
Report to: Business, Innovation and Growth Panel

Date: 28 May 2019

Subject: Trade and Investment

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1. Purpose of this report

- 1.1 To provide an update on Trade and Inward Investment activity since the last Business, Innovation and Growth Panel.

2. Information

Forward plan 2019/20

- 2.1 Following approval of the Trade and Investment forward plan at February's BIG Panel meeting the plan was formally approved at the Leeds City Region Enterprise Partnership (LEP) Board meeting on 26 March 2019.
- 2.2 The team will now work towards implementing the areas of activity and updates will be provided in future papers.

Sector and International Business Development Activity

MIPIM Cannes

- 2.3 Leeds City Region continued to inspire and attract national and international interest in its seventh year of exhibiting at MIPIM Cannes. This was supported by five local authority partners and over 40 private sector sponsors combining to form a 140+ delegation promoting the region over the week.
- 2.4 Leeds City Region Trade and Investment team was awarded a commendation by FDI Award Magazine for project wins during MIPIM.
- 2.5 The Future Parks project concept for an interactive cultural theme park focussed on innovation in food and agriculture located near Harrogate, and led by Fallon's and Bond Bryan, won the MIPIM 2019 "Best Futura Mega Project"
- 2.6 Leeds City Council used MIPIM as a platform to launch the marketing of the former International Pool site, whilst private sector partners PWC, Arup and

Yeme Architects were prominent in their promotion of opportunities to invest in Bradford.

- 2.7 The Leeds City Region evening reception “Channel 4 – A Game Changing Opportunity” was our most successful to date in terms of audience attracted and positive feedback received.
- 2.8 Media and press related to MIPIM generated 45 pieces of positive coverage and over 420,000 Twitter and 100 social media posts from @InvestLCR across the event.
- 2.9 An independent evaluation of MIPIM UK and Cannes activity will be completed by June 2019 and will inform our future approach.



Business of Design Week (BODW)

- 2.10 BODW is an annual flagship event in Hong Kong and is known as one of the most significant events on Asia’s design calendar. It is a week-long multi-disciplinary event providing a valuable platform across industries and sectors to network, exchange ideas and explore new business opportunities. In 2019, the UK is the partner country for BODW, which presents potential international opportunities for business and organisations in Leeds City Region.
- 2.11 Leeds City Region hosted two delegations from Hong Kong looking to engage with businesses and organisations in the region on the opportunities emerging from BODW. On 14 March, we hosted two roundtables as part of the ‘Great British Design’ UK roadshow. This is a year-long campaign looking at how design and design thinking is innovating the products and services within both business and social contexts. The key event in this campaign will be BODW in December 2019. This was followed by a series of events on 26 April, focussing specifically on the Universities, the creative sector and a visit to the Yorkshire Sculpture Park.

Up Your Game

- 2.12 Up Your Game was a business to business matchmaking event organised by Enterprise Europe Network (EEN) taking place alongside the Yorkshire Games Festival on 7 and 8 February 2019. The aim of this event was to explore potential collaboration, ideas, innovation and investment in animation,

games, motion graphics, VFX, Augmented Reality and Virtual Reality, bringing together the games developers with other businesses who could benefit from the use of gaming technologies. The LEP supported EEN its drive to encourage more overseas buyers to attend the event. As a result, ten overseas companies were present and participated in 26 meetings with local companies. Over two thirds of them reported that co-operation was a possible outcome.

Hangzhou delegation visit to Leeds

- 2.13 As part of the follow up activity from the Leeds City Region visit to China and Hong Kong last September, a delegation from Hangzhou visited Leeds in April 2019 to attend the Leeds Digital Festival. The delegation was led by Zhan Guoping - Deputy Secretary General, Hangzhou Municipal Government, alongside government officials and businesses. This was an opportunity to celebrate the Leeds-Hangzhou sister city relationship and showcase our digital and creative sector to one of the leading Tech cities in China.

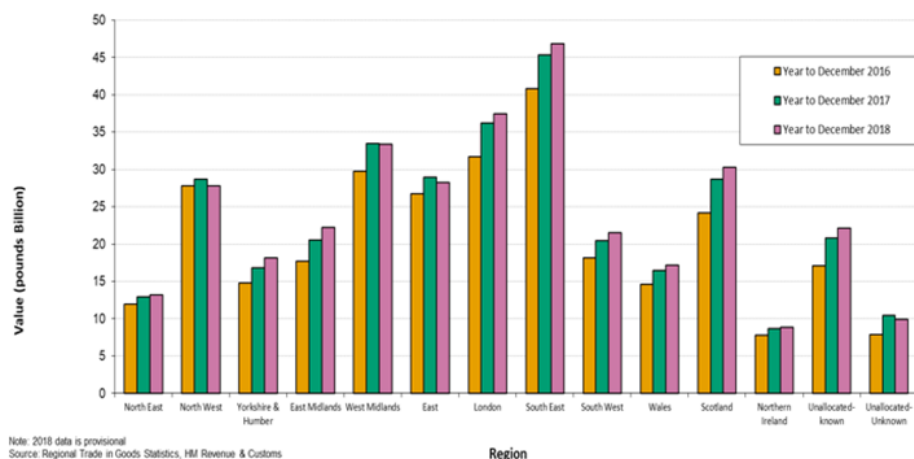
Upcoming planned activities

- 2.14 Kada Research has been commissioned to undertake a review of international trade activity and potential opportunities in the creative sectors in Leeds City Region. The outcome of the review will be reported to the next BIG Panel meeting in September 2019.
- 2.15 The Trade Team is now actively engaged with the organisers of Business of Design Week to develop opportunities for local organisations to participate in the showcase and speaker opportunities at BODW. We are also working with the Northern Powerhouse and the Department for International Trade (DIT) on forming a UK delegation to BODW in December 2019. This is anticipated to have a significant representation from the City Region, and recruiting relevant businesses to participate will be a priority in the coming months. Introductions to suitable interested businesses would be appreciated.
- 2.16 Planning is underway for the City Region's attendance at Arab Health 2020, building on the work already undertaken over the last two years. As with the above, the team would welcome recommendations for any businesses in the City Region that would benefit from taking part in next year's Arab Health.
- 2.17 Planning has commenced for attendance at London Tech Week during June 2019 to showcase the City Region's tech strengths, build profile and attract new investment. The team will collaborate with inward investors and pioneering businesses in the digital technology sector to reflect the world-leading capabilities that exist in the City Region.

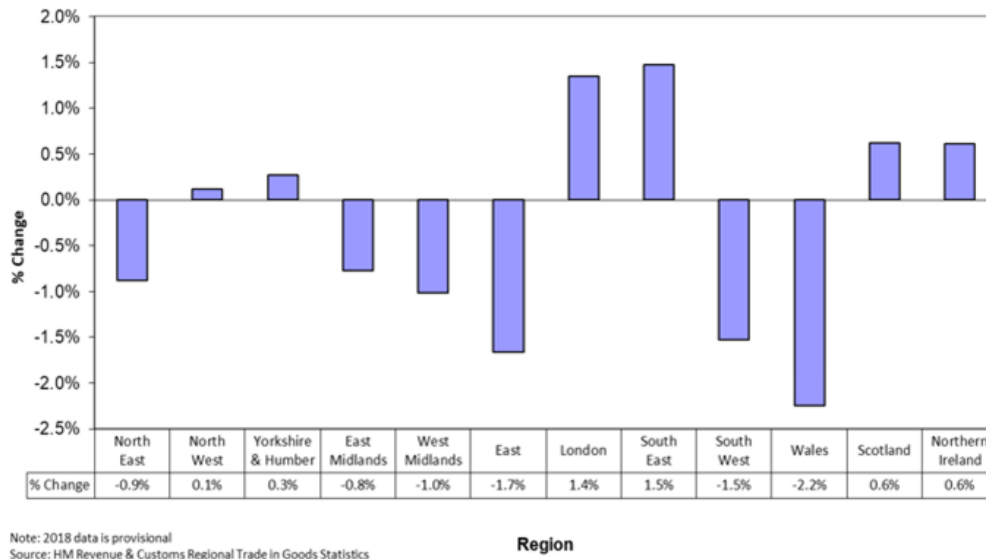
Trade

- 2.18 In the year to December 2018, the value of UK trade in goods exports increased by 2.6% compared with the same period last year. There was an increase in annual export value for all English regions except the North West, the West Midlands and the East. Yorkshire and the Humber has continued to grow and saw an increase of 7.8% over the same period. For the 12 month period ending December 2018, Yorkshire and Humber accounted for 5.4% of

UK exports. Between 2016 and 2018 the value of exports from all nine English regions saw an increase.



2.19 The number of UK exporting businesses increased by 0.9 % between quarter four 2017 and quarter four 2018, from 109,700 to 110,800. The number of businesses in Yorkshire and Humber grew by 0.3% over the same period.



2.20 In common with other regions, the top five export destinations for goods from Yorkshire and Humber are mainly EU markets, with the USA being our second largest export partner.

Region	Top 5 partner countries				
	1	2	3	4	5
North East	Netherlands	Germany	USA	Spain	Belgium
North West	USA	Germany	Irish Republic	Netherlands	France
Yorkshire & the Humber	Netherlands	USA	Germany	France	Belgium
East Midlands	Germany	USA	France	Singapore	Irish Republic
West Midlands	USA	Germany	China	France	Irish Republic
East	USA	Germany	Netherlands	Belgium	France
London	USA	Germany	Netherlands	Hong Kong	France
South East	USA	Germany	China	Netherlands	France
South West	USA	Germany	France	UAE	Irish Republic

Note: 2018 data is provisional

Source: HM Revenue & Customs Regional Trade in Goods Statistics

- 2.21 The British Chambers of Commerce Quarterly Economic Survey for Q1 2019 shows the balance of manufacturing firms reporting improved export sales fell from +20% to +14% in this quarter, compared with Q4 2018. The balance of service sector firms reporting improved export sales fell to +0%, down from +14% in Q4 2018
- 2.22 After reporting a fall in export orders in the previous quarter, the EEF/BDO Manufacturing Outlook for Q1 2019 shows that export orders have remained stable at 12%. They also report that the EU remains the largest market for international orders, albeit with a fall from 59% to 48% of businesses reporting positive demand conditions. The EU is followed by North America, Middle East and Asia markets.
- 2.23 MHCLG recently approved the extension to Export for Growth – subject to local ESIF Sub-Committee approvals. This would mean that delivery of activity, particularly grant funding, can now continue through to December 2019 ensuring a seamless approach to trade support in the region during such a critical period. The support available via the project continues to be promoted via the LEP Growth Service, particularly to the circa 1,000 SMEs being supported by the Growth Managers.

Investor development

- 2.24 In partnership with the Department for International Trade (DIT), the LEP continues to engage with a number of foreign-owned companies based within Leeds City Region. Since the team's creation in May 2018, over 100 meetings have taken place and the team has helped safeguard/create in excess of 300 jobs. This has been by assisting local business leaders to make the case at parent company level for additional investment.
- 2.25 To further strengthen the relationships with these key companies, a number of investor roundtables will be held throughout the current financial year. On 14 May 2019, the team collaborated with West Yorkshire Consortium of Colleges to host a chemical manufacturing skills roundtable, with the aim to understand the challenges in the sector and what role the public sector can play in addressing them.
- 2.26 DIT recently confirmed additional funding which has secured the team and its remit until March 2020.

Inward Investment Activities and Performance

- 2.27 A further eight project successes were added in March 2019, bringing the total number of successful project wins for 2018-19 to 27. These will collectively create 1,933 jobs and safeguard 608.
- ANDigital – A digital company which support clients to reach their digital aspirations. A new investment in to Halifax creating 83 high value roles.
 - Northcoders – A company set up to provide coding bootcamps. A second location in Leeds alongside Manchester, creating five jobs.
 - MLL Telecom - A specialist telecommunications company in Leeds which designs, delivers and manages secure voice and data network solutions, creating ten jobs.
 - Leach Colour Ltd - Expansion of Huddersfield site and new investment in machinery, creating seven new jobs.
 - Retention of US owned automotive business based in Halifax following successful award of a significant contract, safeguarding 150 jobs and creating 20 new jobs.
 - Supported the relocation and expansion of a textiles business to a new UK HQ in Craven creating two new jobs.
 - German manufacturer of nonwoven abrasives invested in new product lines creating five new jobs in Halifax.
 - Chiorino - Relocation to new UK HQ, creating five new jobs in Wakefield.
- 2.28 The pipeline of new enquiries continues to be healthy, with 12 new enquiries received in March and April 2019.
- 2.29 The Digital Inward Investment Fund is being expanded to provide small grants to indigenous digital and creative businesses as a change to the existing programme. This change was recently endorsed by the Combined Authority's Investment Committee and will be implemented later in 2019.
- 2.30 The Trade and Investment team has represented the region on a key piece of work being led by The Growth Company on behalf of the NP11 Chairs to identify and reinforce the key economic priorities of the Northern Powerhouse. This involves a re-fresh of the economic growth ambitions / scenarios outlined within the original Independent Economic Review of the North and will inform the NP11 Chairs' dialogue with UK Government surrounding future trade and investment resource and activity.

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 and comments on the progress made to date on delivery of the above.

8. Background Documents

None.

9. Appendices

None.