



Department for
Business, Energy
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The Rt Hon Kwasi Kwarteng MP
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18 January 2021

Dear Andy,

Thank you for your letter dated 23 December to my predecessor, Rt Hon Alok Sharma MP, regarding Government support for aerospace manufacturing supply chains.

The impacts of COVID-19 have affected the global aviation and aerospace sectors with companies having to take difficult decisions. The Government has been working to support the whole economy, providing extensive business support measures such as the Coronavirus Job Retention Scheme, Coronavirus Business Interruption Loans, and Bounce Back Loans, which have helped companies protect work and jobs in the UK. Through these and other measures, the UK aerospace industry and its aviation customers have been supported with almost £12 billion made available through the Covid Corporate Financing Facility, grants for research and development, loan guarantees and support for aerospace exporters.

To get aircraft flying again, on 7 October, the Government launched a Global Travel Taskforce, co-chaired by the Secretaries of State for Transport and Health. This Taskforce focussed on measures to support the travel industry and the safe recovery of international travel and to consider further how the Government can support the sector address the challenges posed by COVID-19 to international travel. The Taskforce published a report on 24 November that contained 14 recommendations which are currently being implemented.

The Government has also responded to the changes seen in the transmission of the virus both domestically and across the globe. From 4am on 18 January, passengers arriving from all international destinations will be required to present a negative COVID-19 test result before departing for England. This approach will help protect against new strains of coronavirus circulating internationally.

More broadly, the Government continues to take action to support the long-term competitiveness of the UK aerospace industry through the Aerospace Growth Partnership. We have taken action to make sure that companies can continue to invest in research and development through this difficult period and retain key skills and capabilities in the UK. This supports a wide ecosystem of small and medium-sized enterprises, universities and research institutes and is critical to the future success of the sector across the UK. This is backed with our UK-wide Aerospace Technology Institute programme which is providing £1.95 billion for aerospace research and development out to 2026.

The Government has established the Jet Zero Council, creating a partnership between Industry and the Government, and bringing together Ministers and industry, to drive high ambition in the delivery of new technologies and innovative ways to cut aviation emissions. It has been set up to develop bold, new thinking on ways to develop UK capability to tackle zero emission commercial flight. This includes considering how to develop and industrialise clean aviation and aerospace technologies, establish UK production facilities for sustainable aviation fuels, and develop a coordinated approach to the policy and regulatory framework needed to deliver net zero aviation.

Thank you again for taking the time to write and please accept my reassurances that the Government will continue to support the aerospace sector so that it is well positioned to seize the opportunities for growth when they return.

Yours ever,

A handwritten signature in black ink, appearing to read 'Kwasi Kwarteng', written in a cursive style.

RT HON KWASI KWARTENG MP
Secretary of State for Business, Energy & Industrial Strategy