
Report to: Business, Innovation and Growth Panel

Date: 27 February 2020

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 November 2019

2. Information

Inward Investment Activities and Performance

- 2.1 A total of 22 investment successes have been supported in 2019-20 with almost 50% of those converting outside the core city of Leeds. Eight inward investment successes have been secured since the last BIG panel meeting:
- Iwoca – European fintech Iwoca, has established their second UK office in Leeds creating up to 100 new jobs <https://www.iwoca.co.uk/insights/leeds-office/>
 - Irish energy services company has opened an office in Kirklees creating 17 new jobs;
 - Qatari management consultant firm set up an office in Leeds;
 - US packaging specialists expanding their production capability at their existing premises in Calderdale;
 - US consumer retail office established in Leeds;
 - Canadian tech company expanding their existing presence in Leeds to accommodate future growth;
 - Chinese manufacturer of consumer products expanding their current site to grow their digital and design teams; and
 - Canadian medical devices company has expanded their operations in York.

- 2.2 Since last BIG Panel meeting 28 new enquiries were received and five investor visits to the region were hosted.

Investor Development

- 2.3 The Department for International Trade (DIT) have secured funding for NPH (Northern Powerhouse) Key Account Management activity for 2020-21 and will be engaging with the LEP in the coming months to confirm funding distribution.
- 2.4 Currently 95 of the 125 target-list of foreign owned companies is being actively managed. Approximately 57% of the 125 companies are in the advanced engineering and manufacturing sector, and a further 15% operate in the healthcare and digital/creative media sectors.
- 2.5 32 visits to foreign owned companies were held since last BIG Panel meeting with five new expansion/relocation projects identified. Two project successes involving manufacturing firms were recorded in this period. (listed at para 2.1)
- 2.6 This service is gathering and recording valuable insights from foreign owned businesses in the City Region. A significant repository of business intelligence now exists. This information predominantly relates to Brexit, skills, exporting, costs, regulation and employment status.

Sector, Trade and International Business Development Activity

- 2.7 The team has been present at several events and conferences over the past three months with the aim to raise the profile of Leeds City Region and engage with industry.
- 2.8 This included attendance at
- **SMART Cities Expo, Barcelona** – Leeds City Region exhibited at the SMART City World Congress (the foremost Smart Tech show in Europe) on the 19-22 November. A City Region 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 attended the Expo. Following the verbal update given at the last BIG panel meeting, a de-brief with delegates has taken place to ascertain the appetite for continued sponsorship in 2020.
 - **China and Business of Design Week in Hong Kong, Hangzhou and Qingdao** – Business of Design Week in Hong Kong was unfortunately cancelled by the event organisers a week before the event, due to the continued civil unrest in Hong Kong. However, one business from the region, who was due to join the delegation travelled to Hong Kong despite the cancellation of the main event and reported a very successful week. A Leeds City Region delegation still visited Hangzhou and Qingdao as planned. (Further details in section 2.16)
 - **Arab Health, UAE, Dubai** - Leeds City Region participated as part of the Medilink UK pavilion and mission to showcase the city region's expertise

in bio med-tech. Alongside the regional messaging the LEP also supported six regional businesses to showcase their products and services and explore opportunities in the market. This was the third year of the LEP participating at Arab Health during which 16 City Region MedTech companies have been showcased and a number of these companies have reported that they have concluded substantial export contracts as a result of their participation.

2.9 Upcoming planned activities

MIPIM 2020, Cannes - Bradford, Harrogate, Kirklees, Leeds and Wakefield are the local authorities who are supporting MIPIM 2020. Sponsorship generation is underway and has been more challenging than in previous years. Bradford, Leeds & Huddersfield Universities have confirmed their attendance and contributed to the programme content. The MIPIM programme was unveiled in January and participants and session topics are now been confirmed.

Creative Industries Opportunity Programme

2.10 The Full Business Case with finalised costs has now passed through the assurance process and received MD approval on 20 December 2019. The Programme Manager has started working with the procurement team to complete the tender process for three of the initiatives; Creative Accelerator, Central Services Support and Mentoring Programme. Prior Information Notices have been published and each initiative has received responses from several experienced suppliers.

2.11 The Channel 4 Economic Impact Report has been procured and the team is currently establishing a contract with the supplier. Bi-annual reports will be produced, offering both quantitative and qualitative analysis of the impact Channel 4's relocation has had on Leeds City Region. The first of these reports, a baseline report, will be produced by March 2020.

NP11 Trade & Investment Forum

2.12 The Trade & Investment team have actively participated in the development of the NP11 proposition to boost the North's trade and investment to help close long-standing productivity and growth gaps between the North and the rest of the UK by strengthening pan-Northern trade and investment activity.

2.13 This work has been conducted by Steer consultants and The Growth Company with input from Trade and Investment leads in each of the NPH eleven LEPs. A meeting with Leeds City Region Local Authority Heads of Economic Development took place on 3 February to raise awareness of this proposition.

International Trade and Markets

2.14 Enterprise Growth Solutions are now being supported in their activity planning for the coming 12 months. This will help shape a strong programme of activity to support businesses in the region.

China

2.15 There has been considerable, continued proactive engagement with the China market since the last BIG panel meeting.

2.16 A Leeds City Region delegation visited Hangzhou and Qingdao in December 2019 to further existing co-operations.

2.17 Over the duration of the five-day programme the team presented at five events, held five government meetings, ten meetings with major Chinese businesses and influential intermediaries. In total, the delegation met with over 250 key business and government contacts.

2.18 Potential opportunities identified during the visit which will be explored in 2020 include:

- Leeds City Region-Hangzhou FinTech Bridge – a co-operation model is now being developed
- Further export initiatives with the Hangzhou e-commerce zone and Alibaba;
- Identification of potential inward investment projects from six major Chinese businesses looking to expand their European market presence;
- A partnership with Qingdao focused on cooperation in film and TV, including the potential to explore education and skills exchanges; and
- Textile Industry initiative with Qingdao government and Bureau of Commerce.

2.19 Leeds City Region Chinese New Year Celebration and China Business Awards were hosted in partnership with the Business Confucius Institute at the University of Leeds and Visit Leeds on 21 January 2020. Sponsors included Market Gravity, Mills & Reeve and China-Britain Business Council.

2.20 The awards are an opportunity to showcase the exciting China partnerships which exist in Leeds City Region and demonstrate the scale and breadth of China-related activity across the city region. There were five award categories: Leeds City Region-China partnership, Exporter of the year, Chinese investment, Tourism, arts and culture, and Significant contribution to Leeds City Region-China relations.

India

2.21 The team continues to identify and engage with key influencers who are involved in government to government policy discussions with India.

2.22 One of the objectives is to identify opportunities to have greater involvement in the UK-India Joint Economic Trade Committee (JETCO).

- One of the JETCO initiatives is to identify market access barriers that limit UK trade with India in key three sectors;
- Sector working groups are aligned with Leeds City Region priority sectors: Health and Life Sciences, Digital and Data Services and Food and Drink; and
- Partnership work with UK India Business Council to ensure our businesses have the opportunity to participate and input into the report to government.

2.23 There is continued activity to identify and understand the existing Northern Powerhouse strands of activity that are emerging with respect to the Indian market, meeting with the activity leads at DIT and other Northern Powerhouse LEPs.

Trade & Investment team 2020/21 Forward Plan

2.24 Following an analysis of 2019/20 activity the Trade and Investment team is developing a forward plan of proposed activity for 2020/21.

2.25 This will provide an analysis of previous years FDI patterns and trends and how the implementation of new sector plans will provide greater clarity on what the region's main investment opportunities are in 2020/21.

2.26 In the context of Brexit, the retention of all foreign owned companies, irrespective of location, remains a high priority for the team as does providing ongoing support to companies during the transition period.

2.27 During 2020/21 the team must retain a degree of flexibility and agility so it can respond accordingly to emerging opportunities during a period of change from both a national and international perspective.

2.28 Guidance from DIT on future trade deals will be critical so The LEP can deliver a comprehensive and regular trade focussed communications programme and assist businesses to explore future international trade opportunities.

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

- 8.1 None

9. Appendices

- 10. None