

Weekly policy update from the London Chamber of Commerce and Industry

A round-up of key policy changes from the past seven days (19-26 June 2025)

Government Publishes Industrial Strategy

On 23 June 2025, the UK Government released its long-anticipated Industrial Strategy, outlining a ten-year plan to drive economic growth, productivity, and private investment. The strategy identifies eight strategic sectors—ranging from financial services and life sciences to clean energy and defence—and introduces a series of reforms aimed at improving infrastructure, workforce skills, and innovation. It also signals a more collaborative approach to policymaking, with the establishment of new advisory councils and forums to strengthen engagement between the government and business.

The strategy includes commitments to reduce industrial electricity costs, expand access to finance, and modernise infrastructure through a £7.3 billion National Wealth Fund. It also introduces new initiatives such as Technical Excellence Colleges, AI Growth Zones, and a Business Growth Service launching in summer 2025.

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Government Publishes Trade Strategy

On 26 June 2025, the UK Government published its first Trade Strategy since leaving the EU, outlining a more agile and targeted approach to international trade. The strategy aims to unlock £5 billion in export opportunities through the new Ricardo Fund, expand UK Export Finance's capacity to £80 billion, and strengthen trade defences to protect vital industries from global threats. It prioritises faster, more practical trade deals—particularly in services and high-growth sectors—and aligns trade policy with national goals such as green growth and digital innovation.

The strategy introduces new tools to support SMEs, including a Small Export Builder scheme and streamlined export insurance. It also commits to joining the WTO's Multi-Party Interim Appeal Arbitration Arrangement (MPIA), reinforcing the UK's support for a rules-based trading system. Recent trade agreements with India, the US, and the EU are highlighted as models for future deals, offering benefits that range from tariff reductions to enhanced regulatory cooperation. Together with the Industrial Strategy, the Trade Strategy forms part of the Government's Plan for Change to boost productivity, create high-quality jobs, and raise living standards across the UK.

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UKEF Expands Direct Lending

On 24 June 2025, UK Export Finance (UKEF) announced an expansion of its Direct Lending Facility, increasing its capacity to £13 billion to support British exports across key industrial sectors. The uplift includes at least £3 billion earmarked for defence exports and introduces a new loan guarantee scheme to strengthen the UK's critical minerals supply chain. UKEF also plans to legislate to raise its statutory commitment limit, enabling broader support for businesses of all sizes. The measures aim to enhance export competitiveness, stimulate regional growth through an expanded network of export finance managers, and reinforce the UK's position in global trade.

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UK and Bahrain Sign Investment Partnership

The UK and Bahrain formalised a Strategic Investment and Collaboration Partnership (SIP), committing £2 billion to key sectors including financial services, clean energy, manufacturing, and technology. The agreement, which doubles a previous £1 billion commitment made in 2023, aims to support the UK's forthcoming modern Industrial Strategy. It also strengthens bilateral ties, offering UK businesses expanded access to Bahrain's market and innovation ecosystem. The partnership was signed during a meeting between the UK Prime Minister and Bahrain's Crown Prince, coinciding with the UK's accession to the Comprehensive Security Integration and Prosperity Agreement (C-SIPA), which is intended to enhance regional stability and economic cooperation.

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UK Government Launches Consultations to Advance Sustainable Finance Leadership

On 25 June 2025, Energy Secretary Ed Miliband announced new plans to support banks and large companies in developing climate transition plans, aiming to position the UK as the global centre for sustainable finance. Speaking at the Climate and Innovation Forum during London Climate Action Week, the announcement included three consultations focused on transition planning, sustainability reporting standards, and the registration of assurance providers. These measures are designed to unlock private investment in clean energy, reduce regulatory burdens, and enhance transparency for investors. The consultations, which are open until 17 September 2025, form part of the government's Plan for Change and support its mission to become a clean energy superpower and its industrial strategy:

- ⇒ [Climate-related transition plan requirements](#)
- ⇒ [Assurance of sustainability reporting](#)
- ⇒ [Exposure drafts: UK Sustainability Reporting Standards](#)

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London Launches Climate Finance Taskforce and Green Fund Round

On 25 June 2025, the Mayor of London announced new funding and the establishment of a dedicated Climate Finance Taskforce to accelerate private investment in green infrastructure. Speaking at the Climate Innovation Forum during London Climate Action Week, the Mayor launched the fifth round of the £500 million Green Finance Fund and unveiled the Taskforce, chaired by Dr Rhian-Mari Thomas OBE of the Green Finance Institute. The Fund has already committed £318 million to projects expected to save over 45,000 tonnes of CO₂.

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Smarter Regulatory Sandbox Launched to Enhance Construction Safety Compliance

The Health and Safety Executive (HSE), in partnership with the Safetytech Accelerator, has launched the Smarter Regulatory Sandbox (SRS) to improve health and safety compliance in the construction sector. Announced on 24 June 2025, the initiative provides a collaborative environment for regulators, technology developers, and construction firms to test digital tools, including AI and robotics. Early outcomes include improved accuracy in compliance monitoring, enhanced use of CCTV for risk detection, and the development of machine-readable regulations. Supported by a £249,580 grant from the Knowledge Assets Grant Fund, the SRS aims to reduce workplace risks, support innovation, and create a blueprint for broader regulatory applications.

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UK Honours SME Exporters

The Department for Business and Trade announced the winners of the 2025 Made in the UK, Sold to the World Awards, recognising twelve outstanding SMEs for their international trade achievements. Now in its third year, the awards highlight the UK's strengths in sustainability and AI innovation, with winners spanning sectors such as offshore wind, digital identity, ethical metal recycling, and STEM education. New categories for Digital & Technology and Export Services reflect evolving global opportunities. Winners receive tailored promotional support, including professional development, media exposure, and access to export networks.

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