



Deindustrialisation is not a strategy – it is a surrender.

Your editorial (*The world must escape the manufacturing delusion*, June 14th) misreads both history and present realities – and reproduces several factual inaccuracies.

In history and today, manufacturing remains a core driver of economic growth and high-quality jobs. Yes, manufacturing is becoming more automated, but this transformation has not diminished its importance. On the contrary, modern manufacturing remains a critical driver of productivity, innovation, exports, and the development of complex supply chains. Factory jobs also tend to be higher value, supporting surrounding ecosystems through design, engineering, and services.

In the UK, where regional inequality remains acute, a lost manufacturing job often means the loss of a high-wage job outside London. Rather than diversifying away from manufacturing, the UK must modernise and upgrade it. As the <u>UK Innovation Report 2025</u> from the Institute for Manufacturing shows, manufacturing continues to account for the largest share of business R&D investment, boasts the second-fastest productivity growth among sectors (3.0% annually from 2000–2023), and remains a leading contributor to capital formation.

The editorial also mentions China's struggles to meet its growth targets. However, this overlooks the remarkable progress the country has made over the past two decades in economic growth and poverty reduction – progress fuelled by manufacturing. Even today, China remains one of the world's fastest-growing economies (ranked third in 2024), accounting for one-fifth of all global economic growth over the last 20 years.

It is also a logical flaw to suggest that China's growth slowdown stems from an over-reliance on manufacturing. The real drivers include a weaker global economy and China's transition to a more mature development stage, which demands more complex production structures and stronger institutional foundations. In fact, China's economic strategy is increasingly centred on spurring "new quality productive forces" through advanced manufacturing — precisely because manufacturing remains vital to innovation, competitiveness, and long-term growth. Rather than retreating from manufacturing, China is doubling down on it as the cornerstone of its "high-quality development" agenda.

Showcasing India as an example that economies can thrive while sidestepping manufacturing is an exercise in cherry-picking that contradicts the lessons of every other industrialised economy – and the caution of Indian leaders themselves. As former Prime Minister Manmohan Singh rightly noted, "A substantial manufacturing base is essential to absorb the workforce and ensure sustainable growth."

Equally misguided is the notion that manufacturing jobs are obsolete. The UK's decline in high-value export sectors such as pharmaceuticals and aerospace should serve as a wake-up call. Turning away from manufacturing undermines our ability to scale up the industries of the future. The real challenge is how best to ensure manufacturing is smarter, greener, and more inclusive.

Deindustrialisation is not a strategy – it is a surrender.

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