



Supporting regional economies to rebuild in the face of a recession, and our impending new relationship with the EU, all whilst recovering from Covid-19, will be a huge challenge. This provides an overview of the key priorities and challenges for manufacturers specific to this region to reviving and rebalancing the regional economy.

THE MIDLANDS AND EAST

REGIONAL ECONOMY:

£8,860

public spending per head

£289

transport infrastructure spend per head

£29,550

average income

26% have degree-level Education or above

MANUFACTURING ACTIVITY:

829,000

manufacturing jobs

The Midlands and East Region average manufacturing productivity ranks **1st** in England

“WE NEED A JOINED UP INDUSTRIAL STRATEGY WHICH WORKS NATIONALLY, ACROSS DEPARTMENTS, AND DIFFERENT POLICY AREAS”*

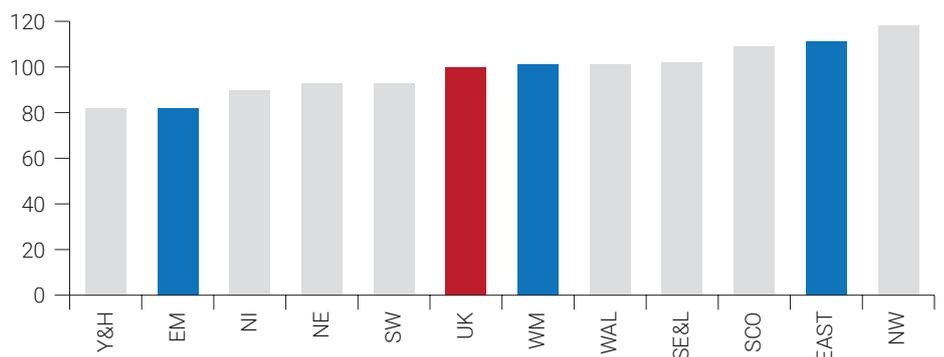


* % GVA contribution of largest manufacturing subsector to sub-region manufacturing

MIDLANDS AND EAST MANUFACTURERS' VIEWS ON WHAT THE GOVERNMENT'S PRIORITIES FOR LEVELLING UP SHOULD BE

- 1.** Emphasis on local projects over national projects
- 2.** Improved digital connectivity in towns and rural areas
- 3.** Prioritising the improvement of local road and rail transport connections

Relative Productivity measured using GVA per hour



Source: Make UK analysis of ONS (2020)

TOP FUTURE PRIORITIES FOR THE MIDLANDS AND EAST

	Immediate Challenges	Planned 12 month activity	Opportunities for manufacturing in the next decade
#1	A 'no deal' Brexit	Investing in people	Traditional sector consolidation/expansion (automotive, agri-food, electronics, basic metals etc.)
#2	Trade borders	Restructuring current operations	Clean energy
#3	Future national or regional lockdowns	Investing in IT	Autonomous robotics, vehicles and artificial intelligence

Source: Make UK / RSM survey, September 2020

“THERE IS A NEED TO BALANCE SHORT TERM WINS WITH THE NECESSITY OF LONG-TERM INFRASTRUCTURE WHERE THERE IS GREATER RETURN ON INVESTMENT”*

*Source: Make UK member consultations, October 2020

While the Midlands and East is the manufacturing powerhouse of the UK, it still faces hurdles, both past and present, to realising the region's full productive potential. The top reported challenge, as is homogenous with the industry across the UK, is the threat of a no deal Brexit. The Midland's regional export percentage to the EU is exactly that of the UK average, at 48%.

The share of the regional population engaged in manufacturing activity in the Midlands and East is high relative to the rest of the UK, and this is particularly true of the East Midlands which has the highest proportion of its population in

the manufacturing workforce, at approximately 12%.

As has been identified as among the top opportunities for the region over the next decade, 4th industrial revolution technologies and a green production focus will be the areas of greatest reward for the region, whilst offering greater long term security of the region's manufacturing industry. To realise both this, and the aspiration of levelling up the region, manufacturers in the Midlands and East see themselves restructuring their businesses to position themselves to take advantage of the opportunities in the aforementioned fields of green and modern manufacturing.

Regional Economy Manufacturing Dependency

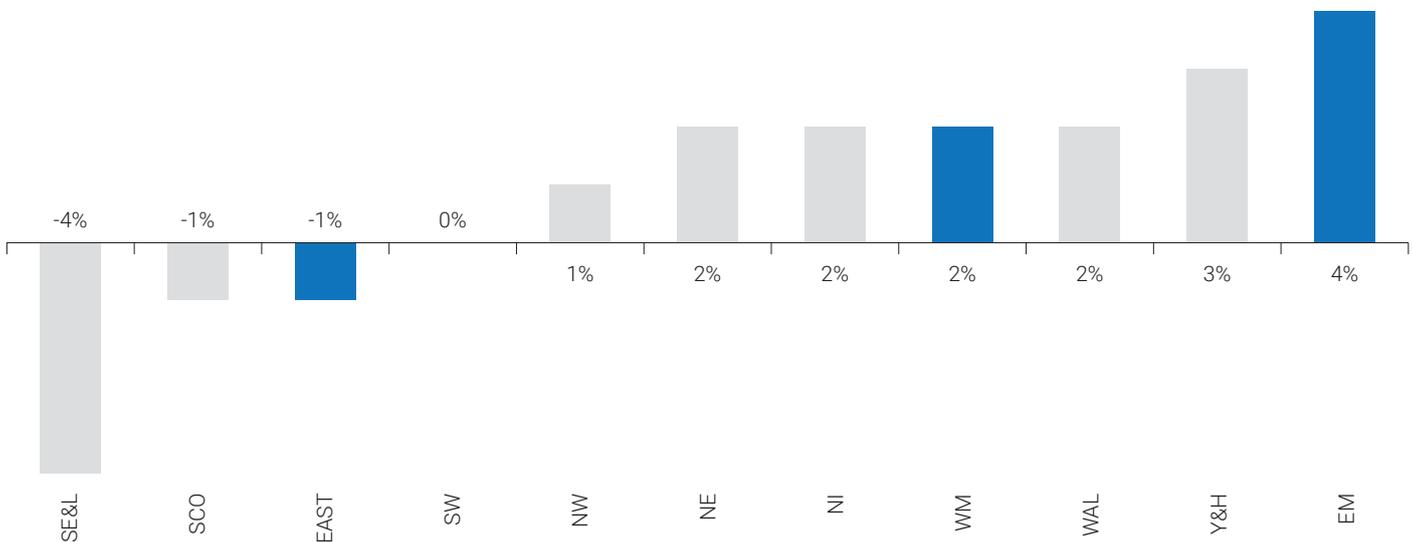


Chart represents the regional differences on local economy dependency on manufacturing. Dependency is defined as a region having a higher than average proportion of manufacturing jobs out of its total regional job pool. Figures represent distance from the UK=8% dependency baseline.

Source: Make UK analysis of ONS (2020)