

ANDREW MARR SHOW

JAMES DYSON

Marr: What would it take for you to return manufacturing in a big – big way to this country? To what extent is it also the lack of engineers in this country? [Not in clip]

JD: We're hundreds of thousands of engineers short at the moment and I think we'll be two million engineers short by 2022. To solve that problem we're establishing our own university. But I've been going to every Secretary of State for Higher Education saying there aren't enough engineers -aren't enough engineers. So finally I went to Jo Johnson and said there aren't enough engineers, he said, 'well, do your own university?' It took me about 30 seconds to say yes, I will, because I saw immediately that's what we should do.

AM: And this is a university to produce more engineers for Britain and presumably for Dyson as well. But to what extent do you also depend upon engineers coming in from outside the UK in large numbers to help you?

JD: I understand we've got 50 nationalities here. We're bringing engineers in from France, all over the place. But what I'm much more interested in doing is keeping engineers here who've studied at British universities. So 60 per cent of engineers reading engineering at university are from outside the EU, and 90 per cent of researchers, postgraduate researchers at British universities in science and engineering are from outside the EU. We don't make them welcome, we tell them to leave when they've finished, and this is madness.

AM: Have you spoken to the government about this, saying, 'for goodness sake we need these people, they'll make us richer overall'?

JD: I've been speaking to the government for years about it. Damian Green, for example at the Home Office, told me that if we

if we allowed engineers to stay a whole lot of universities would pop up having spurious engineering courses. Which is nonsense. You know, it's complete nonsense. So there's a complete impasse here. They won't allow engineering and science students to stay, or make them feel welcome. And that's precisely what we should do.

AM: During the referendum you were a great advocate for Brexit. A lot of people watching this programme are now very scared about Britain's prospects after Brexit. Why should they not be scared?

JD: Ah, look, there's fantastic opportunity outside Europe. There's opportunity within Europe, but Europe is the slowest-growing area in the world. All the other areas are much faster-growing, and I think 90 per cent of future growth will come outside the EU. And that's true with Dyson. 86 per cent of our growth last year was outside the EU. Ah, but we've already fallen off a cliff as a company, because we pay the WTO tariff into Europe. So we – we fell off the cliff some time ago, and the Bank of England keeps saying. Yet – yet we're one of the fastest-growing companies in Europe. It hasn't held us back at all.

AM: None – nonetheless, as you say, more than 80 per cent of your exporting is to outside the EU. What do you say to those people, very often car companies and others who have complex supply chains connected to the EU at the moment who are worried about the tariffs to and fro and really think they're in trouble?

JD: Well, there's not a problem with the supply chain because that's duty-free. It's the sale of finished cars that is the problem because it's ten percent. So the government's got plenty of room to give tax deductions, compensation to British exporters of cars to Europe, on the 100 billion of imbalance of trade they'll have ten per cent duty, which is 10 billion. So they could afford to give 10 billion to the car companies.

AM: As somebody who is very optimistic about Britain after Brexit, how confident are you that this government will actually deliver Brexit, given the way things are at the moment?

JD: Well, I don't think it's the government's fault. I think it's a problem with the people we're negotiating with. And I think the – demanding you know, billions and billions to leave is quite outrageous and demanding it before we've negotiating anything is outrageous. And so I would walk away. I think that's the only way to deal with them. I've been dealing with the EU and the EU countries for the last 25 years, on IEC standards and energy labels and all that kind of thing. There's no way to deal with them. You have to walk away. And if you walk away they'll come to us. Because they want to export all their products to us, and so they'll come back to us. We're in a very, very strong position. Incredibly strong position. We shouldn't give them any money, we should just walk away. And they'll come to us.

AM: So what you would like to see at some time in the relatively near future Theresa May's government look at these negotiations and say they're not working, they're not going in the right direction, and literally walk away?

JD: Well, we've tried very hard. We've been very reasonable. They've been incredibly unreasonable. And I think that it's now the time – time has come to walk away.

AM: Post-Brexit how are we going to make enough money around the world? How are we going to have to change as a country to make that work? Because we are going to have to change aren't we?

JD: Well, we're going to have to change and we – we should have changed a long time ago. We've ignored manufacturing and we've ignored engineering, we've ignored technology, and we've got to refocus ourselves, as indeed Singapore did 50 years ago when it split from Malaysia, and they've become, I think it's the second

largest technology exporting country in the world. And we could do that.

AM: I wonder whether there is any chance, in your view, of a genuine manufacturing renaissance happening in post-Brexit Britain.

JD: My theory about why manufacturing left is that we had decades of high interest rates, ridiculously high interest rates. They were 24 per cent at one point when I was manufacturing wheelbarrows. And then there are the very difficult employment laws. This is controversial, but since I don't know what orders I'm going to get next month or next year, industry, manufacturing industry's very volatile, not being able to flex your workforce is another big reason why you wouldn't start a manufacturing business or expand a manufacturing business.

AM: Easier to hire and fire in effect, is what you're saying.

JD: Easier to hire and fire.

AM: So when it comes to things like – corporation tax for instance, people say well, if there's a problem with industry the Chancellor should just either freeze or cut corporation tax and that will solve things. From what you're saying that's a rather simplistic and narrow view of what needs to be done.

JD: Well, I think corporation tax should be eliminated. A tax on profits is the wrong way to tax people. And corporation tax is a very odd thing because there's ways of getting around paying it. You shouldn't really be taxing people's profits. You should allow profits to be reinvested. And – and also if you remove corporation tax you encourage a lot of industry to come to Britain.

AM: Since we're talking about tax, in the light of recent developments, in the end should companies pay their due taxes, is this something that's a moral duty for the big companies?

JD: Yes, it's a moral duty. It's a legal duty and a moral duty. And indeed we paid 450 million in tax last year. So we're a big contributor.

AM: You have thrown yourself now, you've put two billion behind one of the most complicated things any engineering company can do, which is to produce a new car. Can you tell us anything about it yet?

JD: Well, I'd love to, but my lips are sealed. But that should be an electric car. There'll be some driverless in it. I mean, I can't talk too much about that. But of course that is coming, slowly. You mustn't rush that. But no...and it's interesting because we have to develop everything. I mean, we're developing new battery technology because that's crucial to it. Electric motors are something we're pretty skilful in so we're doing interesting electric motors. So it'll be a – an entire Dyson car, nobody else's components.

AM: And I think at this stage you haven't decided yet whether you're going to actually manufacture this car in the UK or somewhere else. What would it take to make you decide to choose the UK?

JD: We're going to make it ourselves. Whether we make it here or in – somewhere in the Far East or wherever. We haven't decided yet. But it's really about component supply and skills.

AM: So there isn't anything Phillip Hammond could do for instance?

JD: Not really. We – we will go where it's best to make the car from the point of view of – of getting a supply chain, which is crucial, and the skills necessary to build it.

AM: In terms of all the things you want to do we haven't spoken about, the amazing RAF airfield you have acquired, just tell us a little bit about it and what you want to do with it.

JD: Well, we've run out of space here, so we needed somewhere else to expand. We're building a car, and that's a very good place to test it. It was built in the mid-thirties, early to mid-thirties, at the end of the war there were a thousand aircraft on that airfield. And there's 500 – actually nearly 600 acres there. And lots of old hangars. It's a wonderful base from which to start.

AM: Sir James Dyson, thanks very much indeed.

JD: Thank you.