In partnership with BARCLAYS

The Manufacturers' Organisation

INVESTMENT ZONES:
UNLOCKING GROWTH IN THE UK

makeuk.org

CONTENTS

INVESTMENT ZONES IN THE UK, WHAT ARE THEY AND WHY ARE THEY IMPORTANT?

WHAT IS THE INVESTMENT ZONES POLICY?

Investment Zones are a place-based policy with the ambition of driving enterprise growth, innovation and job creation in defined areas of the UK that have been identified to have strong economic and innovation potential while also being in need of 'levelling-up'. Within these defined zones, the Government will provide eligible businesses with time-limited fiscal incentives and provide grant funding to be spent flexibly on a per-zone basis. Investment Zones will all have a knowledge anchor (e.g. a co-located research institution) to drive innovation and public-private partnerships.

Initially announced in September 2022, Investment Zones were a new policy as part of the Government's growth plan at the time. As of the latest announcements, Investment Zones have returned to offering fiscal incentives over a ten-year period, while also refining the scope of place-selection from all large cities down to Mayoral Combined Authorities. Investment Zones have significant potential to benefit the UK's manufacturing sector, given the prime target of these zones is not developed regions. The manufacturing sector is spread throughout the UK, with many of these firms occupying areas that the Government has identified for levelling up, a core ambition of the Investment Zones policy.

Given the aims of the scheme, it's of equal importance to both the UK's manufacturing sector and the Government that the policy delivers to its highest potential. To understand the impact, buy-in and forecasted effects of Investment Zones on the UK's manufacturing base, Make UK have partnered with Barclays Corporate Banking to carry out a study to understand the views of leaders of UK manufacturing firms.

The research sets out to reveal the understanding of the policy, how the sector will react and what business activity will occur as a result of the policy incentives.

UK MANUFACTURERS AND INVESTMENT ZONES

AWARENESS, ELIGIBILITY, AND LOCATION

Independent of the merits of the Investment Zones policy offer, UK manufacturers will need to be aware of their existence to assess whether locating their businesses within a Zone would be beneficial.

Our research found that 63% of manufacturers were aware of the Investment Zones scheme. Given the relative novelty of the scheme, this is positive, though there is a case to be made for further raising awareness levels amongst businesses, especially considering the numerous other schemes available to them. This finding reveals that there may be a significant number of manufacturers that might be in a position to benefit from the scheme. Improving the sector's awareness of local investment zone policy and key stakeholders will be critical to maximising the positive benefits to the UK Economy of the Investment Zone scheme in the long term.

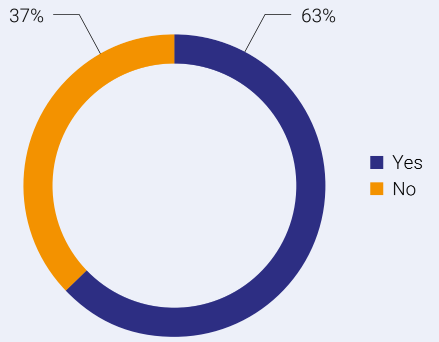
2 OUT OF 3

manufacturing firms are aware of what Investment Zones are and the potential benefits to their business

When we interrogate this data by company size, we find that awareness is roundly consistent across all companies, with an exception for the largest of firms, which have a notably higher degree of awareness than the average.

Chart 1: Two thirds of firms are aware of what Investment Zones are

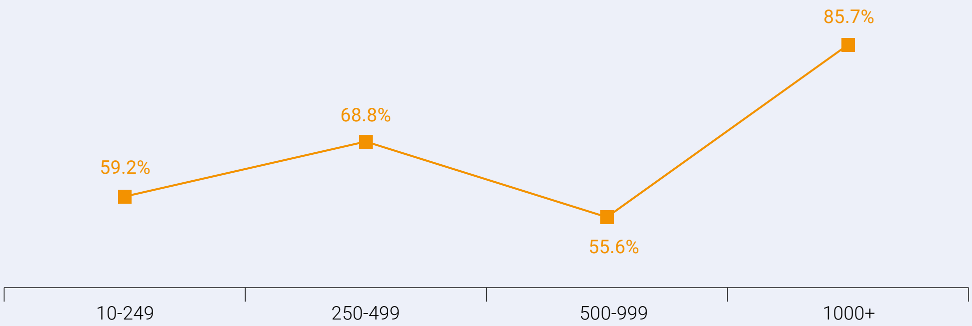
% firms reporting awareness of Investment Zones before participating in the study



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

Chart 2: The largest of firms are the most aware of Investment Zones

% firms reporting awareness of Investment Zones before participating in the study, by company size



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

This is an encouraging finding for the prospects of Investment Zones, as the data shows there is little knowledge gap between small and medium-sized businesses. While the largest entities do report a higher average level of awareness, this is typically expected given the likelihood of large corporates having dedicated teams to maximise the potential of any business-related Government scheme.

As part of the location selection methodology for the placement of current and future Investment Zones, the Government considers the strength and capacity of the local leadership. To date, all delivered and proposed areas for Investment Zones have also coincided with Mayoral Combined Authorities (MCAs).

Given the heightened leadership within these MCAs, does this affect the level of awareness of Investment Zones if a business is operating within it? The data suggests it does, with 77% of those who are located in an MCA reporting to be aware of Investment Zones, compared to the awareness of those who are located outside of MCAs, at 55%. This indicates that manufacturing firms are 22% more likely to be aware of the Investment Zones offer if they are located within an existing (or proposed) MCA.

This data shows us that, even before the full rollout of the proposed Investment Zones, the likelihood of taking up the offer will be much stronger amongst businesses already located near a forthcoming Investment Zone, due to the heightened awareness a business is likely to have by being within an existing or proposed MCA.

Business awareness of Investment Zones when based in a Mayoral Combined Authority

ADVANCED MANUFACTURING: SECTORAL APPLICABILITY?

In recent years, the term 'Advanced Manufacturing' has gained traction with investors, stakeholders, and government alike. However, for businesses themselves, the definition remains somewhat unclear. Within some collateral, such as the Government's Investment Zones Policy Prospectus, the indication is that what comprises the terms is a specific grouping of manufacturing sub-sectors, such as Aerospace and Defence, for example.

While this was previously a discussion reserved for statisticians and the like, it now takes a much more prominent position as Advanced Manufacturing makes up one of the formalised five priority sectors that Investment Zones will focus on. Given this and the potential conditionality of a business' existence within an Investment Zone being tied to the Advanced Manufacturing definition, this research needs to reveal whether firms consider themselves to fall under this category or not.

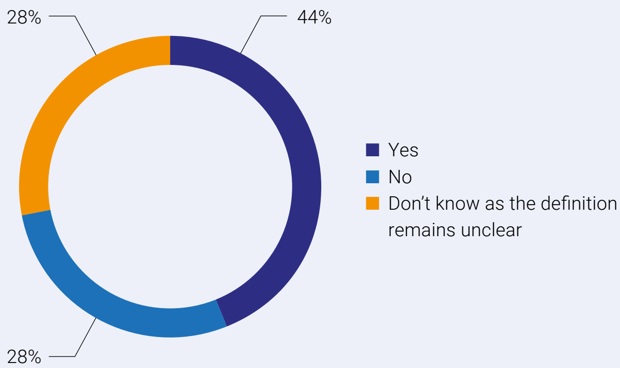
Just under half (44%) of the sector are confident that their business meets the requirements of the term 'Advanced Manufacturing'. With the remaining 28% uncertain, and 28% confident they do not, the potential pool for firms that stand well-placed to take advantage of Investment Zones becomes limited, perhaps artificially.

As current indications have suggested, the definition of Advanced Manufacturing in relation to Investment Zones is subsector-based. This research finds that there may be significant potential benefit for the scheme locked behind what is currently perceived by the UK's manufacturing sector to be an unclear definition of the term.

> "Just over a quarter of the sector are uncertain whether their business would be considered 'Advanced Manufacturing'"

Chart 3: 1 in 4 firms are unsure if they qualify as an 'Advanced Manufacturing' business

% firms reporting whether they consider their business to be within the Advanced Manufacturing category



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

MAKE UK'S AUTUMN STATEMENT 2023 SUBMISSION

"Make UK urges HMT to clarify that the term "Advanced Manufacturing" relates to process, not product. The term 'Advanced' would refer to the use of modern technologies, processes and business practices in the manufacturing process, which we believe would capture far more companies than under the unknown and unclear definition."

[1] Investment Zones policy prospectus - GOV.UK (www.gov.uk)

INCENTIVES, BENEFITS AND FORECASTED IMPACT

Incentives

The core of the Government's Investment Zone policy offer are the economic incentives available to those businesses that subsequently operate within one of these zones. The offer details ten formalised incentives, split between five fiscal incentives and five on flexible spending, with up to £160 million on offer to spend flexibly across the targets in this category. Both of these incentive structures will run for ten years from the Zone's inception. However, it must be highlighted that policymakers will consider other permutations of incentive structures depending on demonstrated local need and that these proposed permutations, likely arising from the host MCA, will be subject to a heightened level of scrutiny.

An objective of this research was to understand how attractive the proposed incentives are to the UK manufacturing base. Revealing this information provides both the sector and policymakers alike the insight as to which policy levers contained within the Investment Zones proposal are likely to have the most impact on participation in the scheme.

THE INVESTMENT ZONES INCENTIVES – TO RUN FOR TEN YEARS

FISCAL INCENTIVES

a) Stamp Duty Land Tax (SDLT): a full SDLT relief for land and buildings bought for commercial use or development for commercial purposes.

b) Business Rates: 100% relief from business rates on newly occupied business premises, and certain existing businesses where they expand in Investment Zone tax sites.

c) Enhanced Capital Allowance: 100% first-year allowance for companies' qualifying expenditure on plant and machinery assets for use in tax sites.

d) Enhanced Structures and Buildings Allowance: accelerated relief to allow businesses to reduce their taxable profits by 10% of the cost of qualifying non-residential investment per year, relieving 100% of their cost of structures and buildings over 10 years.

e) Employer National Insurance Contributions relief: zero-rate Employer NICs on salaries of any new employee working in the tax site for at least 60% of their time, on earnings up to £25,000 per year, with Employer NICs being charged at the usual rate above this level. This relief can be applied for 36 months per employee.

FLEXIBLE SPEND INCENTIVES - £160M AVAILABLE PER INVESTMENT ZONE

f) Research and Innovation, for example, grants for projects.

g) Skills, for example, Skills Bootcamps, stimulating demand apprenticeships.

h) Local Infrastructure, for example, land remediation for labs or schemes to improve connectivity to improve access to the local labour market.

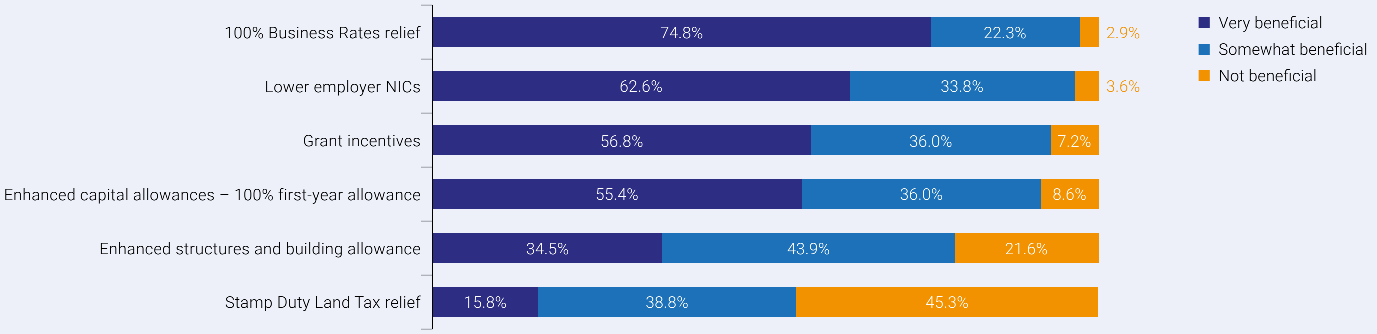
i) Local Enterprise and Business Support, for example, sector-specific tailored support for start-ups and SMEs that leverages local research strengths and facilities.

j) Planning and Development, for example, funding to recruit a dedicated planning team, implement a Local Development Order or support a Development Corporation to deliver complex or large-scale developments.

Source: Gov.uk

Chart 4: Business rates relief leads a clear hierarchy of priorities

% firms reporting relative business benefit of core Investment Zone incentives



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

The fiscal incentives were offered up to the sector to report on how beneficial they would be to their business, with the addition of 'Grant Incentives' that arise from the 'Flexible Spend' group of incentives. Given Grant Incentives are part of the variable spend available to Investment Zones, the quantity on offer may vary on a per-zone basis, unlike the other fiscal incentives, which are consistent across all current and proposed zones.

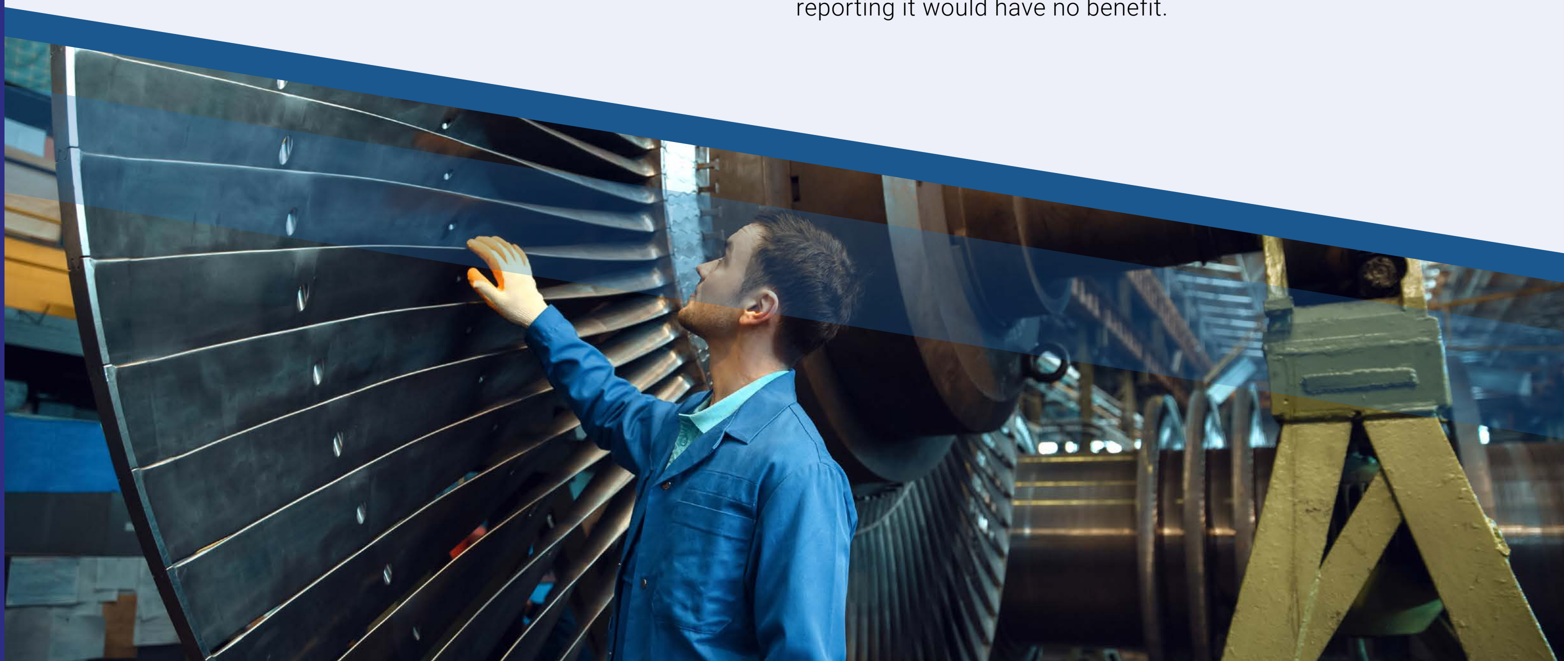
Our research reveals a clear hierarchy of benefits for the sector, with 100% business rates relief topping the chart as the most beneficial, holding the greatest proportion of sentiment from the sector that suggests the relief would be 'very beneficial' to their business, with 75% of the sector reporting such.

Lower Employer NICs come as the second overall most beneficial, but have a smaller proportion of the sector who consider the offering to be 'very beneficial', at 63%.

Nevertheless, when we combine those who reported an incentive would be very or somewhat beneficial, business rates relief and lower employer NICs share a very similar degree of popularity, with 97% reporting as much for business rates relief and 96% for lower employer NICs.

> "97% of manufacturers report that 100% rate relief would be beneficial for their business, making it the most advantageous fiscal intervention of the Investment Zones incentives for the largest proportion of the sector"

A standout finding is seen in the level of expected benefit received from Stamp Duty Land Tax relief, with just under half, 45%, of the sector reporting that the relief will have no benefit for their business. The second least beneficial incentive is seen in the enhanced structures and buildings allowance, with 22% reporting it would have no benefit.



WHY DOES THE BUSINESS RATES RELIEF INCENTIVE PROVE SO BENEFICIAL FOR THE MANUFACTURING SECTOR?

The research's finding that Business Rates relief are by far the most popular incentive on offer by the Investment Zones scheme reveals why the scheme is so attractive to many UK manufacturers. Manufacturers have long held that business rates can act as a tax on investment. These rates are a tax levied on non-domestic properties in the UK and act in a similar way to council tax for households.

Investment-heavy industries such as manufacturing are impacted by business rates in some cases more than most. Therefore, an improving rate environment, such as this, will likely be welcomed by the sector.

As part of the Business Rates revaluation in 2023, the industrial sector experienced a rateable value change nearly four times the national average at 27.1%. The scale of this change for the UK's manufacturing sector gives reason as to why businesses in the sector have indicated that the Rates relief on offer to those in Investment Zones would be such a significant driver for participation in the scheme.

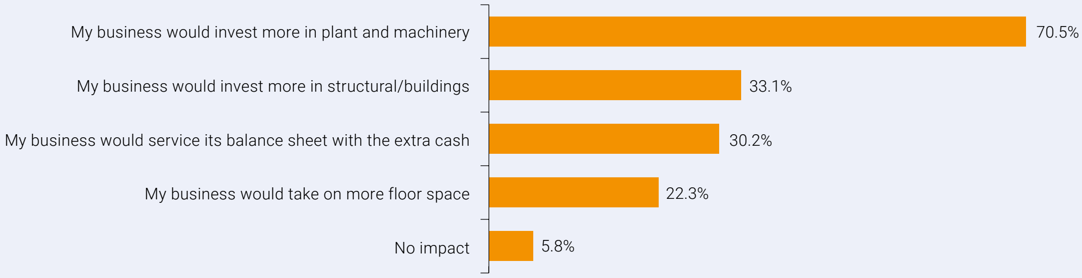
How the industry will react to the Investment Zone incentives

The research has found which incentives prove to be most popular, but it's of further importance to find what actions the sector will take when in receipt of their benefit. Revealing this gives a forecast as to the kind of business activity that both policymakers and the sector can expect from manufacturers that are, or will be, based in an Investment Zone.

THE IMPACTS OF BUSINESS RATES RELIEF

Chart 5: Data strongly suggests Business Rates relief would unlock investment

% firms reporting what actions it would take if in receipt of Business Rates relief



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

Highlighted by the sector as the most potentially beneficial incentive on offer within Investment Zones, it follows that significant business action is most likely to arise from the receipt of the incentive.

Seven in ten manufacturers report that their businesses would invest more in plant and machinery if in receipt of Business Rates relief. This is by far the most prolific suggested action, being reported at over twice the rate of the second most suggested action, increasing investment in structures. The proportion of manufacturers that report they would take actions other than investing in plant and machinery is far more tightly grouped, with a small proportion, 6%, suggesting that their business would take no action at all as a result of the relief.

"It is clear that the Business Rates relief incentive is correctly positioned to significantly boost the average rate of investment by manufacturers located within these zones."

This highlights the potential that the Business Rates relief incentive holds to boost investment by manufacturers. Given this research highlights increased investment activity in the event of business rates relief, the inference is clear that the incentive is correctly positioned to significantly boost the average rate of investment by manufacturers located within these zones.

THE IMPACTS OF ENHANCED CAPITAL ALLOWANCES

Capital allowances schemes, such as the notable recent Super-Deduction scheme, work to spur investment by allowing firms to offset qualifying expenditure (typically on plant and machinery). Usually, these schemes run for a limited time, such as was seen with the Super-Deduction, with critics of the schemes suggesting they do little to boost investment, but rather move it forward.

WHAT WAS THE SUPER-DEDUCTION SCHEME AND WHAT HAS COME SINCE?

The Super-Deduction was a scheme launched at the tail end of the COVID-19 pandemic in the UK which provided firms with a 130% capital allowance on qualifying plant and machinery and a 50% first-year allowance for qualifying special rate assets. It ran from 1 April 2021 until 31 March 2023.

Further to this however, the Full Expensing scheme was made permanent and was announced by government within the Autumn statement, post the research being completed. Full expensing allows companies to write off 100% of the cost of investment in qualifying plant and machinery in one go – equivalent to a tax saving of up to 25p for every £1 spent. There is no minimum or maximum amount of investment. Businesses can claim full expensing relief on all qualifying expenditures.

As part of understanding the potential impact on investment behaviour of firms which utilise Investment Zones, this study set out to find whether further capital allowances would have an investment-boosting effect, and if so, whether that would increase the total anticipated spend or bring forward existing plans.

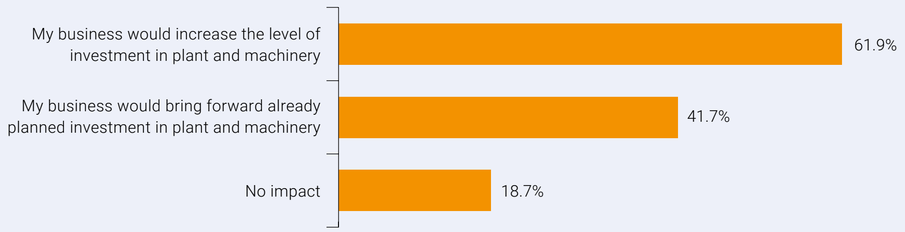
The findings suggest that the majority of the sector, 62%, would increase their overall level of investment in plant and machinery if in receipt of these enhanced capital allowances. 42% reported that they would bring forward already planned investments. Of course, both of these options are not mutually exclusive, for example, a firm could increase its total level of investment while also bringing planned investments forward. This is captured by the multiple-selection nature of the research (businesses were able to select both options if appropriate). 19% reported that the enhanced capital allowance would have no impact on their investment plans. This figure for 'no impact' was never expected to be small, and if anything, the expectation was for it to be higher, given that the driving force for investment decisions in industry is led by the business environment conditions of the time, and the relative liquidity positions of firms in the sector.

> "Our research shows that total investment by business would be increased by bringing planned investment forward."

Given the majority, 62%, report that total levels of investment would be increased under receipt of this incentive, this finding provides compelling evidence that most manufacturing firms will increase the total quantity of their investment activity if located within an Investment Zone.

Chart 6: Three out of five firms say that they would increase their total level of investment if in receipt of enhanced capital allowances

% firms reporting what actions it would take if in receipt of enhanced capital allowances



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

THE IMPACTS OF EMPLOYER NATIONAL INSURANCE CONTRIBUTIONS RELIEF

Given the reliefs on NICs offered to businesses located within Investment Zones, what action on employment will businesses take?

Intuition would assume that the leading action would be for businesses to expand their total levels of employment. We know that there is strong medium to long-term demand for labour in the UK's manufacturing sector, with 69,000 vacancies live in the sector as of November 2023[2], which is equivalent to 2.8 jobs vacant in the sector for every 100 employed within it. This demand, as proxied by vacancies, is approximately 50% higher than the long-run average for the twenty years prior.

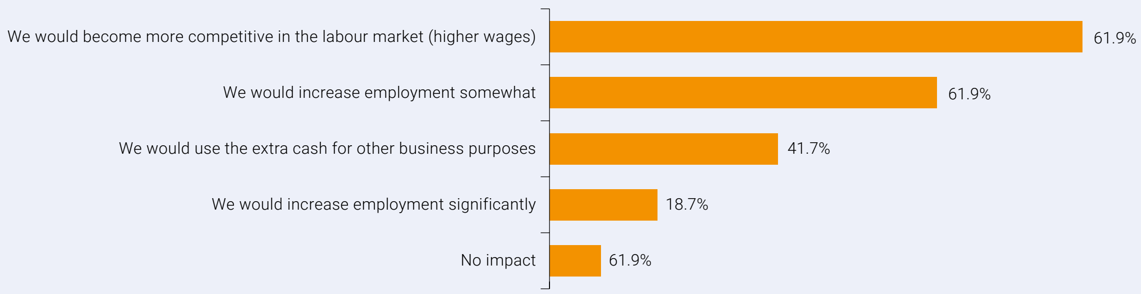
However, due to the long-standing shortage of available labour for the UK's manufacturing sector, firms know that supply is limited, and having more money to spend on labour won't necessarily enable businesses to increase employment. The data supports this, revealing that the majority (60%) of the sector, if in receipt of NICs relief, would actually increase the wages for their current roles to become more competitive in the labour market. This action surpasses that segment of the sector that suggests they would increase employment somewhat, with 44% suggesting as much.

One in four in the sector suggest that they would use the extra cash arising from the relief for pursuits separate from labour concerns, with a modest 12% reporting that they would increase employment significantly.

> "The findings suggest that labour located within Zones would see higher salaries."

Chart 7: Firms are more likely to increase wages as a result of NICs relief as opposed to expanding headcount

% firms reporting what actions it would take if in receipt of National Insurance Contribution Reliefs



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

[2]VACS02: Vacancies by industry - Office for National Statistics (ons.gov.uk)

MAXIMISING THE POTENTIAL OF INVESTMENT ZONES

What other incentives would drive firms to locate within Investment Zones

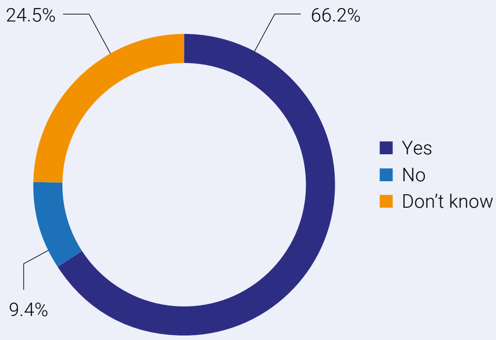
The research has shown the hierarchy of attractiveness of the current incentives on offer within Investment Zones and the actions manufacturing businesses will take as a result. Where businesses do not consider the incentives sufficient, or inappropriate for their particular business, the research also set out to understand what further offers could be made to address a wider range of businesses.

Perhaps most significant are the changes to the Investment Zone offer announced in the Chancellor's 2023 Autumn statement, where the time frame for incentives that were due to run for five years was extended to ten, and the funding envelope available for the 'flexible spend' on a per Zone basis increased from £80m to £160m.

Of those further incentives suggested by the industry that would increase the sector's participation in current and future investment zones, the top three concern risk, cost and supply, in that order. In the first instance, 48% of the sector identify up-front relocation funding as a leading extra incentive, mitigating the risks businesses would have to take on by relocating, or extending, their business into an investment zone. 39% think energy subsidies to create a more competitive utility market with other major manufacturing nations would be appropriate to drive take-up. In third place, 29% suggest the presence of an appropriate skills provider proximal to the Investment Zone, improving the supply of labour that has already been identified as a limiting factor by this research. This has been identified by the sector to not only reduce vacancies, but also minimise the impact of potential labour loss through geographical displacement in case a business' relocation to within an investment zone meant a proportion of employees would not be able to make the geographic move in tandem with the firm.

Chart 8: Two of every three manufacturers are supportive of 10-year incentives over 5-year incentives

% firms reporting whether they wanted 10-year incentives



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

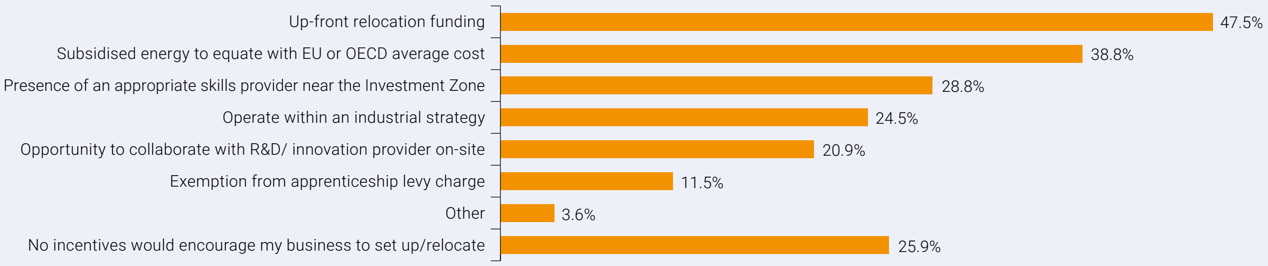
> "One of the most significant calls from the industry on Investment Zones has been answered – extending the benefits from five years to ten years."

3 IN 4

manufacturers would consider establishing businesses within an Investment Zone

Chart 9: Half of the sector think relocation funding would increase participation in Investment Zones

% firms identifying which further incentives would drive businesses to locate in Investment Zones



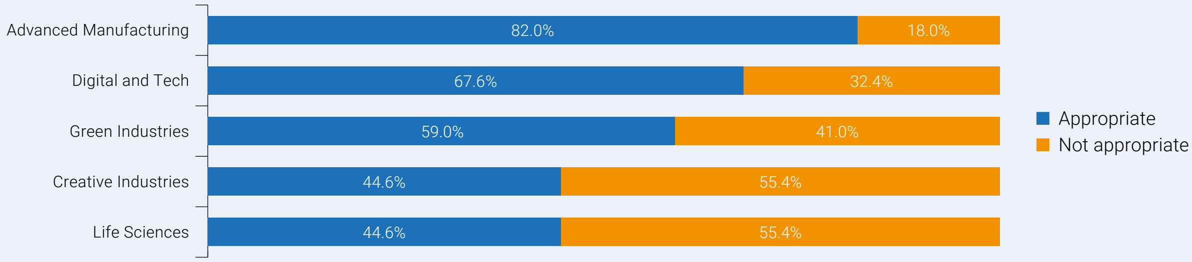
Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

ARE THE RIGHT SECTORS BEING TARGETED?

This report has already revealed the applicability of the wider manufacturing sector to the 'Advanced Manufacturing' definition, but what of the other sectors targeted by the policy for Investment Zones, namely Digital and Tech, Green Industries, Creative Industries and Life Sciences?

Chart 10: Digital & Tech and Green Industries are identified as appropriate sectors for Investment Zones

% firms identifying which sectors are most appropriate to be targeted for Investment Zones



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

It is of course expected, as this study is reporting on data from the manufacturing industry itself, that Advanced Manufacturing is identified as the most appropriate target sector for Investment Zones. The ordinal popularity of the selection of the other target sectors reveals what is most likely to be the perceived synergies that could be rendered between the manufacturing sector and others, with Digital & Tech being identified as the most appropriate after Advanced Manufacturing itself, with just over two out of three of the respondents reporting such. Green Industries follows in 3rd, with 59% suggesting it is an appropriate sector selection for Investment Zones. Creative Industries and Life Sciences, with a matched proportion of 45% each suggesting they are appropriate sectors for Investment Zones, come in at the bottom, due to the lesser perceived synergy with the manufacturing sector if co-located in Investment Zones.

Chart 11: Word cloud aggregating open sentence responses to the question:

"If your business thinks there is a more appropriate priority sector, which doesn't broadly fall within the previous question's categories, please state one which you consider appropriate."

Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

THE RIGHT CONDITIONS FOR INVESTMENT ZONE SUCCESS

The research has revealed encouraging data on firm activity for both those located within Investment Zones and those which may be located in one in the future. The data shows that the current basket of incentives offered by the scheme has a remarkable impact on firm activity, most notably seen in investment activity, the namesake of the scheme itself.

While Business Rates Relief comes forward as the most celebrated incentive from the UK's manufacturing sector, NICs reductions are set to have an unanticipated but beneficial impact on the wider economy by enabling firms to become more competitive on their wage offers.

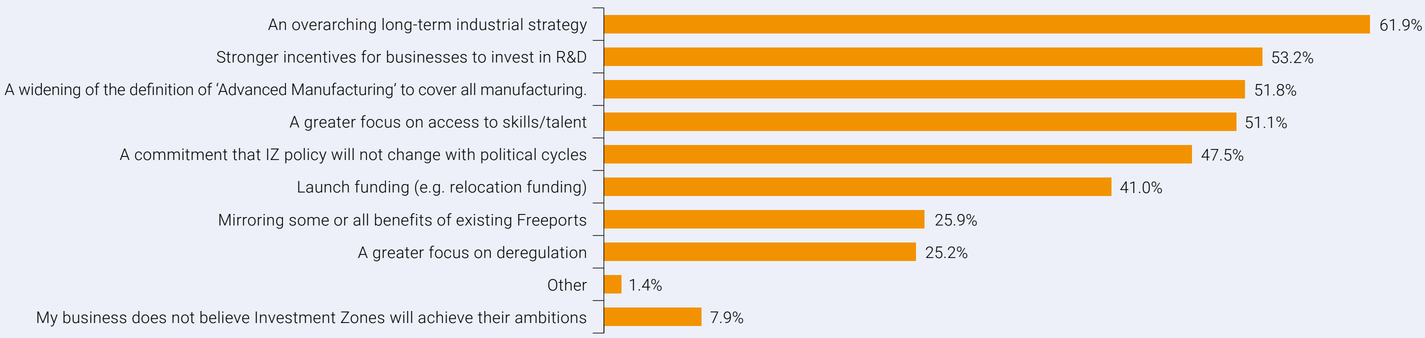
Those firms that are both familiar with the scheme and believe their activity to be eligible for the Zones anticipate rendering beneficial activity in the form of increased investment, employment and the like. However, this study also highlights that there are segments of the sector which currently remain unaware of what Investment Zones are, and if their business would 'qualify' as being within a target sector. Indeed what this emphasizes is the opportunity for further benefit to the wider UK economy arising from Investment Zones as this knowledge gap is addressed.

Of course, the prospects of Investment Zones aren't mutually exclusive to the wider business environment. As this report has found, a consistent theme emerging from the sector focuses on long-term stability. Businesses want to be confident in both the location they invest in and the longevity of the policy framework that surrounds it. To secure the long-term success of Investment Zones, 62% of the sector think they should form part of an overarching long-term industrial strategy. Not too dissimilarly, just under half, 48%, think that a commitment to ensuring Investment Zone policy will not change with political cycles will see the scheme succeed in the long run. Only a very small proportion of the sector, 8%, think that the Investment Zones scheme will not achieve its ambition.

> "The sector calls for Investment Zones to form part of a wider long-term strategy in order to enshrine their future success."

Chart 12: The sector reveals that long-term commitment is key to the success of Investment Zones

% firms identify wider economic features that could maximise the success of Investment Zones



Source: Make UK / Barclays Corporate Banking Investment Zones Survey 2023

Perhaps the most significant recommendation to Government from the industry on Investment Zones was seen in the ask for the time period of Zone incentives to be increased from five years to ten years, to better match the industry's investment cycles and to provide long-term confidence. In the intervening period between the research supporting this study being carried out, and the publication of this report, the Government has announced the extension of just that, with incentive time periods now lasting ten years and the total funding envelope on a per-zone basis being doubled at the same time. Given this, it's likely that the already supportive figure, that approximately 75% of the sector would consider participating in an Investment Zone, would likely be even higher now given the broadening of the incentive offer to businesses as of the Chancellor's 2023 Autumn Statement.

KEY FINDINGS AND RECOMMENDATIONS

RECOMMENDATION

Improve the manufacturing sector's awareness of Investment Zones to unlock potential benefit

37% of the sector remain unaware of the scheme, presenting a strong case for education and communication campaigns, highlighting the opportunities on offer.

RECOMMENDATION

Clarify the definition of Advanced Manufacturing so businesses know how to take their business forward

Investment Zones identifies Advanced Manufacturing as one of the five pillars it sets to boost, but with confusion in the sector as to what constitutes Advanced Manufacturing and with lack of a formal definition, manufacturers themselves cannot align appropriately. Whether any definition captures manufacturers who are transitioning to advanced processes must also be clarified. 28% report not being able to identify correctly due to lack of clarity.

KEY FINDING

100% Business Rates relief will be the driving force attracting manufacturers to Investment Zones

This is the most popular Investment Zones incentive identified by the sector, with 97% agreeing. 71% of the sector would invest in more plant and machinery when in receipt of this relief.

KEY FINDING

NICs relief will drive higher wages for workers in Investment Zones

Six in ten (60%) manufacturers say that they will increase the wages of their workforce with receipts of NICs relief to become more competitive in the market, beating out the choice of increasing employment with a total of 56% of the sector that will do so.

VIEWPOINT

"It is encouraging to see the promotion of Investment Zones across the UK to attract both inward investment and ensure key regional employers expand and grow. Favourable economic conditions and incentives can raise the profile of the UK as a place to establish key manufacturing and R&D centres and we look forward to seeing the impact that they make.

It is also encouraging to see announcements in the public domain from sites that are launching so that businesses can start to understand how they can participate and benefit. The term Advanced Manufacturing is being used increasingly across industry to highlight the drive for efficiencies, agile processes and offering a range of products and more clarification around its meaning in this context would again help business.

An additional bi-product of Investment Zones, as we see for Freeports and other clusters of specialisation, is the bringing together of education, government and business to co-create strategies that best suit their region and unlock its potential.

The survey points to key investment in skills and plant & machinery which will lead to long-term sustainable success and advantage for manufacturers. However, regional stakeholders will need to keep an eye on additional job creation which is lower than expected in this survey in terms of those businesses planning to 'significantly' expand headcount as a result of Investment Zones.

Ultimately, Investment Zones have the potential to support growth in both economic output and employment across the manufacturing sector. This growth can only be enhanced by raising awareness and ensuring that manufacturers understand the key benefits. Equally, as manufacturers are encouraged to explore the value Investment Zones can bring to their operations, policymakers also have a role to play to promote their benefits and ensure they are maximised."

Make UK is backing manufacturing – helping our sector to engineer a digital, global and green future. From the First Industrial Revolution to the emergence of the Fourth, the manufacturing sector has been the UK's economic engine and the world's workshop. The 20,000 manufacturers we represent have created the new technologies of today and are designing the innovations of tomorrow. By investing in their people, they continue to compete on a global stage, providing the solutions to the world's biggest challenges. Together, manufacturing is changing, adapting and transforming to meet the future needs of the UK economy. A forward-thinking, bold and versatile sector, manufacturers are engineering their own future.

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