

# Trade & Investment Forward Plan 2019 - 2020

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# SUMMARY

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Following an analysis of 2018/19 activity the Trade and Investment team has developed a forward plan of proposed activity for 2019/20.

This reflects upon an analysis of previous years FDI patterns and trends.

The implementation of new sector plans to provide greater clarity on what the region's main investment opportunities are.

## Main themes:

- A concerted effort to attract a greater spread of inward investment across Leeds City Region
- An increased focus on emerging markets particularly China and India
- Refinement of key sector messages to be more focused on core sub sector strengths and capabilities
- A stronger focus on placing academia and innovation at the heart of the place proposition
- The continued execution of a more campaign-led international place marketing strategy

# INTRODUCTION – STRATEGIC FIT

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- Identification, attraction and securing of business and institutional investment into the region.
- Improve the export performance of the region and encourage internationalisation of businesses.
- Raise the profile of the Leeds City Region’s economy both domestically and internationally.

The team four core functions all of which interlink and work seamlessly together



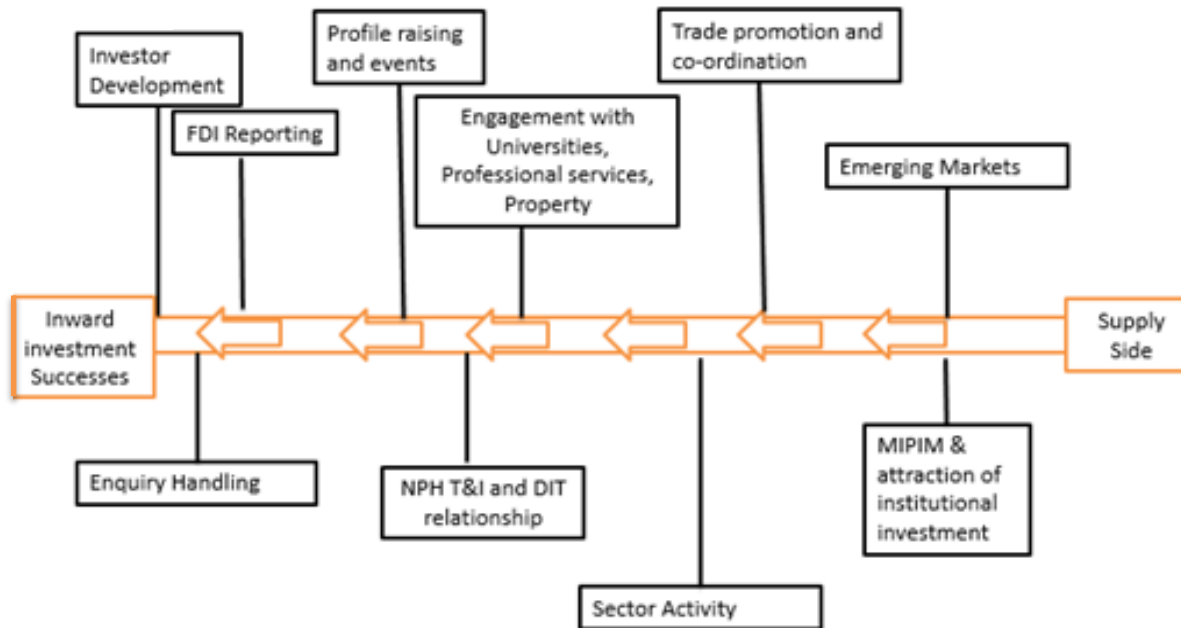
To maintain a strong focus and contextualise our activities we characterise opportunities using the following categories:



## The Trade and Investment team seeks to deliver the following in 2019/20:

Performance Measure	Target
Total Projects to Leeds City Region (Successes)	30
Of which no. of Projects to non-Core City regions	15
Of which no. delivered through investor development activity	15
New Jobs Created	1700
Jobs Safeguarded (Successes)	400
Private Sector Investment Leveraged	£50,000,000
No. of active contacts developed in new and emerging markets	50
No. of businesses assisted with overseas trade initiatives	300

The diagram below highlights the broad spectrum of activities undertaken by the team:



# Trade & Investment 2018 -19 review

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# 2018/19 – REVIEW

Throughout 2018/2019 the team delivered a number of export opportunities and secured investment into the region.

International Trade	Investment
<ul style="list-style-type: none"> <li>• Koala Meet the Buyer</li> <li>• FSB Trade event</li> <li>• Gulf Round Table</li> <li>• Delegation to China &amp; Hong Kong</li> <li>• Valve world Expo 2018</li> <li>• Doing Business in the Europe workshops</li> <li>• Visit to Leeds from FCO Minister Councillor and Director of Financial and Professional Services at DIT China.</li> <li>• Refresh of International Trade Pages</li> <li>• Assist to positively influence the structure and delivery of the next national DIT Trade Delivery contract.</li> </ul>	<ul style="list-style-type: none"> <li>• Covea Insurance (26,624 employees, £1.25bn in assets)</li> <li>• Perform Group (3,000 employees in 30 territories, Revenue: £208.1m)</li> <li>• Reed Smith (Top 30 global law firm, Revenue: £870m)</li> <li>• Dahua Technologies (11,000 employees, 2<sup>nd</sup> largest in the security technology sector, Revenue: £1.6bn)</li> <li>• Talgo, R&amp;D Partnership (1,100 employees, Revenue £74m)</li> <li>• Mastek (2,000+ employees, Revenue: £98m)</li> <li>• Channel 4 (National Public Sector Broadcaster)</li> </ul>

### Other significant activity which occurred in 2018/19 included:

SkyBet (acquired by STARS Group for c.£3bn)  
 Call Credit (acquired by TransUnion for £1bn)  
 Seabrook Crisps (acquired by \$2.3bn Japan based Calbee group)

# 2018/19 – REVIEW

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## **Greater emphasis on handling CAT A projects;**

- The existing pipeline of Category A enquiries is much stronger than previous years.
- This is mainly due to the fact that a higher volume of enquiries have been sourced directly from intermediaries and property sector.
- Category A enquiries are generally harder to attract with a greater degree of competition from other regional Investment Promotion Agencies.
- They require a detailed understanding of multi-faceted, industry specific issues.
- To meet the client's expectations the team must establish productive partnerships with a range of external specialists.
- Category A projects significantly boost GVA and create high GVA multipliers.



# 2018/19 – REVIEW

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## A more campaign led approach to Marketing & Communications:

- Communication now takes more of a ‘campaign’ approach
- Exciting, informative and insightful collateral including blogs, videos and digital banners.
- The more efficient use of social media was also adopted in order to drive awareness of our activities, specifically at SMART Cities Barcelona where on-stand sessions were promoted via twitter and drove additional footfall to the exhibition stand.

Successful campaign-led marketing strategies undertaken this year included:

- Innovation - Festival of Innovation, Hong Kong.
- Mission critical component manufacturing - Valve world
- Healthcare & Lifesciences - Arab Health
- Innotrans – rail related thought leadership blogs
- Be The Spark – Channel 4 campaign activity
- Doing Business in the EU Workshops
- MIPIM 2018
- SMART Cities, Barcelona
- Promotion of the #Welcome scheme

# 2018/19 – REVIEW



# Historic FDI

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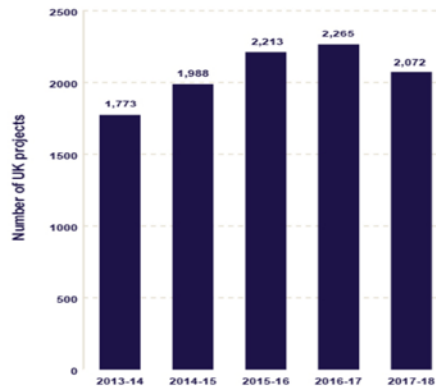
# trends and data

# LEEDS CITY REGION FDI TRENDS

## National UK

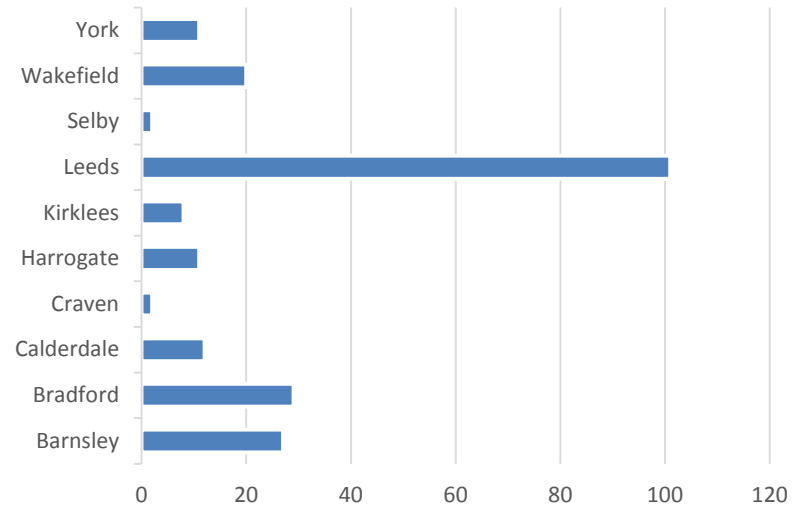
### FDI projects in the UK: 2013-14 to 2017-18

FDI projects in the UK  
2013-14 – 2017-18

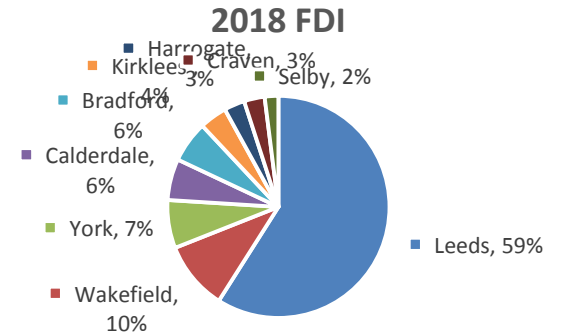
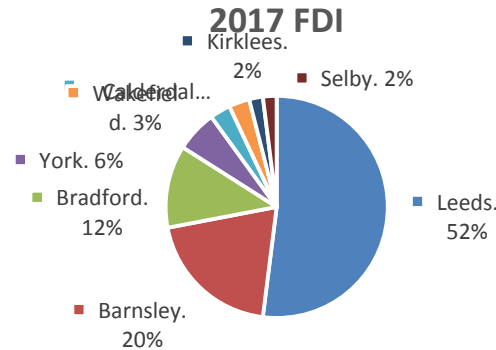
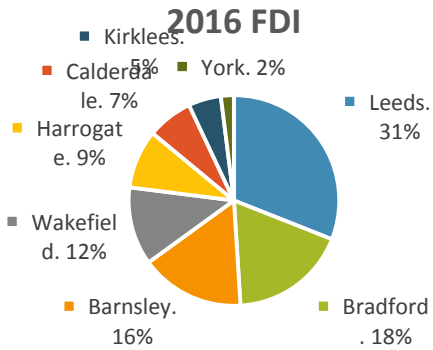


## LCR Trends

### Total FDI 2016- 2018



An analysis of the annual FDI trends for Leeds City Region show the number of projects in cities such as Bradford, York and Wakefield remains low and has in some cases declined year on year since 2016

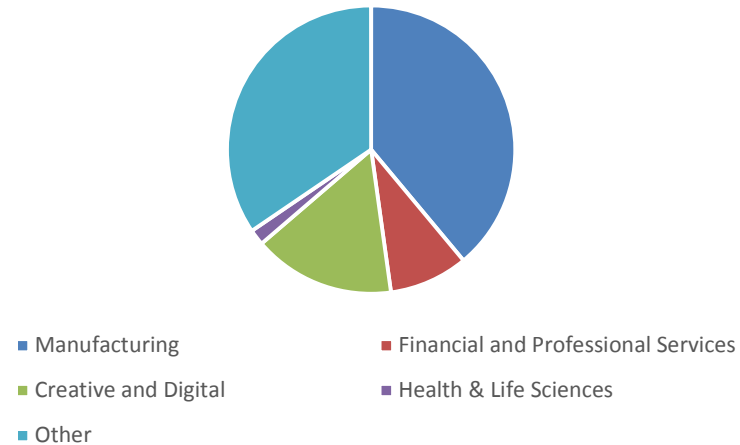


# LEEDS CITY REGION FDI BY SECTOR

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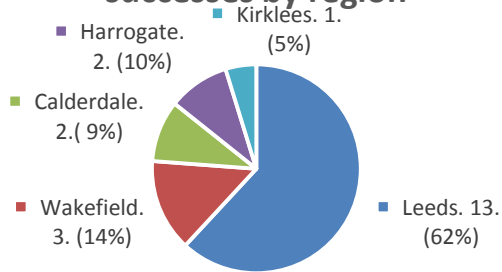
- Manufacturing sector has traditionally delivered the majority of FDI
- Leeds City Region has underperformed in the attraction of inward investment from the healthcare and life sciences sector
- UK domestic businesses that have expanded / relocated are not included in these figures

FDI 2016 - 2018 by Industrial Sector

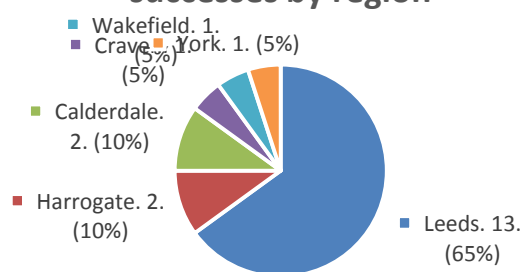


In addition to the overall number of FDI projects that occur in Leeds City Region it is important to analyse those that the trade and investment team have secured through their own work.

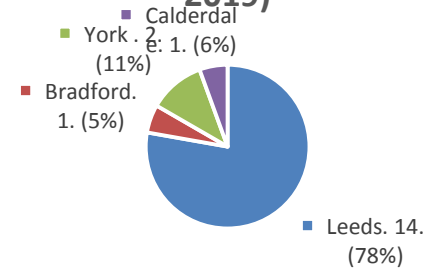
2016/2017 - Number of project successes by region



2017/2018 - Number of project successes by region

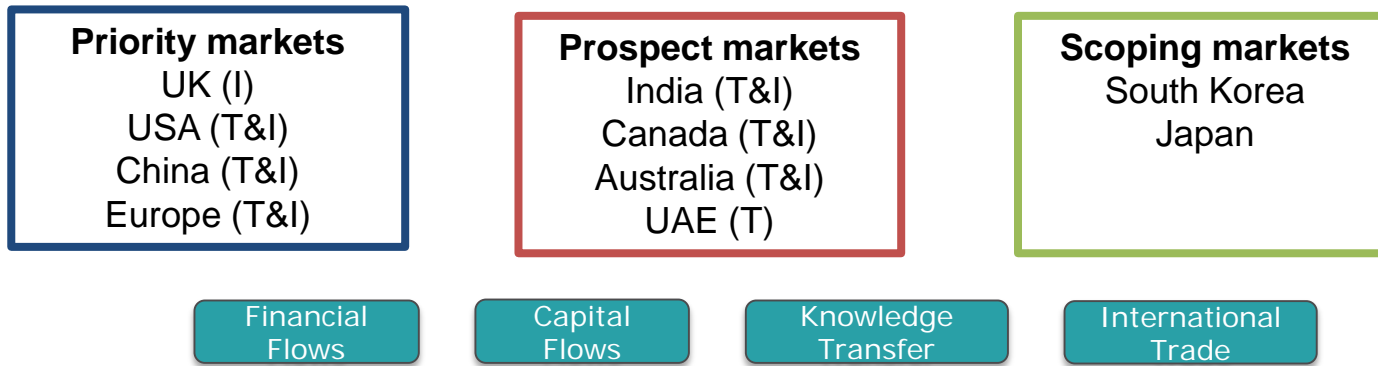


2018/2019 Successes by district to date (February 2019)



# KEY MARKETS

To determine where our future activity is concentrated it is important to review which geographical markets, FDI into the UK is coming from.



The current enquiry pipeline demonstrates that London is still the key geographical source market for enquiries, with a number of foreign owned businesses and UK firms now seriously considering expansion or relocation to 'out of London' regions.



# KEY MARKETS – LONDON APPROACH

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- The current enquiry pipeline demonstrates that London is still the key geographical source market for inward investment enquiries.
- A number of foreign owned businesses and UK firms now seriously considering expansion or relocation to ‘out of London’ regions.
- During 2018/19 the Trade and Investment team greatly enhanced its understanding of the key characteristics driving the north-shoring trend.
- London Economic Action Partnership (LEAP) and London First – key partnerships.
- London & Partners has established a ‘retention team’. The trade and investment team will seek to develop a relationship with this team to identify any shared priorities and collaboration opportunities.
- #Welcome – development a list of target companies for us to approach within the digital sector
- Prioritisation of relevant London initiatives

# KEY MARKETS – EU APPROACH

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- FDI into the UK from the EU is likely to slow down but will still be substantial
- Less speculative ‘on the ground’ lead generation activity i.e. attendance at events (inward investment)
- An increased focus on retention via Investor Development activity
- Opportunities will arise on a case by case basis as the details of the departure from the EU become clearer
  - Analyse inward investors in sectors that are hardest hit by tariff issues
  - Industries where local proximity / speed to market is a key driver i.e. short shelf life items
  - Just in time supply chain requirements
  - EU facilities servicing large UK market demand i.e. distribution and logistics
- Maintain strong relationships with DIT European teams and be flexible to respond / capitalise on emerging opportunities

# 2019/20 Approach

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# A NEW APPROACH

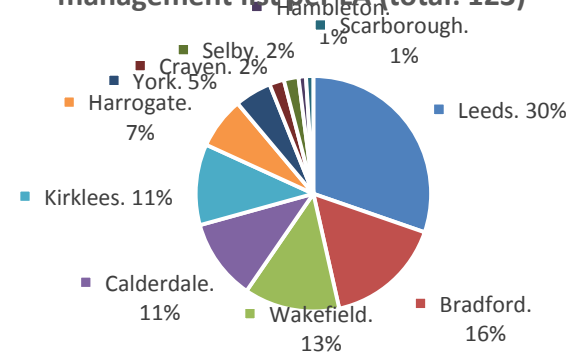
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- A bespoke and concentrated effort is now required to develop a strategy that attracts inward investment to the wider towns and cities within Leeds City Region.
- New approaches will be developed including:
  - Investor Development team having an increased focus of non-core city districts.
  - The main approach for attracting inward investment into the manufacturing sector will be on supply chain development.
  - Strengthening our understanding of Local Authority economic development ambitions, priorities and intent.
  - Identification of key sector capabilities that exist within districts and incorporation into the regions value-proposition, especially on DATA and DIGITAL related disciplines.
  - The development of relevant thought leadership collateral to promote unique place based opportunities.
  - A stronger focus on placing academia and innovation at the heart of the place proposition.

# INVESTOR DEVELOPMENT

123 foreign owned businesses identified  
100 companies engaged  
77 meetings  
66 companies actively account managed  
43 potential investment projects identified

% split of businesses on the LEP account management list per LA (total: 123)



In addition to their core duties the team will do the following:

- build up a greater picture of the significant foreign owned businesses that are currently 'account managed' by the department for international trade.
- work with DIT to engage locally with a number of these significant companies.
- in partnership with the private sector organise business roundtables with companies focussing on relevant topics or sectors e.g. chemicals regulations, addressing an ageing workforce etc.
- explore synergies and collaborative opportunities to strengthen the local supply chain and help drive business collaboration across the region.

# SECTOR FOCUS

<p><b>CREATIVE &amp; DIGITAL</b></p> <ul style="list-style-type: none"><li>• Fintech</li><li>• Data analytics</li><li>• Creative industries</li><li>• Digital communications</li><li>• Smart tech</li></ul>	<p><b>ADVANCED MANUFACTURING</b></p> <ul style="list-style-type: none"><li>• Automotive</li><li>• Rail</li><li>• Specialist chemicals</li><li>• Control systems</li><li>• Food and drink</li></ul>
<p><b>LIFE SCIENCES &amp; HEALTHCARE</b></p> <ul style="list-style-type: none"><li>• Digital health</li><li>• Medical technologies</li><li>• Diagnostics and personalised medicine</li><li>• Tissue repair, regeneration and wound care</li><li>• Drug discovery and pharmaceuticals</li></ul>	<p><b>BPFS</b></p> <ul style="list-style-type: none"><li>• Legal</li><li>• Insurance</li><li>• Banking</li></ul>

The sector plans acknowledge two key themes cut across all of our sector activity. These are **DIGITAL** and **DATA**. Leeds City Region has significant national and global strengths in these two disciplines.

# INTERNATIONAL TRADE

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Increase the number of SME exporters in Leeds City Region.

Drive up the value of exports across Leeds City Region.

## CHINA & HONG KONG

- The Hangzhou HiTech Zone (HHTZ) and Cyberport in Hong Kong.
- Delivering the commitments made with China Council for the Promotion of International Trade (CCPIT) and the China-Britain Industry Innovation Park
- Expanding our work with Kaola.com and Alibaba.
- Dedicated China specialist to help strengthen and direct discussions.

## A CHINA SPECIALIST

- Closer Gov to Gov dialogue
- Increasing trade and investment flows between Leeds City Region and China.
- Raising the international profile of our key sector strengths in China.
- The development of a strategic communications plan in relation to the Chinese market i.e. Social media strategy, co-ordinating and delivering events and centralising and sharing opportunities.

# INTERNATIONAL TRADE

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## INDIA

- India Development Plan
- Prosperity fund – NPH tech cluster programme.
- India Tech Festival
- Potential involvement in a planned DIT NPH city roadshow to key Indian cities
- Continued input into the DIT India International Trade

## BREXIT

- Key messages on the changing landscape
- Communication with the emerging trade agreements and the opportunities that these might bring
- Focus on Hong Kong activity as a gateway to explore opportunities in other ASEAN markets such as Singapore & Malaysia who as members of the Commonwealth may also present future trade opportunities



# 2019/20 PROPOSED ACTIVITY SCHEDULE

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To maximise the effectiveness of next years' activities, we have maintained a strong focus on the following criteria:

- Association with events that are strongly aligned to priority sectors
- Macro and micro economic conditions and key trends within the regions priority industrial sectors and academia.
- Alignment with Leeds City Region industrial strategy and policy.
- Local Authority economic development ambitions and priorities.
- Which initiatives worked well for us last year?
- Which initiatives did not work well for us last year?
- What internal resources are required to maximise the benefit of our involvement?
- Value for money.
- Trade & Investment team budgets and resource capability.
- Leeds City Region core industrial strengths, capabilities and economic opportunities?

# 2019/20 PROPOSED ACTIVITY SCHEDULE

The team has identified a number of initiatives where Leeds City Region should continue to be represented or establish a presence during 2019/20:

Month	Event	Location	Approach
July	London Tech Week	London	LCR event in London
October	SIBOS Fintech	London	Partnership with DIT
November	SMART Cities	Barcelona	LCR delegation (revenue model)
December	Business of Design Week and China	Hong Kong, China	LCR outward mission with delegation
January	Supporting the hosting of MIT	LCR	TBC
February	Arab Health	Dubai	LCR delegation (revenue model)
March	MIPIM 2020	Cannes	LCR delegation (revenue model)

# Thank You

 LEEDS CITY REGION  
ENTERPRISE  
PARTNERSHIP

Working in  
partnership  
with the

**West  
Yorkshire**  
Combined  
Authority