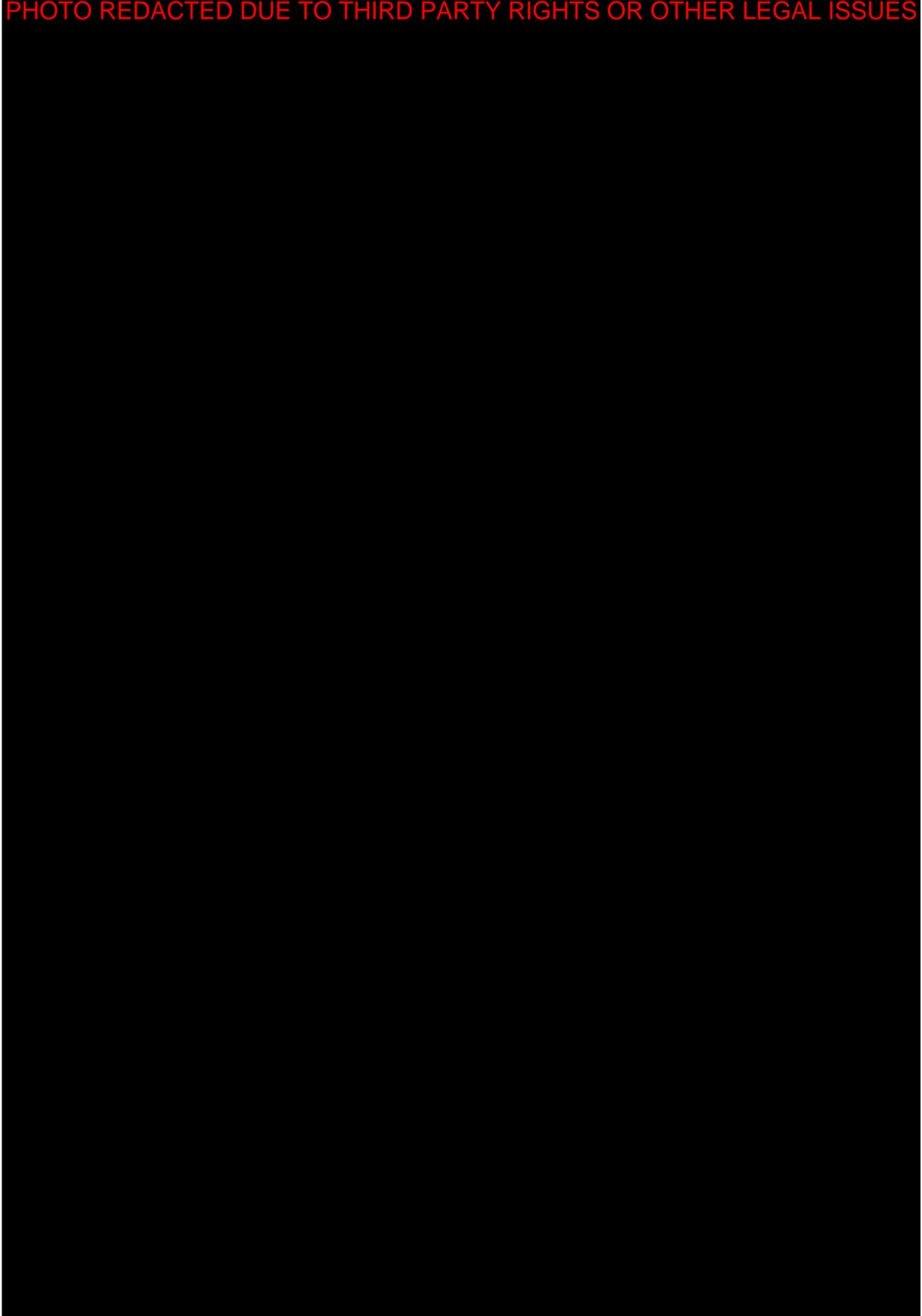
The UK has a large, diverse and highly skilled workforce and one of the most successful labour markets in the world. This makes it easy for people to participate in work in a way that fits with their circumstances, while meeting the needs of business. The UK has a record to be proud of, rated third in the world for our ability to grow, attract & retain talent,²⁰ with a world-leading higher education system that produces highly prized graduates.

Global skills and talent

We want to continue to be an attractive destination for the world's most talented and innovative people and the UK will continue to remain a global, outward looking nation and a home to the brightest and best. Our visa system supports businesses, investors and entrepreneurs. UK Visas & Immigration makes continuous improvements to its systems to benefit business applicants.

Time and time again, firms choose to locate in the UK because of our skilled workforce and thriving and flexible labour market

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Making the most of our world-class higher education system

We have a world-class higher education system that remains the second most popular destination for study after the United States.²¹ It is estimated that half of all 17-year olds in the UK will participate in higher education by the age of 30²² ensuring high-level skills responsive to business need.

Delivering a world-class technical education system

We are undertaking a major programme of reform to ensure that our technical education system stands alongside our world-class higher education system, and rivals the best in the world. Building on changes already implemented to develop employer-led quality apprenticeships, we are establishing 15 new technical education routes to skilled employment and new technical qualifications. The on-going involvement of businesses in the design of these qualifications ensures that the technical education programme produces the skills that businesses need, wherever in the UK they are based.



15

new technical education routes to skilled employment



£406m

in maths, digital and technical education

Enhance our STEM skills base

Demand for STEM skills is growing and we are responding, building on our world-class science base, to secure a strong pipeline of skills for our businesses, now and into the future. That is why we are investing an additional £406m in skills, particularly in maths, digital and technical education, to help enhance our STEM skills base in England. This includes £170m of capital funding to create Institutes of Technology across all regions, to deliver higher level technical education in STEM subjects.

Investing in skills to support growth and opportunity across the country

The government is ensuring that businesses have access to the skills they need, wherever they are based in the country, through targeted initiatives that recognise local needs and conditions.

We have a world-class higher education system that remains the second most popular destination for study after the United States

INFRASTRUCTURE

Our Industrial Strategy will mean a major upgrade to the UK's infrastructure.

Infrastructure is the essential underpinning of our lives and work, and having modern and accessible infrastructure throughout the country is essential to the growth and prosperity of our businesses. We have a strong track record. In 2016, the UK had the most attractive environment for infrastructure investment when compared to 25 international competitors.²³

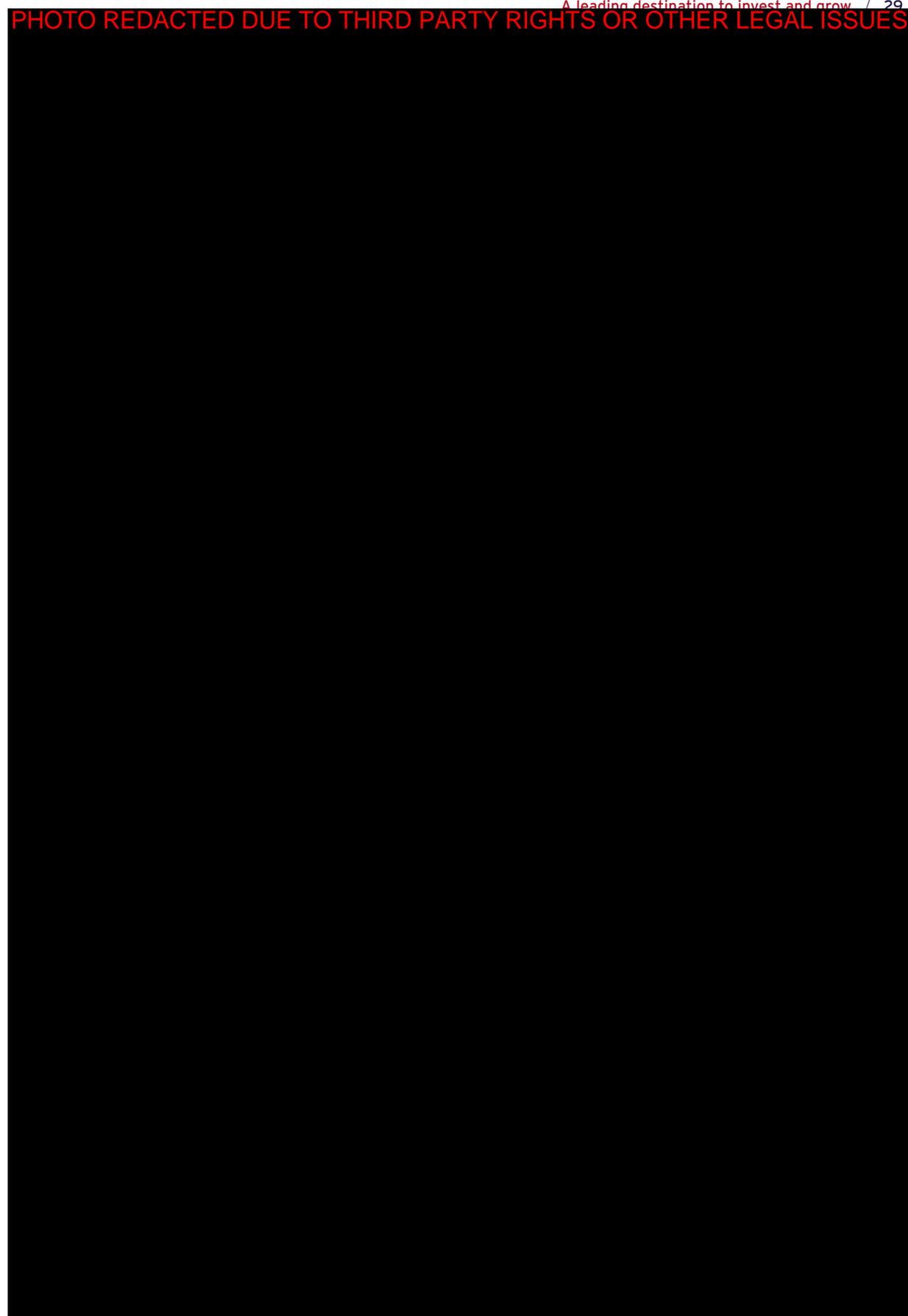
Through our Industrial Strategy we intend to go further so that the country will be transformed by a surge of infrastructure investment heralding a new technological era, built on superfast broadband, new 5G networks and smart technologies. We will create a new high speed rail network that connects people to jobs and opportunities; regenerate our stations and airports, and progressively upgrade our road network. We will also improve people's lives where they live and work, with high quality housing and clean, affordable energy. Providing the right infrastructure in the right places boosts the earning power of people, communities and our businesses.

Invest in infrastructure to drive growth across the UK

The UK has a major transport investment programme, including direct investment opportunities, which is transforming how cities and communities in the UK connect to each other, creating and enabling new economic activity and investment opportunities in places all over the UK. Our transformational projects, such as High Speed Rail 2, will offer opportunities for local development along their routes. £300m will be invested to ensure High Speed 2 infrastructure can accommodate future Northern Powerhouse and midlands rail services. This will enable faster services between cities in the north, including Liverpool and Manchester, Sheffield, Leeds and York, and from these cities to the East Midlands and London, and will realise benefits across the UK for decades to come.

Our international gateways connect people and markets and attract inward investment, keeping the UK globally competitive. Our ports handle 95 per cent of UK freight, and we have asked the National Infrastructure Commission to undertake a study on the future of freight infrastructure.

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£50m

programme to enable new satellite launch services

The UK already benefits from high levels of transnational connectivity and the government is working with business to ensure that the UK's extensive network of ports and airports continue to underpin and grow international trade and business engagement.

We have the third largest aviation network in the world and are developing a new Aviation Strategy to build on our strengths to create a safe, secure and sustainable aviation sector for a global, outward-looking Britain, helping to facilitate additional global trade and investment. We are also making progress towards delivering much-needed new airport capacity in the south east. We have announced that a new Northwest Runway at Heathrow is our preferred scheme for increasing airport capacity. We will consider all responses to the public consultations before deciding on the next steps.

We are also working with industry to grow our share of the global space market from 6.5 per cent to 10 per cent by 2030. To achieve this, companies must be able to pursue new commercial opportunities from the UK. We are supporting this through a £50m programme to enable new satellite

launching services and low gravity spaceflights from UK spaceports, building on £99m that we are already investing to build the National Space Testing Facility. These investments will give the UK end-to-end capability in the building, testing and launching of small satellites.

Prioritising innovation in clean infrastructure

The global shift to clean growth is vital to the UK and is why we have established a Clean Growth Grand Challenge to maximise the opportunities. Building on the £2.5bn of government investment in low carbon innovation by 2021 set out in the Clean Growth Strategy²⁴ and the Faraday Challenge for battery technologies, we are now investing in innovation projects in smart energy systems, advanced construction, and sustainable agriculture.



£2.5bn

of government investment in low carbon innovation by 2021

We will continue to build our international partnerships in clean growth research and innovation: the UK is a proud member of Mission Innovation - a global initiative that aims to reinvigorate and accelerate the global clean energy revolution. And we will strengthen support to commercialise new clean technologies through our investments in patient capital, beginning with a new equity fund for which we will provide up to £20m.

We will promote overseas investment in the UK's clean economy and strengthen our support for UK exporters through better identification of overseas opportunities, industry briefings, overseas missions, pavilions at key international events and campaigns for sectors and industries that are delivering clean growth. We will also promote the UK's exceptional expertise through the Green is GREAT campaign, to amplify the UK's global reputation for excellence in this area.

The global shift to clean growth is vital to the UK and is why we have established a Clean Growth Grand Challenge to maximise the opportunities

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Boosting the UK's digital infrastructure

The world is becoming increasingly digitalised and connectivity has rapidly become an essential requirement for the way people live and do business. As well as providing improved connectivity we are developing digital technologies that we can export to the world.

We are investing £200m in the Local Full-Fibre Networks Challenge Fund to stimulate commercial telecoms network providers to build more full-fibre connections to homes and businesses across the UK. £10m of this has been allocated to pilots across the country, with the remaining £190m to be competitively allocated through a Challenge Fund, open to local areas, with funding awarded to those areas that can best leverage private sector investment in building and extending local fibre networks.

We have announced an additional £385m for investments in digital infrastructure taking total investment from the National Productivity Investment Fund to £740m, and total public investment to over £1bn.

Digital technology will transform our railways, allowing more frequent, more reliable services, and we want Britain to be at the forefront of developing this technology. We will provide £84m for best-in-class, state-of-the-art in-cab digital signalling across a range of trains, and embed digital railway technology on key lines.

These initiatives will provide huge opportunities for investors, whether in infrastructure or along the supporting supply chain.



£385m

for investments in the UK's digital infrastructure

PLACES

The UK's Industrial Strategy will ensure communities around the country prosper.

The UK has a rich industrial heritage, with world-leading businesses located around the country. Our cities, towns and rural areas are shaping our economic future.

Every region in the UK has a role to play in boosting the national economy, and our Industrial Strategy will drive productivity growth across the country. Different places have their own particular strengths and challenges.

Policies will match local needs and support the growth of your business wherever you choose to locate. From strengthening local leadership and business partnerships, and supporting clusters, to ensuring that businesses have access to the skills, infrastructure and institutions they need to thrive, we are taking measures to ensure all parts of the UK are able to realise their potential and grow.

*The UK's
Industrial
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country
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Get in Touch to grow your business in the UK

Tailored and seamless support to land and expand your business.

The UK government is focused on creating a welcoming business environment for investors. As an international investor, we can help your company to understand and navigate the UK business environment and choose the best location to set up and expand your business in this country.

How the Department for International Trade (DIT) can help

The Department for International Trade (DIT) is here to ensure the UK continues to be a land alive with opportunity. We offer dedicated, professional assistance on every aspect of locating a new business in the UK or expanding your existing facilities.

We provide international investors with access to a range of investment opportunities, including Northern Powerhouse and Midlands Engine projects. DIT has a strong pipeline of urban renewal projects, typically worth over £100 million each in investment value.

To support the UK's Industrial Strategy, we are committing to expand our existing account management approach, including the Strategic Relationship Management programme, so that a broader range of companies and sectors benefit from a single point of contact co-ordinating government support.

OUR TOP 10 SUPPORT SERVICES FOR INTERNATIONAL INVESTORS

Our services to international investors in the UK are free of charge and include:

- /// Assessment of market opportunities*
- /// Access and introductions to the right people and opportunities*
- /// Setting up in the UK (including advice on the UK business environment)*
- /// Bespoke market research*
- /// Helping to select the best market location*
- /// Helping to understand the tax environment in the UK*
- /// Advice on the UK's research and innovation landscape, including how to access funding*
- /// Guidance and support on the UK visa system*
- /// Advice on how to access talent in the UK*
- /// Tailored assistance for entrepreneurs*

If you would like to discuss your plans, you can contact our Investment Services Team at:
<https://invest.great.gov.uk/int/contact/>

They can also put you in touch with staff at a nearest British Embassy, High Commission or a Local Trade Office, who can advise you.

To discuss investing in large-scale UK infrastructure, property development projects, high-growth UK technology businesses, or if you are an entrepreneur looking to relocate to the UK, please contact:
capitalinvestment@trade.gsi.gov.uk

We work with businesses of all shapes and sizes. You may be an entrepreneur with a game-changing start-up idea; a rapidly growing SME or family business; a corporate giant or significant institutional investor. Whatever your start point, plans, hopes and dreams, we want to help you make the most of the opportunities here in the UK to realise your international business ambitions. For further information, please visit:
<http://www.invest.great.gov.uk>

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- ¹² ONS Pink Book 2007 to 2016 <https://www.ons.gov.uk/releases/unitedkingdombalanceofpaymentsstepinkbook2016>
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- ¹⁴ 'The Financial Centres Index 22' (September 2017) http://www.longfinance.net/images/gfci/gfci_22.pdf
- ¹⁵ See reference 1
- ¹⁶ See reference 2
- ¹⁷ QS World University Rankings 2018 <https://www.topuniversities.com/university-rankings/world-university-rankings/2018>
- ¹⁸ The Global Competitiveness Report 2017-2018, <http://www3.weforum.org/docs/GCR2017-2018/05FullReport/TheGlobalCompetitivenessReport2017%E2%80%932018.pdf>
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- ²¹ Times Higher Education World University Rankings 2016-17 <https://www.timeshighereducation.com/world-university-rankings>
- ²² Department for Education (2016) Participation Rates In Higher Education: Academic Years 2006/2007 - 2014/2015 <https://www.gov.uk/government/statistics/participation-rates-in-higher-education-2006-to-2015>
- ²³ CMS (2016), 'Infrastructure Index: Bridging the gap', <https://cms.law/en/GBR/Publication/Infrastructure-index-bridging-the-gap>
- ²⁴ See reference 8



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