



Rt Hon Theresa May MP,  
House of Commons,  
London SW1A 0AA

Monday 4<sup>th</sup> July 2011

Dear Secretary of State,

The UK Electronics Alliance is a forum for trade associations and other bodies representing the UK electronics sector, acting as an enabler for members to collaborate and, where appropriate share expertise and resource on common issues, and providing a two way communication channel with Government departments, principally the Department for Business Innovation and Skills.

In response to feedback we have received from many of our members as a result of the introduction of the immigration cap in April, we ran a survey to gain wider and more specific views from our membership.

The results of our survey indicate that the immigration cap is creating significant difficulty for companies recruiting to fill specific job roles in the UK, increasing un-filled vacancies and resulting in jobs being located overseas. We therefore call on Government to take the following actions:

- To review the list of technical occupations in advanced manufacturing on the Tier 2 list to identify where the immigration cap is causing genuine recruitment problems
- To review immigration cap quotas on a regular basis to ensure that the availability of overseas talent for those jobs is reduced in line with the increase in the supply of comparably qualified home grown talent
- To coordinate this approach with a review of and an improvement in the consultation process between advanced manufacturing and education policy makers
- To provide clearer information and guidance on the application process, especially to SMEs
- To introduce provisions for SMEs who do not benefit from the inter-company transfer rule.

A report of the results of our survey is attached. Although this survey was limited to UK electronics, we can have some confidence that similar difficulties are being experienced in the wider advanced manufacturing sectors.

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While we understand the wider objective behind the introduction of the immigration cap, we feel most strongly that this measure is only serving to exacerbate the issues cited in 'The Plan for Growth', which was published in March of this year. This stated that *'the UK is .... weak in the vital intermediate technical skills that are increasingly important as jobs become more highly skilled and technological change accelerates'* and also that *'businesses regularly report difficulties in recruiting graduates with suitable skills..... The result of these trends is that the education system is not giving young people the skills that businesses need. This skills shortage is particularly acute in the manufacturing sector. In a recent survey 20 per cent of manufacturers reported skills gaps, while 31 per cent of high tech manufacturing firms had recruited people from outside the UK owing to a lack of suitably qualified people from within the UK.'*

It is difficult to understand the introduction of a measure that appears to create significant adverse, if unintended, consequences for the objectives laid out in 'The Plan for Growth'. We would certainly welcome the opportunity to discuss our proposals for modifying the immigration cap to limit its adverse consequences.

We look forward to hearing from you.

Please note that similar letters have been sent to the Rt Hon David Willetts MP and to Mark Prisk MP.

Yours sincerely,

Roger Rogowski  
ALLIANCE EXECUTIVE - UK ELECTRONICS ALLIANCE