

# Making it in Leeds

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News from Leeds Manufacturing

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## **Siemens boss calls for more investment in manufacturing at Leeds debate**

At a debate on the future of UK manufacturing held in Leeds last week (Thursday 24 November), Juergen Maier, managing director of Siemens UK Industry Sector, has called for a focus on investment to help the manufacturing sector lift the UK economy out of recession.

Speaking at the event, which was organised by Marketing Leeds and Leeds Manufacturing with support from Leeds York and North Yorkshire Chamber of Commerce and the Manufacturing Advisory Service, Mr Maier said: "There is a real investment challenge for UK manufacturing we need to see continuous investment to improve productivity and competitiveness.

"Business excellence in manufacturing - particularly lean manufacturing and the six sigma business management strategy - is something we are damn good at in the UK. If we get the investment part of the equation right too, we could be world beating."

Mr Maier added that after 25 years working in manufacturing in the UK he was broadly optimistic about the future of the sector. "Manufacturing is given greater recognition now than it has been

over the last 25 years. Government and industry are talking about the right sorts of things at last," he said.

### **Skills top the manufacturing agenda**

Also speaking at the debate, Mark Ridgway, managing director of Group Rhodes, said that engineering skills were a key concern and that he was particularly keen to encourage more women into engineering.



"We're right at the bottom of the European scale for the numbers of women in our industry," said Mr Ridgway. "In Sweden 25 per cent of engineers are female, while in Eastern Europe it can reach 40 per cent. Here in the UK though, only 6 per cent of engineers are women, and as an employer, I find that it is almost impossible to recruit female staff with engineering skills. As a country we need to do something about this."

A lack of emphasis on apprenticeships was also singled out as a factor that had led to a skills shortage in manufacturing, which faces a major challenge as a result of an ageing workforce profile across the industry.

"In the UK, vocational skills have been neglected for 20 years," said Juergen Maier. "We are in catch-up mode at the moment but it will be a long time until the UK has the quantity and calibre of apprentices that it needs."

Mr Maier added that the poor reputation of apprenticeships as a way into a career in the UK had also been damaging to the country's manufacturing sector. "In Germany if you are an apprentice, that is a highly respected way of training for an occupation whereas here the social standing of apprentices is generally poor. That must change."

### **Finance vacuum must be filled**

Steve Pateman head of corporate and commercial banking at Santander, said the UK banks' rapid withdrawal of leverage finance from businesses as a result of the banking crisis had caused a funding



vacuum that needed to be unlocked to increase economic momentum.

Citing research from Experian into "growth champions", the fastest growing small companies which are set to create 50 per cent of incremental employment growth over the next five years, Mr Pateman said that the biggest obstacle to growth was the lack of access to finance.

“Some form of financial assistance needs to be introduced in order to fill the gap that the banks once funded,” said Mr Pateman. “There’s an urgent need for access to capital for growth champion businesses – as well as for those businesses that want to grow at a more gradual pace.”

### **Research and development crucial to UK manufacturing success**

Juergen Maier said the investment in research and development was key to the success of UK manufacturing. Siemens has recently invested £1.2m in transferring its mechanical drives business to new premises in Leeds, from where it will manufacture components for offshore wind turbines to support its proposed Hull plant.

Mr Maier said that in the rapidly growing sector of offshore wind and renewable energy, the UK should be investing more heavily, and faster, in research and development. “Large-scale investment in the new technology demanded by the renewables industry is exactly what the German and Danish governments are doing and have been doing for some time. If Britain doesn’t follow suit it will simply miss out.”

Mr Maier said that despite his own company’s investment in assembly plants, a more collaborative approach to research and development was needed so that smaller companies could enter the supply chain in an industry that offers great opportunities.

### **World-class healthcare sector key to Leeds**

Graham Bowland, chief executive officer of Leeds-based Surgical Innovations, said that innovation in technology was also key to the success of Leeds manufacturing sectors including healthcare.

“We have a real advantage over the large corporates in that we are fleet of foot and can bring new technologies and products to market within a much shorter time frame.”

But the head of the healthcare company, which designs and manufactures instruments for use in bariatric surgery and exports 85 per cent of its product, called for changes to restrictive NHS procurement practices which prohibits smaller suppliers from tendering for NHS contracts.

“We are an export led business, as are the majority of SME healthcare companies, because of the complexities of engaging with the NHS procurement system. This has been recognised in Leeds and we are trying to establish relationships between the Leeds Hospital NHS Trust and the local medical industry through the newly created Leeds Health Hub.”

Mr Bowland added that the creation of a Leeds Health Hub, which would help boost the city’s healthcare sector, would also be an extremely positive addition to the Leeds economy, helping to create high-value employment in a sector in which the city has the potential to become world class.



### **Louder northern voice**

Tom Riordan, chief executive of Leeds City Council, called for a “louder voice for the North” and said that the city council was working with its counterparts in Manchester on a collaborative approach to improving economic prospects for the two city regions.

“Manufacturing is crucial to Leeds’ economy, showing 28 per cent better productivity than average for the city’s economy, and generating 11 per cent of our £17.8bn output,” said Mr Riordan.



### **Ends**

**Note to Editors:** Leeds is the UK’s third largest centre for manufacturing and the UK’s largest centre for print, publishing and paper manufacture outside London, with over 400 businesses and a total workforce of 6,900. The manufacturing sector as a whole in Leeds generates 10.8% of the city’s £15 billion annual output.