

C|B|I|

SEIZE THE MOMENT

HOW CAN BUSINESS TRANSFORM
THE UK ECONOMY?

EXECUTIVE SUMMARY FOR BUSINESS LEADERS | MAY 2021

It's time to seize the moment

An economy transformed

Our vision: to make the UK the most competitive, dynamic and future-focused economy in the world. Where business is at the heart of social progress, working in service of the nation.

For UK business this means highly skilled talent, greater opportunities for innovation, globally sought-after products and services, as well as access to new customers and communities. It means better progression opportunities for staff, rising job satisfaction, and improved health and wellbeing in and out of work.

Governments across the UK are already pressing ahead with recovery agendas. But true transformation, that works across all UK regions and nations, will only be possible if governments and business work in partnership. Firms must unite behind a single economic vision and strategy to deliver it, drive real change and shape a future operating environment that enables business to flourish and society to prosper.

Our prizes are illustrative, not exhaustive or mutually exclusive, but we judge that, together, they total around



£700bn

worth of opportunities on the table by 2030



The case for change

Seize the moment is a strategy for the economy focused on business-led growth opportunities, such as: longer-term savings from lower energy usage, higher-than-average profit margins through AI adoption, 'superstar' exporters, payback on reskilling investment and better business performance from improved employee health.

The plans we develop and the actions we set in motion in the coming weeks and months will determine businesses' recovery and prosperity, workforce success and wellbeing, and the UK's place in the world for generations.

A moment seized

Following the collapse of the Soviet Union, Estonia's GDP shrank by **36% between 1990 and 1994**. With digital services offering a route to establish a stable, high-growth, highly skilled economy. Estonia committed to make 'digital society' its nation's competitive advantage, **achieving a ten-fold increase in GDP per capita during its digital transition.**

France, Spain, Canada and the USA have all already announced plans to kickstart their own economic transformations in the wake of the pandemic, **focusing on jobs, productivity growth, resilience and sustainability.**

Why do we need to seize the moment?

Supporting you today, creating change for tomorrow

We have a once-in-a-generation opportunity to unite as a nation and transform the UK economy for the decade ahead. The combined challenges of COVID-19, our new relationship with the EU, net-zero and technological advancement all demand a far more ambitious and joined-up strategy than the UK has ever produced. Anything less would be to miss the significance of the threats and opportunities before us. We have a responsibility to drive positive change and create environments where businesses, individuals and wider society can flourish.

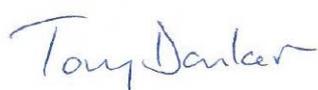
This change won't happen overnight. And the CBI will continue to support our members on the urgent issues facing firms today – from tackling barriers to trade, to dealing with the impacts of the pandemic. But as the voice of business in the UK – the CBI must keep one eye firmly on the future.

The UK government has already set out its plan for economic growth in [Build Back Better](#). And devolved governments and administrations have set out recovery plans too. But it is only in partnership with business that real change is possible as it is business that delivers growth. For most people in the UK, it is businesses and their ability to grow that determines their economic prospects. And while governments can help identify macroeconomic opportunities and create the right market conditions for them, they rely on the expertise of business to define the markets, technologies, skills, sectors and then to grasp them.

That's why business, with the CBI as its convener and catalyst, must unite around a single economic vision and a clear plan for the future, ensuring that together, we are driving towards shared prosperity.

Our plan sets out a range of recommendations for how every firm can reach net-zero, adopt new technologies and export more successfully. How business can enable millions of employees to gain greater resilience, wellbeing and opportunities at work. And how business can lead a broader transformation in pursuit of these prizes that is in the interest of local communities and the nation as a whole.

We can make the future whatever we want – so let's make it a good one.



Tony Danker

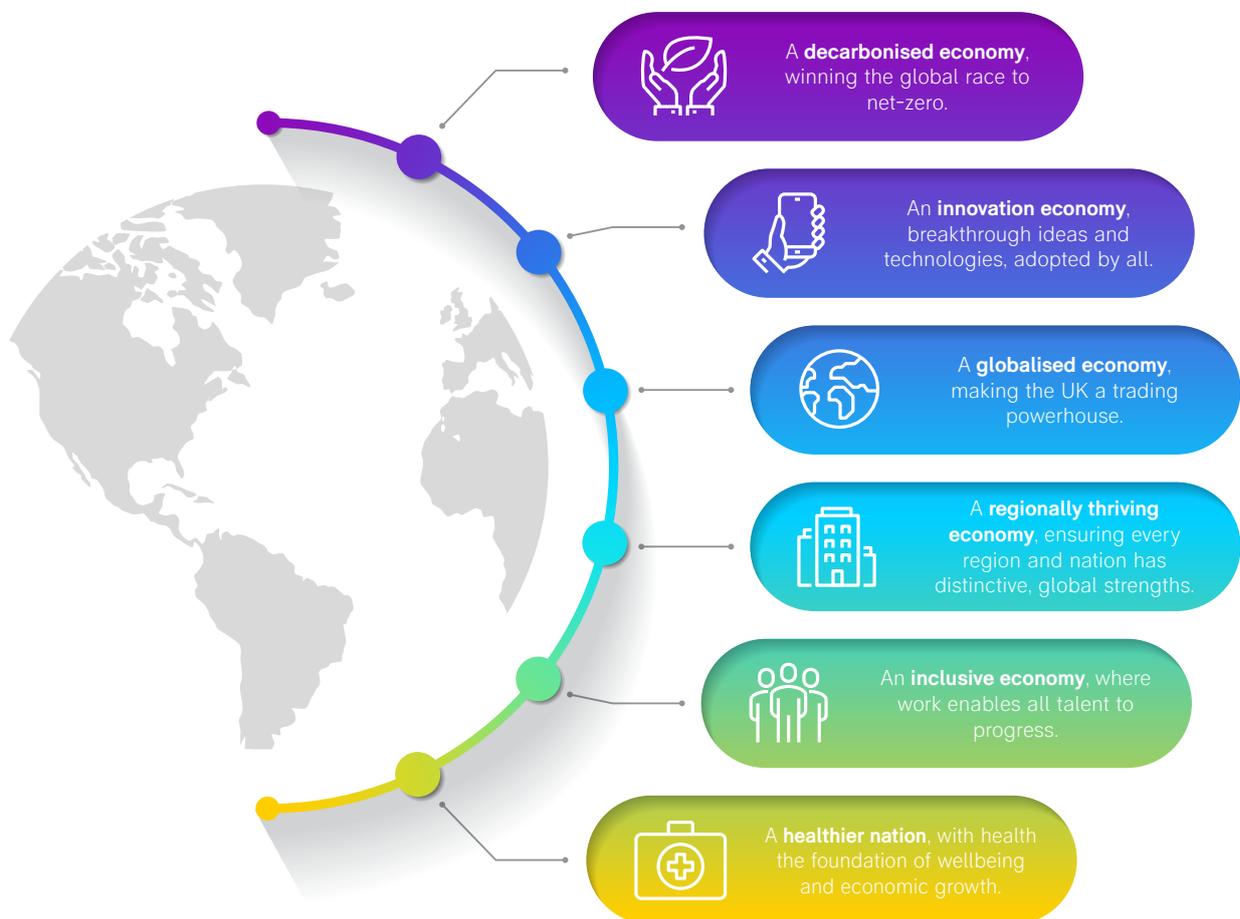
Director-General, CBI



How can UK businesses embrace opportunities for growth?

The prizes on offer for business

There is a huge opportunity for the UK, led by business. We have strived to identify where the UK is best placed to succeed. This has led us to six areas that are critical to the UK's future success. Our strategy is unashamedly business-led, and these opportunities will not only benefit business, but individuals and wider society too. If they can be realised, it will put the UK on the path to becoming the most competitive, dynamic and future-focused economy in the world.



In devising this strategy, the CBI has spoken to hundreds of business leaders across every region, nation and sector. We have engaged with political parties, unions and think tanks. We see strong consensus and readiness to act. So, let's not waste this opportunity. **Seize the Moment.**



A decarbonised economy

Winning the global race to net-zero.

Why it matters

Limiting the rise of global temperatures is fundamental to avoiding catastrophic impacts on communities, businesses and the environment. There are major economic opportunities from decarbonising for all businesses in the UK, from growing customer demand, lowering costs, new export markets and job creation.

The potential prizes for business



Lower energy usage, reduced CO2 emissions, longer-term savings



Early mover advantage and opportunities in fast-growing green products and services



Attract more customers and retain skilled talent



Huge sector opportunities, such as offshore wind (£3bn), electric vehicles and vehicle batteries (£18bn)

How the CBI will support business to seize these prizes

Business can play a key role in creating a decarbonised economy. The CBI will use our analysis, resources and networks to support UK business to:

1. Lead in aspects of the carbon capture, usage and storage value chain, and realise £18bn in additional revenues from higher exports to the EU in electric vehicles and vehicle batteries
2. Create 240,000 net new green jobs by 2030 across all parts of the UK
3. Join the **Race to Zero**, with the CBI aiming to get another 300 businesses signed up by COP26 in November, with progress supported by our **Goal 13 platform**.

What we're calling for

Unlocking investment in a decarbonised economy will require partnership from business and government – which is why we're calling on the government to:



Back key technologies with high exporting potential that leverage the UK's competitive strengths. E.g., committing to seven **gigafactories** by 2040, to support the electric vehicle market



Lead the world by example ahead of COP26 by **delivering a net-zero strategy that reduces our global climate impact**, setting a new target to reduce consumption emissions



Launch a cross-government Green Procurement Taskforce **ensuring public spending helps deliver on the UK's net-zero target**



Implement a **long-term incentive for energy efficiency improvements** and mandate that all new domestic boiler installations after 2025 should be part of a hybrid system or be 'hydrogen ready'



An innovation economy

Breakthrough ideas and technologies, adopted by all.

Why it matters

Innovation and technology are powerful engines for business growth, prosperity, inclusion and resilience. Adoption will be key to unlocking productivity growth; companies who invest heavily in R&D are growing faster than their peers.

The potential prizes for business



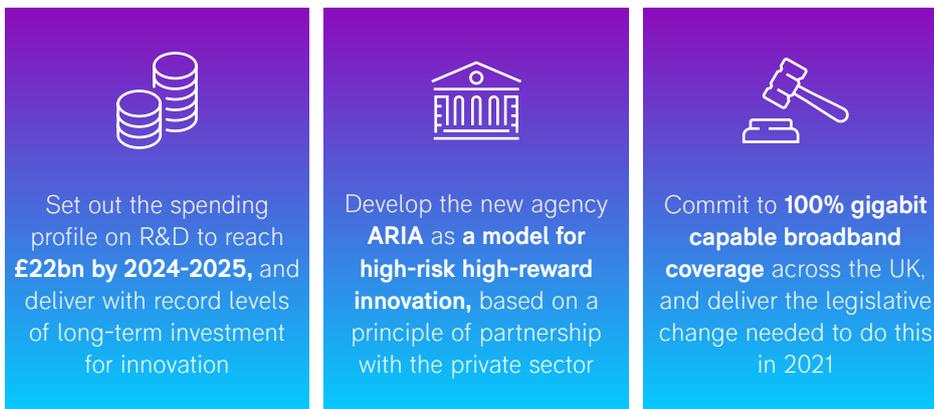
How the CBI will support business to seize these prizes

Innovation can have a profound effect on our economy and society with the potential for significant uplifts in performance. AI adopters have higher profit margins compared to their competitors. High spenders on R&D grow faster. Construction, manufacturing and retail all have high digitisation potential. We'll use our analysis and resources and networks to support UK business to:

1. Grow the innovation ecosystem by strengthening innovation partnerships between large corporates and scale-ups
2. Help consumers and businesses understand the benefits, and improve take-up, of better digital connectivity
3. Enable the uptake of innovation and tech through the new [Help to Grow scheme](#), which will help SMEs to learn new skills, reach new customers and boost profits.

What we're calling for

Unlocking investment in an innovation economy will require partnership from business and government – which is why we're calling on the government to:





A globalised economy

Making the UK a trading powerhouse.

Why it matters

Trade underpins the UK economy, enabling companies to find new markets, diversify supply chains and reduce risk. Exports account for 32% of total GDP, yet our share of global trade is declining. The UK currently has 14% of exporters who are 'superstar exporters', compared to 40% in Germany. Highly traded sectors have significant spillover benefits for society and the broader economy, creating jobs, raising incomes and increasing productivity.

The potential prizes for business



A new generation of SME exporters could boost UK export revenues by an additional £20bn in 2030



Around £20bn in additional UK GVA in 2030 from defending the UK's shares in big, growing global markets



Access to more consumers and businesses



Greater protection against downturns and robust supply chains, providing jobs and raising revenues

How the CBI will support business to seize these prizes

All businesses could benefit from becoming more international and stepping up their export performance. We'll use our analysis, resources and networks to support UK business to:

1. Pursue new markets, developing an export-oriented mindset and creating more 'superstar exporters'
2. Play to our strengths in the sectors we currently lead and seize export opportunities in growing industries, such as green and other emerging technologies
3. Co-develop an Export Champions programme linked with a new SME accelerator to ensure potential exporters have access to best practice, support and guidance from the public and private sector.

What we're calling for

Unlocking investment in a globalised economy will require partnership from business and government – which is why we're calling on the government to:



Align the Department for International Trade's campaigns, networks and focus to key UK strengths, and resource four new trade and investment hubs



Develop a **digital platform accelerator programme** for SMEs, offering upskilling programmes, market information and connections with DIT for advice and support



Establish a Trade in Services Commission to tackle market access barriers in major growth markets and set a long-term strategy for UK services trade



Use the new Partnership Council and bilateral relationships with EU countries to **kickstart a new chapter of UK-EU trading relations,** in line with the Trade and Corporation Agreement



A regionally thriving economy

Ensuring every region and nation has distinctive, global strengths.

Why it matters

The UK has a longstanding history of productivity and income disparities across our regions and nations, and the negative effects of the pandemic are not being felt evenly. Levelling up our regions and nations can kickstart the recovery, close productivity gaps, boost living standards and achieve shared prosperity.

The potential prizes for business

 <p>Access to thriving local business ecosystems and markets across the UK, reaching more customers and communities</p>	 <p>New sources of regional prosperity thanks to several new clusters emerging as a result of the net-zero transition</p>	 <p>Local investment supporting skills, improved connectivity, and wider supply chain opportunities</p>	 <p>Leverage of hybrid working to broaden talent pools, and help to reduce regional disparities in skills, access to jobs, and health</p>
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How the CBI will support business to seize these prizes

Our analysis has confirmed that shared prosperity is one of the most powerful ways the UK can build competitive regions and nations. We'll use our resources and networks to support UK business to:

1. Strengthen their regional presence, e.g. opening regional offices to support levelling up through investment decisions
2. Engage proactively with First Ministers, Regional Mayors, Local Enterprise Partnerships and other local bodies to shape business-friendly environments that attract investment in all parts of the UK
3. Develop the playbook for successful economic clusters through investing in 'live learning' in some pilot areas - demonstrating how to take economic clusters from good to great.

What we're calling for

Unlocking investment in a regionally thriving economy will require partnership from business and government – which is why we're calling on the government to:

 <p>Collaborate across Devolved Nation Administrations to support job creation, business investment and improved connectivity</p>	 <p>Build on progress to forge the underlying conditions that attract businesses to a local area</p>	 <p>Deliver the Levelling Up White Paper, with proposals for rolling out more devolution deals, and for further devolving power on skills, transport and R&D</p>	 <p>Fully support business-led clusters, by backing a genuinely demand-led and highly responsive approach to the needs of business</p>
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An inclusive economy

Where work enables all talent to progress.

Why it matters

The UK is consistently ranked as one of the least socially mobile nations among its peers and has one of the highest skills mismatches of the G7 countries. Ensuring everyone has the skills to succeed is good for society, but there is also strong evidence that diverse organisations and boards make better business choices and perform better.

The potential prizes for business



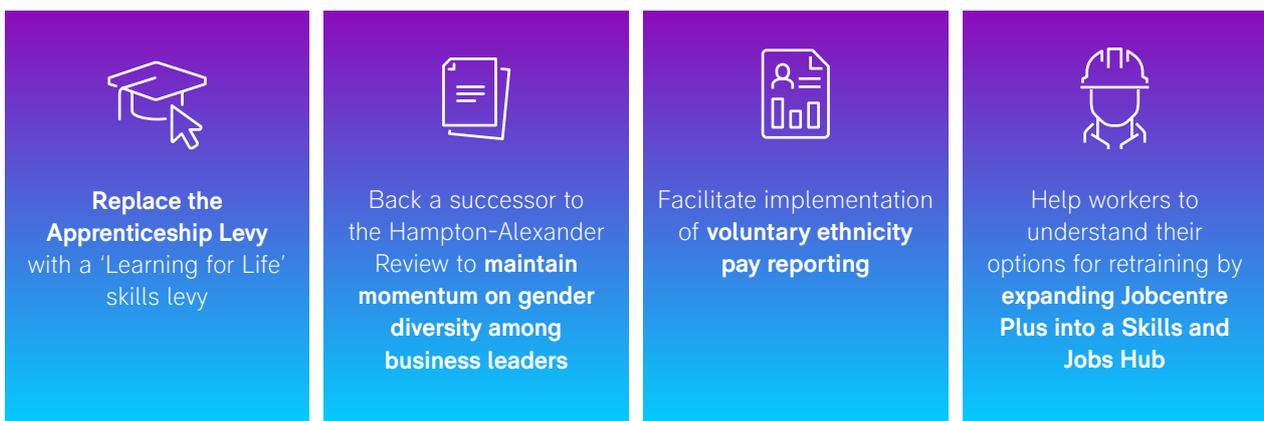
How the CBI will support business to seize these prizes

Embracing skills, diversity and inclusion makes sense for all businesses. Together, we can achieve something more from the COVID-19 recovery than a return to the status quo. The CBI will use our analysis, resources and networks to support UK business to:

1. Help accelerate progress towards greater racial diversity in business, with the CBI and other founding partners of [Change the Race Ratio](#) looking to secure the support of one-third of the FTSE100 by the end of 2021
2. Invest in training to help a new generation into the workforce and existing workers to reskill and retrain
3. Embrace remote, hybrid and flexible working to encourage maximum participation in the workforce from the broadest range of backgrounds. [Check out our Hybrid Working Guide.](#)

What we're calling for

Unlocking investment in inclusion will require partnership from business and government – which is why we're calling on the UK government to:





A healthier nation

With health as the foundation of wellbeing and growth.

Why it matters

Health is the biggest driver of a person's life satisfaction. It has the potential to be a major driver of economic success for the UK, as health interventions inside and outside the workplace could add £180bn to GVA in 2030.

The potential prizes for business



Employee health correlates with job satisfaction: the best employers deliver up to 3.5% higher annual returns



Reduced sickness absence by 30% per year and more employees returning to work after periods of sickness



Keeping employees healthy and safe while at work, as well as reducing health inequalities



Potential £8bn in additional revenues in 2030 for UK genomics companies

How the CBI will support business to seize these prizes

Businesses have stepped up during the COVID-19 pandemic with a significantly increased emphasis on the health and wellbeing of employees. To ensure all businesses benefit from an increased focus on health, we'll use our analysis, resources and networks to support UK business to:

1. Strengthen focus on business-led health interventions as an essential tool for improving societal health and economic prosperity
2. Increase R&D investment in innovation and clinical trials, bringing the most innovative and cost-effective health products to UK markets
3. Gain market share in emerging areas, such as genomics, where a UK competitive strength already exists.

What we're calling for

Unlocking investment in health will require partnership from business and government – which is why we're calling on the government to:



Leverage NHS data where appropriate to reinforce UK's position as a global hub for clinical trials, life science innovation and data-driven healthcare



Develop public-private collaboration and agile regulation to approve new medicines, and implement procurement strategies to make the NHS a leader in innovative medicines, treatments and healthcare

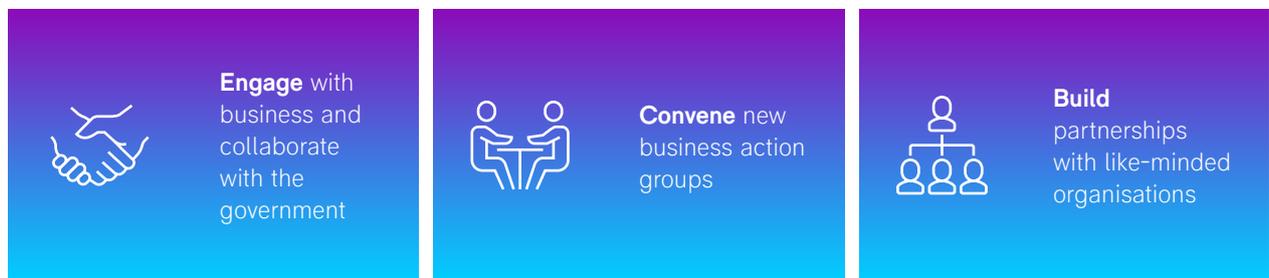


Increase focus on workplace health interventions to **incentivise businesses to invest** in their employees' wellbeing

This report fires the starting pistol on business action

In the months and years ahead, the CBI will devote our energies to helping the governments across the UK shape and implement policies to support growth, enabling businesses to transform the UK economy, and turn an exciting and ambitious vision into reality.

The CBI will change too. We will seize the moment to play a more proactive role in transforming the economy. Whether on decarbonisation, diversity or levelling up, the CBI will act as a collective engine for business realising its full potential. And we will work with businesses across the UK to develop detailed plans to bring our economic vision to life.



How you can get involved

The CBI is ready and willing to lead change, but business has an important role to play. We're calling on every business to get involved and:





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