

UK Manufacturing Predator or Prey?

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Economic
Landscape



Market
Drivers



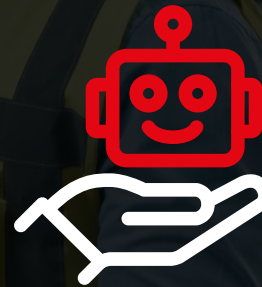
A bulletproof
supply chain is vital



A changing labour market
and engineering skills gap



Developing and supporting
Future engineers



Manufacturing must embrace
new ideas & technology to prosper

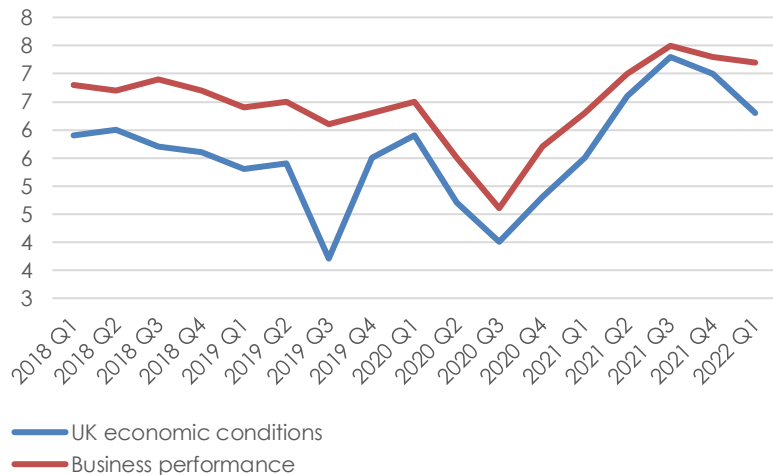


**The economic outlook
is unclear, so
businesses must be
prepared**

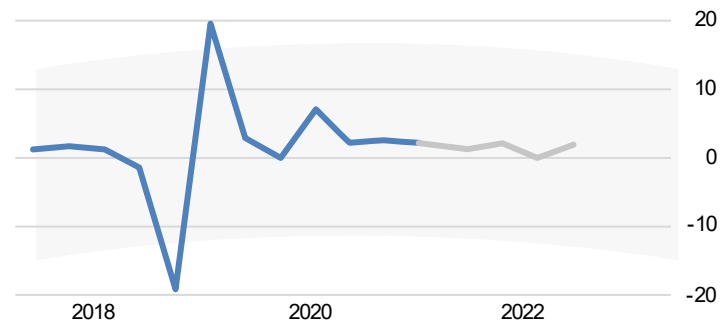
While confidence has dipped overall manufacturing optimism remains high

Confidence in the next 12 months

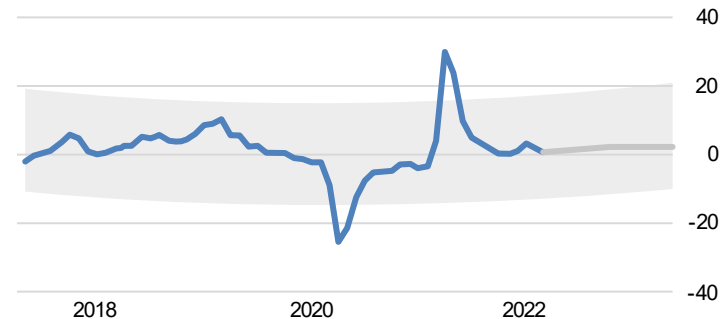
1 = substantially worse
10 = substantially better



UK GDP Growth & Forecast



UK Production & Forecast





**The market dynamics
are shifting, requiring
an agile response**



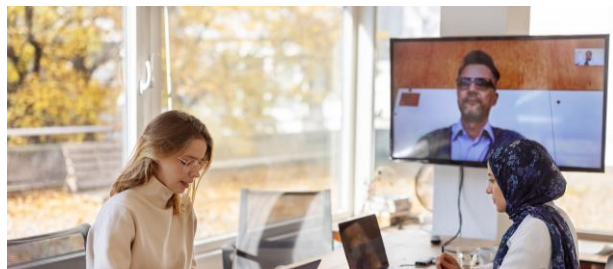
Digitalisation



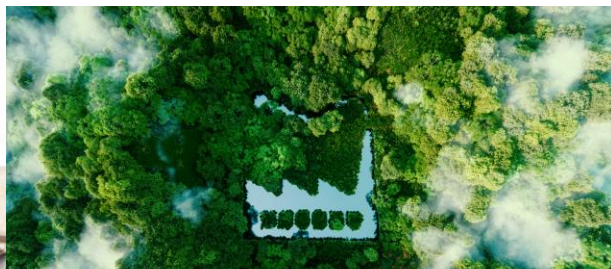
Data & AI



Supply Chain



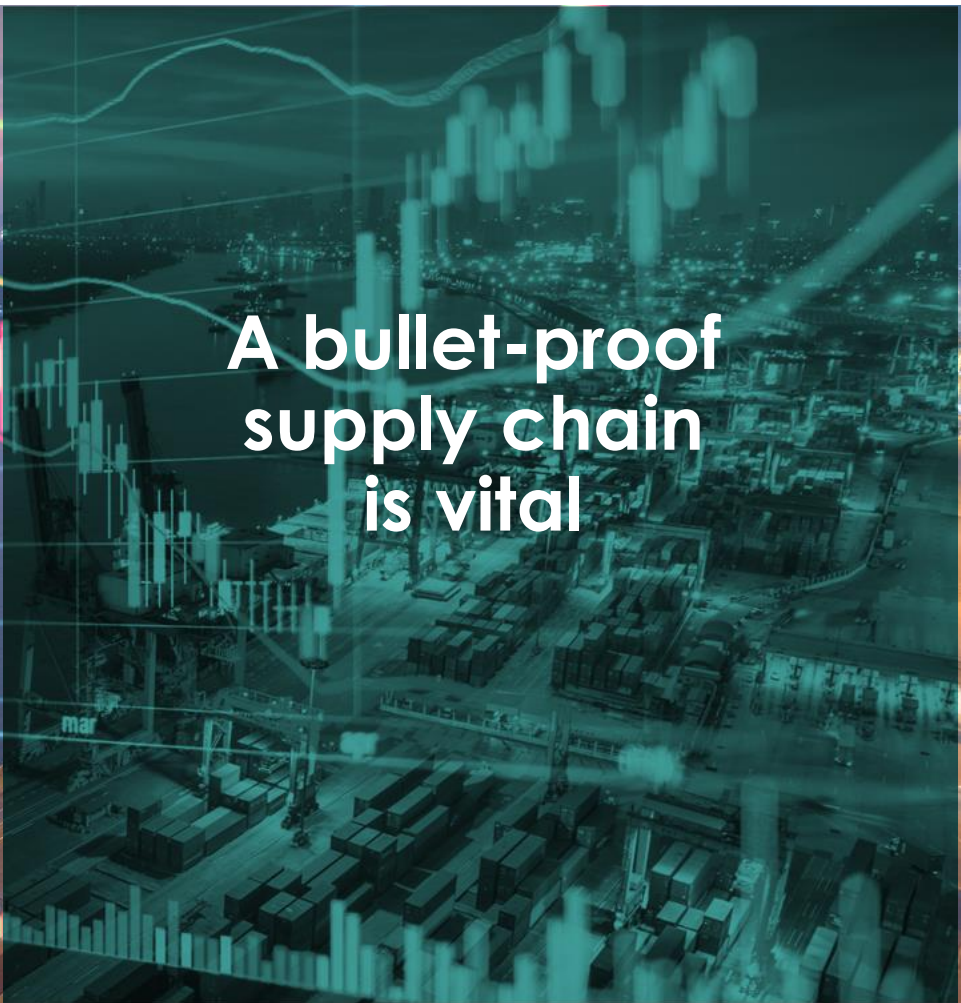
Hybrid ways of working



Sustainability



Energy Costs



A bullet-proof
supply chain
is vital



Supply Regionalisation



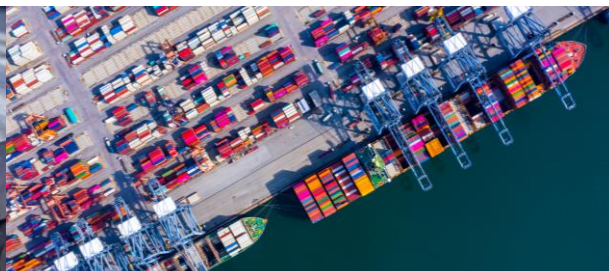
Freight costs



Conflicts



Raw Materials



Global Supply Disruption



Supplier Relationships



Manufacturing Sector Skill Gaps

49%

of engineering companies
experience difficulties with
lack of skills*

Only 14.5%

of people working in
Engineering are women[#]

**Greater
diversity**

helps businesses make better
decisions

There are Labour market
constrictions
and an aging engineering
workforce

*According to the IET Skills and Demand in Industry Report 2021

#Based on the June 2021 survey by Engineering UK





Development &
support of future
engineers is
paramount

Grass Roots Education

Developing engineers of the future

- Developing educational products and solutions
- Super Skills improving future employability
- Youth opportunities – including Student STEM outreach
- Building a community network



**Businesses that
embrace new ideas
and technology will
prosper**

Connected Thinking



Cost management and sustainability remain top of the agenda for many manufacturing businesses

Practices in place to support reduced carbon foot print strategy



Waste
recycling
86%



Energy
management
67%



Use of
Renewable energy
66%



Reduced
Waste to landfill
66%



Reduced
Energy usage
64%



Reduced plastic
packaging
62%



Reduced water
usage
47%



Consolidating orders
reducing transportation
45%



Use of eco-friendly
cleaning products
43%



Electric
vehicle
41%

From the RS & CIPS 2021 Indirect Procurement Report which surveyed over 1,300 procurement professionals globally.

Deploying new technologies is **critical for success** within UK manufacturing

Top 2022 investment priorities for manufacturers according to Digital Catapult survey:



Cloud
67%



IoT
61%



Predictive Analytics
61%



Robotics
56%



AI
54%



5G
54%



Blockchain
51%



Digital Twins
48%



Additive Manufacturing
46%



VR/AR
44%



The findings are from the Digital Catapult survey carried out amongst 100 UK manufacturing leaders – director level and above – in November 2021.



**RS is investing in
innovative solutions
to help our customers
succeed**



Innovation: Our approach



Any questions?

To find out more
visit us on stand E44



Scan to visit our Connected Thinking site

