



**MEDIA RELEASE FINAL  
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**NEW ETB PAPER CALLS FOR GOVERNMENT TO RESTRUCTURE TAXATION AND  
PROCUREMENT TO ENCOURAGE MANUFACTURING INNOVATION**

On the same day that Lord Mandelson announced details of Government investment in advanced manufacturing as part of the New Industry, New Jobs package, a new ETB paper details the changing face of UK manufacturing, and calls for the Government to back emerging technologies through a restructuring of procurement and taxation.

The Technology Strategy Board (TSB) recently identified eight key technologies in which the UK has the ability to develop global leadership, including, Advanced materials, Electronics, Photonics, Electrical systems, Biosciences, Nanotechnology, High value manufacturing and ICT.

In order to maximise the impact of these key technologies and ensure the resurgence of a strong and balanced UK economy, the paper calls for broader parameters in Government procurement, and the overhauling the taxation system to incentivise investment in technology. Specifically, it recommends:

- Structuring tenders in such a way that small business would be eligible to compete
- Overhauling the taxation system so that tax deductions could be made to cover the costs of investment in technology, research, capital, and skilling the workforce.

The paper also states that greater emphasis must be given to design, customisation and intangible services to in order to maximise on the UK's strengths and add value to new manufacturing and its contribution to UK GDP, as well as urging manufacturers to be more aware of large resource efficiency savings.

The paper also reveals that:

- There are 2.8m people employed in manufacturing and it is responsible for 55% of all UK exports.
- Investment in UK manufacturing has remained stable since 2003, at around £15bn.
- UK is the world's 6<sup>th</sup> largest manufacturer.
- Manufacturing contributed £150bn to the economy in 2008

- Since 2003 productivity growth has increased by 18% in manufacturing compared to 9% in services and 7% in the economy as a whole.

Click [here](#) to read the paper in full.

Paul Jackson, Chief Executive of the Engineering and Technology Board (ETB), said:

“These findings demonstrate the prosperous and productive future that new manufacturing technologies stand to deliver if the right choices and investments are made. The UK Exchequer currently spends £175 b or approximately £1 in every £4 on procurement. Just think how much could be achieved if this funding was invested strategically in growth technologies such as photonics and advanced materials.”

Speaking of the Government investment package, Lord Mandelson said:

“At the heart of Britain’s knowledge economy is our manufacturing base. High-value, highly skilled and internationally successful businesses that have worked hard to secure a lead in hi-tech global supply chains.

“This practical package of measures will help equip British manufacturers, of all sizes and sectors, to take advantage of the advanced technologies and new market opportunities now shaping our low carbon industrial future.

“It’s about giving them the support they need to create jobs in Britain and export the best of British manufacturing design, technology, skills and innovation around the world”.

## **ENDS**

### **Notes to Editors**

1.) The Engineering and Technology Board (ETB) is an independent organisation that promotes the vital role of engineers, engineering and technology in our society. The ETB partners business and industry, government and the wider science and engineering community: producing evidence on the state of engineering, sharing knowledge within engineering and inspiring young people to choose a career in engineering, matching employers’ demand for skills. For more information about the ETB please visit [www.eteachb.co.uk](http://www.eteachb.co.uk).

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