

UK Covid-19 Inquiry: Module 5 Written Statement

Background

1. I am the Member of Parliament for West Suffolk, elected in July 2024, and I write the main column in *The Daily Telegraph* each Monday. During my professional career, I have worked as a business consultant, helping British firms in sectors such as aerospace and finance, as a special adviser in the Home Office, and joint chief of staff in 10 Downing Street. I also ran an education charity, which helped parents and teachers to set up new free schools.
2. Alongside this work, I was a member of the Organising Committee for the 2022 Birmingham Commonwealth Games. I have served as a board member of the Department for Education and the £250 million Sports Survival Package, which helped local sports clubs through the pandemic. I was a visiting professor at the University of Sheffield, and a visiting fellow at Wadham College, Oxford, and my book about the future of conservatism, *Remaking One Nation*, was published in 2020.

Industrial strategy

3. The UK's economic model is broken. At the heart of our present difficulties is the trade deficit. In short, by not making, doing, or selling enough to the rest of the world, the UK has been left exposed to foreign investors and bondholders. This is both a symptom and a cause of our weakness. It causes a vicious cycle of disinvestment and deindustrialisation despite the benefits we enjoy from our world-leading research universities and a culture of enterprise. As a result, the economy is dangerously unbalanced, relying too heavily on services while manufacturing atrophies, compounding our entrenched regional inequalities. We need a wholly different economic model, and to build that we need full-spectrum economic reform: tax and regulatory reform, supply side changes, and good industrial strategy.
4. Industrial strategy is something often decried as 1970s corporatism: propping up failing companies, nationalising industries and outsourcing policy to the unions and corporations. But just as there can be good and bad education or health policy, there is good and bad industrial strategy.

5. Good industrial strategy creates the conditions for market-led growth by aligning policies and public investment to maximise the bang for their buck. Good industrial strategy aims to unleash competitive forces and innovation: through planning reform to get things built, energy policies to keep us competitive, infrastructure investment to improve transport and digital connectivity, education and training policies to give us the skills we need, and tax rules and regulations to encourage enterprise and investment. Too often – and I see this every week in my constituency – red tape stops getting things built and done.
6. All this should be backed by monetary and fiscal policies that provide stability, get us saving and investing more, and avoid perverse incentives, such as selling off promising businesses before they reach a critical size, or allowing strategically important industries to fall into distant, foreign hands. The scale of businesses, and who controls them, matters more than orthodoxy suggests.
7. While we need a stable long-term policy environment, the state should work closely with particular businesses. If JCB, for example, envisaged a supply chain cluster along the A50 in Staffordshire, we should be happy to designate a special zone, with lighter planning rules and investment incentives. And we should always take an interest in who owns what. As the Chinese owners of British Steel close the blast furnaces that make primary steel at Scunthorpe, they care nothing for the long-term consequences for the local community and for Britain.
8. Geopolitical change makes these questions more urgent. But we should anyway recognise that international trade has never been free nor fair. When countries suppress labour costs, subsidise production, dump goods in our markets, and erect tariffs and other barriers to trade, we need to take a different approach. If we want our exporters to be competitive, we will in some sectors need to consider subsidies of our own and even, on occasion, tariffs. The mass production of cheap Chinese electric vehicles, for example, will destroy Western capacity to manufacture our own, which is why we should be prepared to tax them.

Industrial strategy for emergencies such as pandemics

9. We do not yet know what the next pandemic or public emergency will look like. But a crucial lesson should be that the UK needs a better system for public procurement and distribution of medical supplies, including, but not limited to, PPE, ventilators and

oxygen, lateral flow tests and PCR tests. This does not just carry domestic implications, but it is intimately connected with the changed international context of the post-Covid era in which major powers are competing for resources.

10. Any future pandemic, or public emergency, will happen against the backdrop heightened geopolitical competition, of which a key feature is the increased use of industrial strategies to support national and regional protectionism. Local production of goods might not be cheaper, but that does not make it better. Foreign ownership in our supply chains also matters.

11. The advance of AI and other new technologies mean that we must rebalance the economy towards manufacturing goods for export as we see jobs in the services industries replaced and changed by automated processes. The life sciences sector has thrived, but other aspects of the manufacturing base need additional help, including critical medical equipment that remains dependent on lengthy and insecure supply chains. By improving the security of medical equipment supply chains, we can improve productivity and growth.

Statement of Truth

I believe that the facts stated in this witness statement are true. I understand that proceedings may be brought against anyone who makes, or causes to be made, a false statement in a document verified by a statement of truth without an honest belief of its truth.

Signed:

Personal Data

Dated: 5 February 2025