

Innovation and productivity

In his speech to the CBI Annual Conference the Prime Minister called for more innovation and better productivity advances. He is right that innovation can accelerate growth, create more better paid jobs, and raise productivity. Waves of innovation in past decades have fuelled huge advances in living standards and pay.

The government needs to use its Brexit freedoms and its powers as an important buyer of goods and services in our economy to boost the ideas that will give us greater prosperity. A more productive economy is one with higher pay and with better service.

One of the ways to raise productivity is to concentrate more activity and people in the most productive areas. The suggestions below seek to tackle that:

1. Pharmaceuticals and medicine. Allow access to generic anonymised data about treatments and success rates in the NHS to companies seeking to research new life saving and life enhancing treatments and medicines. Amend the rules on the conduct of tests on new drugs and products to make them competitive with US ones, whilst ensuring strong safety protections.
2. Energy. This is an area of high value added and well paid jobs. The government accepts that oil and gas are transition fuels which will continue to provide the bulk of the UK's energy this decade whilst the electrical revolution develops. It should therefore use its tax policies and licencing powers to develop more of our domestic oil and gas. Home produced produces less CO₂, sparing the CO₂ generated by long distance transport for imports. It also pays a lot more tax to the UK Exchequer instead of paying huge sums in tax away for foreign governments.
3. High energy using industries like special steels and ceramics, where there can be high value added from design and specification. Suspend emissions trading which imposes a heavy extra cost on our industry making it difficult to compete against imports.
4. Defence. Spend more of the growing and substantial defence budget on UK procurement. Encourage greater UK R and D in smart weaponry, communications and cyber.
5. Nuclear. Pump prime the production of small modular nuclear reactor to gain type approval and licences, ready to mass produce for home and export markets.