

Business Secretary speech to Make UK National Manufacturing Conference

3.3.2026 - Peter Kyle | Her Majesty's Revenue and Customs

Speech delivered by the Business Secretary, Peter Kyle, at the March 2026 Make UK National Manufacturing Conference.

I should say this at the start because there is a lot going on in the world right now. I know you will be deeply concerned about the on-going situation in Iran and over the skies across the Middle East.

So, let me address this at the top.

I would certainly encourage any businesses here who have interests across the region to do the following:

And that is to obviously ask all your staff in the region to register their presence. And follow the Travel Advice that is issued by the Foreign Office very closely. It will be updated iteratively in the hours and the days that lie ahead.

My department is working across government to ensure that you get the right guidance. And the right support in this very challenging moment for our economy.

We also want to manage any disruption to trade. And also to supply chains across the region and to back here.

My department is working flat out on doing just that.

Over the coming days we'll be partnering with Make UK and others on this very issue.

We want to increase resilience in our manufacturing sector.

Resilience which supports our economic security. And our national security as well.

I know that's something Make UK really wants to achieve too on your behalf.

You've laid down a key challenge to this government. And to me as Secretary of State.

A challenge not to let up on the Industrial Strategy's implementation. To not let it misfire.

In response, I want to be really clear.

I was appointed to relentlessly pursue growth.

To make sure government bets on the sectors that can win. And win big.

That is what our Industrial Strategy is all about.

And it's what our sector plans are all about, too.

Going all in for our manufacturers. Going all in for you.

We created the Industrial Strategy together.

A sector and government working in partnership.

And since I became the Business Secretary, I have sought to deliver it with urgency – together.

We have done that through our Supercharger Policy. And initiating the British Industrial Competitiveness Scheme.

We have done that through expanding DRIVE35. Ploughing money into the electrification of vehicles and plants. Into batteries. Electric motors. Hydrogen fuel cells.

And we have done it through launching our Critical Minerals Strategy. It will ensure that we have a steady supply of the minerals that you need. Lithium for batteries. Copper and aluminium for heat pumps and wind turbines, too.

All of that increases our national resilience.

But we need to do something else too.

Something that's really important.

We need to champion the next generation manufacturing.

And that's what I want to focus on today.

Next generation manufacturing is essential to economic resilience because the global supply chains are evolving just so fast.

Technology capabilities are evolving even faster.

Our competition is racing to secure industrial supremacy.

They are investing in smart factories.

In advanced propulsion.

In robotics.

And we have got to keep up.

In this world, securing Britain's transition to next generation manufacturing is not an option.

It's a strategic imperative.

But to do it we need to look at how things are designed, made and sold around the world.

In other words: Conception. Production. And utilisation.

So, let's start with conception - how things are designed.

In the next generation economy, you and I know that value is increasingly captured at the design stage.

Artificial intelligence, digital twins, advanced simulation, and data-driven engineering are

transforming how products are imagined. Long before they are ever built.

The factory of the future begins not on the shop floor, but on a high-performance computer.

Now, Britain's strength has always been in its ingenuity.

From the steam engine to the jet engine.

From the World Wide Web to graphene.

This country has consistently demonstrated that ideas are a competitive advantage.

Today, Rolls-Royce is pioneering digital twin technology in aerospace engine design.

BAE Systems is integrating advanced modelling and AI into complex defence platforms.

And in our universities - from Cambridge right through to Manchester - cutting-edge research is shaping the industries of tomorrow.

But conception alone is not enough.

Ideas must be translated into productive capacity.

And that brings me to production - how things are made.

Right across the world, advanced economies are reindustrialising.

The European Union, where I was at last week, is investing heavily in semiconductor resilience.

In the United States, where I was last month, Congress has passed landmark legislation. It is onshoring critical supply chains for manufacturing.

And in East Asia, where I was last year, economies continue to lead in robotics density and advanced electronics production.

Now, for us to compete, our factories can't be relics of the past. They have to be models of the future.

It's why we are championing next generation production.

We are encouraging the integration of new technologies and techniques through our Made Smarter adoption programme.

It's helping [smaller] firms to adopt robotics and autonomous systems.

To make full use of AI. Of 3D printing. And other emerging technologies.

The gains are seen in better productivity. In greater competitiveness.

But we know that production is about more than just machinery. It's about people.

We cannot automate our way to prosperity if we neglect skills.

So, the engineer of the future must be as comfortable with AI as with machinery.

They must be as fluent in data as in design.

That's why our approach places such emphasis on technical education.

On apprenticeships.

On partnerships between industry and further education colleges and universities too.

We have pledged over £1 billion in tailored sector skills packages.

That money is creating a pipeline for the future of our pivotal industries.

We also have our future Advanced Manufacturing Upskilling and Reskilling Programme.

And we are rolling out short courses. Funded through the Growth and Skills Levy. They are set to go live from next month.

Now, if we get this right, advanced manufacturing promises to remain one of the greatest growth drivers for our economy. In this decade. And well, well into the next. And the next one after that.

That brings me to the third pillar: utilisation - how things are sold around the world.

How we mobilise funding from UK Export Finance to support smaller manufacturers is really important.

It's where we know that can help you in exporting more goods and services.

I say 'services' because you and I know that manufacturing in the 21st Century is not just about exporting goods.

It is about exporting targeted solutions. And integrated solutions as well.

Increasingly, products are bundled with services. With software. With data analytics. With maintenance contracts.

An aircraft engine today is not merely sold as a piece of hardware.

It is sold as a "power by the hour."

It's a service model in which performance is monitored digitally.

And maintenance is predictive rather than reactive.

Now, that combination of advanced engineering and digital service provision is where the margins are won.

It's where profits are increasingly being made.

It's where shareholder value is built.

So, to succeed, we must align trade policy, export finance and diplomatic engagement with our manufacturing strengths.

That is what I am completely determined to do.

The question is not whether this transformation in manufacturing will occur.

It is whether Britain will shape it. Or be shaped by it.

I believe that we have every reason to face the future with real, genuine optimism.

We possess world-class research institutions.

We have deep capital markets.

We are a global trading nation.

Above all, we have the capacity to adapt.

To respond to new technological realities.

The strategic imperative therefore is completely clear to me:

We must invest in conception.

We must modernise production.

And we must maximise utilisation.

Working together with Make UK and the businesses in this room, we can do all of these things.

We can compete. And we can win.

Thank you very much.

<https://www.gov.uk/government/speeches/business-secretary-speech-to-make-uk-national-manufacturing-conference>