

CBI in talks about tie-up with manufacturers' body Make UK

The CBI, the embattled employers' lobbying group, is in talks with Make UK, the manufacturers' body, about areas of potential collaboration in what some observers believe may be the prelude to a full-blown merger.

Sky News has learnt that two of Britain's most influential business organisations have been holding preliminary talks about forging a closer alliance in areas such as industrial strategy policy.

A source close to one of the organisations said it was "premature" to predict that a full-blown merger was on the cards, although they acknowledged that it was a possibility.

In a statement issued to Sky News, Make UK said: "Make UK and the CBI are in early-stage discussions to explore how the two parties might work closer together.

"These discussions are positive and constructive but remain at an early stage."

The CBI issued a virtually identical statement.

It was unclear on Thursday how a formal merger would work, whether the CBI's name would disappear in favour of Make UK's or how a combined organisation would represent non-manufacturing businesses.

The possibility of a formal combination of two of what were informally named the B5 business groups underlines the parlous nature of the CBI's standalone existence, even after its members voted in June to support its revised strategy in the wake of a sexual misconduct scandal.

It emerged recently that the CBI is closing most of its overseas offices as part of a cost-cutting drive, with an outpost in Brussels its only remaining international presence.

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The closure of offices in Beijing, Delhi and Washington, DC were seen as symbolic of the retrenchment of what was for decades Britain's dominant business representative organisation.

The CBI was [plunged into crisis in April](#) when a swathe of sexual harassment and misconduct allegations was exposed in the media.

Its board then [decided to sack Tony Danker, its director-general](#), over allegations that he had made a number of staff feel uncomfortable.

The group, which is seeking a new president to replace Brian McBride, is cutting jobs across its operations amid growing financial pressures.

It has already embarked on a compulsory redundancy programme, sources told Sky News, with roughly a third of the workforce said to be vulnerable.

The CBI [was hit by a wave of membership resignations](#) – including Aviva, John Lewis Partnership and NatWest Group – earlier this year when it emerged that it was facing multiple allegations by women who were previously employed there.

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Jeremy Hunt, the chancellor, [said there was “no point” interacting with it](#) after it was deserted in droves by leading corporate members.

The claims included a rape allegation unrelated to Mr Danker.

The other members of the B5 quintet are the British Chambers of Commerce, the Federation of Small Businesses and the Institute of Directors.

In the last six weeks, the CBI has made efforts to begin restoring relations with the government and Labour after both said they would suspend senior-level contact with the group.

The CBI has claimed in the past to represent 190,000 businesses – although most of these are not direct members.

It was incorporated by royal charter in 1965.

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Many of the large companies which suspended their membership pending the [conclusion of a police investigation](#) will face a decision in the coming months about whether to renew their memberships.

Had the CBI board lost the vote in June, [it would have filed for insolvency](#).

Rain Newton-Smith, [the new director-general](#), hinted after she took over that the group would change its name.