



The State of UK Automation 2024 - 2025

Annual Industry Insights Report
Navigating challenges, embracing opportunities





Foreword from the CEO

Welcome to this year's Industry Insights Report from Automate UK.

As the pace of industrial change accelerates, it's more vital than ever to equip our members and the wider sector with timely, evidence-based intelligence. This report brings together real voices from across UK manufacturing, automation, and innovation, revealing a sector poised for transformation amid challenge and change.

Our members and partners have shown remarkable resilience and adaptability over the past 12 months. From evolving business models to skills development and sustainability strategies, they continue to drive the UK's industrial future.

I invite you to explore this report with curiosity and intent. May it provide you not only with insight, but also inspiration.

Peter Williamson

Chief Executive Officer, Automate UK



Executive summary

It's been a year defined by unpredictability and a year shaped by quiet ambition.

Across the UK, businesses have been working hard behind the scenes to adapt their processes, embrace new technologies, and maintain momentum in the face of inflation, political flux, and talent shortages. This report captures those lived experiences, not just as numbers, but as the realities faced on shop floors, in boardrooms, and across supply chains.

Automation is not just a buzzword in the UK industrial sector, it's becoming the backbone of competitiveness. Yet the journey is not without friction. This year's insights reveal both the optimism and the operational realities faced by companies of all sizes.





Who Took Part: Industry Composition

When we launched this survey, we set out to hear from the people who live and breathe automation every day. Those who make the buying decisions, deliver the projects, manage the risks, and guide the strategy.

Organisations that responded are primarily SMEs.



Respondents that are at Director, Senior Manager, or Owner level.



Respondents that identified as suppliers or manufacturers.



The Key Insight

The respondent base provides a rich cross-section of the industry, with decision-makers representing both supply and end-use perspectives. These are the voices shaping the current and future state of UK automation.



Key Challenges and Pressures in 2024

Inflation. Labour shortages. Political uncertainty. These aren't abstract headlines, they're everyday obstacles for UK manufacturers. Whether it's the inability to find skilled maintenance engineers or the sharp rise in material costs, respondents spoke candidly about the pressures affecting their operations in 2024. For many, this has meant slowing investment, rethinking hiring strategies, and working harder to do more with less.

Inflation



Skills shortages



Political uncertainty



Supply chain issues



Several participants cited “rising input costs and difficulty sourcing skilled technicians.”

The Key Insight

Economic instability and labour limitations are squeezing both operational performance and future planning. The ability to find and retain talent emerged as a structural challenge, not a temporary issue.



Automation Adoption and Market Sentiment

When asked about the direction of automation adoption, most respondents agreed: we're moving forward, not backward. Yet enthusiasm doesn't always translate into action.

Behind the scenes, there's hesitation, particularly among smaller firms, about committing to large-scale investments without a clear sense of return.

One respondent put it succinctly:

“There's momentum in the industry, but fear and lack of education are holding back SMEs.”

Believe automation adoption is growing across UK manufacturing.



Top barriers include:

Cost of investment



Lack of awareness

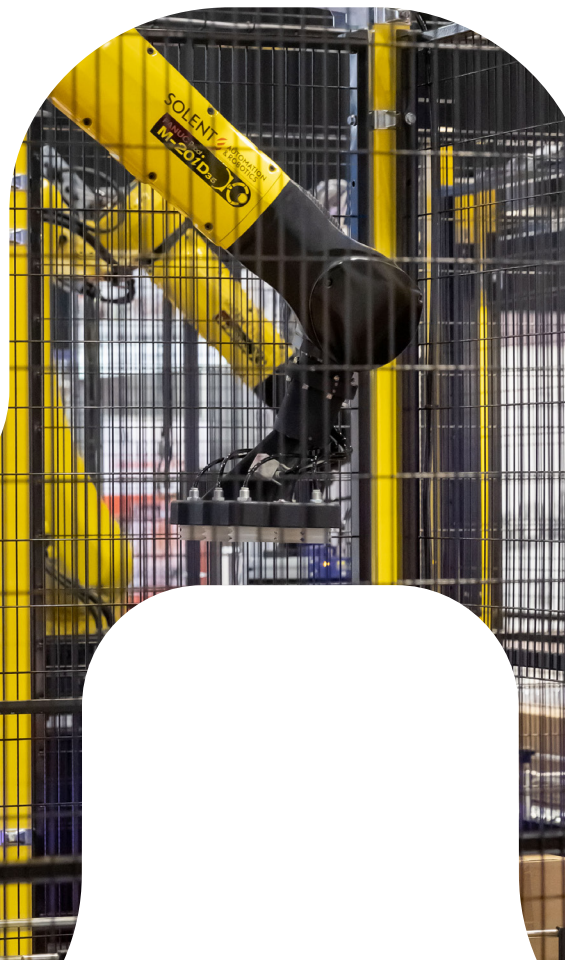


Fear of failure



The Key Insight

Despite positive sentiment, uptake remains slower than potential due to investment hesitancy and limited internal expertise, especially among smaller firms





Innovation, Investment and Skills

Innovation is the lifeblood of manufacturing, and most respondents agreed it's not optional, it's essential. Yet building a truly innovative business often requires more than ideas; it demands time, talent, and trust.

Several firms shared that while their teams are brimming with creativity, they're hamstrung by limited capital, fast-changing customer expectations, and the ongoing difficulty of recruiting specialists.

One respondent noted:

"We have the ideas but innovation requires people, patience and partnership."

State innovation is central to their business.



Seek skills development support.



Are affected by short-term commitments from customers that inhibit longer-term R&D.



The Key Insight

Ambition outpaces internal ability. Businesses are thinking creatively but remain restricted by capital, customer commitment, and skills shortages.



Financial Hurdles and Servitisation Trends

If innovation is the engine, finance is the fuel. For many UK firms, the tank is running low. We heard from suppliers who've watched deals fall apart not because of technical shortcomings, but because the buyer couldn't access suitable finance. Others are experimenting with new models, like servitisation or equipment buy-back, but adoption remains early-stage.

One respondent summed it up:

"It's not that customers aren't interested, it's that funding is fragmented and confusing."

Suppliers that offer finance.



Projects lost due to financial complexity.



Are open to servitisation models (e.g pay-per-output).



The Key Insight

Finance remains a significant barrier to automation uptake. Suppliers who explore creative models like leasing or servitisation may gain competitive edge.



Sustainability and The Policy Landscape

Despite political uncertainty, one trend continues to strengthen: the push for sustainability.

Respondents were clear: being greener isn't a nice-to-have, it's becoming a core strategic requirement. Yet this shift isn't easy, especially in the face of unexpected tax increases and wage hikes that have squeezed operating margins.

Say sustainability is a strategic priority.



Businesses that experienced instability due to the 2024 general election.



Policy changes prompted:

Increase in operational costs



Delay in investment

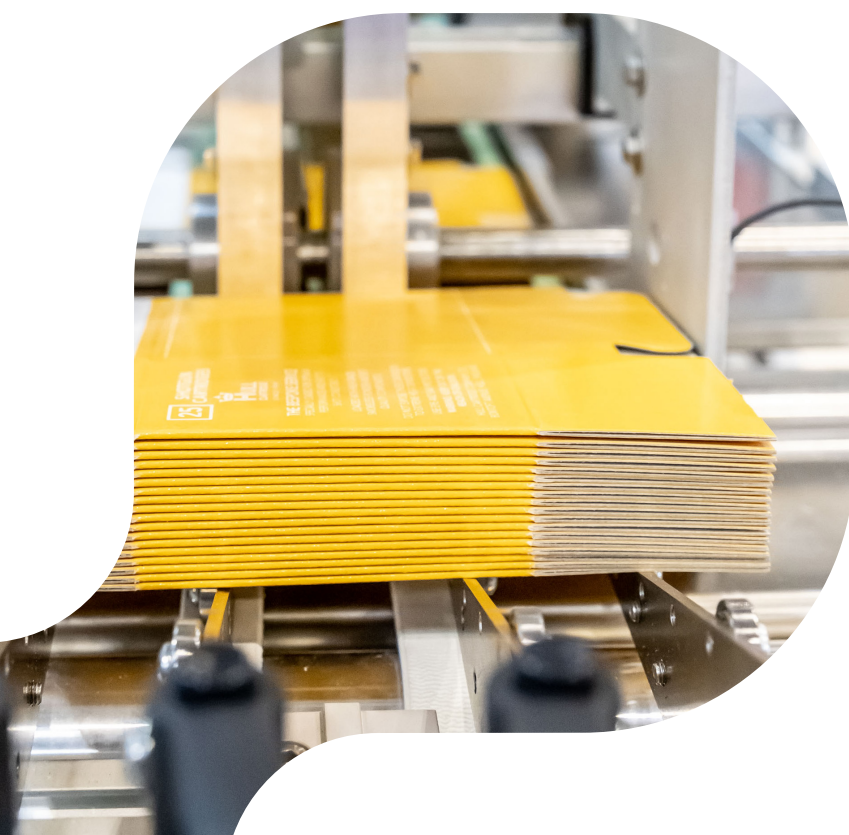


Reduction in hiring plans



The Key Insight

Sustainability is no longer optional, but progress is undermined by policy unpredictability and increasing regulatory costs.





Outlook for 2025: Priorities and Predictions

When asked to look ahead, the tone shifted from caution to ambition. Businesses are preparing to grow, even if they're wary of turbulence ahead.

From turnover growth to workforce investment, the top goals are clear and achievable. But respondents repeatedly called for better visibility and more support, particularly around access to finance and workforce development.

"We're cautiously optimistic, if the economy holds, investment will follow."

Top priorities:

Sales growth



Skills development



Customer base expansion



Capital investment:

Expect growth



Predict stability



The Key Insight

While uncertainty remains, there's a clear ambition to expand and invest, especially if market and policy conditions stabilise.



Conclusion

Automation is no longer a future concept, it's here, shaping British industry every day. Yet adoption still lags behind potential. This year's insights make one thing clear: connectivity - between government, industry, and academia - will be the key to unlocking meaningful progress.



Chief Technical Officer Reflection

The UK automation sector is brimming with innovative intent, but we remain hindered by misaligned incentives, underdeveloped finance frameworks, and an ongoing disconnect between supplier capabilities and user expectations.

As Chief Technical Officer, I believe the path forward lies in collaboration. We must bridge silos between engineers and investors, between manufacturers and government,

and between generations. The technology is ready. The challenge is delivery.

Laurie Barnes

Chief Technical Officer, Automate UK

Laurie said:

"What we see is a hesitation to automate. Where, in the past, suppliers could track orders coming through end users to the point of purchase order. What is being seen today is radio silence. No one is willing to say that an order is coming until they place the order. This makes it very hard for suppliers to forecast for their business. Not mention that the uncertainty that the current climate creating is slowing everything down. But it is good to hear that there is optimism in the industry."





About Automate UK

Automate UK is the collective voice of the UK automation sector. Through our networks, PPMA, BARA, and UKIVA, we represent leading suppliers, manufacturers, and innovators in processing, robotics, and industrial vision. Delivering data, policy influence, and industry support to move automation forward.

