
Report to: Business Innovation and Growth (BIG) Panel

Date: 13 September 2018

Subject: **International Trade**

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1. Purpose of this report

- 1.1 To provide the BIG Panel with a progress report on International Trade activity to date.

2. Information

Trade Outlook

- 2.1 The total annual value of UK exports increased by 8.2% to £330 billion in the year ending March 2018 compared with the same period the previous year. Eight English regions, including Yorkshire & the Humber experienced an increase in the value of exports. The largest increase was 15% in the East Midlands with Yorkshire & the Humber showing an increase of 8.7%.
- 2.2 The total number of businesses exporting from the UK increased by 4.1% between Q1 2017 and Q1 2018. The number of businesses in Yorkshire & the Humber similarly grew by 3.3% over the same period.
- 2.3 The British Chambers of Commerce Quarterly Economic Survey for Q1 2018 reports strong global trading conditions and shows that 30% of manufacturers reported improved export sales in the quarter with 13% of service firms reporting improved export sales, both figures up from the previous quarter.
- 2.4 The EEF/BDO Manufacturing Outlook for Q2 2018 also shows a continuing positive growth in export markets but at a slower rate than previously. European markets remain the largest for the UK but with businesses reporting a slowdown in demand.

International Trade Plan Progress

- 2.5 The International Trade Plan is a five year plan (2016 – 2021) which sets out both the principles and practical arrangements for closer and stronger collaboration between trade delivery partners across the City Region.

- 2.6 Over the five years of this Plan the ambition is: to increase the number of SME exporters in Leeds City Region and to drive up the value of exports across Leeds City Region.
- 2.7 Every year a Forward Plan is produced setting out the practical delivery arrangements that will be undertaken to achieve the International Trade Plan's objectives.
- 2.8 The 2018/19 Forward Plan was presented to the LEP Board in March 2018 and a progress report summarising the performance against the International Trade Plan is attached at Appendix 1.

Forward Plan 2018/19

- 2.9 Key trade activities planned for the remainder of 2018/19 include:
- 'Meet the Buyer' activity with Kaola.com: This continues to build on our work with Kaola by introducing local suppliers and their products to Kaola's UK representative;
 - Delegation to China and Hong Kong: The city region trade and investment delegation to China and Hong Kong in September will further develop the city region's relationship with key cities and contacts to develop both trade and investment opportunities;
 - City region delegation to Boston: As part of the Exporting for Growth European project and managed by Export Exchange, this innovation and technology trade accelerator visit will introduce city region businesses to contacts and opportunities in the Boston and New England area.
 - Valve World Expo 2018: This is the most important show worldwide for valve technology, piping and flow control professionals. It therefore presents an excellent opportunity to showcase the undoubted strengths of the city region in this particular sector;
 - Gulf roundtable: A roundtable discussion with Medilink, the British Centre for Business in Dubai with city region businesses to discuss the medical and life sciences market in the Gulf States and the city region's plans for Arab Health 2019;
 - Arab Health 2019: This will build on the city region's attendance at Arab Health 2018 and will showcase the medical and life sciences sector strengths in the city region to an international audience;
 - A food and drink focussed event: This event will build on the food and drink meet the buyer event in January 2018 by introducing local suppliers to overseas buyers;
 - A series of European focused events: These are a joint initiative with Enterprise Europe Network, DIT and a range of business organisations. Each of the five events will focus on key issues that businesses may wish to consider when doing business in Europe, particularly as the trading environment evolves over the coming months. Further details on the events can be found here: <https://www.eventbrite.co.uk/e/lets-talk-doing-business-with-europe-employment-and-hr-tickets-48830944670>

Outline Priorities for 19/20 Forward Plan

2.10 Initial consideration is now being given to key targeted activities for the 2019/20 Business Plan. It is important that this should both build on current activity and also explore new opportunities for development. The Leeds City Region Business Survey 2017 indicates that around 11% of businesses surveyed are planning to expand into new markets in the next 12 months with the highest proportions in advanced manufacturing and health & bioscience. Markets of most interest include the EU, North America, China (and Asia more widely), India and South America. This echoes the MDS report (referred to in the attached appendix) which highlighted Canada, China, Hong Kong, Japan and Mexico as underexplored markets for the city region.

2.11 Current ideas for activity in 2019/20 therefore include:

- Targeted activity focussing on the city region's key sectors including:
 - showcasing at Arab Health 2020, and Valve World 2019, both currently subject to evaluation of the current years activity.
 - identification of trade activity supporting the digital and creative sector.
- Development of trade activity focussed on target markets such as China, India, USA and Europe.

3. Financial Implications

3.1 There are no financial implications directly arising from this report

4. Legal Implications

4.1 There are no legal implications directly arising from this report

5. Staffing Implications

5.1 There are no staffing implications directly arising from this report

6. External Consultees

6.1 No external consultations have been undertaken

7. Recommendations

7.1 That the BIG Panel notes the progress within the Trade Plan thus far and is asked for their comments and input into the development of key trade priorities and activities by 2019/20

8. Background Documents

8.1 None

9. Appendices

9.1 Appendix 1 – Trade Progress Report