

MODERN INDUSTRIAL STRATEGY: TWO-PAGE BUSINESS SUMMARY

Through the **Plan for Change**, the Government is determined to seize the opportunities of a new era to delivery security, renewal, and high living standards across the country. Business as usual will not work. The global environment calls for a muscular approach and a new relationship between business and government, where government provides the strategic certainty that allows businesses to create wealth.

The **modern Industrial Strategy is a new economic approach** – a whole-of-government effort to back the UK's strengths, with ambitious plans for eight high-growth sectors ('IS-8') and the frontier industries at their leading edge, to support the whole of the UK economy. It is a ten-year plan, built on stability and openness, to make the UK the best country to invest in.

We are making it easier and quicker to do business and invest, with long-term stability, including:

- **Reduce electricity costs** by £35-40/MWh from 2027 for electricity-intensive manufacturers in the IS-8 and their supply chains, through the new long term British Industrial Competitiveness Scheme.
- Deeper **international cooperation** focused on opportunities for the IS-8, building on recent deals with the US, EU, and India; with increased investment in crucial supply chains and national security capabilities, e.g. through the £400m budget of the new UK Defence Innovation.
- Billions in **innovation** funding and business **finance**, underpinned by record public investment of £20.4bn in 2025/26 rising to £22.6bn in 2029/30 and an uplift in the British Business Bank's financial capacity to £25.6bn, including £4bn additional capital for the IS-8.
- Investment to harness **data's** economic potential, with new Smart Data schemes and the new National Data Library with over £100m of funding.
- New Growth and Skills Levy **short courses** in areas such as digital, AI and engineering, in addition to continued roll out of shorter and foundation apps; funding uplifts for 16-19 IS-related priority courses; and packages on technology, engineering and defence skills.
- New **Global Talent Taskforce** to attract the world's best researchers, investors, and entrepreneurs, backed up by new talent fund and visa reforms.
- Continued focus on reducing the administrative costs for business of **regulation** by 25%, **planning** reforms, at least £725bn on **infrastructure** over ten years, and improvements to digital infrastructure, including £41m to improve Wi-Fi speed and availability on all mainline trains.
- Building on the Autumn Budget corporate tax roadmap that committed to **cap headline rate at 25%** and maintain e.g. Full Expensing.

We are unlocking the potential of the UK's city regions and clusters and tackling place-specific barriers to investment, including:

- Increased supply of **investible sites** in strategic locations through a £600m Strategic Sites Accelerator, with funding to start from 2026/27; an enhanced network of Industrial Strategy Zones; and new AI Growth Zones across the UK.
- Helping investors partner directly with **empowered decision-makers at national, regional, and local level**, backed by a new £500m fund to support innovation clusters, a new recyclable £500m fund for Mayors to support investment projects in the North and Midlands, and new partnerships with the British Business Bank, National Wealth Fund, and Office for Investment.
- Greater **connectivity** in the North of England, with £3.5bn from 2026/27 to 2029/30 to complete the Transpennine Route Upgrade between Manchester and York and over £10bn in intra-city transport funding, as well as sector-specific interventions, such as support for EV clusters.
- More place-based opportunities for businesses to **access investment, skills, and research facilities**, with the delivery of East-West Rail between Oxford and Cambridge, at least £445m to enhance rail networks in Wales, delivery of HS2, and up to £750m in a new supercomputer at the University of Edinburgh to strengthen the Edinburgh-Glasgow Central Belt.

All **eight growth-driving sectors** will benefit from a more competitive business environment and thriving places across the UK. In addition, we are making sector-specific commitments through our Sector Plans, including:

Advanced Manufacturing – key measures including:

- £4.3bn in funding, with up to £2.8bn in R&D over the next five years, including for zero-emission vehicle manufacturing.
- C.£99m expansion of Made Smarter from 2026 to help 5,500 more SMEs adopt technology.
- Targeted regulatory changes and implementation, e.g. to extend drone trial periods and trial autonomous taxis on UK roads by Spring 2026.

Clean Energy Industries – key measures including:

- £1bn Clean Energy Supply Chains Fund, including £300m to invest in offshore wind supply chains.
- £544m Clean Industry Bonus for offshore wind.
- £14.2bn for Sizewell C, over £2.5bn for Small Modular Reactors, £9.4bn for CCUS to 2029, over £2.5bn for fusion over 5 years.
- The Heat Pump Investment Accelerator, providing grants to manufacturers to invest in new capacity.

Creative Industries – key measures including:

- Up to £45m p.a. for UK screen, music and video games.
- A new £150m Creative Places Growth Fund devolved to six MSAs to tackle barriers to growth.
- £10m to expand the National Film and Television School, unlocking £11 million in investment from industry.
- Establishing a Creative Content Exchange - a marketplace for selling, buying, licensing and enabling permitted access to digitised cultural and creative assets.

Defence – key measures including:

- Spending at least 10% of MoD's equipment budget on acquiring novel technologies.
- Increase in MoD spending with SMEs by £2.5bn by May 2028.
- Increase in UK Export Finance's total lending capacity reserved for defence exports to £3bn.
- Reformed procurement – fewer burdens and more rewards for supplier productivity and risk-taking.
- New Technical Excellence Colleges for Defence.

Digital and Technologies – key measures including:

- Catalyse R&D in frontier industries, incl. £670m to drive the development and adoption of quantum computers in the UK.
- £187m for training a million young people in tech skills.
- Support from the new Regulatory Innovation Office to clear a path to market for innovative products.
- £2bn for the implementation of the AI Opportunities Action Plan, including a 20-fold expansion of the national cluster of AI supercomputers by 2030 and a new Sovereign AI Unit.

Financial Services – key measures including:

- Implementing Pension Investment Review reforms, enabling greater productive investment and supporting Mansion House Accord investment commitments.
- Delivery of PISCES, innovative new stock exchange for companies wanting to stay private longer.
- New concierge service to attract international firms.
- Financial Services Sector Plan to be published on 15 July alongside the Chancellor's Mansion House speech.

Life Sciences – key measures including:

- Up to £520m fund to land manufacturing investments.
- Reforms to reduce trial approvals timelines and double participation in clinical trials by 2026 and again by 2029.
- New pathways to bring products to market – low-friction NHS access and greater agility for the MHRA.
- Up to £600m with the Wellcome Trust to create the world's most advanced, secured, and AI-ready health data platform.

Professional and Business Services – including:

- Expand Made Smarter in England to the PBS sector to accelerate technology adoption, part of a £150m package.
- Focus on securing mutual recognition of professional qualifications agreements and pivot government overseas resource to support firms.
- New Smart Data programme, initial focus on property sector.
- PBS hubs across the UK to grow PBS technology firms.

This approach will **support the whole economy**, including businesses outside the eight growth-driving sectors, through an improved operating environment, long-term stability, greater dynamism for new entrants to emerge, and the spillover benefits of growth in frontier industries, from innovation pull-through to technology diffusion.

We are creating an enduring partnership with business:

- Implementing **procurement** reforms, including requiring public bodies to remove barriers to new entrants and SMEs, while consulting on options to go further to drive growth – e.g. for targets for spend on SMEs.
- Ensuring industry receive **timely decisions** from government, including through the bolstered Office for Investment helping the most strategically important investors navigate the UK landscape.
- **Benefiting SMEs** through the Industrial Strategy, with initiatives to tackle late payments, accelerating tech adoption through the expansion of Made Smarter, SME-focused targets for defence spending, and a new Business Growth Service to centralise all government resources in one place.
- Robust **governance** framework to ensure implementation of the Industrial Strategy, including a permanent Council and ongoing co-creation with business.

The design and implementation of this Industrial Strategy is underpinned by engagement with representatives from across the whole of the business community, including:



For further information, [read the Industrial Strategy](#) and contact the [Department for Business and Trade](#).