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3 July 2026

Dear Liam,

Thank you for your letter of 25 June 2026 to Chris McDonald MP on progress on the Industrial Strategy. I am responding as the Minister responsible for Industrial Strategy.

Since the launch of the Modern Industrial Strategy one year ago, the Government, working in partnership with business, mayors, devolved governments and local leaders, has made significant progress turning the Industrial Strategy into concrete action, to give businesses the confidence to grow and create high-skilled jobs that benefit the whole country. Business has responded in kind, committing at least £360bn in private investment which will support over 120,000 jobs across the UK. Next week, we will publish a document on delivery of the Industrial Strategy one year on from publication, alongside our fourth Quarterly Update. I will send you a copy in advance.

In formulating the Industrial Strategy, 27,000 responses from business, academia, trade unions and local leaders gave us clear and consistent feedback on reforms we needed to make to make it quicker and easier to invest in the UK. We have delivered in partnership to improve the business environment in areas such as infrastructure, planning, energy, skills, regulation, and trade. For example, in December 2025 the most ambitious planning reforms in a generation became law in the Planning and Infrastructure Act, scrapping pre application consultations, streamlining judicial reviews, and accelerating delivery of the target to build 1.5m new homes. We have delivered £1.4bn in annual administrative burden savings to businesses, with the streamlining of corporate reporting requirements estimated to save businesses £230m every year. Further, the Government has supported faster electricity grid connections, advancing priority investment projects worth £8.5bn, addressing a major barrier to investment in the UK.

The Government has doubled down on backing the eight high growth sectors – advanced manufacturing, clean energy industries, life sciences, defence, creative industries, digital and technologies, and our financial, professional and business services – and the places and communities across the country where they concentrate. Total support into IS sectors from public finance institutions since publication now stands north of £10bn, alongside more than £9bn being directed to IS-8 frontier technologies and industries via UK Research and Innovation four-year funding allocations to support cutting-edge research and commercialisation of new technologies. We have launched 29 Technical Excellence Colleges in strategic locations across England, that will train over 100,000 young people in

skills critical to the IS-8 and foundational sectors, equipping young people with the technical skills needed to access well-paid, high-skilled jobs.

Economic resilience has never been more important, and we are delivering on the Industrial Strategy's commitments to ensure the UK's foundational industries and supply chains are resilient in the face of global pressures. We have strengthened protections for UK firms by tackling unfair trading practices, expanding our ability to act, and reformed the trade remedies system. Alongside this, we have launched the Supply Chain Centre to strengthen access to growth driving inputs and support business resilience and sustained growth, and established the Economic Security Advisory Service that helps businesses identify and manage economic security risks. To back the UK's most strategically important chemical producers, we recently announced a new £350m Critical Chemicals Resilience Fund to keep key producers and sites competitive, put businesses on a more sustainable footing and strengthen supply chain resilience.

We are helping to build a more connected, higher-wage economy, where businesses can grow and people can access opportunities where they live. We have launched the £500m Local Innovation Partnerships Fund, supporting local leaders in 17 strategic locations across the UK to attract private funding. The Northern Growth Strategy sets out a major package of Industrial Strategy sector commitments, building on the commitment to invest up to £45bn in Northern Powerhouse Rail. Further, the Oxford to Cambridge Growth Corridor funding doubled to £800m, removing development barriers and enabling infrastructure. We have established locations for five AI Growth Zones in Oxfordshire, North and South Wales, the North East, and Lanarkshire, with up to 15,000 jobs supported and launched the £250m Defence Growth Deals, deepening defence capability in five strategic locations across the UK, in Scotland, Wales, Northern Ireland, Plymouth and South Yorkshire.

The recent successes in securing trade deals reflects the integrated approach of the Industrial Strategy and the Trade Strategy in seizing global opportunities for UK businesses. For example, last year's trade mission to India delivered nearly £5bn of new deals and 15,000 jobs across the UK and India, and the Free Trade Agreement with South Korea, boosting exports and supporting thousands of UK jobs.

Delivery is moving at pace, but we know we have more to do. Network charges have been cut for around 550 of the most intensive energy businesses benefitting from the British Industry Supercharger scheme, with an increase to the discount from 60% to 90%, providing a more level playing field on industrial energy costs with our European competitors. To go further, next year we will be cutting energy costs for over 10,000 manufacturing firms. In the second year of delivery, the Government will also be co-creating jobs plans for the IS-8 to bring more people into key IS occupations and cutting regulatory burdens to unlock investment and secure the workforce of the future. The Industrial Strategy will continue to give businesses the certainty and confidence needed to invest, grow and create jobs in every part of the country.

We will continue working to deliver the vision of mayors, devolved governments and local leaders who know their economies best. We will drive forward delivery of our two strategic growth corridors – Oxford/Cambridge and the Northern Growth Corridor – while also helping make the Edinburgh to Glasgow Central Belt a globally-competitive "innovation arc". We will continue to make industrial investments that transform regions via Sector Plans and Public Financial Institutions and will bring forward more investment-ready sites across the UK. And we will ensure the growth of IS-8 clusters provides high-quality, well-paid employment opportunities for people who live near them.

In response to your second question on the Industrial Strategy Advisory Council, as I set out in my letter to you dated 11 May, the Government is committed to establishing a permanent, statutory Industrial Strategy Council when Parliamentary time allows. In the meantime, the Government has acted to ensure that the development and delivery of the Industrial Strategy benefits from expert, evidence-based advice, through the non-statutory, independent Industrial Strategy Advisory Council. Last Thursday's report on disruptive business models is a prime example of the expert, evidence-based advice from which Government already benefits. I look forward to further reports from the Council in the coming weeks on business investment in skills and local business dynamism.

I would like to thank the committee for its scrutiny and engagement on the Industrial Strategy, and look forward to it continuing as the Industrial Strategy further transforms investment and grows the industries of the future.

Yours sincerely,

A handwritten signature in black ink, reading "Blair McDougall". The signature is written in a cursive, flowing style.

BLAIR McDOUGALL MP

Minister for Small Business & Economic Transformation