

## NEC statement MANUFACTURING

The NEC notes that over one million manufacturing jobs have been lost in the UK since 1997. Where our members in manufacturing are made redundant they rarely find another comparable job. Two-thirds don't find a job within a year, those who do find jobs are on around 40% lower pay and only 13% find a skilled manufacturing job.

The NEC believes that a successful manufacturing sector is vital to a successful UK economy and to generate the economic wealth required for investment in high quality public services. While the UK Government has delivered economic stability, this masks the difficulties facing exports in the manufacturing sector. There must be an increase in export credit guarantees to assist British manufacturing in competing in the global market.

The NEC believes that urgent action must now be taken to ensure the UK's strategic industries within manufacturing such as the car industry, aerospace, pharmaceuticals and electronics, do not lose critical mass and disappear. Consideration must be given to ensuring that the strategic industries are defended, to ensure the future of our manufacturing sector as a whole.

The NEC notes that the level of state support for manufacturing in Germany is double that in the UK and higher still in Spain and Italy. The Government should examine the government support given to manufacturing companies in our leading European competitors. It should look at the amount of support as well as the type of support given and provide all similar support possible by EU legislation to UK manufacturing.

The NEC believes there should be full review of business support in the UK with a view to having the best business support possible, with additional increased support for research and technology and a dedicated repayable investment fund for the Manufacturing Industry. This will assist British manufacturing to compete and grow their business in tough European and global markets.

The NEC notes that the Government spends £109 billion a year on goods and services believes that the Government must develop a procurement strategy that supports UK jobs and skills and recognise that the UK will support its strategic industries. Procurement policy should encourage best practice and fair employment, long-term investment, investment in skills and innovation. The UK Government must be able to influence the purchasing policies of companies that rely on public money – such as the train operating companies.

The Government should require that at least a proportion of the work is carried out in the UK. That does not mean they will always buy British; but that UK taxpayers money can be used to support strategic industries where it is appropriate to do so. It also means the UK can encourage those industries to improve innovation, research and investment etc, which may be required in order to win government contracts.

The NEC welcomes the Government commitment to expand apprenticeships further and to provide the right to paid time off for training all. UK manufacturing companies must commit to invest in skills through a manufacturing sector training-levy. The NEC further welcomes the Government's commitment to expand union learning representatives, and believes this must be backed by providing the statutory right to negotiate on skills.

The NEC believes that the lack of employment rights in the UK has led us to become the soft underbelly of Europe. Until UK workers are offered a truly level playing field of employment rights and social planning, the UK manufacturing sector will lose out through off-shoring. There should be an immediate increase in redundancy payments and extension to the 90 day consultation period.

The trend of driving down costs and prices by squeezing existing assets, lean production techniques, outsourcing and use of temporary labour lead to low skill, low quality, low cost production and that the "hire and fire" flexible labour market model damages the long term competitiveness of UK manufacturing.

The NEC believes the UK Government should support the European Social Model of economic prosperity twinned with social cohesion. The Government should fully reflect the European Charter of Fundamental Rights in UK legislation and support the draft temporary and agency workers' directive. The NEC rejects the country of origin principle in the proposed services directive and believes the posted workers' directive should be implemented in a way that ensures UK national collective agreements are not undermined.

The NEC believes that manufacturing companies hold a social responsibility to the UK work force and communities that support their business. Companies should develop investment strategies for skills, innovation, research and development and capital equipment to ensure they remain competitive for the long term.

The NEC believes public bodies, local councils and grant awarding bodies should be directed to impose binding conditions when they offer assistance to businesses with corporate social responsibility clauses including financial penalties when jobs are exported and Amicus should support pension fund trustees in incorporating in to their corporate governance bodies suitable provision to support corporate social responsibility.

The NEC believes that Councils can further support manufacturing industry, planning laws should be changed so that Local Councils are given strict guidelines on the designation and re-sale of land/industrial sites, decisions on the use of such land should be properly managed to ensure that this land remains for industrial use, for the long term benefit of local communities.

