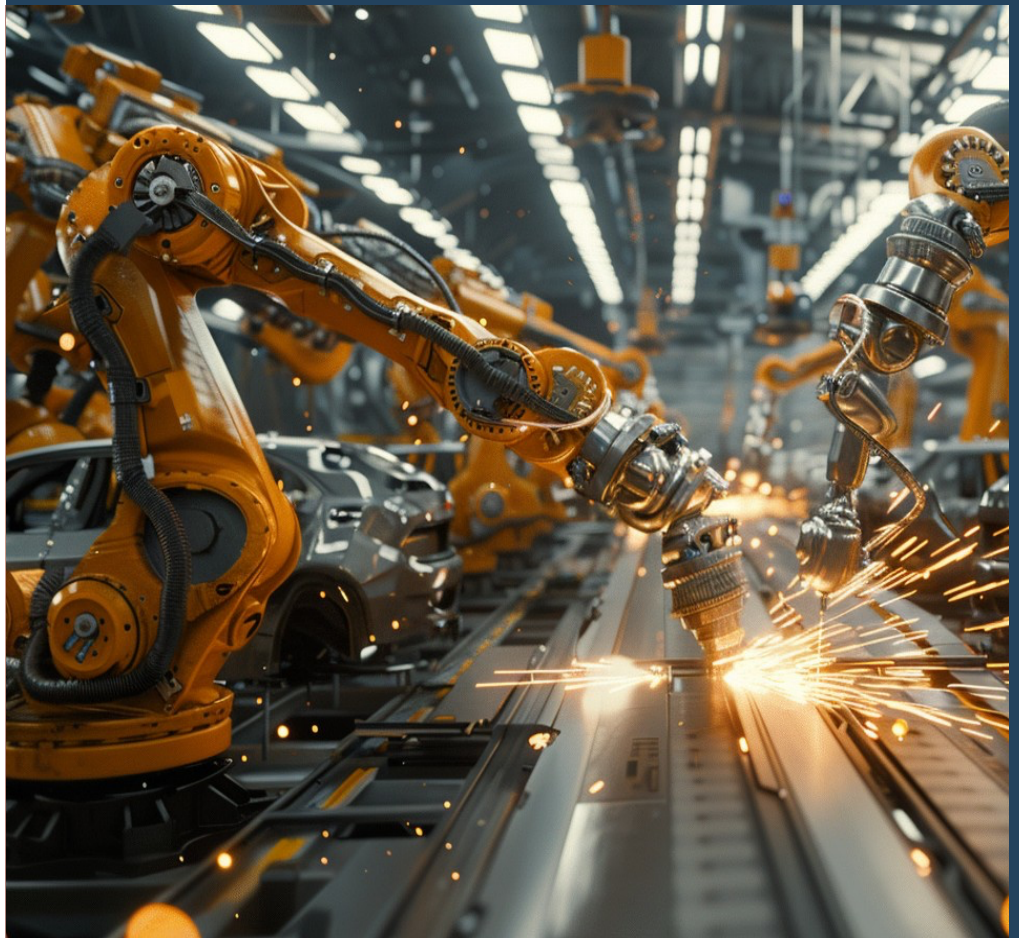


POLICY
THUMBNAIL

A New Industrial Strategy

Supply-Side Reforms To Fix The Problems
Choking UK Economic Productivity & Growth



JULY
2025



THE PROBLEM

The UK's economic productivity is lower than other developed nations such as USA, France & Germany, and has grown more slowly than usual since the 2008 banking crash too.

This caps the speed our economy can grow but, for years, UK Governments have produced industrial strategies which attempt to identify promising emerging technologies & attract research & startups to establish UK clusters of firms in them, while ignoring the much bigger & broader problems of long-term supply-side constraints which hold back existing UK businesses. This approach hobbles our economic growth & leaves us less productive, wealthy & internationally competitive as a result.

THE SOLUTION

We must change our Industrial Strategy to include a comprehensive programme of supply-side reforms so UK ranks in the top 5 G20 nations for cheap & abundant supplies of 5 foundational elements of industrial success:

- 1) business & residential premises
- 2) energy
- 3) skilled labour
- 4) infrastructure
- 5) investment capital.

Further details of many of the supply-side reforms which will be needed to deliver this new 'top 5 in all 5' Industrial Strategy are outlined in other policy papers elsewhere, including *Build Up Not Out*; *Cheaper Energy*; *Affordable Childcare*; *Making Work Pay*; and *Ending The UK Credit Crunch*.



THE BENEFITS

- Confronts & solves the key problems causing today's anaemic economic UK growth, rather than expensively bandaging the symptoms instead.
- Reaching a ranking of 'top 5 in all 5' of these areas will make UK one of the strongest & most internationally attractive & competitive business environments on the planet. This will free up existing UK firms to grow faster & become more internationally competitive. And it will also attract more start-up and scale-up businesses in tomorrow's promising new technologies to base themselves & grow in Britain too.
- Supply-side reforms require little or no additional taxpayer-funded big-Government spending, and will allow many existing expensive subsidy programmes to be phased out as the underlying problems which they were compensating for are whittled away.

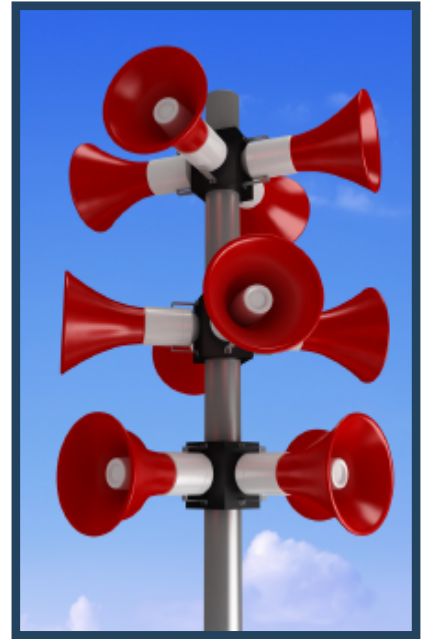
THE SOUNDBITES

"Margaret Thatcher used supply-side economic reforms to transform Britain from the 'sick man of Europe' into an entrepreneurial dynamo. It's time for another dose of the same medicine."

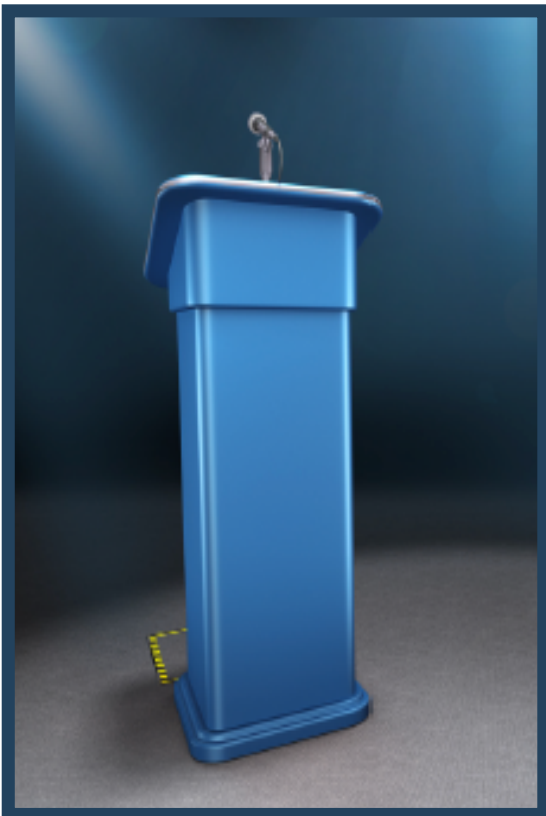
"If we allow ourselves to be distracted from solving today's economic problems by the shiny promise of tomorrow's technologies, those same problems will still be here when tomorrow comes, but the shiny new technologies will have become thriving businesses that are based abroad."

"We've got to face up to & fix the UK's underlying economic problems. Just bandaging the symptoms with subsidies & one-off schemes isn't sustainable, and won't solve anything."

"Trying to fix slow UK growth with a portfolio of promising tech investments without supply-side economic reforms is like a gambler chasing his losses. The answer is to face & fix the fundamental underlying problems, not just keep making more bets."



THE REBUTTALS



1. Why are you ignoring our economy's future? Aren't you looking backwards at yesterday's industries, rather than forward to tomorrow's new technologies instead?

Exciting new technologies still need an attractive business environment to work & grow in, just like established businesses do too. But if we don't solve the fundamental problems which are holding back British businesses today, they'll hold back tomorrow's new technology businesses as well.

2. Why are you saying we need cheap land, energy, capital & labour? Isn't the way to improve our living standards to specialise in high-skill, high-tech, high-wage industries? Isn't this just code for a low-skill, low-paid Britain?

Quite the opposite. World-leading economies need competitive & successful traditional industries to support their high-tech firms too, so arguing that Britain shouldn't

bother with them is silly. The difference is that their traditional industries have world-leading levels of efficiency, so their prices are internationally-competitive but their staff are very well-paid as well.

3. How can Britain possibly have cheap land, energy, capital & labour when everything is so expensive already? Isn't this just pie in the sky?

You're right that introducing these changes will take time, and no-one can change everything overnight. But there are detailed proposals to deliver them in other Small State policy papers elsewhere and, once businesses can see that Britain is becoming the best developed nation for business & wealth creation, the investments to make us more efficient will start to pay off.

4. Why are you axing [this or that specific subsidy scheme]? Don't you care about [the people / the industry which it is supposed to help]?

We do, but subsidies bandage the symptoms of a problem, rather than solving the underlying issue that caused it in the first place. Our 'top 5 in all 5' industrial strategy will solve those underlying causes that originally led to this subsidy being created, so we shouldn't expect taxpayers to keep funding it after that.

