

EDUCATION, INVESTMENT AND INNOVATION KEY TO SUCCESS OF UK PRODUCTIVITY PLAN

- **Siemens customer consultation calls for prioritisation of skills, economic infrastructure and innovation to help solve the UK ‘productivity puzzle’**
- **93% of manufacturers are investing in productivity enhancing technology – such as automation and new control systems**
- **Skills a key concern, with 73% of organisations stating that training and educating the next generation of manufacturing workforce was the most important measure they would like to see improve across the country.**

Manufacturers are calling on business and government to focus on three key areas of the 15-point ‘Productivity Plan’, with education; investment and innovation deemed critical to help the sector increase global competitiveness and make productivity gains, according to a consultation by Siemens UK & Ireland.

‘*A Blueprint for the Future of UK Manufacturing*’, released by Siemens today brings together the views of almost 80 manufacturers and senior management at 13 Siemens factories in the UK.

The results show that focus on investment in skills & human capital, economic infrastructure and ideas & knowledge should be at the heart of protecting the future success of the nation’s manufacturing industry.

Skills & Human Capital

Skills remains a key concern, with 73% of organisations stating that training and educating the next generation of manufacturing workforce was the most important measure they would like to see improve across the country. An overwhelming majority (86%) said the UK still needs a greater focus on science, technology, education and maths (STEM) education at both primary and secondary school levels and there was also a desire for improved funding of and process for employing apprentices.

Economic infrastructure

Greater commitment for investment in infrastructure and digital technologies to improve productivity was also high on the agenda. Overwhelmingly, manufacturers fed back that there should be targeted investment at strategically important improvement projects, such as the road network and energy infrastructure. This echoes an EEF report analysing the fourth industrial revolution that also identified the need for the UK to bolster its infrastructure to harness a digital leap forward in manufacturing.

Ideas & Knowledge

Manufacturers believe improved support to enable greater collaboration between education and business is crucial. And, in terms of driving innovation through technology, 78% wanted greater access to funding to invest in R&D and other innovative manufacturing techniques and processes. Nearly half (40%) asked for the permanent establishment of R&D tax credits and many called for a reform to business rates to encourage greater investment in plant and equipment.

Commenting on the findings, Brian Holliday, Managing Director – Digital Factory, Siemens UK & Ireland says: “We undertook this consultation to gain an insight into what industry wants the UK to focus on to aid global competitiveness and productivity. Three key areas came to the fore - education, investment and innovation - which align closely with three of the pillars of the UK’s ‘Productivity Plan’. Together, these form a persuasive, insightful and sustainable ‘Blueprint for the Future of UK Manufacturing’ and an achievable template for success.

“UK manufacturing is a critical sector, delivering 11% of national GDP and employing 2.6 million people, it is therefore crucial that its future success is

protected. Recent reports from the EEF have shown that manufacturing is key to solving the UK's 'productivity puzzle', so now is the time for action to build upon the good work already underway, and lay a strong foundation from which our innovative manufacturing sector can compete on a global stage once again."

While investment remains critical, the consultation also showed that manufacturers are already committed to investing in new technologies themselves.

The significant majority (91%) of manufacturers are already deploying automation and control systems to help optimise operational efficiencies and 83% stated a desire to continue to invest in these areas.

ENDS

Notes to Editors

'Blueprint for the Future of UK Manufacturing' - key findings:

The Big Picture:

- A strong consensus of **73% of organisations stated that training and educating the next generation of manufacturing workforce was the most important measure** they would like to see Britain address.
- There was a concerted call for **improved support to enable greater collaboration between education and business.**
- Asked how the UK could enhance its industrial strategy, manufacturers said the **primary focus should be on driving the uptake of technologies of the future such as digitisation and automation** to aid global competitive aspirations.

The Skills Debate:

- An overwhelming majority (**86%**) **said the UK needs a greater focus on STEM education** at both primary and secondary school levels.
- There is a desire for **improved funding of and process for employing apprentices.**
- A **greater industry-led development of education programmes** to produce the skills required is also needed.

Investment and Business Support:

- Overwhelmingly, manufacturers fed back that there should be **targeted investment at strategically important infrastructure improvement projects** including the road network.
- They would also like to see **investment in the nation's energy infrastructure**.
- **78% wanted greater access to funding to invest in R&D** and other innovative manufacturing techniques and processes.
- **More than half (57%) called for a commitment to an Industry 4.0 strategy to be embedded in any future Government**, as is the case in Germany.
- Nearly half (40%) asked for the **permanent establishment of R&D tax credits** and many called for a **reform to business rates** to encourage greater investment in plant and equipment.
- There were **equal calls for a reduction in industrial energy bills, the expansion of enhanced capital allowances for productivity and enhancing technologies such as automation**.

Technologies of the future:

- With new technologies at the heart of any gains in productivity and global competitiveness for manufactured goods, the **significant majority (91%) of manufacturers are already deploying automation and control systems** to help optimise operational efficiencies.
- Industrial communications, controls and PCs are also widely utilised.
- Looking at the short-to-medium term, **the vast majority (83%) stated a desire to continue to invest in automation and control systems**.
- There were also plans to invest in other technology solutions such as sensor systems, integrated drive systems and operator control and monitoring systems

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