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Report to: Business Innovation and Growth Panel

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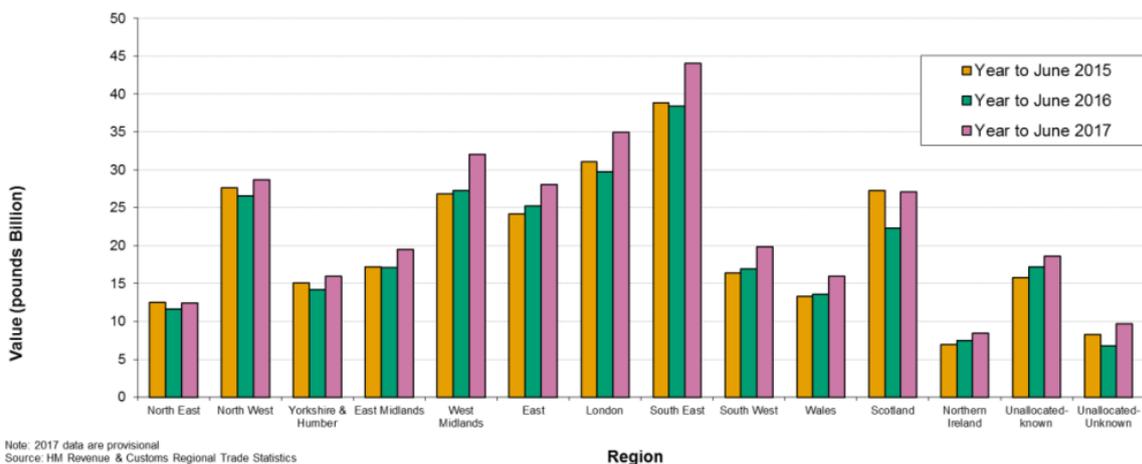
Subject: International Trade

1 Purpose

1.1 To provide BIG Panel members with an update on key activities within the International Trade Plan and an overview of the current trade performance figures.

2 Trade Performance and Outlook

2.1 In the year to June 2017, the overall value of UK trade in goods exports increased by 15% compared with the same period to June 2016. All English regions saw an increase in annual export value with the Yorkshire & Humber value increasing by 13%.



2.2 The total number of UK businesses exporting increased by 4.5%, between the quarters Quarter 2 2016 and Quarter 2 2017, with the number of exporters in Yorkshire and the Humber increasing by 3% over the same period.

2.3 The British Chambers of Commerce Quarterly Economic Survey for Q2 2017 show that export sales and orders in the manufacturing sector remain solid and well above historical averages. Both manufacturers and service companies report improved export sales between Q1 and Q2 2017.

- 2.4 The EEF/BDO Manufacturing Outlook survey for Quarter 3 2017 also shows businesses reporting increasing export orders throughout 2017. The report shows continued improvement in demand from both Asian and EU markets, although the general pace of growth is expected to slow in coming months.

3 Trade Plan activities

- 3.1 In September, we published the results of the city region trade analysis undertaken earlier this year (Appendix 1). This provides a valuable overview of the trade performance of the city region showing that in 2015, £9.75bn of goods were exported, around two thirds of the Yorkshire & the Humber total. It also highlights our particular strengths in medical and pharmaceutical products, organic chemicals and industrial machinery and equipment. The report is informing our future activity and has helped in the development of local economic plans and growth strategies in some areas of the region.
- 3.2 Kaola.com are now considering the information we have submitted to them in our latest catalogue of 39 suppliers. In the meantime, we have made contact with their newly appointed UK representative who we hope to meet shortly to discuss how we can progress this activity further. We have also formally invited the Kaola.com team to visit the city region in early 2018 to meet with potential suppliers.
- 3.3 We were pleased to host the Gulf Tour delegation, which visited the city region on 18th September as part of their tour of the UK. The visit focused on highlighting the strengths of the city region in the healthcare and life sciences sector and included a breakfast roundtable for businesses and two company visits. We also ran a communications campaign focusing on real experiences of local businesses already doing business in the Gulf States.
- 3.4 This visit was an important opportunity to raise the profile of the city region strengths and to demonstrate a commitment to further exploring opportunities within these markets. We now plan to visit the Gulf States in early 2108 to coincide with the major Arab Health exhibition.
- 3.5 On 6th December, we are hosting an event on behalf of the Department for International Development (DFID). This event will focus on helping local businesses and organisations explore opportunities to win business delivering overseas contracts.
- 3.6 In January 2018, we will be hosting food and drink buyers from European markets of Germany, France, Switzerland, The Netherlands and Ireland and introducing them to potential suppliers from the city region.

4 Delivery Partners Update

Department for International Trade

- 4.1 In September, Lord Price stepped down and in October Baroness Rona Fairhead took up her role as the new Minister for Trade and Export Promotion. Her responsibilities will include building strong relationships with UK exporting companies, helping smaller businesses export to the global market and overseeing the GREAT campaign to boost the UK's global trade. We have had two meetings with Rona Fairhead since she took up post.
- 4.2 On 12 October, the President of the Board of Trade Dr Liam Fox convened the first meeting of the new Board of Trade to help boost exports, attract inward investors and ensure the benefits of free trade are spread equally across the country. The new Board of Trade will bring together prominent figures from business and politics from each part of the UK, including Scotland, Wales and Northern Ireland.
- 4.3 The Trade and Customs White Papers published by DIT on 9 October pave the way for legislation that will ensure the UK is ready for the first day after EU exit. The Trade White Paper establishes the principles that will guide future UK trade policy as well as laying out the practical steps that will support those aims.

Exporting for Growth (EfG)

- 4.4 The European funded EfG grant programme has issued 113 grant offer letters to date offering a total of £443,123 in grant support to 33 businesses in the city region. Of those 24 are new exporters.
- 4.5 In terms of the businesses accessing the support, the greatest interest is from the business & consumer services and healthcare & medical sectors. The most popular activity supported is market visits with the USA & Europe being the most popular markets.
- 4.6 Following its launch in June, Export Exchange held its first quarterly event in September in York, with 40 experienced and fledgling export businesses looking at the support available to businesses looking to grow in overseas markets. The next event will focus on China on 29 November at Huddersfield Town FC.

5 Recommendations

- 5.1 That the update on International Trade activity be noted and feedback provided.