

MRS RYDER

DTI Efficiency Presentation

Further developments. The meeting at 1130 on Wednesday 1 August, on the review of out of hours arrangements, is almost certain to be cancelled. Could you please check with Robin Butler, and if he confirms this replace the meeting with the DTI efficiency seminar.

I have already checked that the time is possible for the Secretary of State for Trade and Industry, Sir Robin Ibbs, and Sir Robert Armstrong. Could you please confirm with their offices, and also get Mr. Tebbit's office to invite Sir Brian Hayes and Sir Anthony Rawlinson?

Thanks

Love

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Confirmed for
11.30 on wed.

CR.

30/7.

26 July 1984



A. put on DTI
Seminar file

Department of Trade and Industry

AIMS



Introduction

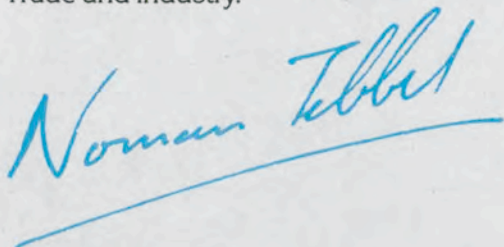
The creation of the Department of Trade and Industry highlighted the central importance given by the Government to the interests of commerce—the means by which this country earns its living in the world. The distinctions between service and manufacturing industries in home and export markets matter little to the creators of wealth, and the new organisation ensures that industrial and commercial policies are designed in harmony from their inception rather than co-ordinated after leaving their separate stables.

The merger facilitates clearer and more consistent policies, particularly in areas which previously straddled or fell between the two Departments, such as trade and competition policies, and standards and quality assurance. Those in commerce who formerly may have had to deal with two Departments, two sets of officials and two sets of Ministers now have clearer and simpler access to Government.

The full effect of these benefits will be felt gradually. But a great deal of progress has already been made behind the scenes. An early task for me has been to draw up a statement of Aims for the new Department. This leaflet sets out these Aims, explains the thinking behind them, and illustrates some of the means by which they will be achieved.

The central aim - 'To encourage, assist, and ensure the proper regulation of, British trade, industry and commerce: to increase the growth of world trade and the national production of wealth' - is the key to the Department's work. Only the people who work in industry and commerce can create wealth. What the Government can do is help by ensuring that the conditions are right, that the framework is right and that the tools are available to enable industry and commerce to get on with the job. This means continuing to reduce inflation and continuing the pressure to keep public spending and borrowing under control so that there is room for lower interest rates and for tax cuts. It means encouraging competition, as a vital instrument for improving efficiency and for satisfying customers' needs. It means removing burdens to enterprise, letting the market take decisions, and keeping the international trading system free and fair. It means encouraging a supply of manpower with the skills for today—and tomorrow—and facilitating access to the technology needed to keep this country in the forefront in world markets.

A published set of Aims helps me in my task of managing the Department and ordering its activities and priorities. They help us to focus on the essential, and to avoid using scarce resources on peripheral activities. They also help to ensure that people working in all parts of the Department understand how their work fits in with the overall purpose of the Department. Equally important, I hope that by publishing these Aims I shall help British industry and commerce to understand better the supportive role of the Department of Trade and Industry.



Norman Tebbit
Secretary of State for Trade and Industry



DTI Aims

1.1 A financial and fiscal climate which encourages enterprise, investment and growth and minimises Government burdens on business.

1.2 A wider understanding of the value of productive activity, enterprise and profit.

1.3 European Community and international agreements, laws and commercial relations working to the advantage of UK trade and investment.

1.4 A regulatory framework which promotes fair competition and the efficient use of resources and safeguards the interests of customers.

1.5 Standards which strengthen the international competitiveness of British trade, industry and commerce.

1.6 Reduced UK regional disparities.

2.1 Improved management and other skills throughout UK industry and commerce, targeting smaller firms in particular.

2.2 Market information and support for UK firms competing in overseas markets.

2.3 Increased efficiency in state owned enterprises through privatisation, exposure to competition, target setting and monitoring.

2.4 Inward investment and collaboration with foreign companies yielding advantages to the UK.

2.5 Measures to increase UK output, improve performance and encourage the formation of new businesses.

1 CLIMATE

2 INTERNATIONAL COMPETITIVENESS

3 INNOVATION

CENTRAL AIM

To encourage, assist, and ensure the proper regulation of, British trade, industry and commerce; to increase the growth of world trade and the national production of wealth.

3.1 Increased civil R & D in industry.

3.2 Effective exploitation of UK and foreign science and technology.

3.3 Awareness and rapid adoption of key technologies.

3.4 Levels of quality and design to highest world standards.

3.5 Closer co-operation on new products between UK producers and customers, for example through public purchasing.

DTI MANAGEMENT TASK

To use Departmental resources efficiently to pursue these aims

Why Aims?

1. DTI has the task of helping British firms to compete successfully for customers at home and abroad. It employs nearly 13,000 people and is responsible for Government spending of some £1400 million a year. Any organisation accounting for resources of this magnitude needs a clear view of its central purpose and objectives if time, effort and money are to be used to best effect.

2. The statement of its aims set out overleaf shows in a concise form the Department's main purposes. The central aim is 'to encourage, assist, and ensure the proper regulation of, British trade, industry and commerce: to increase the growth of world trade and the national production of wealth'. This will be achieved in three main ways, by promoting:

- a CLIMATE for British industry and commerce which is as conducive to enterprise and competition as that in any other industrialised country
- the INTERNATIONAL COMPETITIVENESS of British firms through increased efficiency and adaptability
- INNOVATION to improve the products, processes and services that British industry and commerce can offer to the world.

Under these three headings there is a series of subsidiary aims, as shown on the chart. The individual aims define in a relatively simple way the principal tasks required to make progress towards the achievement of the central aim.

Climate, International competitiveness, and Innovation

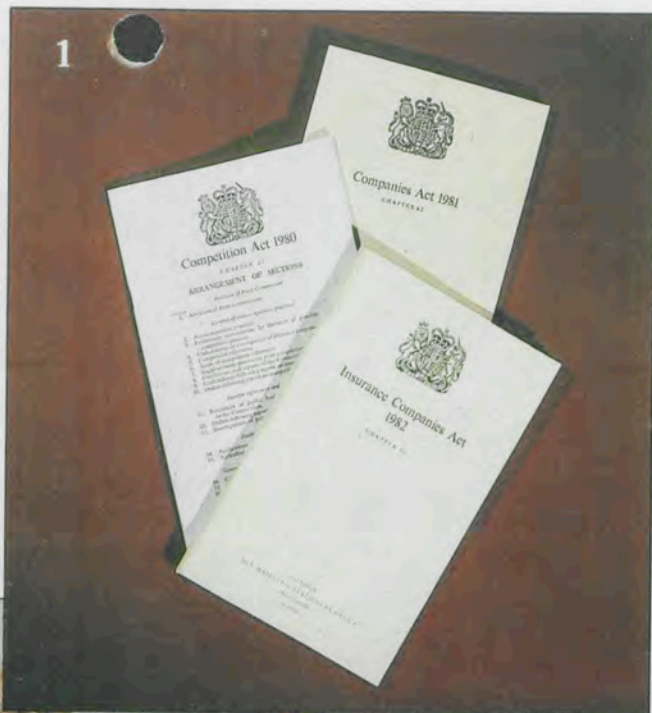
Climate

1. The right climate is vital to the achievement of our central aim. Without it, enterprising people with new ideas will be unable to create wealth and new jobs. First, business needs a stable financial and fiscal regime if it is to have confidence to innovate and invest. Inflation must be reduced and eventually eliminated and public expenditure must be strictly controlled to keep down taxes and help moderate interest rates. It means the removal of unnecessary burdens, the improvement of incentives, giving better returns for effort and enterprise, and the encouragement of financial institutions able to satisfy the needs of large and small firms alike. In this area, the DTI works closely with the Treasury and other Departments to ensure that the needs of industry and commerce are taken fully into account when the priorities for Government action are decided (Aim 1.1). The Department also works with organisations in the education field and elsewhere to make the value of productive activity more widely understood, and to emphasise that wealth must be generated before it can be used (1.2).

2. Second, business needs proper access to overseas markets. For a major trading nation, exporting nearly 30% of its output, international barriers and distortions to trade are a major threat to the generation of wealth. Removing these burdens requires constant work at Government to Government level, particularly in the face of pressures for

1. A basic framework of company and competition law is needed to enable the market to function effectively.
2. People owning, managing or thinking of setting up small businesses can get advice from DTI's Small Firms Service.
3. Export promotion. A Joint Venture with the Society of Motor Manufacturers and Traders, with 101 British companies participating in an exhibition at Geneva.
4. Under its 'Micros in Schools' Scheme, the Department provides funds to Local Education Authorities to help secondary and primary schools purchase a microcomputer.





protection arising from economic and debt problems around the world. The Department represents the UK's industrial and commercial interests in the European Community, in other international organisations, and in a wide range of bilateral relationships (1.3). This work helps companies to export successfully and underpins the Department's direct export promotion work (2.2).

3. Third, a regulatory framework is needed to enable the market to function effectively: a framework of company and competition law. The Department also has responsibilities for the consumer, and for safety legislation. The right balance has to be struck between too much regulation, which stifles enterprise, and too little regulation, which can lead to injustice, uncertainty, or erosion of competition in the market place (1.4). The Department is also concerned to strengthen the British standards system and encourage the widest possible use of standards by both buyers and sellers. A strong standards system promotes quality and customer confidence at home and overseas (1.5).

4. Finally, an effective regional policy can help ease social change and reduce disparities in employment opportunities. The 1983 White Paper on Regional Industrial Development outlines a new and more cost-effective approach, within which the Department will work, with industry, to promote new business and new jobs in the assisted areas, in both manufacturing and services (1.6).

Competitiveness

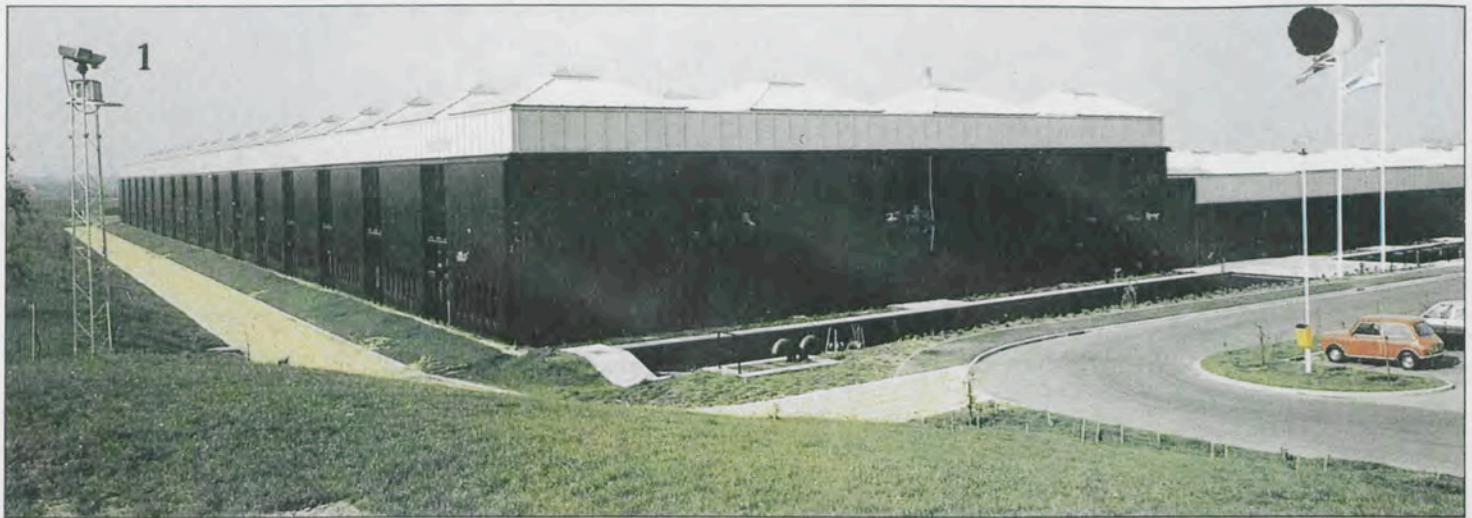
5. The Department's aims under this heading are directed to ensuring that British companies have the tools they need to meet and beat international competition, not least skilled workers of every grade. Proper skills are vital and the DTI works with other agencies to help improve training and increase the industrial and commercial relevance of education at all levels. It has a special interest in the improvement of management skills and under the Department's Small Firms Service experienced businessmen advise owners and managers of small businesses, and those thinking of starting their own businesses, on their plans and problems (2.1).

6. The British Overseas Trade Board, whose members are mainly businessmen, directs the Department's export promotion programme. Its staff in the UK and the commercial staff in embassies and consulates overseas provide advice and information to exporters and would-be exporters and practical and financial help with entry into new markets. The Department's Projects and Export Policy Division co-ordinates all forms of Government assistance for major project contracts overseas. The Exports Credits Guarantee Department provides a wide range of credit insurance and related services for exporters (2.2).

7. For those large areas of economic activity in the public sector privatisation provides a special opportunity to increase competitiveness by exposure to market forces. The liberalisation of the telecommunications market and the forthcoming privatisation of British Telecom are designed to stimulate new mass industries in communications and office services. The disciplines now imposed on state-owned firms already exposed to competition, such as BL and Rolls Royce, have led to major improvements in competitiveness and brought them closer to readiness for return to the private sector (2.3).

8. Investment in the UK by foreign-owned companies can bring many benefits, both in terms of output and jobs and





through the spreading of new management styles and attitudes, and of quality, standards and technology. The UK can offer the overseas investor EC membership, a worldwide reputation for inventiveness and intellect, and a highly developed and efficient infrastructure and services sector. The Invest in Britain Bureau co-ordinates promotional work to bring further inward investment to the UK. Recent examples include the decisions by the Finnish firm United Paper Mills to set up a pulp and newsprint mill in Clwyd and by American computer companies Digital and Hewlett Packard to establish research and development facilities in southern England (2.4).

9. The Department runs a number of other schemes designed to support increased efficiency and adaptability in British firms. For example, in conjunction with the banks we operate the Loan Guarantee Scheme to help small businesses obtain loan finance. Selective Financial Assistance is also available for major investment projects providing positive benefits for the economy (2.5).

Innovation

10. Industrial and commercial innovation is vital if Britain is to maintain and increase its share of world markets. This requires increased spending by industry and commerce on market-related research and development for civil purposes. Through the Department's Support for Innovation programme companies can receive assistance both for longer term R&D projects designed to strengthen their technological base and for development work on new and improved products and processes (3.1).

11. The UK has a good record in basic research, but the creation of wealth depends upon the profitable exploitation by industry and commerce of the fruits of this research and of science and technology developed overseas (3.2). As well as running the Patent Office, an important link in the chain from idea to commercial realisation, the Department runs four major industrial research establishments which identify, develop and transfer to industry new technologies with widespread applications. The Department is co-ordinating a major national research effort in advanced information technology (the Alvey programme). It also provides a number of information services to help companies identify scientific and technological opportunities available to them both at home and abroad.

12. The last few years have seen the emergence of major new technologies such as Microelectronics, Information Technology, Biotechnology and Advanced Manufacturing Technology which offer opportunities across a wide swathe of





1. Inward investment, Digital Equipment Corporation's major R&D centre outside the United States is at Reading.
2. The design of this four-door Range Rover won a Design Council Award. The Department promotes, and supplies firms with consultancy support on, quality and design.
3. Innovation. A trampoline accident confined Jan Burgess to a wheelchair for 14 years. A micro-computer-based system of functional electronic stimulation, developed with support from DTI, has got her walking again.
4. Innovation. Supported under DTI's Biotech Scheme, Celltech Ltd is developing more efficient ways of producing monoclonal antibodies.
5. One of the pilot office-automation projects supported by the DTI—the BBC's Electronic Newsroom System, which serves the Breakfast Time programme.

industry and commerce. Only by the acquisition of new skills and techniques will firms be able to maximise opportunities to create new wealth. The awareness and rapid adoption of these key technologies (3.3) have been promoted by the Department through special measures within the Support for Innovation programme covering awareness, training, consultancy and project support.

13. Design is a crucial element in the successful development of new products. Good design combines what customers want with what is commercially and technically possible, and concentration on better quality during the manufacturing process can also yield significant returns for companies. The Department draws the attention of managers throughout industry to the importance of design and quality (3.4). In addition, small and medium sized companies can get both free and subsidised consultancy on these subjects.

14. Firms which are successful innovators are able to link their technological expertise to a knowledge of the market. Closer co-operation between UK producers and their customers (3.5) is one way of ensuring that new products meet the needs of the market. The Department encourages public sector purchasers to give a lead in collaborating with their suppliers on their future needs. One example of this is in office automation where twenty pilot projects have been set up and are now under evaluation with many valuable lessons for suppliers and users alike.

The Aims in Management

15. The Aims form the backdrop against which the day-to-day work of the Department is conducted and progress assessed. The Department's own 'management task' is to ensure that the resources available are used as efficiently and effectively as possible in the achievement of the Aims. Each Division now draws up its own policy objectives in support of the Aims and where possible is set quantified targets against which progress can be measured. Objectives, targets and progress towards them will be reviewed each year by senior management and Ministers to ensure the Department remains on course. This will help to identify and overcome at an early stage failures to achieve intended progress, as well as activities which have served their purposes or are ineffective, so that the resources can be redeployed to other necessary tasks or simply saved.



Contact Points

Department of Trade and Industry

Head Office and British Overseas Trade Board

1 Victoria Street, London SW1H 0ET
Tel: 01-215 7877
Telex: 8811074/5

Particular topics

Small Firms Enquiries	Freefone 2444
Projects and Export Policy Division	01-215 5466
Invest in Britain Bureau	01-212 6251
Support for Innovation	01-213 5433
Patent Office	01-405 8721

Export Credits Guarantee Department

PO Box 272, Aldermanbury House, Aldermanbury, London EC2P 2EL
Tel: 01-382 7000

Regional Offices

The regional network of the Department of Trade and Industry and the British Overseas Trade Board is based on seven Regional Offices in England.

The Regional Offices represent the Department in its dealings with industry, local authorities, the Regional Offices of other government departments, and other local bodies and organisations. They are responsible for administering selective assistance to industry in assisted areas, and for other aspects of regional industrial development, and handle export promotional work.

Some parts of the Department's work are handled through specialist local offices. The Regional Offices also serve the Department of Energy.

North East

Northumberland, Tyne and Wear, Cleveland and Durham
Regional Office: Stanegate House, 2 Groat Market, Newcastle upon Tyne NE1 1YN
Tel: Newcastle upon Tyne (0632) 324722.
Telex: 53178

North West

Cheshire, Lancashire, Merseyside, Greater Manchester, High Peak District of Derbyshire and Cumbria
Regional Office: Sunley Building, Piccadilly Plaza, Manchester M1 4BA
Tel: Manchester (061) 236 2171
Telex: 667104
Sub Office for Merseyside: 1 Old Hall Street, Liverpool L3 9HJ
Tel: Liverpool (051) 236 5756

Yorkshire and Humberside

North, South and West Yorkshire and Humberside
Regional Office: Priestley House, Park Row, Leeds LS1 5LF
Tel: Leeds (0532) 443171
Telex: 557925

West Midlands

Shropshire, West Midlands Metropolitan County, Staffordshire, Warwickshire, Hereford and Worcester
Regional Office: Ladywood House, Stephenson Street, Birmingham B2 4DT
Tel: Birmingham (021) 632 4111
Telex: 337919

East Midlands

Nottingham, Derbyshire (except High Peak District), Leicestershire, Lincolnshire and Northamptonshire
Regional Office: Severns House, 20 Middle Pavement, Nottingham NG1 7DW
Tel: Nottingham (0602) 506181
Telex: 37143

South West

Cornwall (including Isles of Scilly), Devon, Somerset, Wiltshire, Gloucestershire, Avon and Dorset
Regional Office: The Pithay, Bristol BS1 2PB
Tel: Bristol (0272) 291071
Telex: 44214
South-Western Industrial Development Office
Phoenix House, Notte Street, Plymouth PL1 2HF
Tel: Plymouth (0752) 21891-5
Telex: 45494

South East

Greater London, Kent, Surrey, East Sussex, West Sussex, Hampshire, Isle of Wight, Bedfordshire, Berkshire, Buckinghamshire, Essex, Hertfordshire, Oxfordshire, Cambridgeshire, Norfolk and Suffolk
Regional Office: Charles House, 375 Kensington High Street, London W14 8QH
Tel: 01-603 2060.
Telex: 25991
Export Section: Ebury Bridge House, Ebury Bridge Road, London SW1W 8QD
Tel: 01-730 9678.
Telex: 297124/5

Scotland, Wales and Northern Ireland

The Industrial Development Division of the Industry Department for Scotland in Glasgow and the Welsh Office Industry Department (WOID) in Cardiff, in addition to exercising industrial functions which are the responsibility of the Scottish and Welsh Secretaries of State, carry out certain functions for the Department of Trade and Industry on an agency basis. They provide services for British exporters.

Scotland

Industrial Development Division of the Industry Department for Scotland
Office for the whole of Scotland: Alhambra House, 45 Waterloo Street, Glasgow G2 6AT
Tel: Glasgow (041) 248 2855. Telex: 777883.

Wales

Industry Department of the Welsh Office
Office for the whole of Wales: Welsh Office, Industry Department, Cathays Park, Cardiff CF1 3NQ
Tel: Cardiff (0222) 825111. Telex: 498228
District Office for North Wales: Government Buildings, Dinerth Road, Colwyn Bay, Clwyd LL28 4UL
Tel: Colwyn Bay (0492) 44261

Northern Ireland

Department of Economic Development, Office for the whole of Northern Ireland, Netherleigh, Massey Avenue, Belfast BT4 2JP
Tel: Belfast (0232) 63244. Telex: 747025
Export Services
Belfast (0232) 233233

Industrial Research Establishments

Laboratory of the Government Chemist
Cornwall House, Stamford Street, London SE1 9NQ
Tel: 01-928 7900

National Engineering Laboratory
East Kilbride, Glasgow G75 0QU
Tel: East Kilbride (035 52) 20222

National Physical Laboratory (including British Calibration Service)
Teddington, Middlesex TW11 0LW.
Tel: 01-977 3222

Warren Spring Laboratory
Gunnels Wood Road, Stevenage, Herts SG1 2BX
Tel: Stevenage (0438) 3388

Regional Development Grants Offices

Billingham

Regional Development Grants Office, Queensway House, West Precinct, Billingham, Cleveland TS23 2NF
Tel: Cleveland (0642) 553671. Telex: 58608
Area for which responsible: those parts of the following counties that have special development area or development area status: Cleveland, Cumbria, Durham, Humberside, Lincolnshire, Northumberland, North Yorkshire, South Yorkshire, Tyne and Wear.

Bootle

Regional Development Grants Office, St. Peter's House, Stanley Precinct, Bootle, Merseyside L20 3LZ
Tel: 051-922 4030
Telex: 627162
Area for which responsible: those parts of the following counties that have special development area or development area status: Cheshire, Greater Manchester, Lancashire, Merseyside, Corby

Cardiff

Regional Development Grants Office, 24-26 Newport Road, Cardiff CF2 1SY
Tel: Cardiff (0222) 492611
Telex: 498538
Area for which responsible: those parts of Wales, Cornwall (including the Isles of Scilly) and Devon that have special development area or development area status

Glasgow

Regional Development Grants Office, Magnet House, 59 Waterloo Street, Glasgow G2 7BT
Tel: Glasgow (041) 221 9833
Telex: 777911
Area for which responsible: those parts of Scotland that have special development area or development area status