

Britain's Big Bet on the Industries of Tomorrow

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— Categories: Finance



In a significant shift from decades of laissez-faire economic policy, the UK government has unveiled a comprehensive new industrial strategy aimed at revitalising the economy, boosting productivity, and securing a competitive edge in global innovation.

Published on June 23, the strategy marks a deliberate departure from the post-Thatcher era, during which industrial policy was largely abandoned. Informed by the lessons of the 2008 financial crisis and nearly 20 years of sluggish growth, the new framework embraces targeted intervention and long-term planning.

At the core of the strategy is the identification of 30 “frontier industries” high-potential sectors selected through a rigorous methodology assessing both economic opportunity and the effectiveness of government support. These include advanced manufacturing (notably aerospace and automotive), agri-tech, defence, and a range of clean energy technologies such as offshore wind, nuclear fission and fusion though notably excluding solar. Non-STEM sectors such as creative industries, financial services, and professional services are also featured more prominently than in previous plans.

Geography plays a central role in this strategy, with a strong focus on regional industrial clusters. Building on the innovation cluster mapping of previous governments, the strategy prioritises second-tier cities with demonstrated potential or existing strengths. However, the government acknowledges that not all regions will benefit equally, a marked contrast to more evenly distributed approaches of the past.

Supportive “horizontal” policies such as planning reform, trade policy, and access to finance will be aligned with these priority sectors. Addressing the high cost of industrial energy is also a key element, with proposals to create a more competitive and reliable energy environment.

While the strategy identifies skills shortages and a decline in adult education, the response is limited, with responsibility largely delegated to Skills England and devolved administrations. The role of universities is acknowledged, though without detailed plans to support the sector amid mounting financial pressures.

On research and development, the government has committed to reorienting its substantial R&D budget to align with industrial priorities. Funding will be structured into three streams: basic research, mission-oriented programmes, and private-sector innovation.

Oversight will be provided by a newly empowered Industrial Strategy Council, tasked with monitoring progress and ensuring cross-government accountability.

While challenges remain particularly around implementation and long term political commitment the strategy represents the most structured and targeted attempt in a generation to reshape the UK’s economic future.