



Industry Forum January Newsletter

Bridging the dangerous revenue gap

Turning around the UK economy in the face of the national debt burden, cash-starved public services and infrastructure, expensive and poorly performing privatised services, and damaged trading relations with our biggest market, Europe, is an immense task. Then, of course, there is Russia's nonsensical war on Ukraine and political turbulence and trade disruption coming across the Atlantic.

But with the new Trump administration now in place, we can start to see an increasingly transactional framework in which the UK and its businesses could prosper, if we rise to the challenge. Besides the obvious example of defence, there are opportunities which could be grasped quickly: In trade, our erstwhile European partners are keen to rebuild links with us and increase trade in sectors such as renewable energy, automotive manufacture and agriculture. In digital tech, increased US emphasis on AI and other tools will provide the means of modernising and cutting costs in the UK public and private sectors. In government administration, modernisation to manage procurement better, get value for money, and raise service levels particularly for technology projects, could cut costs and improve decision-making. Such changes would also provide more exciting career opportunities for civil servants, and help prevent the government being ripped off by strong deal-oriented companies. In healthcare, AI can undoubtedly help with diagnosis and drug development; there is also, however, the much more mundane work of cleaning up the poor state of NHS patient data and digital communications. This would quickly pay dividends, by saving time and improving patient experience, without major investment. Finally, the UK is awash with talent. There are sectors in which we are truly world-leading and have growth potential, which don't get a lot of attention from government, e.g. architecture, the creative arts, consultancy, design, education, entertainment, tourism and more.

Of course, the government is aware of many of these opportunities, but is held back by the financial situation. Businesses understand the revenue gap which inevitably occurs early on in all turnarounds. The measures already put in place, and the excellent work the Treasury and DSIT are doing on cross-departmental and multi-year planning and systems integration will, as the IMF seems to have seen, lead to growth. But, in the interim, the priority is for government and business to work together to iron out problems, spotting

opportunities where, for example, clearer goals or minor regulatory changes could take effect quickly and increase business and government revenues.

Our next events will focus on the government's growth mission and policy towards the vital Middle East. Our spring reception will provide more opportunities for members to meet people in the new administration.

Delivering the Growth Mission



Tuesday 4th March 2025

Speaker:

Dan Tomlinson MP, Labour's National Mission Champion for Growth

At the recent general election, the UK voted overwhelmingly for an economic turnaround, to provide better public services, greater personal and business opportunity, and increase real wages. To deliver these there is no alternative to making the economy grow and perform better. The task is not easy in the face of the national debt burden, cash-starved public services and infrastructure, expensive and poorly performing privatised services, and damaged trading relations with our biggest market, Europe. Dan Tomlinson, MP for Chipping Barnet, and Keir Starmer's 'Growth Mission Champion,' will lead this breakfast roundtable discussion 'Delivering the growth mission.' This will be a good opportunity to hear more about the government's central economic objective and feed back practical comments and suggestions.

Policy priorities for the Middle East, Afghanistan and Pakistan



Thursday 6th March 2025

Speaker:

Hamish Falconer MP, Minister for the Middle East, North Africa, Afghanistan and Pakistan

The Middle East, Afghanistan and Pakistan is possibly the most politically unstable area in the world, combining immense wealth, political tensions, religious hostilities, vast inequality, and many autocratic governments. For more than a century, its enormous fossil fuel reserves helped fuel the economies of major economies. This has led the major Western powers, in their foreign policies, to prioritise secure supplies. Although the regime change in Syria and pause in the Gaza war give some slight grounds for optimism, the area remains a tinderbox in which further conflagration could cause big problems in the area and beyond. For such reasons, we have invited Hamish Falconer MP, Parliamentary Under-Secretary of State for the Middle East, Afghanistan and Pakistan to lead this roundtable which will be a good opportunity for members to raise key issues that affect their own businesses.

Our other meeting plans for 2025 include:

- Fixing the skills crisis
- Energy transition - the obstacles and opportunities for the UK
- Decarbonising homes - making it happen
- Could reform of consumer credit regulation support higher growth?
- Creating opportunity in the UK
- 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

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

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

Our most recent Industry Forum meeting focused on:

Budget 2024 - the turning point?



31 October 2024

Speakers:

Will Hutton - Political economist, author and journalist

Vicky Pryce - Chief Economic Adviser, CEBR

Andrew Smith - Chief Economist, Industry Forum

The Industry Forum assembled a stellar panel of economists to decide whether Rachel Reeves's 'Budget 2024' is the turning point for the UK economy which it so badly needs. The meeting was hosted by the Chartered Insurance Institute and Matt Connell, Director of Policy and Public Affairs at CII, welcomed guests to the famous 'Walkie Talkie' building in the City. Vicky Pryce - Chief Economic Advisor, CEBR, Will Hutton - Political economist, author and journalist and Andrew Smith - Chief Economist, Industry Forum looked behind the headlines to see how the budget starts to address the deep-seated economic problems of the UK and teased out some optimism that a systematic and focussed approach will bring a growth bonus that the OBR and International Monetary Fund couldn't predict from bare economic forecasts. There were a number of key takeaways: The spending, borrowing and taxing plans are high and involve some risk, but given the situation any new administration would have faced the same questions for which a laissez-faire approach has no credible answers. Starting to address the problems in public services, infrastructure and housing will have economic benefits from the investment expenditure and improved industrial cooperation which cannot be quantified at this stage. Overall, the conclusion of the meeting was that Budget 2024 can be called a turning point although many questions remain. These include, 'When will we reform our over-complex tax system?', 'How will we repair relations and trade with our European neighbours?' and 'How can we regain the international stature to help tackle worsening geopolitical problems?' Detailed ideas on remaking Britain are contained in Will Hutton's book, 'This Time No Mistakes,' and the Industry Forum is planning a busy forward programme of dialogue on many of the other issues facing the UK.

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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