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UK Government Unveils Energy Price Cuts for Businesses in New Industrial Strategy

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The UK government has announced substantial energy price reductions for businesses as part of its newly launched 10-year industrial strategy, aiming to strengthen the nation's economic resilience and industrial competitiveness. The initiative is designed to offer targeted relief to firms facing high operational costs, particularly in energy-intensive sectors such as manufacturing, engineering, and technology.

The new support package will see businesses benefit from reduced electricity and gas rates, with adjustments based on sector, company size, and energy consumption. Officials state the measure is intended to stabilise energy costs, enhance investment confidence, and create an environment conducive to long-term growth.

This announcement forms a key component of Sir Keir Starmer's wider industrial vision, which prioritises strategic planning over short-term intervention. The government's focus is

to position the UK as a global leader in innovation, clean energy, and advanced manufacturing, supported by predictable and affordable energy access.

In line with environmental goals, the strategy introduces a “Clean Growth Accelerator,” offering additional incentives to companies investing in energy efficiency and sustainable technologies. This dual-focus approach ensures the energy support scheme also contributes to the UK’s net-zero targets.

The initiative will be partially funded through windfall taxes levied on large energy producers, ensuring the programme remains fiscally responsible. A newly established Industrial Energy Taskforce will oversee implementation and market monitoring, ensuring continued alignment with business needs and policy goals.

Business groups have welcomed the announcement, describing it as a vital step toward rebuilding the UK’s industrial base. With lower energy costs, clearer policy direction, and support for green innovation, the government aims to foster a more competitive, productive, and sustainable business environment across the country.