

The UK's automation sector is on the rise

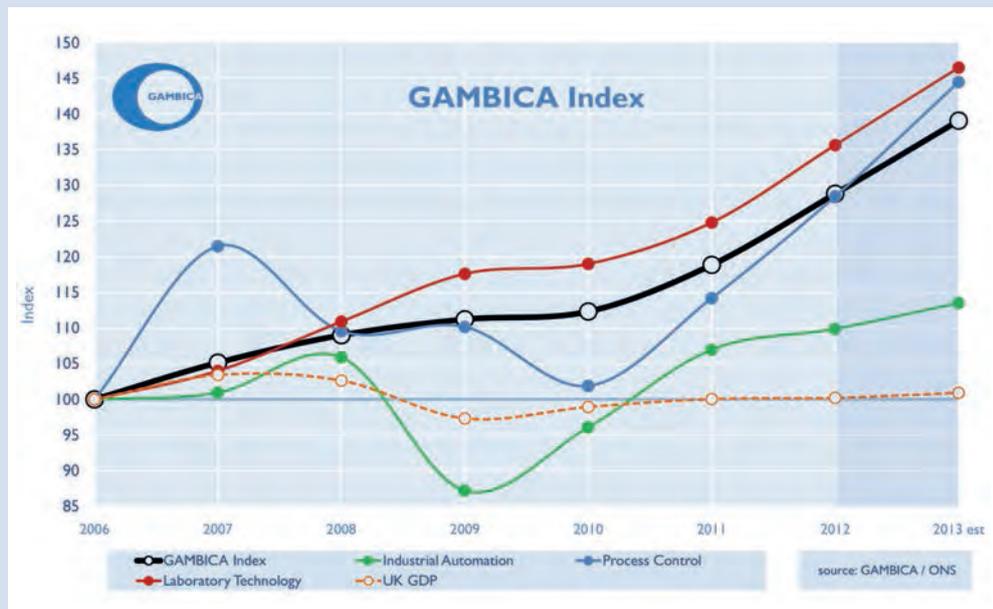
The sales statistics that Gambica* collects from its member companies paint a rosy picture of the state of the UK's automation and related sectors. Steve Brambley, the organisation's deputy director, analyses the latest figures.

While the economy has generally been, at best, flat in recent years, the automation market has been growing year-on-year, both globally and in the UK. While the general mood is one of cutbacks and caution, the smart money is being invested in technology and equipment to boost the competitive position of UK industry and to drive growth.

The annual Gambica index provides a reliable indicator of the trends in revenues being generated by UK companies operating in the instrumentation, control, automation and laboratory technology sectors. It tracks the sales of products and services for three distinct sectors – process control, industrial automation, and laboratory technology – using levels in 2006 as a reference.

A fourth index tracks the combined performance of these three sectors, while a fifth plot allows these levels to be compared with the trend in UK GDP.

2012 once again saw business levels growing in all sectors and producing a combined growth for all Gambica members of more than 12%. The estimate for 2013 is at a similar level. Exports from UK-based companies is clearly a key driver of this growth, but end-users in the UK have also begun to invest in improving their processes as business optimism grows that the worst of the recent economic storm has now passed. There is still some way to go though, with UK end-users in general, still lagging some way



behind the best of their international rivals in investment in process improvement.

Process automation – the control of continuous plant processes such as oil and gas – showed rapid growth before the downturn. This market can be influenced by large and lengthy projects, which meant that it was slower into the recession before showing very steep growth since 2010.

Industrial automation – controlling factory processes and discrete manufacturing – shows a very quick reaction to the economic downturn and, indeed, to the recovery. With many multinationals in this sector, most sales are within the UK manufacturing community.

Laboratory technology – supporting academic and industrial laboratory research – is an export-led sector with a strong UK

market too. The UK has a healthy mix of large multinational suppliers and local SMEs, and innovation and competitiveness in this sector rank highly on the world stage. The large number of SMEs in the laboratory technology area also contributes to a vibrant export performance, with China and India remaining high-growth end-user markets.

All of this is in comparison to an economy where investment is reducing. In 2013, business investment reduced by 6%, public sector investment dropped by 20% and sales of machinery fell by 11%. ■



* Gambica is the trade association for the automation, control, instrumentation and laboratory technology sectors in the UK. For more information, please contact the deputy director, Steve Brambley, on 020 7642 8090 or via sbrambley@gambica.org.uk or www.gambica.org.uk