



Ministry  
of Defence

# DEFENCE INDUSTRIAL STRATEGY

Making Defence an Engine for Growth

**Our Vision:** People across the UK feel the maximum benefit from increasing defence spending, and the UK has a more competitive, integrated, innovative and resilient defence sector.

## A New Approach

### Places and Skills



- **New £250 million Defence Growth Deals:** Initial investment in Plymouth, South Yorkshire, Scotland, Wales and Northern Ireland, boosting thriving industrial ecosystems.
- **New £182 million skills package:** Includes establishing 5 Defence Technical Excellence Colleges.
- **24,000 apprentices per year:** MOD supports around 24,000 apprenticeships each year.

### Backing UK-based Businesses



- **£28.8 billion MOD expenditure with UK industry in 2023/24**, equivalent to about £420 per person.
- **New UK offsets regime launched by early 2026**, subject to a public consultation with industry.
- **New SME spending target:** Increasing MOD's spending with SMEs by £2.5 billion by May 2028.

### UK at the Leading Edge of Defence Innovation



- **£400 million for UK Defence Innovation:** A new organisation in MOD adopting a radical new approach to innovation.
- **Transforming Test & Evaluation:** Reducing barriers to access for T&E, to turbocharge research, development and innovation in Defence.
- **Novel Technology for Defence:** Dstl spent £413 million with UK-based companies in the past year on 1,128 cutting edge technology solutions for Defence.

## A Resilient UK Industrial Base



- **£1.5 billion investment in UK munitions production:** Enabling 'always on' production and creating six new energetics factories in the UK.
- **Defence Supply Chain Capability Programme:** Delivering a step-change in how the Ministry of Defence understands, designs and manages our industrial ecosystem.
- **Collective Endeavour with Industry:** Addressing risks and threats collaboratively including through further stress testing and wargaming.

## International Collaboration and Exports



- **New Office of Defence Exports:** Promoting British businesses of all sizes with an enhanced, whole-of-Government effort.
- **UKEF:** Boosting exports through an enhanced overall financing capacity up £20 billion to £80 billion, and a direct lending facility up £3 billion to £13 billion.
- **New International Partnerships:** Building on recent successes in enhancing defence industrial collaboration with key allies.

## Fixing Defence Procurement



- **Defence Investment Plan:** Providing a clear signal of our procurement, innovation and S&T intent for the next 10 years.
- **Acquisition Pipeline:** Providing a 5-year forecast of planned procurements.
- **Procurement Modernisation:** Delivering value for money through market segmentation, digitally-enabled acquisition and streamlined decision-making.



**Rt Hon John Healey MP**  
Secretary of State for Defence

“Our Defence Industrial Strategy will make Defence an engine for growth, backing British jobs, British industry and British innovation. The UK has one of the most advanced and innovative defence industrial bases the world over, but we are in a new era of threat, which demands a new era for UK defence. To move to warfighting readiness to deter threats and strengthen security in the Euro-Atlantic, we will **REFORM** procurement, **INNOVATE** at wartime pace, and **GROW** our industrial base.”



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