

---

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

**Date:** 26 November 2019

**Subject:** **Trade and Investment**

---

**Director(s):** Henry Rigg, Interim Executive Head of Economic Services

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

---

## **1. Purpose of this report**

- 1.1 To provide an update on Trade and Inward Investment activity since the last Panel meeting in September 2019

## **2. Information**

### Inward Investment Activities and Performance

- 2.1 The team have supported 14 investment successes in 2019-20 with 50% of those converting outside the core city of Leeds.
- 2.2 36 new enquiries were received in August, September and October. Three investor visits to the region were hosted during this period. Five inward investment successes (including investor development) were recorded in this period.
- Hothams - A gin company from Hull are expanding into the region and establishing a gin school in Leeds creating six jobs.  
(<https://www.yorkshirepost.co.uk/business/hotham-s-gin-school-expands-into-leeds-1-10071284>)
  - Large chemicals company investing in additional premises to accommodate future growth.
  - Manufacturer in the construction industry have expanded at their existing site to incorporate the installation of a new production line to be used for the production of construction materials.
  - Swedish engineering firm Novotek have established a new office and Innovation Lab in Leeds creating 12 jobs.  
(<https://www.investleedscityregion.com/all-news-and-blogs/novotek-opens-new-offices-and-innovation-lab-in-leeds/>)
  - A South African investment crowdfunding platform has established an office in the City Region.

### Investor Development

- 2.3 The Key Account Management team has increased the number of companies engaged over the last three months to over 130 across the region, and now actively account manages 93 of these.
- 2.4 Approximately 55% of the companies are in the advanced engineering and manufacturing sector.
- 2.5 Over the period August to October 2019, the team completed 32 visits to foreign owned companies and identified ten new expansion/relocation projects.
- 2.6 The team achieved two project successes involving manufacturing firms this quarter (see 2.2). Through investor development support these firms have expanded into additional premises, and invested new capital into their existing operations in the region creating new employment.
- 2.7 The team delivered a business roundtable event in early September in partnership with Gateley Plc and Innovate UK, focussed on Research and Development and innovation support. Eight account managed firms attended with a combined global turnover in excess of £3 billion.

### Sector, Trade and International Business Development Activity

- 2.8 The Trade and Investment team have attended a number of events and conferences over the past three months with the aim to raise the profile of Leeds City Region and engage with industry.
- 2.9 This included attendance at
  - **Sibos (London)** – Leading Banking and Finance trade show in the world hosting over 7000 senior delegates from the leading banks and financial institutions as well as a host of Fintech providers. Held for the first time in 30 years in the UK, the LEP attended alongside the Department of International Trade and the economic development teams of Northern Ireland, Manchester, Birmingham and London. The trip resulted in over 15 leads and prospects and the team hosted a roundtable fintech event in partnership with KPMG and the Deputy Mayor of London Rajesh Agarwal.
  - **NHS Expo (Manchester)** - The NHS Expo is the largest NHS (England) event showcasing health and innovation trends. The LEP attended as a delegate, meeting a number of companies, health bodies and academics. Three potential leads were identified during the Expo.

### Upcoming planned activities

- 2.10 **SMART Cities Expo, Barcelona** - Leeds City Region is exhibiting at the Smart City World Congress (the foremost Smart Tech show in Europe) on the 19-22 November. A delegation made up of circa 60 people from local

authorities, universities, developers and businesses operating within the Smart Tech space in a public / private partnership will form part of the Expo.

- 2.11 **China and Business of Design Week in Hong Kong, Hangzhou and Qingdao** - Business of Design Week (BODW) will take place from 4-7 December to showcase the design and creative expertise of the UK to an international audience and particularly across South East Asia. A number of organisations from across the city region will be participating in Design Week as part of a UK delegation of over 100 or independently. This will include the University of Leeds and Huddersfield. Attendance at BODW promotes Leeds City Region as a proactive international partner and place to do business.
- 2.12 Immediately following BODW, Leeds City Region will be visiting Hangzhou and Qingdao from 9-13 December. The LEP is currently working with our in-market partners, China Britain Business Council (CBBC) to develop a visit programme which will engage with key business contacts and build on our relationship and work in this important market.
- 2.13 This programme of activities in China will be an important step in delivering on our key objectives. In particular, to increase awareness in China of the world leading innovative businesses and universities, critical assets, growth plans, and investment opportunities in Leeds City Region to accelerate trade relations and bi-lateral investment flows.
- 2.14 **Arab Health, Dubai** - Arab Health 2020 will take place from 27-30 January 2020 and the LEP are again working with Medilink to showcase the city region as part of the UK Pavilion. The event will bring together organisations from the region who will form the key focus of the showcase and highlight the strengths of the region in health and life sciences.
- 2.15 **MIPIM 2020, Cannes** - Planning for MIPIM Cannes 2020 is progressing well. Sponsorship agreements are progressing with the private sector. The percentage towards sponsorship target committed thus far is 80% and are actively engaging with 18 companies who have returned their contracts. Sponsors have been invited to submit initiatives for the programme and the team are currently working on a draft programme.

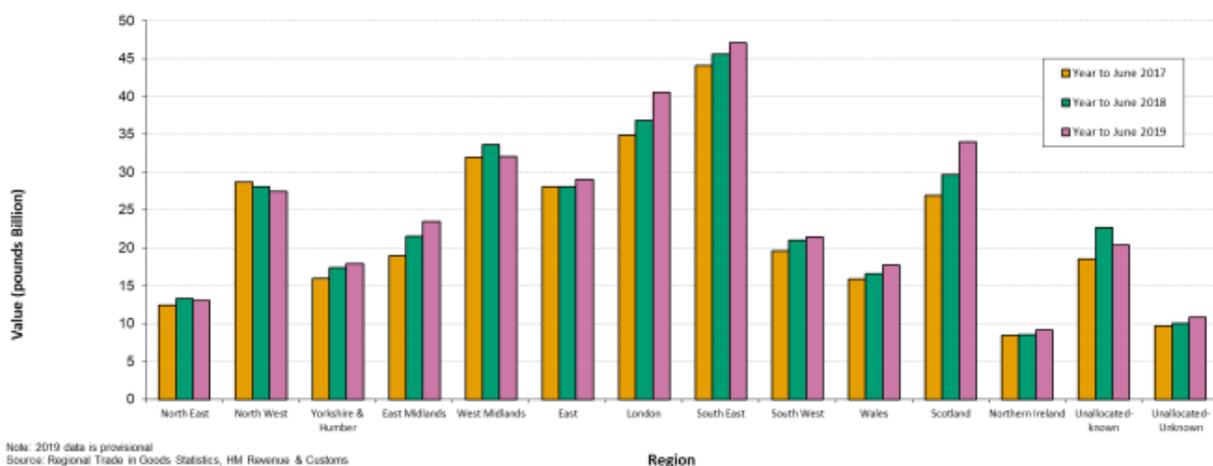
#### Creative Industries Opportunity programme

- 2.16 The Creative Industries Opportunity programme is currently going through the Combined Authority assurance process. Extensive consultation has taken place with industry bodies and stakeholders, and consequently a number of initiatives have been designed to address critical barriers to growth for the screen industries in LCR. Elements of this programme will be procured following this process in line with public procurement policy.
- 2.17 The project is committed to supporting inclusive growth, and as part of this the programme was used to sponsor an event hosted by the Women in Film and TV (WFTV) network which is dedicated to advancing the professional development of women working in media. The event, 'WFTV: An Audience with Sally Wainwright' was held at Northern Ballet on 15 October and was well-attended by individuals from across the UK and featured an in-depth

discussion with Sally Wainwright on her Halifax-based drama, 'Gentleman Jack'.

## Trade

- 2.18 The latest regional trade statistics show that in the year to June 2019, the value of UK trade in goods exports increased by 3.3% compared with the same period last year. There was an increase in annual export value for all English regions except the North East, North West and the West Midlands. Yorkshire and the Humber has continued to grow and saw an increase of 3% over the same period.



- 2.19 Comparing Q2 2019 with Q2 2018, the total number of businesses exporting from the UK decreased by 3.9% from 109,071 to 104,815. The number of businesses in Yorkshire and Humber also fell by 3.9% over the same period.
- 2.20 The latest overseas trade figures at a national level show that total exports of goods for August 2019 were £27.7 billion. This was a decrease of £2.5 billion (8.3%) compared with the previous month and was a decrease of £3.7 billion (12%) compared with August 2018. In terms of Q2 2019, the total export trade from the UK increased by 1% compared with Q2 2018.
- 2.21 The British Chambers of Commerce Quarterly Economic Survey for Q3 2019 indicates that the balance of manufacturing businesses reporting improved export sales fell from +10 to +3, the weakest since Q4 2015 and the balance of manufacturing businesses reporting increased export orders dropped from +4 to -3 – the weakest since Q3 2009. In terms of the service sector the balance of firms reporting improved export sales remained steady at +6. Those reporting increased export orders fell from +5 to +1.
- 2.22 The MakeUK/BDO Manufacturing Outlook for Q3 2019 shows that export orders have continued to decline this quarter reaching 6% compared to 12% in Q1 and 8% in Q2. The report also notes that manufacturers still consider the EU to be the most important market for international orders, followed by North

America and Asia. All however within the context of a general weakening of export markets.

- 2.23 From a regional perspective, a recent survey by Exporting for Growth, the ESIF funded export support project reported that 95% of clients who have benefitted from the programme stated that the support they received has delivered commercial benefits on a quicker and larger scale than they anticipated. Surveyed companies who took part in the project have already or will achieve several wider internationalisation benefits including 'Access to potential customers' (83%), 'Improved reputation, credibility and profile' (84%), 'Access to key contacts and networks' (79%), and 'Improved capability to internationalise' (77%).

### **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