

# North East Local Industrial Strategy **Advanced Manufacturing**

Tuesday 16 July 2019, Crowne Plaza, Stephenson Quarter, Newcastle



HM Government





















## Developing an evidence base for North East LIS

Builds on earlier research undertaken in North East and ongoing of research being undertaken in region and more widely.

Our annual 'state of the region' report, Our Economy provides overview of the North East LEP area economy and how it is changing over time. This year's report focused on what makes the North East competitive.

Commissioned review of North East productivity performance and what underpins this.

Commissioned review of North East sectors, competencies and assets that can support productivity improvements.

Have used North East Economic Evidence Forum as 'critical friend' to review evidence base throughout LIS development process.

## What the LIS evidence tells us about Advanced Manufacturing in North East



In the North East LEP area, the productivity of the 'manufacturing' sector is above the North East LEP average. However, the productivity of the sector is lower in the North East LEP area than across England excluding London as a whole. Given that manufacturing is overrepresented within North East employment, increasing the productivity of this sector would help increase overall regional productivity.

The review of North East sectors, competencies and assets highlighted the region's key strengths in advanced manufacturing, focusing on pharmaceutical; chemicals and automotive manufacturing. In relation to automotive manufacturing:



There are over 240 companies in the North East sector including 28 Tier 1 suppliers, with a number adjacent to the Nissan plant. The £500 million International Advanced Manufacturing Park (IAMP) will allow this to increase further.



The sector is supported by a highly regarded cluster organisation, the North East Automotive Alliance (NEAA), with 350-member companies and running more than a dozen working groups.



The sector has undergone a period of growth, with 46 investments totalling £1.6 billion over the past five years.



The region has a strength in electric vehicle manufacture (with the region having Europe's largest battery facility and currently accounts for 20% of Europe's electric vehicle production). Academic expertise in electrification and power management, principally at Newcastle University, supports innovation in this area.















