

Cumbria Report Underscores Wider Economic Impact of Submarine Industry

August 1, 2025

— Categories: Defence & Security



A new report highlights the extensive economic and social contribution of the UK's submarine industry, with a particular focus on Cumbria and the BAE Systems shipyard in Barrow-in-Furness. The findings point to a significant national and regional impact, with the sector supporting employment, education, and community development across the North of England.

BAE Systems currently employs around 14,500 people at its Barrow facility, equivalent to nearly a third of the town's working-age population. Nationally, the submarine supply chain is linked to approximately 143,000 jobs and contributes an estimated £10 billion to the UK economy, accounting for 0.5 percent of GDP.

More than 100 suppliers across Cumbria benefit from contracts within the submarine programme, receiving around £80 million annually. This supports an additional 1,380 regional jobs in industries such as precision manufacturing, logistics, and engineering services.

The report also details BAE Systems' investment in education and training. In 2024 alone, over 14,000 individuals benefited from local skills programmes, and the company onboarded more than 900 early-career recruits. A new town-centre careers hub has been opened, and in September 2025, a new University of Cumbria campus is expected to launch next to the submarine academy, offering defence-focused degree courses.

Team Barrow, a partnership backed by the £200 million Barrow Transformation Fund, forms a key part of the long-term development strategy. Supported by the central government, the initiative aims to improve transport links, housing, public spaces, and education, ensuring Barrow remains a sustainable and resilient community.

Despite this progress, the report acknowledges that Barrow continues to face significant social and economic challenges. The town remains one of the most deprived areas in England, with health inequalities and limited infrastructure. Local leaders argue that industrial investment must be matched with broader social initiatives to secure lasting benefits.

Analysts stress the strategic value of submarine production, not only in terms of national defence but also as a driver of high-skill employment and regional prosperity. Each £1 million spent in the shipyard is estimated to generate up to 17 additional jobs through supply chain activity and regional economic spill-over.

The report concludes that the UK's submarine programme demonstrates how targeted defence spending can yield both security and economic dividends, particularly when paired with long-term investment in skills, housing, and public services.