

Overview: We will create an economy that boosts productivity and earning power throughout the UK

Our five foundations align to our vision for a transformed economy



We will set Grand Challenges to put the United Kingdom at the forefront of the industries of the future:

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|  <p>AI & Data Economy
We will put the UK at the forefront of the artificial intelligence and data revolution</p> |  <p>Clean Growth
We will maximise the advantages for UK industry from the global shift to clean growth</p> |
|  <p>Future of Mobility
We will become a world leader in the way people, goods and services move</p> |  <p>Ageing Society
We will harness the power of innovation to help meet the needs of an ageing society</p> |

Key policies include:

Ideas

- ▶ Raise total research and development (R&D) investment to 2.4 per cent of GDP by 2027
- ▶ Increase the rate of R&D tax credit to 12 per cent
- ▶ Invest £725m in new Industrial Strategy Challenge Fund programmes to capture the value of innovation

People

- ▶ Establish a technical education system that rivals the best in the world to stand alongside our world-class higher education system
- ▶ Invest an additional £406m in maths, digital and technical education, helping to address the shortage of science, technology, engineering and maths (STEM) skills
- ▶ Create a new National Retraining Scheme that supports people to re-skill beginning with a £64m investment for digital and construction training

Infrastructure

- ▶ Increase the National Productivity Investment Fund to £31bn, supporting investments in transport, housing and digital infrastructure
- ▶ Support electric vehicles through £400m charging infrastructure investment and an extra £100m to extend the plug-in car grant
- ▶ Boost our digital infrastructure with over £1bn of public investment, including £176m for 5G and £200m for local areas to encourage roll out of full-fibre networks

Business Environment

- ▶ Launch and roll-out Sector Deals - partnerships between government and industry aiming to increase sector productivity. The first Sector Deals are in life sciences, construction, artificial intelligence and the automotive sector
- ▶ Drive over £20bn of investment in innovative and high potential businesses, including through establishing a new £2.5bn Investment Fund, incubated in the British Business Bank
- ▶ Launch a review of the actions that could be most effective in improving the productivity and growth of small and medium-sized businesses, including how to address what has been called the 'long tail' of lower productivity firms

Places

- ▶ Agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities
- ▶ Create a new Transforming Cities fund that will provide £1.7bn for intra-city transport. This will fund projects that drive productivity by improving connections within city regions
- ▶ Provide £42m to pilot a Teacher Development Premium. This will test the impact of a £1000 budget for high-quality professional development for teachers working in areas that have fallen behind

We will ensure our Industrial Strategy will endure by creating an independent Industrial Strategy Council that will assess our progress and make recommendations to the government.