



Industry Forum October Newsletter

Progress despite uncertainty

The government is moving with deceptive speed to address problems with UK public services, improve relationships with our European neighbours and lay the foundations of an investment-led growth economy which can profit from and use leading edge technologies. Two big uncertainties overhang future prospects: Rachel Reeves's first budget and the outcome of the US elections. Reeves has the unenviable task of needing to project fiscal caution while knowing that investment in human and physical infrastructure is needed to support the economic growth that will pay for it. A new Trump presidency could cause a sharp jolt for the world economy. For Europe it is likely to mean higher defence spending which would squeeze other programmes; higher US tariffs would hinder trade with the US, and the chances of a US/UK trade deal would be slim.

Following our successful programme of Labour party conference fringe meetings, we are organising a series of member-sponsored House of Commons dinners on key issues including AI opportunities, cybersecurity, and intellectual property. These will give members the opportunity to meet new up-and-coming MPs who have strong sector skills and expertise. Our next scheduled event is a round table on 'Budget 2024 - the turning point?', which will be led by an expert panel of economists.

Early in the New Year we are planning a House of Commons business reception to continue the process of meeting ministers and new backbenchers, and Baroness Jacqui Smith will lead a roundtable on the vital topic of 'Fixing the Skills Crisis.'

Budget 2024 - the turning point?



31 October 2024

Panel:

Will Hutton - Political economist, author and journalist
Sarah Howard MBE - Chair, British Chambers of Commerce
Vicky Pryce - Chief Economic Adviser, CEBR
Andrew Smith - Chief Economist, Industry Forum
Invited: Emma Reynolds MP, Pensions Minister

Rachel Reeves's budget on the 30th October promises to be a turning point for UK economic fortunes. To discuss, not just the direct fiscal implications, but also the real world business opportunities and pinch points arising, the Industry Forum is convening a lunchtime roundtable the following day. We are inviting economists, business people and politicians for a free-ranging discussion at a lunchtime roundtable. The conclusions will be published without individual attribution, for wider discussion.

Our other meeting plans for 2025 include:

- Could reform of consumer credit regulation support higher growth?
- Policy priorities for the Middle East, Afghanistan and Pakistan
- Working with the new US administration
- Improving our digital infrastructure would be a win/win for businesses and the economy
- Policy priorities for safe and sustainable, high-quality buildings.
- An integrated plan for the UK road and rail networks
- Achieving a new positive relationship with Europe
- Future UK environment and climate policy, and business engagement
- Delivering real world benefits from science, innovation and technology
- Funding radical change.

These are all major topics which we hope to cover in some depth at meetings and policy workshops.



Big Change Research Programme

Work is proceeding on the following topics:

Why we need a more united Europe

How do we get UK climate plans back on track?

The reality of what AI means

Combatting the growing threat of the lone terrorist

This programme will lead to short papers and roundtables over the next few months.

If you are interested to participate in these projects, in any way, please

contact jwyer@industry-forum.org

As well as our House of Commons Business Reception, our most recent Industry Forum meetings have focused on the impact of the HS2 decision, the opportunities and pitfalls for AI in business, and the how investment in physics can boost the economy.

Fallout from the HS2 cancellations



17 September 2024

Speaker: Sir John Armitt, Chair, National Infrastructure Commission

Recently The Industry Forum welcomed Sir John Armitt, Chair of the National Infrastructure Commission, to lead a roundtable on the subject of 'HS2 cancellation fallout.' The Battersea Power Station Development Company hosted the meeting and their CEO, Don O'Sullivan, welcomed guests. The meeting was chaired by Andrew Smith, Chief Economic Adviser to the Industry Forum. Due to the recent change of

government, no final and costed replanning has been completed. Possibly 30% of the original budget can be saved but there are consequences: plan changes and delays have big impacts in losing key skilled staff on projects and discouraging private sector confidence in providing finance. An interesting fact that emerged was that most infrastructure projects come in within 10% of their budgets; it's the big ones, subject to political scope changes and inconsistency, that suffer the headline cost overruns. These are lessons which will apply to new large projects such as building a further Thames crossing. They will undoubtedly be considered as the government prepares its revised infrastructure investment plan due in Spring 2025. Infrastructure improvement (physical and digital) and capital projects funding are key factors that will affect the ability of the UK to meet the government's vital growth objectives. The Industry Forum looks forward to convening more meetings to tease out the inevitable obstacles to change and how to overcome them.

The reality of AI in business



24 September 2024

Panel discussion

At the Labour Liverpool conference, The Industry Forum partnered with Europe's largest software company, SAP for a fringe meeting on 'The reality of AI in business'.

Our panel was packed with real experts. Chi Onwurah MP, the new chair of the Digital, Innovation and Technology Select committee, and new MPs Louise Jones MP who has a military and intelligence background and Steve Yemm MP who has wide experience in the life sciences sector, represented parliamentary legislators.

Chris Francis, Director of Government Affairs, SAP UK, Technology Policy and Standards Expert and James Johns, Head of Corporate Affairs for Workday represented the digital tech sector. It was clear from the wide-ranging discussion that

AI is not one thing but a pervasive set of applications, and that its impact across society and business is set to grow rapidly. We can all be grateful that the new House of Commons has been strengthened in its understanding of AI and can talk on equal terms with the companies using AI and bringing AI products to market.

Supercharging physics R&D for UK prosperity



24 September 2024

Panel discussion

The importance of investment in physics R&D was promoted in a fringe IOP/The Industry Forum meeting at the Labour party conference. The Chair, Anjana Ahuja, highlighted that physics-based industries contribute 11% to UK GDP and 10% to employment. Covering all the bases, the panel included Peter Stephens of Arm, a true UK tech success story, Robert Lamb of the IOP and the research community, Professor of Physics Matthew Brookes from Nottingham University and Jo Slota-Newson from the VC sector. Chi Onwurah MP, newly elected Chair of the Digital, Innovation and Technology Select Committee gave her endorsement of the importance of physics.

New members welcome

The Industry Forum was established in 1993, and has held over 500 meetings with top policy-makers since then. It is one of the most experienced, and well-networked, business policy think-tanks in the UK. If you're not already a member, and would like to help shape our agenda, host events, and receive invitations to all meetings, get in touch by email at info@industry-forum.org, or give us a call to find out more on 0207 434 0090.



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