
Report to: Business, Innovation and Growth Panel

Date: 26 February 2019

Subject: **Trade and Investment**

Director(s): Sue Cooke, Executive Head of Economic Services

Author(s): David Shepherd, Head of Trade and Investment

1. Purpose of this report

- 1.1 To consult with the Business Investment and Growth (BIG) Panel on the 2019/20 forward plan of activity and provide an update on work of the Trade and Investment team.

2. Information

Planning for 2019/2020

- 2.1 In preparation for the Leeds City Region Enterprise Partnership (LEP) Board meeting, the forward plan of trade and investment activity will be presented at the BIG panel meeting and will include a reflection on previous years' activity and a review of recent FDI trends from the past three years.
- 2.2 The plan will outline some significant areas of work to focus on throughout 2019/20 which have the potential to deliver a step change in the work on China and India.
- 2.3 It will also outline pro-active measures that will be taken to generate greater levels of inward investment to the wider towns and cities beyond Leeds.
- 2.4 Through the implementation of sector plans and reviewing trends/data greater clarity on what the region's investment opportunities are, where the investment is coming from and how to further align trade and investment activity has been gathered.

Sector and International Business Development Activity

- 2.5 Since the previous BIG Panel meeting the Leeds City Region has been showcased internationally as an inward investment destination at several key sector events.

SMART Cities, November 2018 – Barcelona

- 2.6 Leeds City Region exhibited at the Smart Cities World Congress held in Barcelona in November. This event is the largest of its type (over 600 stands and 21,000 visitors) and attracts prominent delegates from high level tech companies as well as global cities including Moscow, Tel Aviv and Dubai.
- 2.7 Delivered in partnership with local authorities, universities and the private sector it included a programme of ten presentations as well as numerous meetings and interactions - over 168 connections were made by the delegation including Amazon Web Services, Microsoft and Cisco Systems. The visit received widespread positive feedback from all partners and as a result a number of technology businesses are prepared to engage with the Combined Authority and the LEP on future trade initiatives and to develop Digital Policy through participation on various working groups.
- 2.8 Planning is underway to look objectively at the LEP attendance in 2019 including exploring a public/private sector funding model.

Valve World Expo, November 2018 - Dusseldorf

- 2.9 Leeds City Region attended Valve World Expo 2018 as part of the Energy Industries Council pavilion. As an international valve trade fair, this presented an excellent opportunity for the LEP to showcase the region's capability in flow control and fluid power technologies to a worldwide audience.
- 2.10 Attendance at the event generated valuable contacts and intelligence which will inform future work with this important sector in the region. This will enable a more targeted future focus and discussion are already underway with the British Valve and Actuators Association about collaborating on future opportunities to enhance the region's profile, attract inward investment and identify export opportunities.

Doing Business in Europe' events

- 2.11 The final event in this series concluded on 4 December. The series covered, HR, contracts & legal issues; ecommerce & IT; export procedures and customs; and getting paid. Feedback from the above workshop attendees was very positive commenting that the presentations were of a very high quality and extremely useful. The content from each event has been made into a checklist to ensure that the information is beneficial to a wider audience.
- 2.12 The full suite of business checklists produced as a result of the 'Doing Business in Europe' events before Christmas are now available on the LEP website [http://www.the-lep.com/top-links/projects/lets-talk-brexit-checklists/](http://www.the-lep.com/top-links/projects/lets-talk-brexite/brexit-checklists/)

Arab Health January 2019 – Dubai

- 2.13 This was the second year of working with Medilink to showcase the Leeds City Region at Arab Health. As part of the UK Pavilion the LEP joined over 4,000 exhibiting companies and 84,500 attendees from 160 plus countries. The Leeds City Region's delegation is currently working on the follow-up to the show but made over 100 contacts for the region and the companies that were showcased. This was an excellent opportunity to showcase the region's strengths in the medical and life sciences field. Feedback both at the show and post the event has been positive regarding the value of raising the profile of the region, the sector specialisms and the leads generated for businesses showcased.

New Trade Focused Web Pages

- 2.14 New look trade web pages have been created on the LEP website which are now more scenario based, seeking to respond to questions and highlighting where to find appropriate help. <http://www.the-lep.com/for-business/international-trade/>

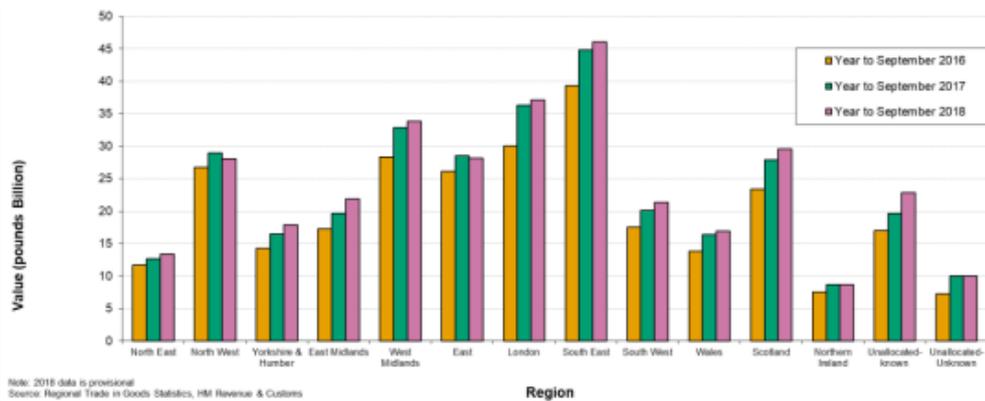
MIPIM, March 2019, Cannes

- 2.15 Key private sector sponsors secured include, Bruntwood, Caddick, Munroe K, CEG, Extra MSA, MEPC, Park Lane Group, Shulmans, Scarborough Group, Town Centre Securities and Arup. The Universities of Leeds and Huddersfield have recommitted their support this year. A number of new sponsors have confirmed this year including the University of Bradford, Fuse Studio, SKA Developments, Squire Patton Boggs, Irwin Mitchell, Deloitte and Mott Macdonald. Leeds Bradford Airport are also sponsoring and providing support as the departure airport with Leeds based Jet2 as the flight providers.
- 2.16 The next MIPIM Steering group for the sponsors and local authority delegation will be on 13 February and a full final briefing for MIPIM delegates will take place on 4 March.
- 2.17 The Leeds City Region programme will include twice daily panel sessions on the stand across the following themes; connected cities and intelligent transport, a joint session with Lille and Dortmund sharing perspectives on urban development, opportunities from clean growth, innovation and entrepreneurship and creating communities/inspiring places to live.
- 2.18 Evaluation of MIPIM activity will be undertaken with the stakeholders and sponsors as the strategy for MIPIM is continued to be developed.

Trade

- 2.19 In the year to September 2018, the value of UK trade in goods exports increased by 4% compared with the same period the previous year. There was an increase in annual export value for seven English regions with Yorkshire & the Humber showing an increase of 8.6%.

Figure 2: UK Exports by Region, years to September 2016, 2017 and 2018



- 2.20 Comparing Q3 2018 with Q3 2017, the total number of businesses exporting from the UK increased by 1.5%. The number of businesses in Yorkshire & the Humber grew by 1.6% over the same period.
- 2.21 The British Chambers of Commerce Quarterly Economic Survey for Q4 2018 shows the balance of manufacturing firms reporting improved export sales rose by a point from +19% to +20%, while the balance of those reporting improved export orders rose from +14% to +18%. The balance of service sector firms reporting improved export sales remains unchanged from the previous quarter at +14%, while those reporting improved export orders fell from +12% to +9%.
- 2.22 The EEF/BDO Manufacturing Outlook for Q4 2018, shows that export order balances have decreased from 24% to 12% but only 18% of respondents were not able to identify any export growth opportunities in any overseas market, with Europe remaining the main source of revenues from abroad. The EU remains the main source of opportunities for manufacturers with 59% per cent of respondents reporting positive demand conditions from there. Expectations for the next three months remain positive.

Upcoming planned activities

- 2.23 'Up Your Game' – This is a B2B matchmaking event organised by Enterprise Europe Network (EEN) taking place alongside the Yorkshire Games Festival on 7th and 8th February. The aim of this event is to explore potential collaboration, ideas, innovation and investment in animation, games, motion graphics, VFX, AR and VR, bringing together the games developers with other businesses who could use gaming technologies. The LEP is supporting EEN with their drive to encourage more overseas buyers to attend the event.
- 2.24 The International Food & Drink Event (IFE) – Working in partnership with DIT and other Yorkshire LEPs, the Leeds City Region will stage a showcase of Yorkshire food and drink at the IFE in London in March. IFE is a premier food and drink trade event bringing together over 1,000 manufacturers with buyers from across the world.

- 2.25 A China roundtable will bring together organisations from across the region who are experienced in the Chinese market to help inform next steps in the delivery of the China strategy.
- 2.26 A renewed three year Chinese Social Media Contract commenced on 1 February which manages the LEP's Chinese social media accounts on Weibo and WeChat. The new contract will focus on further developing the LEP's social media presence in China. In the last 12 months followers have increased from 3,000 to over 32,000. The most popular post last year was of the visit to China in September which received over 1.4m views.



Investor development

- 2.27 In partnership with the Department for International Trade (DIT) the LEP continues to engage with a number foreign owned companies that currently do not have an established relationship with Government.
- 2.28 Working with foreign owned businesses enables the LEP and partner local authorities to support increased volumes of investment and jobs whilst gathering vital intelligence to help shape future economic strategies and approaches.
- 2.29 Relationships have been established with over 60 foreign owned businesses and over 80 investor development meetings have been held since May 2018. An important focus in the last quarter has been gathering business intelligence in the context of Brexit and sharing relevant trends and policy implications across the Combined Authority and with government.

Inward Investment Activities and Performance

- 2.30 There have been four project successes since the last report in November. Two inward investment successes are not yet in the public domain but will be provided in more detail at the next BIG Panel meeting.
- 2.31 Two international businesses to expand and grow in the city region have been supported, this includes Mastek Limited, an Indian owned global IT business which has created a multimillion pound, national graduate development centre in Leeds.

Welcome Digital Inward Investment Fund

- 2.32 To increase the number of inward investment enquiries and projects from the digital sector a lead generation strategy has been devised targeting growing digital businesses particularly in the FinTech, Artificial Intelligence and data fields and a consultant has been appointed to deliver this workstream.

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, however there may be revisions to staffing needed to respond to the forward plans once finalised.

6. External Consultees

- 6.1 No external consultations have been undertaken.

7. Recommendations

- 7.1 That the BIG Panel comments on the proposals for the forward plan of activity for 2019/2019
- 7.2 That the BIG Panel notes the progress made to date on delivery of the above.

8. Background Documents

None.

9. Appendices

None.