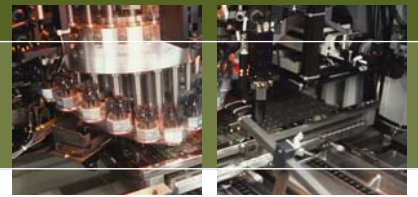


Our priorities for the future

We have developed an action plan identifying priorities - for Government, as well as business and key stakeholders - in taking forward the manufacturing agenda, including:

- Promoting science and innovation
- High skilled, high performance workplaces
- Encouraging intelligent public procurement
- Encouraging high value added investment
- Promoting best practice
- Improving understanding of manufacturing
- Better regulation
- Modern infrastructure



A new **Manufacturing Forum**, jointly led by industry and Government and composed of representatives of Government, trade bodies, unions and industry, will take responsibility for implementing the priorities identified in the report, and co-ordinate industry, stakeholder and Government action.



"The Manufacturing Strategy published two years ago set out a framework for action - for Government, industry, unions and others - to ensure our manufacturing companies compete successfully in the growing global market. A great deal has been achieved since then.

Two years on, the new Manufacturing Forum will drive forward the priorities identified in the review of the Strategy and act as a strong voice for industry, reflecting its vital importance to our economy."

Patricia Hewitt,
Secretary of State for Trade and Industry

www.dti.gov.uk/manufacturing

- Executive summary & full text of the *Manufacturing Strategy* and of *The Manufacturing Strategy Two Years On*
- Ordering of free printed copies of both documents
- Regular updates on the *Key Performance Indicators*
- Contact details for the DTI Manufacturing team
- Links to sector-related information and sources of support for businesses

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**REVIEW OF THE
GOVERNMENT'S
MANUFACTURING
STRATEGY**

Competing in the
Global Economy:
The Manufacturing
Strategy Two Years On



Manufacturing in the UK

Manufacturing is a vital part of the UK economy, making up a sixth of GDP, and is responsible for over half of UK exports. But global competition is intensifying and our manufacturers must take advantage of advances in technologies, together with the opening up of world markets, to stay ahead.

The Manufacturing Strategy

We published the Government's Manufacturing Strategy in May 2002, setting out a framework of action in partnership between Government, industry, unions and key stakeholders. We identified seven 'pillars' necessary for success:

- **Macroeconomic Stability** – allowing businesses to plan for the long term
- **Investment** – utilising modern, efficient processes and equipment to drive up performance
- **Science & Innovation** – helping manufacturers exploit the UK's strong science base to create innovative, high-value products
- **Best Practice** – raising productivity and competitiveness by continuous improvement
- **Skills & Education** – developing a skilled and innovative manufacturing workforce
- **Modern Infrastructure** – providing effective transport and communications networks
- **The Right Market Framework** – providing the business environment manufacturing needs to compete globally

The Manufacturing Strategy is available at www.dti.gov.uk/manufacturing

What has been achieved?

Successes across the range of priorities identified in the strategy include:

- *Launching the **Manufacturing Advisory Service**, which has been hugely successful in offering practical advice to manufacturers*
- *Strengthening provision of skills and training to meet the needs of employers and their employees, including **Modern Apprenticeships** and **Sector Skills Councils***
- *Introducing the **R&D Tax Credit**, which has supplied £600 million of government support for business Research and Development*
- *Investing heavily in research, to ensure our **science base** remains world-class*
- *Setting up **Innovation & Growth Teams** in key manufacturing sectors, to tackle strategic challenges and opportunities*

Reviewing our progress

The Manufacturing Strategy set out the framework for action – for Government, industry, unions and others – to ensure that our manufacturing sector fulfils its potential. Two years on, with surveys indicating improving prospects for the sector, we wanted to assess what has been achieved, and what remains to be done.

Competing in the Global Economy: The Manufacturing Strategy Two Years On

Two years after the original strategy, we present:

- *A review of stakeholder views on the strategy, helping to identify priorities in going forward, presented by Nick Brayshaw, DTI independent Board member and Chair of the CBI Manufacturing Council*
- *A brief overview of the manufacturing sector since 2002*
- *A set of at-a-glance **key performance indicators**, designed to monitor the success of the UK manufacturing sector, that will be regularly updated*
- *A review of **what has been achieved** in each of the seven pillars since the 2002 Manufacturing Strategy*
- *An **action plan**, bringing together key themes identified in the review, and identifying the priorities of Government, Business and key stakeholders in going forward*
- *A review of manufacturing in **Scotland, Wales and Northern Ireland***



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The DTI drives our ambition of 'prosperity for all' by working to create the best environment for business success in the UK. We help people and companies become more productive by promoting enterprise, innovation and creativity.

We champion UK business at home and abroad. We invest heavily in world-class science and technology. We protect the rights of working people and consumers. And we stand up for fair and open markets in the UK, Europe and the world.