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**Report to:** Business, Innovation and Growth Panel

**Date:** 10 September 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 Panel meeting in May 2019.

## 2. Information

### Sector, Trade and International Business Development Activity

- 2.1 The Trade and Investment team have attended a number of events and conferences over the past quarter with the aim to raise the profile of Leeds City Region and engage with industry.
- 2.2 This included attendance at
- **Chem Expo (Harrogate)** – The first ChemUK exhibition. Three new delegates were invited to the Chemical Skills roundtable held on 14 May 2019 where three potential enquiry leads were made.
  - **Making Pharma Expo (Coventry)** – A supply chain event for the pharmaceutical industry. Met with 39 companies with seven potential leads made.
  - **Railtex (Birmingham)** – An international exhibition for the rail industry. The presence of three Leeds City Region university institutes offered the opportunity to be introduced to new contacts in large rail companies and their supply chains. The Department for International Trade (DIT) also had overseas posts present.
  - **Med Tech Innovation Expo (Birmingham)** – A networking event with 23% of exhibitors being foreign-owned companies. Met with 43 companies with six potential leads made.
  - **Digital Health and Care Congress (London)** – Secretary of State Rht Hon Matt Hancock MP was the keynote speaker explaining his vision for the role of digital health in integrating services across the NHS. Three potential leads were made

- **City UK annual conference (London)** - Introductory address from TheCityUK's new Board Chairman, Mark Tucker. Keynote speeches from the City Minister John Glen MP, Foreign Affairs Select Committee Chair Tom Tugendhat MP, and Treasury Select Committee Chair, the Rt Hon Nicky Morgan MP, as well as two panel sessions that explored the critical issues of innovation and digitisation and future skills and talent needs.
- **Future of Place Festival (London)** – Networking event and opportunity to research further topics for the 2020 MIPIM programme.

#### London Tech Week

- 2.3 An evening panel session event was held in Shoreditch, sponsored by Accenture with speakers from ANDigital, Channel 4 and Wired Score to promote the digital and creative sector opportunities in Leeds City Region to an invited audience. Representatives from the team also attended the London Tech XLR8 exhibition and a number of associated fringe events, undertaking lead generation activities which resulted in over 30 new contacts and generated four potential investment leads.
- 2.4 During London Tech Week, Leeds City Region was also promoted through digital screens throughout Old Street underground station at the heart of the capital's tech scene. This provided the opportunity for over 400,000 people to see this campaign.

#### Upcoming planned activities

##### SIBOS – London

- 2.5 LCR will partner with the Deputy Lord Mayor of London's office to host a roundtable event in the city to coincide with the global financial services event, SIBOS. This will provide an opportunity to deepen relationships with London stakeholders and the financial services community, promote FinTech and payment processing capabilities and profile the Leeds City Region as the "north shoring" partner of choice for growing London based businesses looking to expand their UK footprint.

##### MIPIM 2020

- 2.6 Following the recent independent evaluation of MIPIM activity, it has been confirmed that Leeds City Region will not exhibit at MIPIM UK this autumn. Instead, efforts will be focused on MIPIM Cannes 2020. Our sponsorship opportunities were recently officially launched to private sector and local authority partners at an evening event hosted at Platform in Leeds and supported by Bruntwood.

##### SMART Cities Expo - Barcelona

- 2.7 Leeds City Region is exhibiting at the Smart City World Congress in November 2019, the foremost Smart Tech show in Europe. Building on the presence from previous attendance, this year we will attend alongside leadership of partner

local authorities, universities, developers and businesses operating within the Smart Tech space in a public / private partnership.

#### China and Business of Design Week

- 2.8 Work is continuing on the City Region's involvement with Business of Design Week, working closely with colleagues in the North West to support the development of an Northern Powerhouse (NPH) delegation as part of the wider UK delegation. There has been an excellent response from across the region and to date there have been 22 expressions of interest from organisations in the City Region to join the delegation. In addition to the main programme, the week will also now involve activities specific to the NPH.
- 2.9 Immediately following attendance at Business of Design Week, Leeds City Region is also planning a visit to China in December. This will follow-up on previous visits by continuing to develop engagement and relationships and create further opportunities for the region. Since the last visit we have further developed our relationship with Alibaba in particular and discussed possibilities for joint initiatives to further develop our relationship with the business..
- 2.10 Leeds City Region is working closely with the China Britain Business Council to bring their SME China Forum to Leeds in September. The event will be held at the Leeds College of Music on 24 September and presents an excellent opportunity for SMEs looking to trade with China to hear directly from the experts.

#### Arab Health – Dubai

- 2.11 Attendance at Arab Health 2020 in January has now been secured. Over the coming months the team will connect with businesses in the medical and life sciences sector to build our city region showcase at the event.
- 2.12 Working with partners, Leeds City Region will hold roundtable events later in the year on intellectual property issues and skills.

#### Creative Industries in the Leeds City Region: Review of International Trade Activity and Potential Opportunities

- 2.13 The work by KADA Research has now been concluded and has provided a valuable insight into the international activity within the city region and suggestions for next steps.
- 2.14 The report provides an interesting picture of a vibrant and growing sector in the City Region, one which has exhibited growth at a much faster rate than the rest of the City Region's economy. The headline figures suggest that the total number of creative industries registered businesses in the City Region is an estimated 8,745, with approximately 1,570 businesses trading internationally. The report estimates total Leeds City Region exports of goods and services for the creative industries sector to be £697m.
- 2.15 In terms of next steps, the report includes a suggested action plan which highlights a number of areas which we will now look to take forward. These

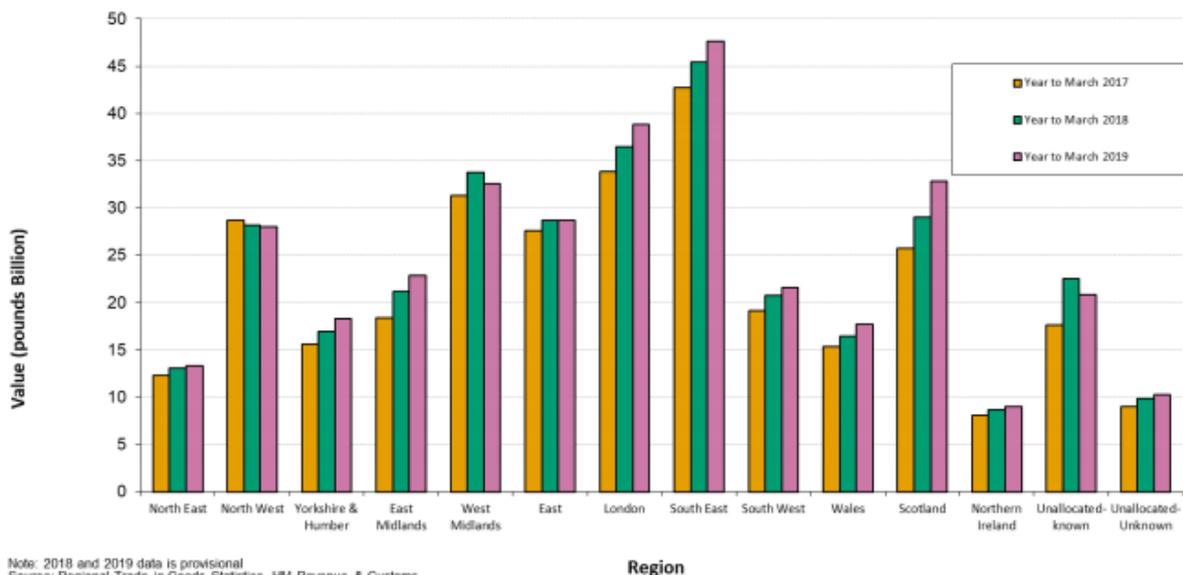
include: tailoring and targeting business support activity in the region to ensure it is relevant and accessible to creative businesses; support for R&D in the sector; communicate the value and capability of the creative sector in the region; target key international creative events to open up opportunities for SMEs in the region and a focus on high growth, mature and emerging markets identified by stakeholders in Asia Pacific (China, Hong Kong), South East Asia (India), the Middle East (Dubai and Saudi) and North America.

### International Markets Development – China/India

- 2.16 The recruitment of an International Markets Development manager is now complete and the success candidate will commence in role on 1 October 2019.

### Trade

- 2.17 The latest regional trade statistics show that in the year to March 2019, the overall value of UK trade in goods exports increased by 3.5% compared with the same period last year. There was an increase in annual export value for all English regions except the North West and the West Midlands. Yorkshire and the Humber has continued to grow and saw an increase of 7.6% over the same period.



- 2.18 Comparing Q1 2019 with Q1 2018, the total number of businesses exporting from the UK increased by 4.8% from 105,758 to 110,831. The number of businesses in Yorkshire and Humber grew by 2.1% over the same period.

- 2.19 The latest overseas trade figures at a national level show that total exports of goods for May 2019 were £31.1 billion. This was an increase of £1.1 billion (3.6%) compared with the previous month, and an increase of £0.8 billion (2.7%) compared with May 2018. In terms of Q1 2019 the total export trade from the UK increased by 3.8% compared with Q1 of 2018.

- 2.20 The British Chambers of Commerce Quarterly Economic Survey for Q2 2019 indicates that the balance of firms reporting an increase in export sales this quarter has dipped to a three-year low. The balance of firms reporting improved export sales fell from 14% to 10%, the weakest since Q2 2016 and the balance of firms reporting improved export orders dropped from 10% to 4%, the weakest since Q4 2015.
- 2.21 The EEF/BDO Manufacturing Outlook for Q2 2019 shows that export orders have declined from 12% to 8% this quarter. They also report that the EU remains the largest market for international orders, albeit with demand weakening. The EU is followed by North America, Asia and Middle East markets.

### Investor Development

- 2.22 The Key Account Management team is currently engaging with over 125 companies across the region and actively account managing 85 of these. Approximately 65% of the companies are in the advanced engineering and manufacturing sector, with 20% from the creative and digital sector.
- 2.23 Since the start of June 2019, the Investor Development team has visited a further 25+ companies and identified ten active expansion/relocation projects.
- 2.24 There have been three project successes (see section 2.26) involving manufacturing firms in Barnsley, Harrogate and Leeds. With support from the team these firms have expanded into bigger premises, grown their existing sites as well as invested further to enhance product portfolios.
- 2.25 The team continues to explore various ways in which more value can be added to our company engagements. The next roundtable event is scheduled for 17 September 2019 and will focus on simplifying the R&D and Innovation landscape both at a local and national level. Speakers from Innovate UK and Gateley Plc will deliver short interactive sessions on these topics. The aim is to support our foreign owned companies to be more proactive and enable them to feel more confident in accessing mainstream business support.

### Inward Investment Activities and Performance

- 2.26 29 new enquiries were received in June and July since the last BIG Panel on 28 May 2019. Four investor visits to the region were hosted during this period. Nine inward investment successes (including investor development) were recorded in this period (four of which remain confidential at the time of this report's writing).
- OSO Polymers - Chinese Polymer manufacturer establishing a facility in Leeds which will create 260 jobs by 2022.
  - DXW - A software development company expanding from its Shoreditch base, supported to invest in Leeds via the Digital Inward Investment Fund creating 12 new jobs.
  - Boroughbridge - headquartered UNTHA UK - part of the global UNTHA brand based in Austria - supply innovative waste shredding technology and waste management expertise. UNTHA are investing into their site creating three new jobs. To support the investment UNTHA have

successfully secured an ERDF grant (via the York University-led PAPI project) towards capital investment in infrastructure.

- US owned, Euro-Pro Europe Limited, whose products include the Shark Ninja floorcare and kitchen appliances, have signed a lease to expand their European HQ in Leeds City Region. With support from the LEP Trade & Investment and Business Growth Programme, Euro-Pro will move into new premises in Leeds later this year. The move will create at least nine new jobs in addition to the existing workforce of 118.
- London headquartered Oviva have established a presence in Leeds. Oviva provide expert nutrition and lifestyle advice through healthcare coaching and are working closely with the NHS creating 30 new jobs.
- Large chemicals company investing £2.7 million in their existing site to accommodate new product lines.
- Global aerospace company have committed to a new site in the City Region safeguarding 200 jobs and creating 50 new jobs
- Food production company have invested into a new production line with plans to create 40 new jobs in the next 12 months.
- Services company have expanded their existing presence with plans to create 150 jobs.

### **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 the delivery of Trade and Investment activity.

### **8. Background Documents**

None

### **9. Appendices**

None