Less than a week on from the Chancellor’s rather conservative Budget, Business Secretary Greg Clark and Prime Minister Theresa May have published the Government’s Industrial Strategy White Paper. Originally touted as one half of the Government’s Plan for Britain (alongside its 13-point Brexit Plan), the Industrial Strategy had been tasked to establish a strong and stable policy framework for UK Economy – tackling productivity, stimulating inward investment and driving growth across the whole country. At the heart of this approach had been the Sector Deals, the joint Government-industry-academia initiatives to cultivate the UK’s world-leading sectors and deliver clusters of excellence across the UK. When the Green Paper had been published back in January, the need for a modern industrial strategy had been a key tenant of the Prime Minister’s new vision for the UK, and thus had the full weight of Number 10 behind it. However, following the Autumn Statement result and subsequent change in personnel at Number 10, alongside an increasingly difficult Brexit negotiation process which has dominated policymakers’ agendas, Industry’s White Paper looks very different from that which was promised at the start.

The Ten Strategic Pillars have collapsed into Five Foundations of Productivity which seek to address the depressing picture painted by the Chancellor at last week’s Budget of slow and low economic growth. Meanwhile, the Government has identified Four Grand Challenges that the UK must address if it is to take advantage of world-changing trends, including: an ageing society; the artificial intelligence (AI) and data revolution; the global shift to clean growth; and the future of mobility. Where we may have expected 100s of Sector Deals for everything from ceramics to steel, there are now only four more Deals, with a further potential Deals in the pipeline. The offer to other sectors to secure a Deal remains, but you’ll need to get in quick and meet a range of minimum criteria to do so. The Paper’s announcements are largely a reiteration of previous funding pots and policy changes, many of which were set out in last week’s Budget. Indeed, we understand that Greg Clark had intended to publish his Industrial Strategy 1-2 weeks ago but that internal delays had meant that Philip Hammond was able to steal his thunder on many fronts. The document itself is littered with typos and repetition, perhaps an indication that it had not been finalised until this Sunday evening. Nevertheless, to help you navigate the 250 page document, we have broken down the key announcements, setting out how the Government plans to establish its Five Foundations of Productivity and tackle the Four Grand Challenges.

### Five Foundations of Productivity: creating an economy that boosts productivity & earning power

#### Ideas

- **Raise total R&D investment to 2.4% of GDP by 2027**
- **Increase the rate of tax credit to 12%**


### Infrastructure

- **£5bn in new Industrial Strategy Challenge Fund programmes**
- **£5bn per year of new world-class labs**
- **Work with UKRI to launch a new Competitive Strategic Projects Fund to deliver high-quality R&D projects which would otherwise not be feasible**


### Business Environment

- **£25bn in new Industrial Strategy Challenge Fund programmes**
- **£2bn for the new Government-Sector Council**
- **£2bn in Intermediated Investment funds**


### Places

- **£10bn of funding for Local Industrial Strategies**
- **£6bn to be spent on new science parks**
- **£4bn for the new National Productivity Investment Fund of up to £85m to support local government to invest in key projects**


### Four Grand Challenges: putting the UK at the heart of the industries of the future

<table>
<thead>
<tr>
<th>Grand Challenge</th>
<th>UK's Role</th>
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<tbody>
<tr>
<td><strong>Mobility</strong></td>
<td>Develop new transport systems for the future, including Hyderabad Hyperloop, to establish the UK as a world leader in transport innovation and technology.</td>
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<tr>
<td><strong>AI &amp; data</strong></td>
<td>Establish the UK as the global leader in AI, attracting talent, investment and businesses to the UK.</td>
</tr>
<tr>
<td><strong>Clean Growth</strong></td>
<td>Help the UK lead the world in transitioning to a low carbon economy, including through the development and deployment of technologies such as offshore wind and hydrogen.</td>
</tr>
<tr>
<td><strong>Ageing Society</strong></td>
<td>Accelerate the development of solutions for an ageing population, including through research into age-related diseases such as dementia.</td>
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### New Grand Challenges

- **£725m investment in new Industrial Strategy Challenge Fund programmes**
- **£170m investment in new Industrial Strategy Challenge Fund programmes**
- **£10bn of funding for Local Industrial Strategies**
- **£6bn to be spent on new science parks**

### New Great Britain

- **£6bn to be spent on new science parks**
- **£10bn of funding for Local Industrial Strategies**
- **£6bn to be spent on new science parks**

### New Global Britain

- **£725m investment in new Industrial Strategy Challenge Fund programmes**
- **£170m investment in new Industrial Strategy Challenge Fund programmes**
- **£6bn to be spent on new science parks**
- **£6bn to be spent on new science parks**

### New UK

- **£725m investment in new Industrial Strategy Challenge Fund programmes**
- **£170m investment in new Industrial Strategy Challenge Fund programmes**
- **£6bn to be spent on new science parks**
- **£6bn to be spent on new science parks**

### New World

- **£725m investment in new Industrial Strategy Challenge Fund programmes**
- **£170m investment in new Industrial Strategy Challenge Fund programmes**
- **£6bn to be spent on new science parks**
- **£6bn to be spent on new science parks**