Building a tax manifesto for manufacturing
Rebalancing the economy
Executive summary

Our 2014 UK Attractiveness Survey shows that the UK already attracts a significant number of manufacturing jobs a year but its 12% share of European manufacturing projects is well below the UK’s share of all projects of around 20%.

Recent developments suggest a global trend towards re-shoring, with companies deciding to locate manufacturing projects closer to home markets. This creates new opportunities for the UK. Foreign direct investment (FDI) into Europe was €223bn in 2013 of which manufacturing projects were 26%. Increasing our current share of those projects from 12% to 20% in line with the current figure for wider UK projects could bring as much as €4.6bn into the UK economy.

Money is not the only factor. Manufacturing projects:
- Bring high-skill, high quality jobs
- Create further opportunities in supply chains
- Drive innovation, and
- Create positive cluster effects particularly around research and development (R&D) and the skills base.

The opportunity is clear and the size of the prize is attractive so how should the major parties be shaping their manifestos ahead of next year’s election to make the UK a major contender for manufacturing projects?

We are increasingly seeing the evidence of how tax policy can attract jobs in the service sector – particularly in financial services. In fact, in 2013 the UK’s market share of 20% of all European projects is close to its record high over the past decade. While tax is only one of a number of policies that are making the UK a great place to do business, the low mainstream corporation tax rate and incentives like the R&D tax credit and patent box have a significant impact in driving inward investment. However, at the same time, high costs of employment and a lack of certainty around the tax system are acting as a deterrent to some potential investors.

From a pure tax perspective, no individual measures are going to be sufficient to change the thinking of manufacturing companies. The challenge for the next Government will be in identifying the balance of changes that will be sufficient to attract organisations while maintaining economic stability.

We have identified a toolkit of tax measures to support the delivery of these outcomes and believe that, with a clear and targeted policy including a structured tax strategy for manufacturing, the UK could potentially bridge the gap between services and manufacturing projects.

The UK has a limited time to set out its stall for manufacturing investment projects of the future. To inform this process, we have set out a framework, identified the key issues and listed the tax tools available.

Now is the time to start building a tax manifesto for manufacturing.

We hope you will find our paper a thought provoking read. Should you like to discuss any of the issues raised, please do get in touch with one of us or your usual EY contact.

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Building a tax manifesto for manufacturing: Rebalancing the economy

The word ‘manufacturing’ derives from the concept of ‘making with hands’ but modern day manufacturing projects are very different to those traditionally associated with the past. This means that the UK needs to respond by making sure its infrastructure and its tax system are fit for twenty first century manufacturing.

While trends in UK manufacturing have shown a steady decline from over 30% of overall economic output in 1970 to around 10% in 2010, recent developments in global manufacturing point to potential opportunities around re-shoring, in which some companies would bring manufacturing projects back to the UK, and others would decide to locate such projects in the UK for first time.

The following factors have been identified as key drivers behind these changes:

► Difficulties in managing extended supply chains
► Increased co-ordination costs
► More difficulty solving quality problems, and
► Convergence between wages costs on-shore and off.

As costs increase in previously low-cost destinations, so the strategy to serve developed markets is changing and production is being moved closer to home.

Emerging trends are inherently difficult to predict with any accuracy. However, building on data from our Attractiveness Surveys, we can start to estimate the size of the prize. Our 2014 European Attractiveness Survey shows total foreign direct investment (FDI) coming into Europe of €223bn of which manufacturing projects are 26%. The UK’s share of those projects is currently 12%. With a clear and targeted strategy including a structured tax manifesto for manufacturing, the UK could potentially bridge the gap between services and manufacturing projects.

Increasing the UK share of manufacturing projects to 20% in line with the current figure for wider UK projects, could bring as much as €4.6bn into the UK economy in investment alone. The number of additional jobs that such investment will bring with it will be significant. And, of course, as the current trend for re-shoring deepens and the UK becomes increasingly attractive to manufacturers, so the scale of the potential gains could increase.

Why does manufacturing matter?

It creates further opportunities in supply chains.

It drives innovation (in the US manufacturing accounts for 70% of private sector R&D and 90% of patents issued).

It creates positive cluster effects particularly around research and development (R&D) and the skills base.

It brings high-skill, high quality jobs.

The UK Attractiveness Survey shows that, while they vary, manufacturing projects create 160 jobs on average.
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How well placed is the UK to succeed?

Our annual UK Attractiveness Survey analyses investors’ perceptions of the UK. The 2014 Survey highlights that the UK is now the most attractive European location for global investors, up from eighth place to fifth in the worldwide ranking of countries that investors see as attractive for Foreign Direct Investment (FDI) over the next three years. The UK has overtaken Germany for the first time, with only China, the US, India and Brazil now ahead of it.

Broad Government campaigns on the theme of Britain being ‘open for business’, alongside the UK Trade and Investment-driven ‘Britain is GREAT’ initiative, have successfully supported the UK brand by showcasing the very best of what Britain has to offer. Moreover, reforms to the tax system have delivered effective incentives through:

► A low headline rate of corporation tax, reducing to 20% by 2015 to deliver the lowest (equal) rate in the G20
► Competitive reliefs for innovative and high tech industries
► A territorial tax regime and proportionate controlled foreign company rules
► A general deduction for arm’s length interest costs
► An effective tax authority that can deliver certainty and consistency through robust engagement.

The benefits of this framework are clearly seen in the flows reported in our UK Attractiveness Survey. This shows how the UK’s recent approach has delivered impressive results across a range of sectors and also how incentives focused in particular areas can produce well targeted results. For example, the surge in software investment (a 37% share for the UK) may offer a key insight into what can be achieved when tax policy, underpinned by measures to support R&D and wider innovation, is effectively aligned to emerging business models.

This largely positive story brings into stark relief the fact that the UK still lags behind Germany in terms of attracting manufacturing projects. Is this a reflection of the historic approach through which headline rate cuts and other incentives have arguably been funded by reductions and limitations in the kind of capital allowances which would be of particular support to manufacturers (as when £225mn per annum was raised by abolishing Industrial Buildings Allowance in Budget 2007)? More importantly, is this a trend which can be reversed without undermining the broader success already delivered?

The current policy mix has delivered a thriving, predominantly services-based, finance-centred inward investment culture. By adjusting the focus towards manufacturing now, the UK can take advantage of the global re-shoring revolution.

1 Source: ONS, Historic GDP data on an SIC2003 basis ONS series: QTQH, QTQZ, QTPI, QTPL, QTOP; House of Common Library calculations HM Treasury: GDP deflator, accessed 30 April 2013
3 The Case for a Manufacturing Renaissance, Gene Sperling, Brooking Institution, July 2013
4 https://www.gov.uk/britainisgreat
What manufacturing needs?

It is clear that many of the features of the UK economy which attract inward investment apply equally across sectors. As our UK Attractiveness Survey shows, core features, such as the overall quality of life, the stability of the social climate and the stability and transparency of the political, legal and regulatory environment, continue to score highly.

Part of the re-shoring challenge is to look through these high level characteristics to the factors most likely to influence the decision of manufacturers considering location. We asked Tax Directors the factors most likely to influence location decisions in their organisation. While almost three quarters of respondents cited availability of trained staff, it is clear that a wide range of factors influence decision-making. Indeed, the stability of the tax and regulatory environment ranks particularly highly as does the corporate tax regime.

Tax matters

Tax is clearly not the primary factor when deciding whether and where to invest. However, many of the more important factors, namely the availability of trained personnel, the proximity to customers, and the stability of the legal regime, will be ‘hygiene’ factors that, once met, no longer influence the decision. In contrast, even small changes to the tax position can make a real difference to the overall return and hence tax plays a far more important role than might otherwise be expected. Our survey of Tax Directors noted that tax issues, particularly the stability of the systems and the specific corporate tax regime, are very much to the forefront when location decisions are being made.

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5 EY 2014 Tax Director survey. Our survey had 50 respondents. 68% were from organisations with turnover of more than £1bn.
Which of the following factors would most influence a decision by your organisation to locate operations in the UK?

- 74% Availability of trained staff
- 72% Stability and transparency of the legal regime
- 70% Proximity to customers
- 70% Stability of the tax and regulatory regime
- 60% Corporate tax regime
- 54% Incentives for innovation
- 46% Transport infrastructure
- 46% Costs of employment
- 42% Flexibility of employment
- 28% Personal tax regime

Source: 2014 EY Tax Director survey

Stability across the board
Given how highly respondents rate each of these factors, it is interesting to see how they compare the UK to other locations when judging them against the same measures. In particular, while the corporate tax regime, incentives for innovation and stability of the tax and regulatory environment compare extremely favourably, the flexibility of employment legislation, costs of employment and the personal tax regime may be areas requiring action.

**How does the UK compare to other locations that your organisation may use or have under consideration:**

<table>
<thead>
<tr>
<th>Factor</th>
<th>Other locations are more positive</th>
<th>The UK is more positive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate tax regime</td>
<td>58%</td>
<td>10%</td>
</tr>
<tr>
<td>Availability of trained staff</td>
<td>50%</td>
<td>4%</td>
</tr>
<tr>
<td>Stability and transparency of the political, and legal environment</td>
<td>46%</td>
<td>10%</td>
</tr>
<tr>
<td>Stability of the tax and regulatory environment</td>
<td>44%</td>
<td>8%</td>
</tr>
<tr>
<td>Proximity to customers</td>
<td>40%</td>
<td>14%</td>
</tr>
<tr>
<td>Incentives for innovation</td>
<td>38%</td>
<td>4%</td>
</tr>
<tr>
<td>Flexibility of employment legislation</td>
<td>36%</td>
<td>18%</td>
</tr>
<tr>
<td>Transport infrastructure</td>
<td>28%</td>
<td>8%</td>
</tr>
<tr>
<td>Personal tax regime</td>
<td>34%</td>
<td>16%</td>
</tr>
<tr>
<td>Costs of employment</td>
<td>52%</td>
<td>16%</td>
</tr>
</tbody>
</table>

Source: 2014 EY Tax Director survey

In fact, when we asked Tax Directors what they considered to be the main deterrent to locating projects in the UK, they cited costs of employment alongside uncertainty about the tax regime, but higher costs more generally – including real estate costs – were also a key issue.

**What, if anything, is the biggest deterrent to your organisation in terms investing in the UK?**

<table>
<thead>
<tr>
<th>Deterrent</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Costs of employment</td>
<td>18%</td>
</tr>
<tr>
<td>Uncertainty around the tax rate/ regime</td>
<td>18%</td>
</tr>
<tr>
<td>Higher costs including cost of real estate</td>
<td>12%</td>
</tr>
<tr>
<td>Concerns around economic growth</td>
<td>8%</td>
</tr>
<tr>
<td>Availability of finance</td>
<td>4%</td>
</tr>
<tr>
<td>Availability of trained staff</td>
<td>4%</td>
</tr>
</tbody>
</table>

Source: 2014 EY Tax Director survey

It is notable that the first two of the top three needs cited by Tax Directors also feature in the 2014 UK Attractiveness Survey as potential obstacles to inward investment with respondents highlighting concerns about the cost of UK real estate and the level of labour costs. Perhaps these responses are conditioned by a distinctive City of London reputation rather than reflecting conditions in other areas of London or more widely across the UK. This in turn suggests that a manufacturing-focused policy might necessarily feature a strong regional element. This sets up the potential benefit of creating newly attractive locations in the UK regions which can attract re-shored projects and modern manufacturing facilities.

...the corporate tax regime, incentives for innovation and stability of the tax and regulatory environment compare extremely favourably.
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Measures to win with

The basic building blocks of a tax manifesto for manufacturing suggest themselves quite readily. The real issue is how to articulate these as a coherent strategy that can deliver effective results. The prospect of a lower rate of mainstream corporation tax remains attractive, but, when we asked Tax Directors what tax measures would make their organisation more likely to invest more in the UK, 18% pointed to a widening of R&D tax incentives. 15% indicated that enhanced capital allowances on property and capital expenditure should feature and the same number pointed to reduced employment costs. Perhaps most interesting was the number (18%) who said that certainty and stability in the tax system would be a key factor. This was a common theme across our survey results and shows that organisations will need to be convinced that any measures introduced will last into the mid- to long-term.

What tax measures would make your organisation more likely to invest more in the UK?

- 9% Reduce the rate of income tax
- 12% Lower indirect tax rates
- 12% Broaden patent box
- 15% Reduce the cost of employment
- 15% Capital allowances on property/capital expenditure
- 18% Certainty around the tax system
- 18% Wider R&D incentives

Source: 2014 EY Tax Director survey
Getting the tax right for manufacturers

In order to develop an effective, pro-manufacturing tax policy we need to understand the context within which modern manufacturing operates. A crucial factor here is the close connection between manufacturing, transport, communication networks and innovation, which encourages and supports clustering of production and R&D. Classic cases such as Silicon Valley, and newer ones such as Tech City in London, exemplify this tendency. To maximise the impact of a pro-manufacturing tax policy it will be vital to go with the grain of this trend and ensure that tax interventions interact positively with other policy measures supporting manufacturing and innovation.

The starting point, therefore, is to identify the particular needs of manufacturing which can be served through tax incentives and support.

In some cases the basics are already in place, and need to be either maintained or improved. For example, the tax credits available to support R&D investment, and the patent box regime which rewards innovation, already offer a sound foundation.

Other aspects of the UK tax regime, however, need to be adjusted in favour of the specific needs of manufacturing.

A key objective would be to use tax policy to support the delivery of the following outcomes:

► Affordable manufacturing premises in well connected, well serviced and accessible locations
► A reliable supply of highly skilled workers capable of driving forward cutting edge innovation
► An affordable supply of skilled and adaptable workers at all points in the supply chain
► Attractive tax treatment for the capital expenditure that is needed which may take years to recover, and
► Innovative R&D networks and a ready supply of investment and venture capital willing to support risky start-ups and manufacturing more generally.

From a pure tax perspective, no individual measures are going to be sufficient to change the thinking of manufacturing companies. The challenge for Government will be in identifying the balance of changes that will be sufficient to attract organisations while maintaining economic stability. We have identified a toolkit of tax measures to support the delivery of these outcomes in four key areas:

► People & skills
► Premises & assets
► Financing
► Location

Toolbox of measures

<table>
<thead>
<tr>
<th>People &amp; skills</th>
<th>Premises &amp; assets</th>
<th>Financing</th>
<th>Location</th>
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<tbody>
<tr>
<td>National insurance incentives</td>
<td>Personal tax regime</td>
<td>Incentives for training</td>
<td>Industrial premises allowance</td>
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<td>Stamp duty land tax</td>
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<td>Capital allowances</td>
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<td>R&amp;D tax credits</td>
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<td></td>
<td>Patent box</td>
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<td>Corporate venturing scheme</td>
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<td>Regional policy</td>
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<td>Enterprise zones</td>
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<td>Supporting clustering</td>
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People & skills

Measures to support the development of a skilled workforce.

National insurance incentives
With labour costs being one of the key factors influencing choice of location for business investment, reducing the burden of national insurance contributions (NICs) could be a key priority in the drive to attract manufacturers. The Government has already announced that from 6 April 2015 every employer with employees under the age of 21 will no longer be required to pay Class 1 secondary NICs on earnings up to the upper earning limit, for those employees. However, consideration should be given to reducing the burden more broadly. With the income tax personal allowance now set at £10,000, annual inflationary increases could instead be used to increase the NIC thresholds for both employers and employees.

Competitive personal tax regime
Key to encouraging the new world of manufacturers to the UK will be making the UK attractive to the ‘rainmakers’. Despite a competitive mainstream corporate tax rate, the UK ranks among the highest in the G20 in terms of personal taxation so consideration should be given to measures that will redress the balance in a targeted way. For example, entrepreneurs’ relief is currently limited to £10mn per lifetime whereas a limit of £10mn per investment would avoid deterring the most successful serial entrepreneurs. The relief is currently limited to those in employment but extending to those who are not employed could similarly incentivise.

The limits associated with various investment reliefs should similarly be revisited as these incentives are some of the most appropriate vehicles for attracting investment in higher risk projects. Like other measures mentioned here, these would need to remain within the confines of the State Aid rules but include:

- **Enterprise management incentives (EMI)** – EMI are a means to provide tax advantaged share options designed help small, higher risk companies to recruit and retain employees. Under current rules, EMI can be granted by independent trading companies with gross assets not exceeding £30mn. Options over shares with a market value of up to £250,000 can be granted.

- **Enterprise investment scheme (EIS)/Venture capital trusts (VCT)** – These schemes are designed to help smaller higher-risk trading companies to raise finance by offering a range of tax reliefs to investors who purchase new shares in those companies. Relief is available as a credit at 30% on investments up to £1mn (for EIS) or £200,000 (under VCT). Limits apply in terms of the gross assets of the company which cannot exceed £15mn immediately before any share issue and £16mn immediately after that issue.

Investments in UK organisations could be maximised by increasing the investments subject to relief as part of these schemes or relaxing the gross asset limits, both as part of a ‘super-relief’ programme specifically for manufacturing companies.

Incentives for training
Providing individuals and employers with tax incentives to encourage training could help to ensure that a skilled workforce is readily available. Aligning that training to the specific skills required by the new world of manufacturers would put the UK in a stronger position in terms of attracting projects. In designing a system of incentives, lessons should be learned from the tax relief for vocational training which was abolished in 1999 because it was insufficiently targeted.
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Premises & assets

Measures to support establishment of projects.

**Industrial premises allowance**

As already indicated, one of the key distinctions between manufacturing and service companies is the upfront investment required. In particular, manufacturing processes inevitably require property and equipment but the cost of acquiring premises in the UK can be a real deterrent for potential investment projects. The UK offers no tax allowance to help manufacturers with the cost of premises and has been identified as one of the OECD countries with ‘the worst capital allowances for industrial buildings’. Industrial buildings allowance was abolished in 2007 on the grounds of ‘simplification’ but there is a strong case for re-introducing a ‘manufacturers’ allowance’ to acknowledge the significant cash flow disadvantage faced by such organisations.

The introduction of a pool system which would include both premises and infrastructure, and provide relief at say 4% per annum, would give manufacturers the opportunity to gain relief over the life of such assets.

**Stamp duty land tax (SDLT)**

In a further drive to simplify the tax system, SDLT disadvantaged areas relief was abolished for transactions with an effective date on or after 6 April 2013. Such a relief may well be key to support the ‘clustering’ needed to encourage manufacturing in the UK so consideration should be given to reintroducing this relief in specific areas. Failing that, a SDLT discount for certain sectors, such as manufacturing organisations, may help to reduce the overall cost for those considering investment in the UK although State Aid restrictions would be a factor.

**Capital allowances**

Rates for large project capital allowances have been steadily reducing over the past few years, from a 25% writing down allowance to 18% with effect from 1 April 2012. At the same time, the rate for the special rate pool (originally introduced in 2008) was reduced from 10% to 8%. The level of support available through the annual investment allowances has been subject to some fluctuations over recent years, rising from £50,000 in 2008 to £100,000 in 2010 only to fall back to £25,000 in 2012. Since then there have been welcome, albeit temporary, increases taking the allowance up to £250,000 from April 2013 and now to £500,000 for expenditure incurred after April 2014. While this is appreciated, businesses, particularly those in the manufacturing sector, want a regime that will last beyond short-term incentives.

Given that certainty and stability have been highlighted as key factors influencing the decision around the UK as an investment location, at the very least, clear commitment to certainty around capital allowances is needed. A more fundamental support for the manufacturing industry could come in the form of a ‘super-allowance’ specifically for the types of investment made by in that sector. Beyond that, consideration could be given to a system under which companies that make a loss as a result of capital allowances would be able to offset it against NICs. This would not be about reducing the liability to NICs but instead giving organisations the means to credit the loss via a cash flow benefit.

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6 Capital Cost Recovery across the OECD 19 November 2013
Financing
Measures to support investment in manufacturing.

R&D tax credits
The current R&D tax credit regime is a key element in the package of measures that ensure the attractiveness of the UK corporation tax regime. As a flagship incentive, it is important that it is tested and refreshed both as part of a strategy to encourage manufacturing and as a broader commitment to UK competitiveness. Ensuring that the scheme becomes fully incorporated in business costings and is extended as necessary to accommodate the vagaries of high tech manufacturing will be a key part of this process.

Patent box
Another element in the UK’s flagship package of measures is the patent box. This has fast become a key incentive in the UK so ensuring that it remains an attractive incentive when compared to other investment locations will be a key driver in determining whether manufacturing companies choose the UK on an ongoing basis. Consideration should also be given to provide mid- to long-term certainty over the availability of this important relief.

Corporate venturing scheme (CVS)
CVS was set up to promote venture capital style investments for companies, providing opportunities for smaller investee companies to draw on the experience and resources of their larger investor brethren. Under the scheme, companies were given up-front corporate tax relief of 20% of the value of the investment as well as relief against losses. During its ten years of operation, £132mn was invested in just under 600 small companies. CVS was abolished on the basis of volume in 2010 but reintroducing some form of tax incentive for corporate equity investment could be a way of helping smaller companies to thrive by giving them ongoing support. For manufacturing companies in particular, that support could be more important than volume of take up.

“Ensuring that the patent box remains an attractive incentive when compared to other investment locations will be a key driver in determining whether manufacturing companies choose the UK on an ongoing basis.”
**Location**

Measures to create a pro-manufacturing environment.

**Regional policy**

While the tax measures in the basic tool kit outlined here would address specific concerns in terms of incentives for manufacturing, to have a telling effect they would need to be packaged and delivered through a strategy that recognises the realities facing potential re-shorers.

To maximise the impact of pro-manufacturing tax changes, it will be important to draw together a suite of targeted and mutually supportive measures to create the surrounding conditions most likely to nurture manufacturing projects. While this can be done through national strategies, there is likely to be a strong role for regional policies, matching manufacturing’s need to local delivery capacity.

**Enterprise zones**

The great success of London, and specifically Canary Wharf, in attracting inward investment demonstrates that aligning an enterprise zone to a particular sector can deliver. In terms of manufacturing, the very fact that London real estate is at such a premium suggests a focus on other regional hubs and provides a great opportunity to establish a Canary Wharf equivalent for manufacturing elsewhere in the UK. Clustering specific reliefs and incentives into ‘manufacturing zones’ could serve to attract manufacturers to particular regions which in turn could drive further developments as the investment expands. The existing enterprise zone incentive of 100% capital allowances is currently limited to expenditure on plant and machinery in small, tightly defined, areas. Targeting additional allowances such as a industrial buildings allowance for manufacturers as described above to ‘manufacturing zones’ could be a natural progression.

The key may be in terms of targeting. With the old style enterprise zones, it was argued that the benefits largely went to landlords rather than to tenants so addressing this with a revamped ‘manufacturing zone’ regime could make a real difference.

**Supporting clustering**

There is a growing consensus around the positive role played by bringing together R&D networks and skilled workforces to support and feed new manufacturing opportunities. While models vary in different countries, the shared features are apparent. The well-established German model of State-supported R&D and continuous vocational training addresses the same needs as UK developments such as the N8 Universities High Performance computer network. Indeed, the establishment in Glasgow of the Fraunhofer Centre for Applied Photonics suggests considerable scope for cross-pollination between national traditions.

There are also existing programmes in the UK, focused around Catapult Centres, the Regional Growth Fund and the Advanced Manufacturing Supply Chain Initiative which can offer a starting point for developing an overall approach harnessing a range of policies to support the development of modern manufacturing clusters. This will involve targeting tax policy measures both by location (e.g. measures to address property costs) and by function (measures to encourage innovation or skills development).
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The issues discussed here and the measures to resolve them could deliver significant increases in the attractiveness of the UK for manufacturing companies. The UK already attracts 20% of FDI projects into Europe and it is time to drive a similar success around manufacturing.

A healthy manufacturing sector will bring a greater return for the UK in terms of employment, innovation and overall success. However, this is unlikely to be achieved with a revenue neutral package – it’s going to take investment to attract the best to the UK. Our aim is to open a dialogue to make the UK as attractive as possible for manufacturers.

The success of areas of London over recent decades shows the gains that can be made when incentives, infrastructure and the regulatory environment form a self-reinforcing cluster. The transformation of Docklands from a post-industrial wasteland to a powerhouse of global financial services shows what can be achieved.

Our ambition for manufacturing should be to deliver a similar level of transformation, opening up the opportunity to create world-class manufacturing clusters which build on the UK existing advantages around communication infrastructure, R&D networks and skilled workers to create centres of innovation and growth.

Our analysis has identified the bridge between the UK’s current good general performance, and the manufacturing focused performance needed to fully benefit from re-shoring: a tailored tax manifesto designed to maximise the UK’s competitive advantages as a centre for manufacturing through targeted measures supported by a broader pro-manufacturing strategy.

Building a tax manifesto for manufacturing would need to incorporate measures:

- Tailored to the needs of manufacturing
- Focused on developing the UK’s capacity to innovate
- Targeted on areas capable of sustaining positive clusters.

The UK has a limited time to set up its stall for high quality manufacturing of the future. Now is the time to start building the tax manifesto.

### Conclusion

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<th>Objective</th>
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